aspen
HOLDINGS

Integrated Report 2015

Providing medicines to more than

150 countries

Our values

Commitment
We go the extra mile seeking to exceed expectations.

Excellence
We strive to be the best we can be and to deliver to the highest standards.

Innovation
We constantly search for better ways of doing things and are solution orientated.

Integrity
Our integrity is not negotiable.

Teamwork
We optimise our performance by pulling together. Our combined capabilities exceed the sum of each individual.

Our values define the foundation on which Aspen has been built. These are values we share as we work together towards achieving the vision of the Group.

Contents

Content and scope of the report

This is Aspen's fifth Integrated Report and is aimed at providing Aspen's stakeholders with an enhanced understanding of:

- the Group's strategic objectives, progress made in pursuit of these and the outlook;
- the six capitals of the Group, with reference to the inputs, activities and outcomes relevant to them;
- the economic, social and environmental impacts of the Group;
- information relevant and material to the Group's business;
- how the Group operates;
- the Group's strategic objectives and the challenges and risks to achieving these objectives;
- the Group's key performance indicators ("KPIs") which measure the Group's financial and non-financial performance; and
- the governance framework which regulates the conduct of the business.

All these aspects, interwoven, represent the fabric of the business that is Aspen. The Integrated Report of Aspen Pharmacare Holdings Limited ("the Company") and its subsidiaries (collectively "Aspen" or "the Group") has been prepared in accordance with the integrated reporting principles as set out in the King Report on Corporate Governance for South Africa 2009 ("King III") and covers the Group's operations, except where the scope is specifically stated as limited. This report has been structured to provide stakeholders with financial and non-financial information that is relevant and includes the Summarised Group Annual Financial Statements as approved by the Board of Aspen. The Summarised Group Annual Financial Statements are, however, not the Group's statutory accounts – the detailed audited Group and Company Annual Financial Statements for the financial year ended 30 June 2015 ("Annual Financial Statements") are available online at www.aspenpharma.com or from the Company Secretary & Group Governance Officer at rverster@aspenpharma.com, along with the supplementary documents as detailed below.

Reference has been made to the International <IR> Integrated Reporting Framework to reflect the connectivity between the Group's strategic objectives, KPIs and the inputs, activities and outcomes in respect of the Group's six capitals. Aspen endorses the view that reporting in an integrated manner assists shareholders, prospective investors and funders to make better informed decisions around investing and the allocation of resources.

Comments or feedback regarding this Integrated Report are welcomed and stakeholders are requested to direct these to the Company Secretary & Group Governance Officer at the email address indicated above.

Company names, currencies and other references have been abbreviated throughout the Integrated Report. Full names can be referenced from the abbreviations bookmark. Abbreviations of the regulatory authorities and acronyms can be found on pages 119 and 120.

Determining materiality

In determining materiality, Aspen considers material issues to be those that have the potential to substantially impact Aspen's ability to create and sustain value for our stakeholders. The Board has considered and agreed that the Group's strategic objectives and the KPIs related to these objectives constitute Aspen's material issues and that these are appropriately aligned with Aspen's approach to managing risks.

Transactions during the reporting year

The following transactions took place during the reporting year and are more fully detailed in this Integrated Report:

- Aspen Global, a wholly owned subsidiary of the Company, acquired the rights to Mono-Embolex, an injectable anticoagulant, from Novartis AG for a consideration of USD142 million;
- the Company acquired 65% of the issued share capital of Kama Industries Limited ("Kama"), a privately owned company incorporated in Ghana;
- Aspen Global and Aspen Brazil entered into an agreement with Bristol Myers Squibb for the acquisition of the rights to two corticosteroids, namely Florinef (primarily in Japan, the United Kingdom and Brazil) and Omcilon (in Brazil) for a consideration of USD41 million;
- the Group entered into a series of agreements with TesoRx Pharma LLC ("TesoRx"), a specialty pharmaceutical company, in terms whereof TesoRx licenses select international rights to TSX-002, an innovative unmodified oral-testosterone replacement therapy, to Aspen Global. These agreements further provided for the acquisition of a minor shareholding in TesoRx by Aspen USA, a wholly owned subsidiary of the Company;
- the Company concluded a transaction to acquire a 50% shareholding in New Zealand New Milk Limited ("NZ New Milk"), a producer of infant nutritionals in Auckland, New Zealand; and
- Aspen Global disposed of the rights to commercialise the fondaparinux products (being Arixtra and the authorised generic thereof) in the United States to Mylan Laboratories Inc. ("Mylan") for a consideration of USD300 million.

Board endorsement of report and assurance

At its meeting held on 22 October 2015, the Audit & Risk Committee reviewed and recommended the Integrated Report and the supplementary documents for approval by the directors. The directors acknowledge that they are responsible for the content of the Aspen Integrated Report and the supplementary documents. The Board has applied its mind to this report and confirms that, read with the supplementary documents made available online, it addresses all material issues and fairly represents the financial, operational and sustainability performance of the Group. Aspen's external auditors, PricewaterhouseCoopers Incorporated ("PwC"), have provided an opinion on the financial statements and assurance over the Summarised Group Annual Financial Statements included in the Integrated Report. This opinion can be found on page 93 of this report. The Aspen Group Internal Audit function ("Internal Audit"), assisted by external expert service providers, where appropriate, has provided the relevant assurance on the following material aspects of this report:

- risk management;
- ethics management;
- IT governance;
- material business systems of internal control; and
- material financial systems of internal control.

External assurance providers and Internal Audit have been engaged to provide limited assurance on the key sustainability aspects as referenced in the material sustainability issues and KPIs on page 38 of this report. More information in respect of the assurance obtained in respect of material matters reported on is available on page 37.

Supplementary documents

Accompanying this report is the notice of annual general meeting and related proxy form. The following documents are available online:

- Unabridged Corporate Governance Report and reports of the Aspen Audit & Risk and Social & Ethics committees for the 2015 financial year;
- the Aspen Group's Sustainability Report for the 2015 financial year ("Sustainability Report"); and
- the Annual Financial Statements.

(collectively the "Supplementary Documents").

Aspen manufactures approximately
23 billion tablets annually and has
26 manufacturing facilities at
18 sites on
6 continents and has more than
10 000 employees

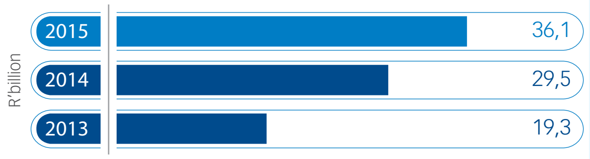
How we have performed

Highlights

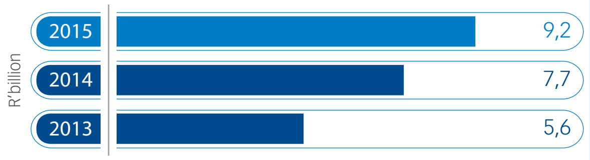
	Year ended 30 June 2015 R'million	Year ended 30 June 2014 R'million	Change	% 10-year CAGR#
Financial performance highlights				
Revenue	**36 126,6**	29 515,1	22%	29
Gross profit	**17 254,2**	13 721,9	26%	29
EBITA*	**9 171,1**	7 730,8	19%	27
Normalised headline earnings	**5 563,5**	4 853,8	15%	24
Cash generated from operating activities	**4 838,8**	3 836,3	26%	22
Financial performance indicators				
EBITA margin (%)	**24,1**	24,6		
Return on total assets (%)	**12,0**	13,0		
Gearing ratio (%)	**47,1**	51,3		
Return on ordinary shareholders' equity (%)	**17,0**	19,7		
Working capital as a % of turnover (annualised) (%)	**39,7**	37,3		
Net interest cover (times)	**6,2**	7,8		
Performance per share				
Basic earnings per share (cents)	**1 139,8**	1 097,9	4%	24
Normalised headline earnings per share (cents)	**1 219,1**	1 064,2	15%	24
Operating cash flow per share (cents)	**1 060,3**	841,1	26%	19
Share performance indicators				
Price earnings ratio (times)	**29,5**	28,1	5%	
Closing share price (cents)	**36 000,0**	29 889,0	20%	
Market capitalisation (R'billion)	**164,3**	136,4	20%	

** EBITA represents operating profit before amortisation adjusted for specific non-trading items as set out on the segmental analysis on page 99.*
 # The compound growth rate ("CAGR") represents 10-year annual growth, calculated for the period 2005 to 2015 covered in the 11-year review.

22% Increase in revenue to **R36,1 billion**



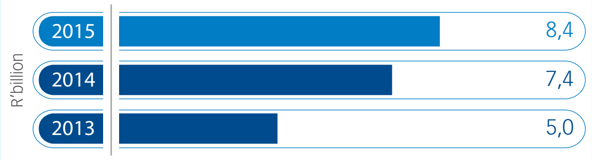
19% Increase in EBITA to **R9,2 billion**



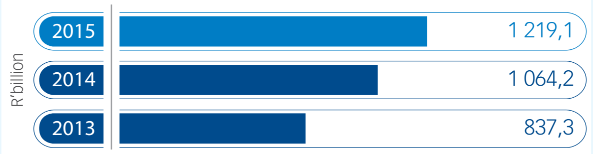
- Ongoing integration of recently acquired businesses in Europe CIS and Spanish Latin America
- Aspen was ranked 15th in the JSE's top 40 index
- Aspen began trading in Japan on 1 July 2015
- Expanded its global presence into Ghana and New Zealand

- Select non-core products were divested in Australia and South Africa, as part of Aspen's efforts to reduce complexity and optimise value creation
- Aspen's revenue in Europe CIS increased 45% to R10,5 billion
- The Group launched 105 products in 18 countries from its product pipeline
- Aspen Global acquired Mono-Embolex from Novartis AG for USD142 million, expanding its extensive anticoagulant product portfolio

14% Increase in operating profit to **R8,4 billion**



15% Increase in normalised headline earnings per share ("NHEPS") to **1 219,1 cents**



26% Increase in cash generated from operating activities to **R4,8 billion**

15% Increase in distribution to shareholders to **216 cents**

- The ongoing expansion of the Group's manufacturing capabilities progressed to plan during the year, with material expansion projects being undertaken at the Group's Port Elizabeth, FCC, Aspen Oss and Aspen NDB sites
- Revenue from Spanish Latin America (excluding Venezuela) grew by 44% boosted by the recent acquisition of the infant nutritionals business and the pharmaceutical products
- Aspen's S-26 brand remains the leading infant nutritionals brand in Australia

Starting small to grow bigger

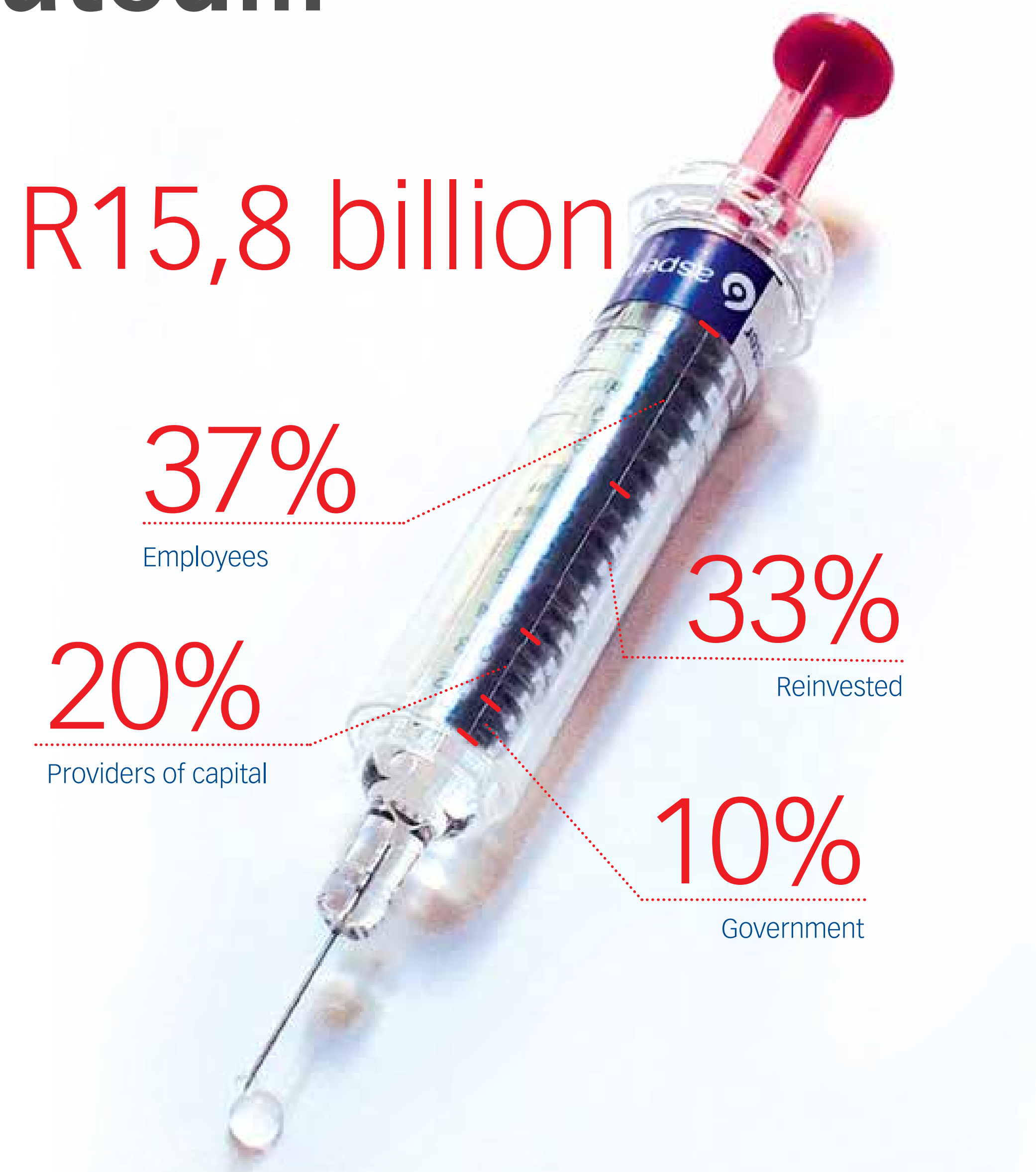
1 July 2015 symbolised the official launch of Aspen Japan's commercial operations. Initial focus is being placed on gaining a foothold in the world's second largest pharmaceutical market but more importantly in the hearts of the Japanese consumers through a basket of products covering various therapeutic categories including oncology, immunosuppressant, anti-inflammatory, hypertension, and anticoagulant.

The value Aspen has created...

R15,8 billion

Aspen recognises the importance of creating value for all its stakeholders.

This diagram indicates how Aspen's wealth has been distributed and reinvested.



Employees (R'million)

2015	5 883
2014	4 485
2013	2 504

Providers of capital (R'million)

2015	3 153
2014	2 062
2013	1 568

Governments (R'million)

2015	1 582
2014	1 185
2013	1 065

Reinvested in the Group (R'million)

2015	5 205
2014	5 324
2013	3 303

The Value Added Statement is available online.

Business model – Aspen's capitals

Inputs

Financial
- Pool of funds available to Aspen through capital and debt funding
- Cash flow generation capabilities

Manufactured
- Aspen's manufacturing operations worldwide
- Third-party manufacturing network
- Aspen's global sales, marketing and distribution centres
- Public infrastructure in the countries and territories in which Aspen operates

Intellectual
- Intellectual property rights, marketing authorisations, licences and software
- Goodwill
- Pipeline of products
- Governance, supply chain and data management systems
- Business acquisition and integration know-how

Human
- Employee expertise, skills sets and integrity
- Organisational structures throughout the Group
- Bargaining arrangements and organisational rights in place

Social and relationship
- Relationships with communities, customers, regulators, healthcare professionals, investors, suppliers, distribution partners, service providers, governments and other key stakeholders
- Responsible corporate citizenship

Natural
- Natural resources which Aspen uses – water, air, land, minerals and biodiversity

Activities

Financial
- Maintain strict financial discipline and controls
- Measure financial performance, value creation and cash generation
- Actively engage providers of capital and debt funding
- Seek out investment opportunities to increase shareholder returns, revenue generation and market capitalisation
- Focus on realisation of organic growth and synergistic benefits from acquired businesses

Manufactured
- Continuous improvement initiatives to sustain a cost competitive manufacturing base
- Monitor manufacturing quality standards, compliance with Good Manufacturing Practice ("GMP") and other applicable regulatory requirements
- Ongoing investment in manufacturing technology and capacity
- Maintain third-party manufacturing network and consider options to outsource
- Vertical integration between strategic manufacturing facilities providing a synergistic competitive advantage
- Distribution of manufactured product through public infrastructure and transport networks

Intellectual
- Development of a product pipeline that is carefully selected and tailored to each territory in which Aspen operates
- Identification and assessment of acquisition opportunities to accelerate growth, facilitate local expansion into targeted growth territories
- Integrate acquired businesses into the Aspen value chain while ensuring synergistic efficiencies and economies of scale
- Assessment of existing product portfolio for adequacy of returns and relevance to the market it serves
- Develop and maintain efficient regulatory, procurement and supply chain systems
- Maintain and protect intellectual property rights

Human
- Continued investment in training and upskilling of employees
- Talent management and succession planning to ensure continuity in respect of critical skills
- Constructive engagement of employees and representative labour organisations
- Fostering Aspen's commitment to integrity and values-driven leadership
- Focus on employee health, safety and wellbeing
- Appropriate and proven remuneration, incentive and performance management practices

Social and relationship
- Ongoing engagement with key internal and external stakeholders and management of reasonable stakeholder expectations
- Socio-economic investment focused on enhancing healthcare delivery to communities
- Participation in the Public Health Enhancement Fund ("PHEF"), a collaboration between the South African Department of Health and private sector healthcare companies
- Support of the Nelson Mandela International Day ("Mandela Day") across the Group's operations globally
- In-country initiatives aimed at community upliftment
- Enterprise development loan funding totalling R44,5 million advanced to new and existing suppliers

Natural
- Continued commitment to containment and reduction of the carbon footprint from the activities undertaken by Aspen through site management strategies and formal conservation projects
- Monitoring of emissions across manufacturing sites
- Responsible water management and usage across manufacturing sites
- Participation in annual Carbon Disclosure and Water Disclosure Projects
- Implementation and monitoring of systems and processes in place to manage hazardous and non-hazardous waste
- Promotion of waste recycling initiatives across manufacturing sites
- Monitoring and control of the quality of effluent discharge

Outcomes

Financial
- Double-digit earnings growth to Aspen's shareholders for 17 consecutive years
- Total shareholder return of 17 712% from listing until 30 June 2015 equating to a CAGR of 36%
- CAGR in excess of 40% for revenue, operating profit and NHEPS since listing
- Funding opportunities at competitive rates
- Strong cash generation enabling reinvestment into the business
- Value added to stakeholders – see the Value Added Statement on page 24 of the Sustainability Report, available online

Manufactured
- Globally competitive, scalable and widely accredited manufacturing facilities that provide a sustainable competitive advantage
- Manufacturing capabilities and providers that are aligned to commercial objectives
- Economies of scale for key products
- High quality, affordable, effective medicines and products that improve quality of health

Intellectual
- Broad product portfolio of branded products including prescription medicines, biologicals, generics, infant nutritionals and other consumer healthcare products
- Product portfolios aligned with targeted therapeutic categories for each region
- Consistent and efficient regulatory, procurement and supply chain systems which provide competitive advantages for the Group
- Successful launch of 105 products from the pipeline during the past year

Human
- Skilled and capable employees who are motivated to achieve the strategic objectives of the Group
- Maintenance of a high performance culture and the retention of skills
- Stable and constructive industrial relations
- Employees as ambassadors of Aspen, its reputation and its values-based approach to ethics

Social and relationship
- Enhanced profile of Aspen as a good corporate citizen with a reputation for its high quality, affordable medicines and products
- Delivering value to stakeholders
- Increasing healthcare skills and resources, primarily in South Africa
- Meeting legitimate stakeholder expectations and maintaining a "licence to operate"
- Adding value to the communities where Aspen has a presence
- Giving credence to our slogan, "Healthcare. We Care."

Natural
- Contribution to sustainable supply of energy and water to manufacturing sites critical to Aspen's ability to operate
- Reduction of environmental and carbon footprint of manufacturing operations
- Cost containment as a result of energy and water saving initiatives allowing for competitive manufacture

Who we are

Why invest in Aspen?

Aspen has a proud heritage dating back more than 160 years and is committed to sustaining life and promoting healthcare through increasing access to its high quality, affordable medicines and products.

Aspen is the largest pharmaceutical company listed on the South African stock exchange, JSE Limited ("JSE"), and is one of the top 20 companies listed on this exchange. Aspen's market capitalisation at 30 June 2015 was R164 billion (approximately USD14 billion). It is ranked among the top 10 generic pharmaceutical producers globally as assessed by EvaluatePharma® (refer to page 34 of this report). The Group has 26 manufacturing facilities at 18 sites on six continents and more than 10 000 employees.

The Group has delivered sustained double-digit growth for 17 consecutive years with a CAGR in revenue, operating profit and NHEPS exceeding 40% for this period.

Aspen is well positioned in both developing and developed markets – it is the largest pharmaceutical company in Africa, and has an expanding presence in Latin America, South East Asia, Europe and the Commonwealth of Independent States, comprising Russia and the former Soviet Republics ("CIS"). Aspen is also one of the leading pharmaceutical companies in Australia and is establishing a presence in other developed markets.

With an extensive basket of products that provide treatment for a broad spectrum of acute and chronic conditions experienced throughout all stages of life, Aspen continues to increase the number of lives benefitting from its products, reaching more than 150 countries across the world.

1 Strong market position

- One of the largest pharmaceutical companies in the southern hemisphere
- Substantial presence in major developing markets such as Latin America, Russia, Eastern Europe, sub-Saharan Africa ("SSA") and South East Asia
- Accredited manufacturing facilities that are scalable to demand
- Vertical integration advantages for the manufacture of certain of Aspen's leading global brands
- The leading pharmaceutical company in South Africa
- One of the top five pharmaceutical companies in Australia

2 Diversified geographies and product offering

- Well positioned in both developing and developed territories with products distributed to more than 150 countries
- More than 75% of revenues and EBITA are generated from territories outside of South Africa
- A broad product portfolio including branded medicines, biologicals, generics, infant nutritionals and other consumer healthcare products
- Diverse manufacturing capabilities across 26 manufacturing facilities covering a wide variety of product-types including oral solid dose, liquids, semi-solids, steriles, biologicals, active pharmaceuticals ingredients ("API") and nutritionals
- Diversification of geopolitical and currency risk

3 Proven track record

- Delivered double-digit earnings growth to its shareholders for 17 consecutive years
- Total shareholder return of 17 712% from listing until 30 June 2015 equating to a 36% CAGR
- Five-year shareholder return to 30 June 2015 of 40% equating to a CAGR of 38%
- CAGR since listing in excess of 40% for revenue, operating profit and NHEPS
- Skilled and experienced management team to execute Aspen's strategy across multiple territories

4 Leverages on local knowledge and expertise

- Empowered local management take ownership of their businesses and are responsible for growth in their respective markets
- Products are acquired and product pipeline is developed in line with targeted therapeutic categories for each region

5 Centralised Group activities facilitate synergies and mitigate pricing pressures

- Globally competitive manufacturing facilities that are aligned to commercial objectives and provide economies of scale
- Centralised regulatory, supply chain and procurement resources provide competitive advantages for the Group
- An ongoing focus on continuous improvement of efficiencies and performance

6 Positive growth drivers

- Provider of high quality, affordable, medicines and products to historically under-served markets
- Exposure to faster growing developing markets
- Expanding footprint in targeted strategic growth territories
- Ongoing consolidation of production volumes and procurement efficiencies at strategic manufacturing sites will deliver competitive advantages to the Group
- Capital investment in production technologies and capacities to harness synergies from recent acquisitions in the medium term
- Strong cash generation enables reinvestment into the business

7 Responsible corporate citizen

- Committed to pursuing the Group's strategic objectives in a responsible and sustainable manner
- Operates on an established foundation of strong corporate governance
- Participant in the United Nations Global Compact ("UN Global Compact") initiative
- Has qualified for the JSE Socially Responsible Investment ("SRI") index each year since first applying for participation in 2010
- Participant in the annual Carbon Disclosure and Water Disclosure Projects
- Focused investment for the development of our human capital and empowerment of future leaders

8 Other considerations

- Aspen has good trading liquidity with an average daily trading volume of more than one million shares
- Aspen's executive directors are founders and material shareholders of the Group, ensuring alignment of shareholders' and executives' interests
- The defensive nature of the pharmaceutical industry makes it less vulnerable to economic fluctuations

The Aspen timeline

Aspen has a proud heritage dating back more than 160 years

1850
The commencement of the business in Port Elizabeth, South Africa, which later became Lennon Limited, the originator company to the Group today.

1997
Aspen Healthcare (Pty) Limited began trading with Stephen Saad and Gus Attridge as two of the four founding members.

1998
Aspen was listed on the JSE through reverse listing into Medhold Limited.

1999
Aspen acquired the pharmaceutical business of South African Druggists for R2,4 billion in a hostile take-over.

**Closing share price at financial year-end.*

1998 R2,36*
1999 R5,10*
2000 R5,75*
2001 R5,95*
2002 R7,45*
2003 R7,75*
2004 R12,70*
2005 R23,80*
2006 R36,50*
2007 R37,00*
2008 R31,80*
2009 R54,75*
2010 R76,10*
2011 R84,00*
2012 R125,85*
2013 R227,07*
2014 R298,89*
2015 R360,00

2000
Aspen commenced construction of an oral contraceptive facility at its East London site.

2001
Aspen Australia commenced trade as a start-up operation.

Nelson Mandela officiated at the opening of a clinic constructed for the disadvantaged citizens of Engobo, South Africa, the first of the community clinics established under Aspen's socio-economic development ("SED") programme.

2002
Aspen concluded a broad-based black economic empowerment ("BBBEE") deal with CEPPWAWU Investments (Pty) Limited, the investment arm of the trade union representing the majority of Aspen's labour force in South Africa.

Aspen's new corporate identity was launched symbolising energy, innovation and nurturing.

2003
Aspen entered into a fostering arrangement with GlaxoSmithKline plc ("GSK") for the marketing and distribution of 40 branded products into the South African private sector.

Aspen Stavudine was launched – Africa's first generic antiretroviral ("ARV").

2004
Aspen acquired FCC, the only South African manufacturer of APIs.

Aspen acquired Infacare, the infant nutritionals brand, from Dutch-based Royal Numico.

Aspen's multi-million Rand Port Elizabeth-based Unit 1 facility became operational.

2005
Aspen extended its BBBEE ownership through the conclusion of an empowerment transaction with Imithi Investments (Pty) Limited.

Aspen's Unit 1 facility in Port Elizabeth became the world's first manufacturing site to receive tentative US FDA approval for the production of certain generic ARVs.

2006
Aspen secured distribution rights for a number of important ARVs from Merck Sharpe & Dohme ("MSD"), Bristol Myers Squibb, Roche and Tibotec as the Group extended its portfolio as the biggest supplier of ARVs in Africa.

2007
Prestige Brands Incorporated entered into an agreement with Aspen for the supply of eye drops from Aspen's Sterile facility in Port Elizabeth to the United States market.

2008
Aspen entered the Latin American market through an investment with Strides in businesses established in Brazil, Mexico and Venezuela.

Aspen acquired 60% of the share capital of Shelys with businesses in Kenya, Tanzania and Uganda.

Aspen Global acquired the intellectual property rights to four GSK-branded products for R2,7 billion, enabling Aspen to distribute these global brands, namely Eltroxin, Imuran, Lanoxin and Zyloric, to more than 100 countries.

2009
Aspen concluded a series of strategic transactions with GSK worth R4,6 billion comprising the acquisition of the rights to distribute GSK's pharmaceutical products in South Africa, the formation of The GSK Aspen Healthcare for Africa Collaboration ("the Collaboration") in SSA to market and sell pharmaceuticals in SSA, the acquisition of eight specialist branded products for worldwide distribution and the acquisition of a manufacturing site in Bad Oldesloe, Germany.

2010
Aspen took full control of the Latin American businesses acquired in 2008.

2011
Aspen acquired the pharmaceutical business of Australian-based Sigma Pharmaceuticals Limited, now Aspen Pharma (Pty) Limited, for R5,9 billion.

2012
Aspen established its first subsidiary in South East Asia.

Aspen acquired a portfolio of established GSK over-the-counter ("OTC") products in selected territories for R2,1 billion.

2013
The Group acquired a portfolio of 25 established prescription-branded products from GSK ("classic brands") with distribution rights in Australia effective December 2012.

In May 2013 Aspen Australia commenced the distribution of the leading infant nutritional products in that country following the acquisition of the rights to certain intellectual property licences and the related business by the Group.

2014
Aspen acquired an API business and a portfolio of branded finished dose form molecules from MSD as well as two branded injectable anticoagulants and a specialised sterile production site from GSK.

Aspen established a number of additional offices across Europe, the CIS and in Latin America, increasing coverage to more than 50 locations across the world.

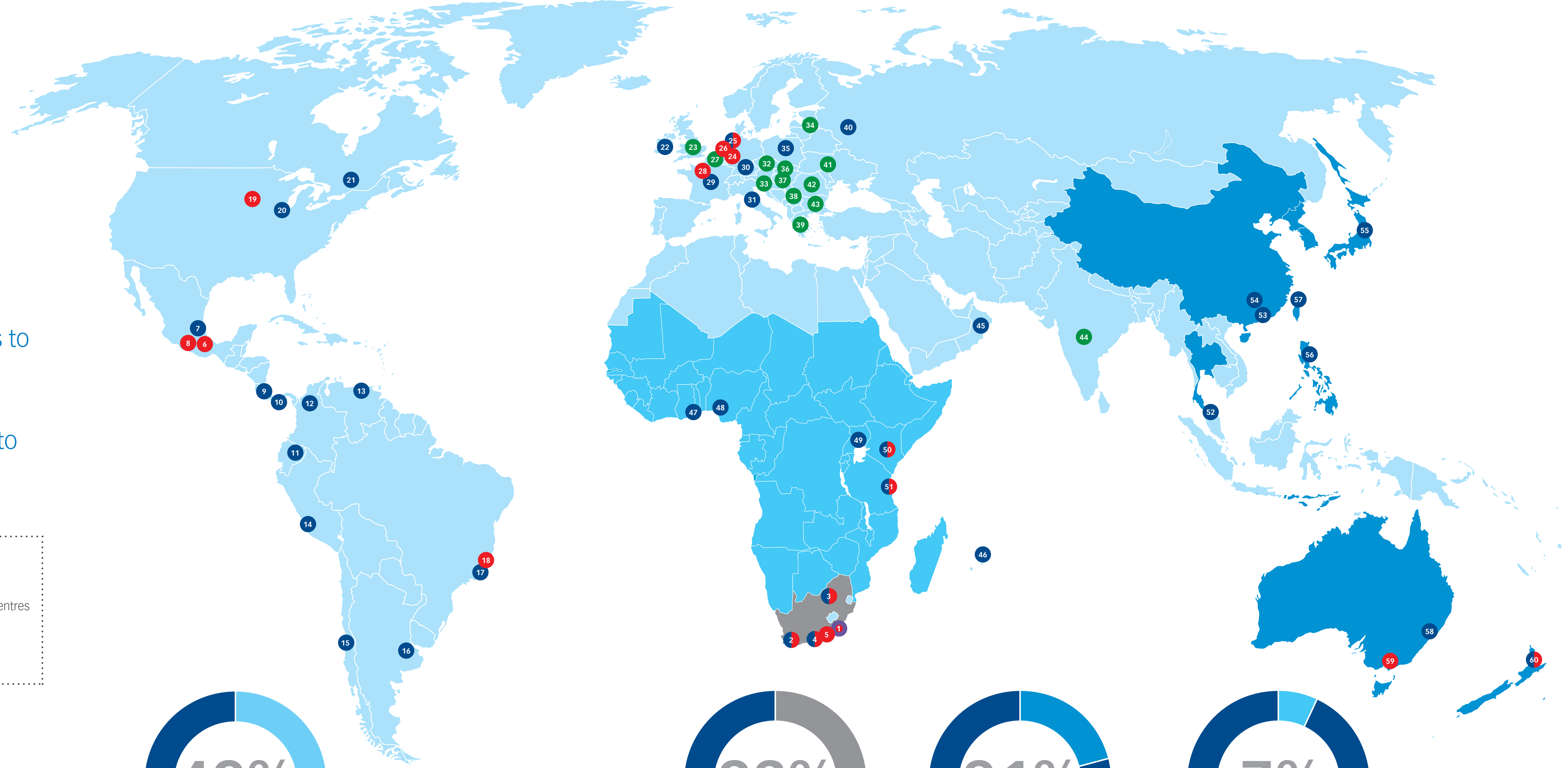
Intellectual property rights in related infant nutritionals businesses in Latin America and South Africa were acquired from Nestlé.

2015
The Group expanded its global presence into Ghana and New Zealand and increased the focus on its thrombolytic portfolio across Europe and its nutritionals portfolio in Spanish Latin America and Asia Pacific in line with its previously defined strategy.

Where we are

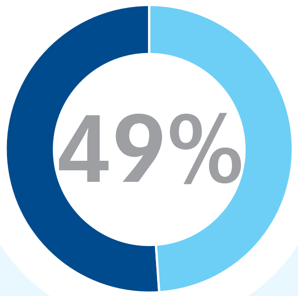
Global presence

Aspen's global footprint continues to increase. The Group presently has operations in 60 countries and supplies medicines and products to more than 150 countries.



Key
- Group headquarters
- Combined sales, marketing distribution and manufacturing centres
- Sales, marketing and distribution centres
- Manufacturing sites
- Branch/representative offices

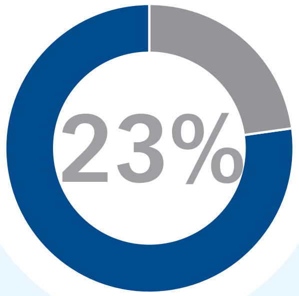
Contribution to Group gross revenue



International business

R18,6 billion

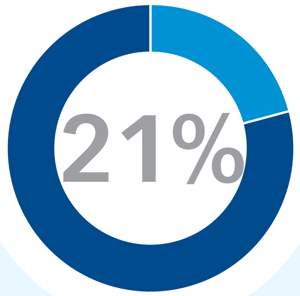
6 Toluca, Mexico
7 Mexico City, Mexico
8 Vallejo, Mexico
9 San José, Costa Rica
10 Panama City, Panama
11 Quito, Ecuador
12 Bogotá, Colombia
13 Caracas, Venezuela
14 Lima, Peru
15 Santiago, Chile
16 Buenos Aires, Argentina
17 Rio de Janeiro, Brazil
18 Vitória, Brazil
19 Sioux City, United States
20 Des Plaines, United States
21 Montreal, Canada
22 Dublin, Ireland
23 London, United Kingdom
24 Bad Oldesloe, Germany
25 Oss, the Netherlands
26 Boxtel, the Netherlands
27 Brussels, Belgium
28 Notre Dame de Bondeville, France
29 Paris, France
30 Munich, Germany
31 Verona, Italy
32 Prague, Czech Republic
33 Ljubljana, Slovenia
34 Baloži, Latvia
35 Warsaw, Poland
36 Bratislava, Slovakia
37 Budapest, Hungary
38 Belgrade, Serbia
39 Athens, Greece
40 Moscow, Russia
41 Kiev, Ukraine
42 Bucharest, Romania
43 Sofia, Bulgaria
44 Hyderabad, India
45 Dubai, United Arab Emirates
46 Grand Bay, Mauritius



South African business

R8,6 billion

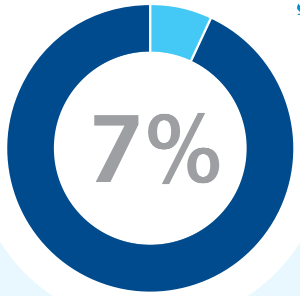
1 Durban, South Africa
2 Cape Town, South Africa
3 Johannesburg, South Africa
4 Port Elizabeth, South Africa
5 East London, South Africa



Asia Pacific business

R8,1 billion

52 Kuala Lumpur, Malaysia
53 Quarry Bay, Hong Kong
54 Guangzhou, China
55 Tokyo, Japan
56 Manila, the Philippines
57 Taipei, Taiwan
58 Sydney, Australia
59 Melbourne, Australia
60 Auckland, New Zealand



SSA business

R2,8 billion

47 Accra, Ghana
48 Lagos, Nigeria
49 Kampala, Uganda
50 Nairobi, Kenya
51 Dar es Salaam, Tanzania

Strategic objectives






The Board annually considers and agrees on Aspen's strategic objectives and reviews the performance of the Group over the past year, the challenges and risks and the outlook for each strategic objective. The result of this consideration is reported below. The material sustainability issues and KPIs supporting each strategic objective are also noted.

An analysis of these material sustainability issues and KPIs are set out on pages 38 to 47 of this Integrated Report and a review of how the Group has performed in respect of these KPIs is detailed in the Sustainability Report, available online.

Aspen's six capitals:

- Financial
- Manufactured
- Intellectual
- Human
- Social and relationship
- Natural

To deliver sustainable growth in earnings from a diversified portfolio of products and geographies

Capitals involved

RELEVANT KPIs	PERFORMANCE OF THE PAST YEAR	CHALLENGES AND RISKS	OUTLOOK
1 **Growth in gross revenue** (page 40) **Growth in EBITA** (page 40) **Growth in NHEPS** (page 40)	• Aspen delivered a 17th successive year of double-digit earnings growth. The Group's primary indicator of financial performance, NHEPS, grew by 15% to 1 219 cents. Territories that have been identified as future growth drivers performed well, with revenue from customers increasing strongly in Europe, Latin America and in Asia. Aspen established an operation in Japan during the year, comprising 21 employees.	• Competition in the global pharmaceutical market remains intense. Health and pharmaceutical regulators in most countries are seeking to reduce the cost of pharmaceuticals through pricing legislation. Low-cost Asian pharmaceutical businesses are active in all major territories and there are frequently a number of competing generics launched upon patent expiry of a molecule. Evolving pharmaceutical regulations and application of increasingly stringent quality standards has led to raised costs of compliance across all territories and resultant diminishing returns on investment. • Sales to customers in Latin America were constrained due to poor supply by contract manufacturers of certain key pharmaceutical products. In Australia, aggressive legislated price cuts continue to weigh on performance. • The territorial diversification of the Group and its presence in emerging pharmaceutical ("pharmerging") markets exposes it to currency volatility. A number of treasury management initiatives are in place to, as far as possible, mitigate currency risks.	• The existing Aspen businesses are each well positioned and provide a sound foundation for the Group's planned growth. Aspen will continue to develop its standards ahead of global requirements in the pursuit of the delivery of high quality effective medicines and products at affordable prices. • Aspen remains alert to the potential for value-creating opportunities aligned to the Group's development plans and has proven ability to successfully execute complex multi-territory transactions.

Strategic objectives continued

RELEVANT KPIs	PERFORMANCE OF THE PAST YEAR	CHALLENGES AND RISKS	OUTLOOK

To supply customers and patients with high quality medicines at competitive prices

Capitals involved

RELEVANT KPIs

2

Number of product recalls (page 38)

PERFORMANCE OF THE PAST YEAR

- A total of six products were recalled during the year. Four of these were in South Africa with the other two being in Brazil and Australia. A full assessment of these recalls has taken place with no material consequences arising. Remediation actions have been put in place to prevent any recurrence.
- In South Africa, Aspen ranks first in terms of the number of script lines dispensed and in Australia, Aspen ranks first in terms of pharmaceutical prescriptions written. These indicators reflect customer satisfaction as well as customer confidence in the Aspen brand. The Arixtra and Fraxiparine brands, acquired during the prior year, are now the Group's top two products by value. They are widely recognised as effective treatments for venous thromboembolism, a leading cause of in-hospital deaths.
- A number of supply chain initiatives have been delivered during the course of the year. Predictive reviews of stock status allow for minimisation of supply disruptions. Management of the supply chain diversity has been enhanced through improved market intelligence.
- The Group has taken on new manufacturing sites as a consequence of recent transactions. These sites are being integrated into the Group under the Aspen quality systems and metrics. The Group's manufacturing sites have maintained their GMP accreditations without any critical findings from reviews undertaken by various regulatory authorities.
- The quality systems management review process has been implemented at Aspen Oss and Aspen NDB.
- Aspen's South African manufacturing sites continue to successfully contain product cost increases despite inflationary pressures and rising energy costs. This is achieved through continuous improvement projects generating production efficiency enhancements, with associated reductions in operating expenses, as well as through innovative material sourcing initiatives.
- The Group's third-party manufacturing sites are monitored for quality compliance by means of a central Group regulatory audit matrix. The audit matrix has now been expanded to include certain API suppliers, third-party distributors and regulatory and pharmacovigilance service providers, enabling Aspen to maintain high standards of compliance.
- The Group Quality Department, established at Aspen's Technical Centre in Ireland, provides ongoing support to the Aspen sites and affiliates to ensure a consistent standard of quality and compliance practices across the Group. This will ensure all quality and compliance risks are proactively identified and managed. Ongoing generation of clinical data to support the recently acquired anti-thrombosis products, as well as some South African and global products has necessitated the formation of a Clinical Trials Department within the Aspen Technical Centre.

CHALLENGES AND RISKS

- The integration of a large portfolio of newly acquired products in a relatively short period of time, in addition to the ongoing maintenance of excellent service levels from the pre-existing business, has required careful planning and balancing of resources. The majority of the products acquired in the 2013 transaction concluded with MSD, require the products to be transferred out of the MSD network in a very short timeframe. Project plans have been developed and are being closely monitored.
- The South African public healthcare tender requirements have been significantly amended and therapeutic classification of products for tendering will raise costs of tender participation, placing further pressure on competitive pricing. Certain initiatives around the serialisation of product packaging are aimed at reducing these additional costs. Delays in the MCC's approval of product variations for South African products has proven challenging in terms of ongoing continuity of supply and implementation of product upgrades and optimisations. There is ongoing monitoring of those variations impacting supply, with appropriate prioritisation being considered throughout the Group. New approaches to expedite approvals are also being discussed with the MCC.
- Regulatory requirements and product regulations continue to evolve, placing increased focus on maintaining and upgrading the Group's intellectual property and further increasing the cost of product ownership. Certain products require extensive upgrades in order to comply with increased requirements, increasing the time required to improve the products and obtain approval.
- The expansion of Aspen's business in Europe, together with the publication of various new European directives, has required increased allocation of resources and reduced flexibility to trade.
- The transition of newly acquired products to newly established affiliates requires extensive planning and precise execution to ensure consistency of supply.
- Aspen's South African manufacturing sites are faced with product cost pressures due to volume volatility coupled with larger than inflation electricity price increases and the costs associated with the implementation of the Labour Relations Act amendments (the amended Act provides for the payment of pension and medical aid benefits to contract staff).

OUTLOOK

- Aspen has established a platform of domestic and international distribution networks to serve its customer requirements across its territories. This platform is now being expanded to meet the increased product portfolio and business needs. Improved systems and processes are in place to ensure the scalability of the existing platform and the requisite diversification where required. Ongoing assessment of the supply chain is undertaken to proactively address the challenges of the integration of new products and new sites associated with the site transfers.
- The focus on intellectual property upgrades and regulatory processes will continue into the new year. All new intellectual property received will be assessed and plans developed to ensure ongoing compliance. Multiple submissions are underway to reflect ownership and site of manufacture changes for acquired intellectual property.
- The Development Centre established by Aspen in India focuses on aspects such as API comparisons, analytical validation, stability and regulatory compliance to enhance the capacity required to maintain intellectual property cost effectively. This centre is also used to develop products in support of Aspen's organic growth. The establishment of a Clinical Trials Department will allow Aspen to develop data in support of new indications for existing products and the expanded Pharmacovigilance Department will continue to assure product safety.
- The Group Quality Department will continue to monitor quality and compliance across the Group and will assist with the integration of new product acquisitions across the supply chain.
- Aspen will continue to seek transparent engagement and to build constructive and interactive relationships with the respective in-country regulators.
- The manufacture of a number of recently acquired products will be realigned, with some of this manufacture being moved into Aspen's Port Elizabeth and Bad Oldesloe sites. A project management team and experienced technical transfer team will oversee these initiatives. A Group procurement function is being established to benchmark APIs, finished products and key components to ensure that Aspen costs remain competitive. Specific focus will also be placed on an improved heparin supply chain in the 2016 financial year.
- Projects will be implemented at Aspen Oss to address GMP deviations where required.

Strategic objectives continued

RELEVANT KPIs	PERFORMANCE OF THE PAST YEAR	CHALLENGES AND RISKS	OUTLOOK
To increase the direct promotion of Aspen products worldwide			**Capitals involved**
3 **IMS Health (Pty) Limited ("IMS") value of product pipeline for the next five years** (page 38) **Growth in gross revenue** (page 40)	• Concerted efforts were made to operationalise and position newly established entities in France, Poland, Germany, Italy, the Netherlands, Russia, Colombia, Chile, Ecuador, Costa Rica, Panama and Peru to promote Aspen products. • The Group acquired 65% of Kama's pharmaceutical business in Ghana, Aspen's new operation in Japan commenced trading on 1 July 2015, expanding its presence in SSA and Asia Pacific respectively.	• It is Aspen's preferred approach to support its products with direct promotion in those markets where there is sufficient critical mass in the product offering and revenue potential is sufficient to justify the investment. Until this point is reached, Aspen relies upon third-party distributors to take its products to the market. • The introduction of large numbers of new sales representatives, particularly in countries where Aspen has not previously been represented, creates significant challenges of cultural orientation and alignment with the Group's business ethos. A considerable amount of time and attention has been given to communication and reinforcement of the Aspen way of doing business.	• Aspen will work on optimising the contribution from the sales teams deployed while evaluating opportunities in new markets which may justify the introduction of further territories to the Group's promotional footprint.
To achieve superior returns on investment for our shareholders over the long term			**Capitals involved**
4 **Return on ordinary shareholders' equity** (page 40) **Growth in NHEPS** (page 40) **Return on total assets** (page 42) **Value added per employee** (page 40) **Operating cash flow per share** (page 42)	• Aspen has, for the 17th consecutive year, delivered double-digit earnings growth to its shareholders. Aspen's CAGR since listing exceeds 40% for revenue, operating profit and NHEPS. • An investment in Aspen shares has yielded the following annual compound returns over the stated periods to 30 June 2015: – Since listing = 36% – Last five years = 38%	• Performance has been impacted by an unfavourable exchange rate environment in which the US Dollar was particularly strong, devaluing revenue flows and increasing cost of goods in the Group's principal trading currencies. • Worldwide pressure on medicine prices, ongoing reform of healthcare legislation, intense competition, currency volatility and market-specific risks add to the task of delivering superior returns. • In order to achieve sharper focus in key therapeutic areas and, ultimately, improved return on investment, a broad range of non-core products distributed in Australia and in South Africa have been divested.	• Strategic initiatives taken to diversify market risks, currency risks and product risks support sustainable growth prospects. The Group's globally competitive production capabilities and economies of scale help to mitigate pricing pressure. Aspen's global distribution platform can be leveraged for the launch of its product pipeline and for innovative distribution partnerships with leading global pharmaceutical companies. • The revenue from the divested non-core products in Australia and South Africa for 2015 was R1,7 billion and these divestments are expected to unfavourably impact NHEPS in the short term, but will ensure an improved medium-term return on investment and allow the management of these businesses to shift focus to products with the best potential for sustainable returns. • The Group remains well positioned to assess and take advantage of acquisition opportunities which present strategic advantages and long-term value.
To continuously increase and improve our offering to healthcare professionals and patients through a prolific product pipeline			**Capitals involved**
5 **IMS value of product pipeline for the next five years** (page 38)	• During the past year, the Group launched a total of 105 products in 18 countries, increasing access to high quality, affordable medicines and products. An extensive review of all product development and licensing initiatives has been undertaken to refocus the approach in accordance with the Group's future growth plans and strategy. This has resulted in streamlining the Group's product pipeline and the divestment of non-core product portfolios in South Africa and Australia.	• Regulatory standards for new product registrations and the maintenance of existing intellectual property continue to be raised, increasing the costs of bringing new products to the market and making the achievement of acceptable returns on investment from existing products and new introductions more difficult. • The higher potential returns associated with differentiated products, which make up an increased portion of the Group's pipeline, have greater investment requirements in the development phase. • Product registration timelines are long in certain key countries, notably South Africa and Brazil. Registration times are unpredictable, which affects the supply chain readiness to launch products rapidly following registration.	• The IMS value of products currently in Aspen's five-year product pipeline is USD4,6 billion. Launch timing is dependent upon the speed of processing of the necessary registrations by the regulatory authorities in each country. • The product pipeline will continue to be developed and refined in line with the Group's targeted therapeutic categories for each region.

Strategic objectives continued

RELEVANT KPIs | PERFORMANCE OF THE PAST YEAR | CHALLENGES AND RISKS | OUTLOOK

To achieve a strategic advantage through our production capabilities

Capitals involved

6

EBITA margin
(page 42)

Performance of the past year

- Processes to transfer recently acquired brands such as Ovestin cream, Thyrax tablets, Oradexon tablets and Meticortolone liquid from the historic MSD manufacturing facilities to the Aspen Bad Oldesloe site, are proceeding to plan. The launches of the line extensions to the Eltroxin brand and the Ovestin cream into the first commercial markets are in progress.
- The Sterile manufacturing site acquired from GSK in the prior year successfully implemented a new IT system required to ensure the functionality of the site following the termination of IT services from GSK.
- The construction of a new high containment facility at the Port Elizabeth site is nearing completion. This facility will employ technologies to support high levels of containment and operator protection and is aimed at the cost-competitive manufacture of certain global brands.
- An extension to the sterile manufacturing capabilities in Port Elizabeth, to the value of R1,4 billion and comprising a high speed prefilled syringe suite, a combination vial/ampoule suite and a segregated specialised suite, is proceeding to plan.
- Construction of the new high volume, high potency multipurpose API site at FCC in Cape Town is progressing to plan with three of the four production suites completed and in operation, with the final production suite expected to be operational in the next few months.
- There continues to be a strong focus on continuous improvement initiatives to optimise production efficiencies across the Group in order to supply cost-effective products.
- Aspen Oss was successfully inspected by the US FDA, and the French regulator, ANSM, extended the site GMP certificate of Aspen NDB without the need of an on-site inspection. All the Aspen sites underwent successful customer audits.

Challenges and risks

- There are a considerable number of projects in progress within Aspen's manufacturing operations. Dedicated project teams and experienced project leaders are in place to manage the complexity and the scale of projects. Project Steering Committee meetings are held regularly and the execution of projects is on target according to the project plans.
- The management teams at Aspen Oss and Aspen NDB continue to implement business strategies aimed at achieving production standards and efficiencies consistent with Aspen's strategic manufacturing sites and at instilling Aspen's high performance culture.
- Volume declines at the South African operations in the first quarter of the year, mainly due to reduced volumes from the state ARV tender, had an adverse financial impact. These operations also experienced product cost pressures due to above-inflation electricity cost increases and costs associated with amended labour legislation requiring the extension of certain employee benefits to contract employees.
- Currency volatility and US Dollar strength impacted the importation of raw materials and cost of goods at Aspen's material manufacturing operations.

Outlook

- Extensive work on a number of projects to improve production and procurement efficiencies at Aspen Oss and Aspen NDB is planned to improve future cost competitiveness from these sites.
- The strategic capital expansion projects at FCC comprising three specialised API manufacturing suites are progressing to plan.
- Strategic capital expansion projects in Port Elizabeth will continue, specifically the construction of a high-containment suite, where construction is at an advanced stage, and the construction of an extension to the Sterile facility, where construction started in May 2014.
- Product realignment projects will increase production efficiency and result in improved cost of goods.
- The transfer of the acquired Fraxiparine vials product into the existing Aspen Sterile facility in Port Elizabeth is progressing to plan and is expected to yield a number of cost savings.
- In Australia, the Noble Park and Baulkham Hills sites have been decommissioned and closed. The Baulkham Hills site was sold in June 2015 and the sale of the Noble Park site will be completed in November 2015. The Croydon site was closed and sold during December 2014. The Australian business is expected to reap the benefit from the resultant cost savings and management's ability to realign its focus.
- Targeted plans are in place to increase production volumes by means of new product introductions and the realignment of production currently being outsourced to third-party manufacturers to Aspen manufacturing sites.

To provide a safe, challenging and rewarding environment for our employees

Capitals involved

7

Value added per employee
(page 40)

Disabling incident frequency ratio ("DIFR")
(page 42)

Lost work day frequency ratio ("LWDFR") (page 42)

Average staff turnover
(page 44)

Average training spend per employee
(page 44)

Performance of the past year

- Safety, health and environment ("SHE") compliance in the South African operations, Aspen NDB and Aspen Bad Oldesloe sites remain well entrenched and is of a very high standard, as was evidenced by very successful external legal compliance audits, and the ISO re-certifications of the South African and Aspen Bad Oldesloe operations.
- The Group SHE structure continued to provide support to all business units in respect of SHE legal compliance. SHE management systems and standards, in accordance with Aspen's internationally aligned standards, are in place in all operations.
- Aspen recorded no work-related fatalities during the year.
- Aspen Oss has completed a significant number of SHE risk mitigation actions (technical, behavioural, system, and engineering/construction interventions) to mitigate the SHE risk at the Moleneind site. This proactive approach has been well received by the authorities. Several projects are, however, still in progress and need to be completed to plan.
- Nineteen delegates successfully completed the newly introduced Management Development Programme, initiated in partnership with the University of Pretoria's Gordon Institute of Business Science. Several delegates that attended the programme have subsequently been promoted to new positions. Delegates of the class of 2015 include employees from South Africa and Mauritius.
- The inaugural Aspen Employee Recognition Awards were successfully launched and presented during the Global Strategic Leadership Conference, hosted in November 2014.
- Subsequent to the formation of the Aspen Woman's Forum in South Africa, several related initiatives were implemented.
- The Aspen Competencies were successfully launched across the organisation. Most of the business units have started integrating these competencies in their respective areas. The competencies will enable Aspen to use one common language in defining behaviour that leads to excellent performance by employees.
- A number of initiatives that seek to accelerate transformation within the South African context were undertaken. These include:
  – The Aspen Bursary scheme for university students;
  – Internships for graduates;
  – The Disability Awareness and Disclosure process;
  – The Dairyman Learnership Programme in the Nutritionals business unit; and
  – Establishing partnerships with certain professional bodies.
- Business units identified and implemented initiatives to improve the level of employee engagement in the organisation.

Challenges and risks

- The age and design of the Moleneind site at Aspen Oss gives rise to an inherently high risk of SHE incidents in the sustained manufacture of synthetic chemicals at this location. Measures to fully mitigate this exposure require to be finalised.
- There remains a high level of scrutiny applied to the Aspen Oss site and any SHE incidents (especially spillages) when they occur. Continued constructive engagement with the authorities is required. The planned SHE mitigation actions, especially the interventions in respect of the safety culture, require to be implemented. The improvement oversight proposal submitted to the authorities has yet to be approved. There is a possibility that the authorities will place an inspector on site to verify implementation.
- Staff reduction processes are being executed at Aspen Oss to address the decline in volume of certain products and the resultant impact on production.
- Identifying, developing and incubating talent across the Group is critical to retaining a high performance organisation.
- Lack of an integrated human resources management system within the Group continues to be a limiting factor. Current processes are exposed to risk of error and pose difficulty in accessing consistent metrics across the Group.
- The integrating of the acquired businesses into the Aspen culture and values remains a focus area.

Outlook

- The phased approach to SHE ISO certification for the remaining Aspen operations will continue.
- With the conclusion of internal plant transfers, the Port Elizabeth and East London sites will convert a large number of temporary worker contracts into permanent employment in accordance with stabilised capacities.
- Projects to progress the development of a sustainable SHE environment at the Aspen Oss site will continue.
- The business continues to review human resource policies and practices across the organisation and is working on identifying areas where consistent application will be beneficial and areas where local practice should prevail.
- Plans to implement an integrated human resources management system which will enable access to real-time information regarding employees to support various business requirements and Group Human Resources initiatives will be progressed.
- The process to embed consistent recruitment practices, development of employees, building leadership capability and identifying high potential employees will continue.
- Greater focus will be placed on identifying and providing accelerated development of talented employees and future leaders. A structured talent planning process has already been introduced to the Group as the first step.

Strategic objectives continued

RELEVANT KPIs	PERFORMANCE OF THE PAST YEAR	CHALLENGES AND RISKS	OUTLOOK

To practise good corporate citizenship

Capitals involved

8 **BBBEE accreditation in South Africa** (page 44) **Carbon emissions** (page 44) **Waste recycled** (page 44) **Electricity used** (page 46) **Water used** (page 46) **Number of material incidents of legislative infringements** (page 46)	• Aspen's listing on the SRI of the JSE for the fifth consecutive year was confirmed in November 2014. • The Social & Ethics Committee continues to play an active role in assisting the Board to ensure focus on Aspen's profile as a responsible corporate citizen and the Group's efforts aimed at enhancing this profile. In pursuance of these goals Aspen remains an active participant of the UN Global Compact and embraces the 10 principles associated with the Compact. As part of its commitment to this Compact Aspen publishes a Communication on Progress Report on an annual basis which can be viewed online. • Aspen operates on an established foundation of strong corporate governance. The Group has applied King III and an unabridged Corporate Governance statement and King III application register can be viewed online. • The Board is satisfied that the Group's governance processes, including Aspen's ethics management programme, have been appropriately implemented to maintain good governance standards throughout the Group. Efforts are underway to ensure that these processes are effectively embedded in those businesses acquired and established during the past financial year. • A dedicated Resource Conservation Engineer employed within the Group SHE Department supports the South African manufacturing sites in identifying and managing energy conservation projects. Aspen continues to participate in the Carbon Disclosure Project and aims to improve the current score of 89C. The 2015 CDP results will be published in December 2015. • As a result of the increased targets and higher BBBEE recognition levels introduced by the revised Department of Trade & Industry's BBBEE Codes of Good Practice ("the BBBEE Codes") on 1 May 2015, Aspen has been rated as a Level 4 contributor for the 2015 financial year (2014: Level 3).	• Reporting and disclosure requirements in respect of Aspen's corporate citizenship and the application of international best practice remain onerous and require management focus and attention – Aspen will continue to meet these reporting requirements in a balanced and responsible manner. • The Board and management remain aware of the importance of practising good corporate governance while retaining Aspen's entrepreneurial corporate culture and the associated agility of decision-making. This balance has been best achieved by embedding principles of good corporate governance in business practices at an operational level, wherever practicable. • The Group acknowledges the critical importance of energy and water supply to its business and remains cognisant of risks which influence future availability of these scarce resources. • The Board will, in conjunction with the Social & Ethics Committee, continue to consider additional measures toward an improved BBBEE status. The revised BBBEE Codes which became effective during the financial year set more onerous targets and consequently achieving higher scores has become more demanding.	• Aspen will continually seek to achieve its strategic objectives in a manner which reflects its commitment to being a responsible corporate citizen. Aspen's corporate governance practices extend beyond legislative and regulatory compliance – good governance standards are upheld throughout the Group. Governance structures, practices and processes will continue to be monitored and revised from time-to-time, taking into account best practice as well as practicable and cost-effective implementation. • The Group's Environmental Management Principles and adherence to its health and safety standards will continue to be promoted. • The Mandela International Day initiative, introduced in 2011 by the Group, continues as an annual event through which employees directly assist needy communities. In 2015 business units from 36 countries participated in 90 projects for approximately 60 000 beneficiaries. • The Group plans to continue its investment in appropriate skills development and enterprise development initiatives in line with the increased targets and higher BBBEE recognition levels as a result of the updated BBBEE Codes revised in May 2015.

To be alert to opportunities to enhance the value of the Group for its stakeholders

Capitals involved

9 **Return on ordinary shareholders' equity** (page 40) **Growth in NHEPS** (page 40) **Return on total assets** (page 42) **Value added per employee** (page 40) **Operating cash flow per share** (page 42) **Net interest cover** (page 42)	• The successful integration of the recently acquired businesses in Europe CIS and Spanish Latin America has created a solid platform for future sustainable growth. • A broad range of non-core products distributed in South Africa and Australia have been divested. • The Group continued its acquisition of value-enhancing businesses and products during the year, including the acquisition of Mono-Embolex, an injectable anticoagulent from Novartis AG, for a consideration of USD142 million, the acquisition of two corticosteriods, Florinef and Omcilon, for a consideration of USD41 million and the acquisition of equity stakes in companies in Ghana (65% of Kama) and New Zealand (50% of NZ New Milk) a producer of infant nutritionals.	• Operationalisation of multi-site, multi-product, multi-territory prior year transactions is exceptionally complex. This process was undertaken with the benefit of teams which have extensive experience in executing transactions of this nature. • The divestments of the non-core products in South Africa and Australia will result in a short-term decrease in revenue from these businesses. • The competitive environment and a weak economic climate are hurdles to grow market share of products in the recently acquired businesses in Europe CIS and Spanish Latin America.	• Assessment of opportunities which are aligned with Aspen's global and regional objectives will be ongoing. • The possible divestiture of products and businesses which are not aligned with the Group's areas of focus remain under assessment. • Sharper focus in key therapeutic areas and improved medium-term returns on investment will result from the product divestments undertaken by the South African and Australian businesses during the year. • A number of the value creation projects have been initiated across the Group to harness synergies arising from the recently acquired businesses. Aspen is targeting an additional R2,5 billion in EBITA annually from these synergies by the 2019 financial year.

Engaging stakeholders

Aspen recognises the benefit of fostering and maintaining strong relationships with its stakeholders through transparent and effective communication. The Board is committed to sustaining Aspen's established credibility and rapport with its stakeholders.

Aspen has, after having engaged with various stakeholders for more than 17 years since its listing on the JSE, identified its stakeholders as those persons, groups or organisations who are directly impacted by its activities, as well as those persons, groups or organisations who can reasonably be foreseen to be impacted by the Group's activities. A structured system of engagement exists to ensure the timeous communication of accurate and relevant information to and interaction with each stakeholder group in a consistent manner.

The Board has, after a thorough consideration of the Group's various stakeholders, categorised its key stakeholders as follows:

People
- Employees
- Trade unions and works councils
- Bargaining councils
- Academia and educational institutions

Corporate
- Shareholders
- Investors, healthcare analysts and media
- Communities
- Consultants and service providers
- Funders and corporate bankers

Operations
- Pharmaceutical regulatory authorities
- Healthcare industry
- Suppliers
- Government and local authorities
- Customers and consumers
- Business and alliance partners
- Service providers

The means by which Aspen engages its key stakeholders is defined in the Group's Stakeholder Engagement Report, available online.

The Board takes overall responsibility for ensuring a stakeholder-inclusive governance approach and has, for this purpose, approved the Group's Stakeholder Engagement Report. Executive management has been entrusted with the responsibility for implementing this policy and for maintaining a robust and consistent system of communication with the identified stakeholder groups. A wide range of regular, structured and ad hoc engagements take place at various levels in the organisation.

Stakeholder engagement is a standing agenda item at scheduled meetings of the Board. Executive management submit quarterly stakeholder engagement reports detailing notable engagements with the Group's key stakeholders and any material topics or matters of concern which may have arisen are considered under this item. The documented feedback from these engagements assists Aspen in preparing its Integrated Report and to decide on what is to be included in the report from a materiality perspective. Management responds to material issues raised by stakeholders, as appropriate, in the ordinary course of business.

Included below are the more notable stakeholder engagements undertaken during the year:

Subject of engagement	Concerns raised and addressed
Business and alliance partners	
Acquisition and disposal transactions undertaken during the year	• Commercial and legal negotiations undertaken to resolve matters arising during due diligence processes related to material disposals • Significant engagement with counterparties to ensure the successful transition of the acquired and divested businesses
Employees	
Ongoing integration of employees transferred from recently acquired businesses to Aspen	• Organisational restructuring due to business integration requiring consultation and engagement • Assimilation into Aspen and adoption of the Aspen culture
Trade unions and works councils	
Appointment of temporary employees to permanent positions at the South African operations	• Consultation on procedures to appoint employees to permanent positions in terms of amended provisions of the South African Labour Act
Restructuring at the Aspen Oss site	• Consultation with works council regarding organisational restructuring as a result of business integration
Funders and corporate bankers	
Group funding considerations	• Ongoing engagement in respect of Aspen's ability to service debt levels and meet funding covenants
Government	
Currency flow from Venezuela	• Government liaison with the Venezuelan and South African governments in respect of the facilitation and implementation of a payment plan to remit funds from Venezuela
Suppliers and customers	
Third-party supply	• Increased engagement with third-party suppliers to investigate opportunities for outsourced manufacture where this is in the Group's best interest • Engagements related to providing third-party supply manufacturing services to customers at the Aspen NDB and Aspen Bad Oldesloe sites
Shareholders, investors, healthcare analysts and media	
Integration of significant transactions undertaken during the previous financial year and progress made	• Reporting on integration of acquired businesses, extraction of synergies to boost organic growth and Aspen's performance subsequent to these transactions
Future organic and inorganic growth prospects	• Discussions on growth opportunities for Aspen with reference to possible acquisitions as well as the integration of recently acquired businesses and leveraging the Group's manufacturing facilities to enjoy competitive advantages
Environmental and safety regulatory authorities in the Netherlands	
Soil contamination and safety challenges at the acquired Moleneind site in Oss, the Netherlands	• Aspen's ongoing ability to avoid and prevent further contamination at this site • Remediation plans in respect of reportable safety incidents

Chairman's statement

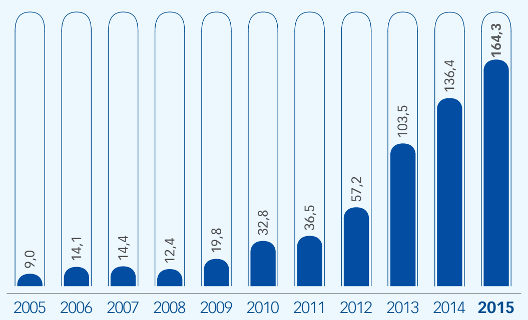
Dr Judy Dlamini, *Chairman*

The Group's activities for the 2015 financial year were mainly centred around bedding down the significant transactions undertaken in the prior year, and improving the Group's existing manufacturing facilities to ensure that the targeted margin improvements from cost of goods reductions and synergistic efficiencies are achieved.

Market capitalisation increased 20% to R164,3 billion

EBITA increased 19% to R9,2 billion

Market capitalisation (R'billion)



CAGRs

	Since listing	Last five years	Last three years
Gross revenue	44%	30%	32%
EBITA	46%	27%	28%
NHEPS	40%	22%	23%

Aspen's transformation

In preparing this, my eighth and final statement as Chairman of Aspen, I was struck by the profound transformation the Group has undergone since my appointment as a director in 2005. The Group was at that stage still very much focused on South Africa, with fledgling offshore business interests limited mainly to Australia. It was, at the time, also particularly intent on growing its South African private market business and being the leading supplier of generic ARVs to the South African government. The Board was particularly pleased with the fact that the Group's revenue for the 2005 financial year had increased by 30% to the princely sum of R2,9 billion and that its market capitalisation had almost doubled to around R9 billion.

Fast forward 10 years to 2015 and behold Aspen as a fully fledged multinational pharmaceutical company with extensive global reach, more than 10 000 employees and an annual revenue of R36,1 billion. Its market capitalisation as at 30 June 2015, compared to 2005, has grown by an astonishing 1 724% to R164 billion and it now operates 26 manufacturing facilities on 18 sites across six continents. While there may be a handful of companies which have experienced similar success stories, I remain singularly captivated by the Aspen story and it fills me with immense pride and humility to have been part of this incredible journey.

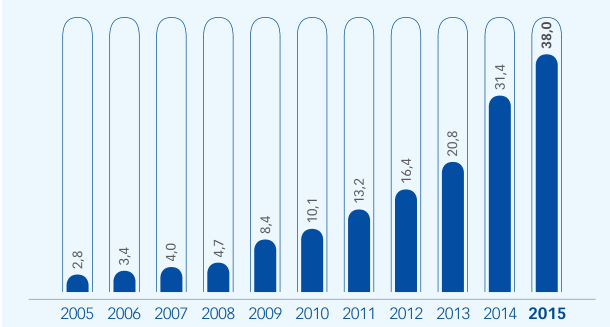
This kind of success is of course not coincidental and is, in no small measure, ongoing testimony to Stephen's and Gus' visionary leadership, their ability to expertly identify commercial opportunities and to extract value from acquired products and businesses that, in many instances, appeared to have less value at all at the time. In all this they were ably supported by an ever increasing base of committed, skilled and motivated management and employee teams – the very heart of Aspen and its operations.

Pleasing 2015 performance despite currency headwinds

The performance of the Group in the 2015 year has not disappointed either with revenue growing by a respectable 22% and operating profit increasing by 14% despite the notable currency headwinds, predominantly as a result of the strengthening US Dollar, experienced during the year. The Group's activities for the 2015 financial year were mainly centred around bedding down the significant transactions undertaken in the prior year and improving the Group's existing manufacturing facilities to ensure that the targeted margin improvements from cost of goods reductions and efficiencies are achieved. Aspen's ability to identify synergistic benefits from its existing and acquired businesses and to pursue the necessary activities to realise these benefits is aimed at creating organic growth for the Group into the future and boosting the value it delivers to stakeholders in the medium term.

The addition of the acquired nutritional businesses in Australasia, Latin America and southern Africa to Aspen's base nutritional businesses, has provided a further platform for revenue growth. The fact that these infant nutritional businesses performed impressively during the year, provides further confirmation that the Group's strategy in this regard is delivering positive results.

Gross revenue (R'billion)



Chairman's statement continued

Industry outlook

Pharmaceutical industry trends for the medium to long term will remain constrained due to cost pressures, a higher bar for product innovation and an increased demand for value from healthcare regulators, funders and patients. Global spending on medicines is forecast to reach US$1,3 trillion by 2018 and developed markets, led by the United States, the major five European markets and Japan, are expected to be the primary drivers of this increased growth, with the 21 emerging pharmaceutical ("pharmerging") markets, especially China, also contributing significantly to this growth. China, the world's third largest pharmaceutical market, is expected to reach sales levels of between USD155 billion and USD185 billion in 2018. Sales of speciality medicines (prescribed to treat complex medical conditions and predominantly prescribed by specialist health practitioners) are expected to constitute at least 40% of the total global growth to 2018, primarily in the oncology, autoimmune, respiratory, antiviral and immunosuppressant therapy areas.

Taking the above into consideration, Aspen has ambitiously set its sights on growing its acquired market share in a number of developed European markets and, more recently, Japan. Opportunities in the United States are also being explored. The Group's strategy also calls for ongoing focus on those developing markets earmarked by Aspen for growth, including Latin America, Central and Eastern Europe ("CEE"), SSA and parts of Asia. Aspen's ability to establish growing and profitable businesses in pharmerging markets has been a key ingredient of its success. Although the opportunities presented by China are also of particular interest to Aspen, the Group has decided on a carefully considered approach in this market. The discretion shown by management in approaching possible acquisitive opportunities, and the recent decision not to pursue a proposition that did not present clear commercial benefits or a strategic fit, reiterates the commercial astuteness of the leadership team.

Enhancing Aspen's manufacturing capacity

The ongoing expansion and enhancement of the Group's manufacturing capabilities was one of the primary focus areas for the year and confirms Aspen's earnest intent to pursue a strategic advantage through these capabilities. Expansion projects aimed at ensuring cost reductions, enhanced security of supply of certain products and the development of the Group's API supply strategy continue to be undertaken at the Port Elizabeth and Cape Town sites. Projects aimed at repurposing facilities at the Aspen Oss site and the addition of a new prefilled syringe filling line at the Aspen NDB site are making satisfactory progress. The Board is keenly following the progress made with these expansion projects and assesses the need for additional investment into these sites and other sites throughout the Group, on an ongoing basis and as appropriate.

Development of our people

Aspen's strength is seated in its employees and its future success will depend heavily on how it nurtures and hones the talent, skills and capacity of these employees. With this in mind, the Social & Ethics Committee continues to take a very keen interest in the Group's investment in its talent pipeline and how future leaders are identified and prepared. Further strides have, in particular, been made in identifying opportunities to enhance gender equality and appointing women to senior leadership roles, as well as supporting those women already appointed to such roles. In this regard, the Aspen Women's Forum, established in South Africa to fast track the development of our women's leadership capability, continues to make progress in focusing attention on uplifting women throughout the organisation.

This year also saw the launch of the Aspen Group Employees Awards, aimed at recognising excellence throughout the Group. I was very humbled and honoured by the fact that these awards included the:

- Dr Judy Dlamini Award for commitment towards the development and empowerment of women employees (awarded to Alfredo Guiterrez Ballanes of Aspen Mexico); and
- Dr Judy Dlamini Award presented to a female employee who demonstrates exceptional leadership in Aspen (awarded to Ace Itchon of Aspen Philippines).

My congratulations again go out to the first recipients of all Aspen Group Employee Awards. I am confident that these awards will do much to motivate employees and generally strengthen the *esprit de corps* throughout the Group.

Aspen has concluded another year without any fatal accidents of employees on duty. The improvement of health and safety conditions at the Group's manufacturing sites remains of utmost importance to the Board and the executive management team and progress made in this respect is closely monitored by the Social & Ethics and Remuneration & Nomination committees.

Governance and SED – integral to the Aspen way

As part of its commitment to transparent and constructive engagement with its stakeholders, Aspen continuously assesses how it may improve its integrated reporting. As a result, this year's report has referenced the principles of the International Integrated Reporting Framework in explaining the connectivity between the Group's strategic objectives, KPIs and the inputs, activities and outcomes in respect of the Group's six capitals.

Aspen remains a proud and active participant in the PHEF established between the South African Department of Health and other South African healthcare companies and looks forward to exploring its future involvement in this fund. The PHEF continues to achieve greater interaction between the private and public spheres of healthcare in South Africa and has also resulted in notable socio-economic benefits, including the upliftment of critical community healthcare projects in South Africa and the acceleration of access to primary healthcare and educational facilities in this country. Support of Aspen's other socio-economic development initiatives continues, despite the significant investment made by the Group in the PHEF.

This year marked Aspen's fifth consecutive year of participation in Mandela Day, again demonstrating its commitment to taking up the challenge issued by Former South African President Nelson Mandela to "*take action, inspire change and make every day a Mandela Day*". This year business units from 36 countries initiated 90 projects across six continents for more than 60 000 beneficiaries. The selfless participation of these employees in this initiative was another shining example of Aspen's culture of caring, which is fostered throughout the Group.

Aspen's third year of participation in the UN Global Compact confirms its ongoing commitment to this Compact's principles in the areas of human rights, labour, environment and anti-corruption.

The Group's participation in the UN Global Compact enjoys the Board's full support and the cooperation between Aspen, the other participants and the United Nations to enhance the focus on these critical issues continues to be closely monitored and reported upon. Aspen's approach and commitment to the UN Global Compact's 10 principles are fully detailed in the Group's Communication on Progress Report.

As I look back at the 10 years that have constituted my tenure at Aspen I am acutely aware that the support of the other directors who have served with me during this time was invaluable. I extend my sincere gratitude to each of them. I have no doubt that their guidance to me and the executive management team, which has been instrumental in the Group's success, will also be of immense benefit to Kuseni Dlamini as he very ably takes on the role of Chairman when I stand down at the AGM scheduled for 7 December 2015.

This statement would not be complete without a special mention made to Stephen and Gus. It has been an honour and a privilege to work alongside them and to witness Aspen going from strength to strength under their sage direction. I will always cherish the support they gave me and my family during the loss of our son. The "Long Ride for Sifiso" was at great physical sacrifice to Stephen, supported by the late Paul Saad. May his soul rest in peace.

Although my journey as director and Chairman of Aspen is drawing to an end I will, as I follow its future development intently, forever deem myself to be an integral part of Aspen and its proud legacy.

Dr Judy Dlamini
Chairman

22 October 2015

Group Chief Executive's report

Stephen Saad, *Group Chief Executive*

Efforts to cement Aspen's position as a leading provider of a broad range of specialist injectable anticoagulants have gained momentum during the year as the Group expanded its portfolio in this therapeutic category.

Revenue increased 22% to R36,1 billion

NHEPS increased 15% to 1 219 cents

NHEPS and share price analysis

Seventeen years of double-digit growth

The year under review constituted Aspen's 17th consecutive year of double-digit growth and a period which saw it shrugging off unfavourable exchange rate fluctuations and achieving growth. This outcome was influenced by the following pertinent factors:

- a significant increase in revenue from the International business assisted by the inclusion of the material transactions completed during the prior financial year. The inclusion assisted the Europe CIS business to increase sales by 45% to R10,5 billion, while sales to customers in Spanish Latin America (excluding Venezuela) were boosted by 44% to R3,4 billion as a consequence;
- the disposal of the rights to commercialise the fondaparinux products in the United States for a consideration of USD300 million became effective during the first half of the year, with the consequential loss of contribution to revenue and operating profit;
- the earnings accretive acquisition of Mono-Embolex, an anticoagulent sold primarily in Germany, from Novartis in the second half of the year;
- the divestment of certain non-core products as well as the termination of licences and contract manufacturing arrangements in Australia; and
- the strength of the US Dollar which resulted in the devaluation of revenue flows and an increase in the cost of goods in the Group's principal trading currencies.

Positioning for organic growth

While there was notable transactional activity during the year, the Group's primary focus was on embedding the significant business acquisitions from GSK, MSD and Nestlé concluded in the prior year, putting in place the projects to leverage future synergies from these acquisitions and continuing to build sustainable business platforms for organic growth. The Group remains cognisant of the fact that organic growth is the key factor in creating incremental value for Aspen and its stakeholders and this is an established and essential element of Aspen's business model and value proposition to stakeholders.

Efforts to cement Aspen's position as a leading provider of a broad range of specialist injectable anticoagulants have gained momentum during the year as the Group expanded its portfolio in this therapeutic category to include Mono-Embolex in addition to the Arixtra, Fraxiparine, Fraxodi and Orgaran brands acquired in the prior year. Injectable anticoagulants are a critical medication, used in the treatment of venous thromboembolism (blood clots), a preventable, but common cause of in-hospital deaths. Heightened promotional focus on this product portfolio, including efforts to draw the attention of stakeholders in the healthcare sector to the various unique application opportunities of products like Fraxiparine and Arixtra in the areas of oncology and cardiology, as well as the use of Fraxodi in the treatment of deep vein thrombosis, have been instrumental in positioning Aspen as a one-stop provider of choice in this therapeutic area. The identification of synergies between these portfolios and the Group's female health and oncology product portfolio presents a multitude of opportunities from which Aspen is well placed to benefit.

Aspen's commercial strategy in respect of its anticoagulant portfolio remains dependent on the integration of the current value chain and supply of the APIs for both the Fraxiparine and Orgaran brands from Aspen Oss. This vertical integration of the value chain allows Aspen to control and manage the quality and cost of supply. A number of initiatives, including the expanded sourcing of mucosa, have been implemented during the year. Activities in this respect are aimed at achieving meaningful synergy and leveraging overused and often redundant reductions in the cost of goods for Fraxiparine and at increasing the production and supply of danaparoid, a low molecular weight heparin used in Orgaran. As reported previously, a number of capital expansion projects which are aimed at ensuring production efficiencies and the reduction of cost of goods in respect of the Arixtra and Fraxiparine products are also underway at the Aspen NDB and the Port Elizabeth sites and are progressing to plan.

Infant nutritional opportunities

Aspen's infant nutritionals businesses across the Group, including those recently acquired in Latin America, Australia and South Africa, have met and, in many instances, exceeded performance expectations with notable market gains in most territories. A range of activities have been undertaken during the year to ensure margin improvements as a result of cost of goods reductions from these businesses. These activities, which include the implementation of a global procurement strategy, procurement of lower priced commodities and the reduction of operating expenses, are making pleasing progress and are expected to yield improved returns. Although the Group has been seeking opportunities to expand its infant nutritionals business and was engaged in negotiations to explore such an opportunity during the year, the results did not meet Aspen's commercial and strategic requirements for investment. The Group will, however, continue to investigate opportunities to build its nutritionals franchise.

Capital expansions

One of the primary drivers of value for Aspen has been the strategic and competitive advantage it enjoys as a result of its manufacturing capabilities. Reducing cost of goods through better procurement and improved production efficiency is at the core of many of the margin improvement projects currently underway. This is being facilitated by the critical mass offered by high volume

Group Chief Executive's report continued

manufacture, the experience and technical skills of Aspen's production personnel and ongoing investment in technology. New production capacities and capabilities continue to be installed at several sites across the Group with many of these expected to come online in the near future. Two of the larger projects currently underway, both at the Port Elizabeth site, are the construction of a high containment facility and an additional specialist sterile facility. Once operational, the new specialist sterile facility will provide both an enhanced security of supply for Arixtra and Fraxiparine as an alternate manufacturing source to Aspen NDB and a reduction in the cost of manufacturing these products. The upgrading of the FCC API manufacturing site in Cape Town is also nearing completion with three of the four production suites completed and in operation. This site will play an important role in the development of the Group's API supply strategy together with Aspen Oss.

Focus on SHE

Improved SHE management of the Aspen businesses remains a key area of focus and pleasing progress has been made across the Group with SHE-related GMP measures and best practice being instilled at more of its sites. As reported in the prior year, the acquisition of Aspen Oss has brought with it pre-existing environmental remediation requirements which MSD is responsible for settling and Aspen continues to cooperate with MSD in meeting these requirements. The management of Aspen Oss has completed a range of actions to mitigate the SHE risks inherent to the Moleneind site. While this proactive approach has been well received by the authorities, advancing safety and environmental legislation in Europe and the ageing infrastructure at the Moleneind and Boxtel sites are material concerns requiring ongoing proactive engagement with the relevant Dutch authorities. The progress made in respect of the mitigation actions and ongoing engagements in respect of these sites continues to be closely monitored by Group executives and the Social & Ethics Committee.

Tailoring Aspen's product pipeline

Aspen continuously assesses its product portfolio to ensure that the Group invests its financial resources and intellectual capital in areas most likely to achieve the best medium-term outcomes for stakeholders. These assessments have resulted in the further rationalisation of the Group's product pipeline and in the disposal of certain non-core products, intellectual property and commercialisation rights, particularly in respect of the Australian and South African businesses. Aspen will continue to focus on certain core therapeutic categories through acquisitive transactions, licensing deals and internal development projects, provided that these are aligned to its strategic objectives. Besides the Group's core therapeutic focus areas, Aspen's regional portfolios continue to be enhanced in line with local therapeutic strengths and niche value propositions which are specifically aligned to growth targets within the OTC franchises, consumer brands, as well as through more complex licensing transactions in respect of biologics. The future development of, and investment in, Aspen's infant nutritionals franchise will remain another key focus for the Group, as it uses its critical mass and consolidated resources to unlock further opportunities in this field.

International business the largest contributor to revenue

Revenue from the International business now constitutes 49% of the Group's revenue as a result of the 46% increase in revenue to R18,6 billion and with EBITA advancing by 42% to R5,2 billion. These increases were achieved on the back of robust sales growth especially in the Europe CIS and Latin America regions. Sales growth in Europe CIS was boosted by the acquisition of Mono-Embolex while the performance of the recently acquired infant nutritionals and pharmaceutical products supported the growth in Latin America. Sales to customers in the rest of the world were down 10% to R1,6 billion, mainly as a result of the disposal of fondaparinux products in the United States to Mylan.

The Latin American region showed robust growth with sales to customers in this region (excluding Venezuela, which was influenced by hyperinflation accounting) growing 44% to R3,4 billion, supported by infant nutritionals, anticoagulants and other recently acquired products. Concerted efforts were made with the establishment of Aspen's new businesses in Chile, Ecuador and Peru ("the Andean region"), Colombia, Costa Rica, and in the Caribbean and Central America ("Caricam") during the year. Key global products were transferred to Aspen from distributors in line with Aspen's strategy to support its products with direct in-market promotion in these territories.

Despite being one of Aspen's leading businesses in the region to date, the ongoing and challenging socio-economic environment in Venezuela has resulted in Aspen having to restructure this business. Despite these challenges Aspen fully intends maintaining its presence in this country where it will continue its constructive engagement with the Venezuelan government to ensure the ongoing supply of essential medicines and infant nutritional products.

Disposals impact on revenue growth in Asia Pacific

Revenue in the Asia Pacific region decreased by 5% to R8,1 billion, while EBITA declined by 10%. This decrease was mainly attributable to activities undertaken by the Australasian management team to refocus the operational priorities of the business, resulting in the disposal of products, licence terminations and the cessation of certain contract manufacture arrangements.

Further legislated price cuts in Australia and the weakening of the Australian Dollar against the US Dollar also impacted performance and negated cost of goods savings achieved by the Australian management through improved procurement and manufacturing.

Sales to customers in Asia increased by 39% to R1,3 billion boosted by a combination of organic growth and the recent acquisitions. This performance was supported by the strong advances made in Japan where Aspen recently established its own operations and now has 21 employees.

Strong recovery by the South African business

After the challenges experienced in 2014, the South African business grew revenue by 16% to R8,6 billion for the year with private sector pharmaceutical sales growing at 12%. This was achieved through a combination of organic growth and product launches, maintaining the Group's leadership position in this sector. The Consumer division also performed well, with revenue rising 23% mainly as a result of a strong performance from infant nutritionals, with a notable increase in Infacare sales.

EBITA margins came under pressure in South Africa as a result of an increase in the low-margin ARV tender revenue, coupled with the weakening of the Rand relative to the US Dollar and higher wage and energy cost inflation.

Muted SSA growth

In SSA revenue was 1% higher at R2,8 billion with a disappointing performance from the Collaboration, hampered by supply problems, limiting the performance of this business. Currency weaknesses within the relevant markets contributed to narrowing margins and a resultant 6% reduction in EBITA. Aspen acquired a 65% interest in Ghana-based Kama as support for its strategy to grow Aspen's presence in the West African region.

Established platform to ensure future growth

While meaningful progress has been made during the year to embed the recently acquired businesses and to extract synergies from them, the highly regulated nature of the pharmaceutical industry results in the execution of these plans having long lead times. The focus for 2016 will remain on the lowering of costs for the anticoagulant portfolio, the improvement of margins in the infant nutritionals business, bringing new manufacturing capacity and technologies online, building the third-party API business and leveraging the acquired intellectual property. Although some of the commercial benefits from these activities will already be experienced towards the end of the 2016 financial year, the value created by these initiatives is expected to grow strongly thereafter with Aspen targeting an additional R2,5 billion in EBITA annually from these initiatives by the 2019 financial year.

Proven ability and a committed team

Aspen has an established track record for being able to successfully execute complex transactions in relatively short timeframes and the expertise in undertaking transactions of this nature remains an invaluable asset to the Group. It makes Aspen an obvious and qualified candidate to participate in further projects, including large multi-territory transactions, requiring the ability to navigate difficult regulatory environments and to find solutions to unresolved problems.

The enduring commitment of Aspen's high calibre employees is an underlying and fundamental element of Aspen's success over the past 17 years. This team now consists of more than 10 000 employees and substantial efforts are being made to ensure that the Aspen high performance culture or the "Aspen way" permeates throughout the Group. Skills enhancement initiatives remain an integral component of Aspen's pursuit of empowering employees to perform at their peak and to develop future leaders from within. I extend my thanks to each of those involved in activities aimed at harnessing the synergies arising from the recent transactions and to those who support them. I look forward to working with you in an even busier year ahead, filled with many new exciting integration opportunities as well as organic and inorganic growth prospects.

Tribute and thanks

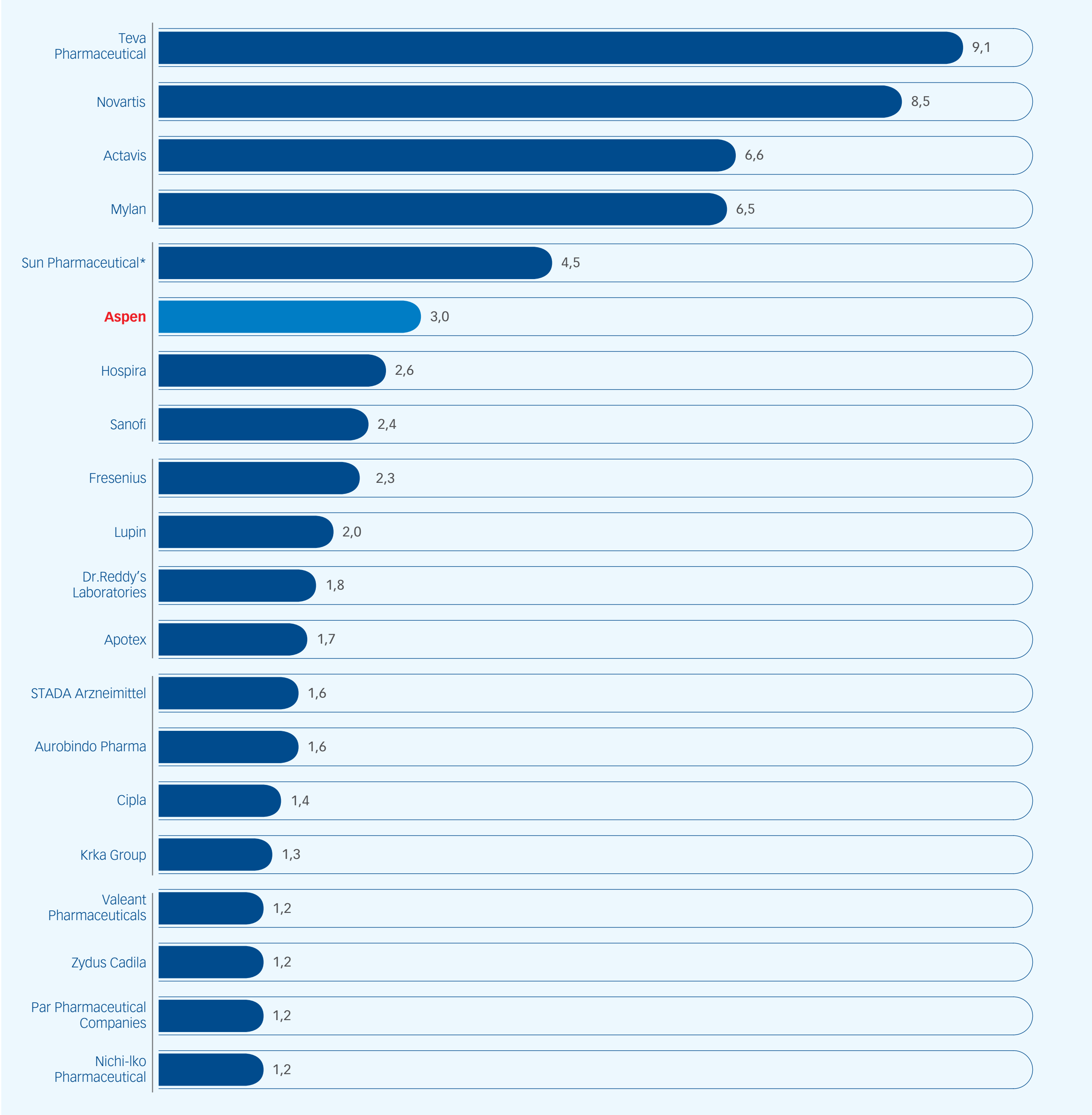
Judy Dlamini will, after a memorable 10-year tenure with the Group, step down as a director and Chairman of the Board at Aspen's upcoming AGM. Her guidance and leading role on the Board played an integral part in shaping Aspen's values and building it into the organisation it is today. My thanks must go to her for the dedication and commitment during this time and speaking on behalf of the Board as a whole, she is wished only the best in her future endeavours.

Stephen Saad
Group Chief Executive

22 October 2015

Global competitiveness

Global ranking on worldwide generic pharmaceutical sales in 2014 (Sales in USD'billion)



Source: EvaluatePharma® (22 May 2015)

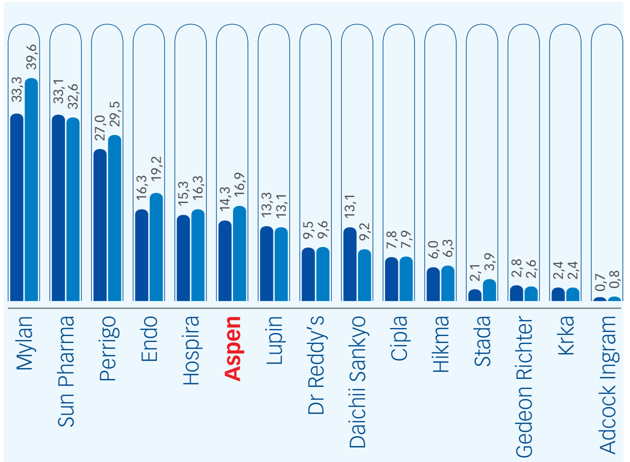
Note: Sales in 2014 based on company reported data (Aspen, Lupin, Dr. Reddy's Laboratories, Apotex, Aurobindo Pharma, Cipla and Zydus Cadila based on forecast data for 2014).

**Sun Pharmaceutical sales consolidate Ranbaxy in 2014.*

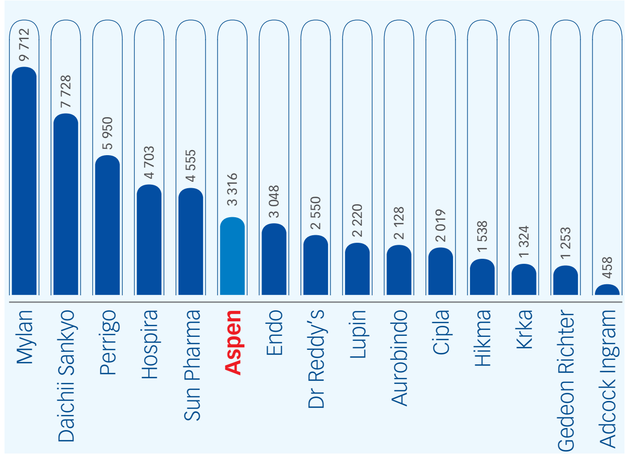
EvaluatePharma® coverage: 60 generic companies.

Peer company comparatives

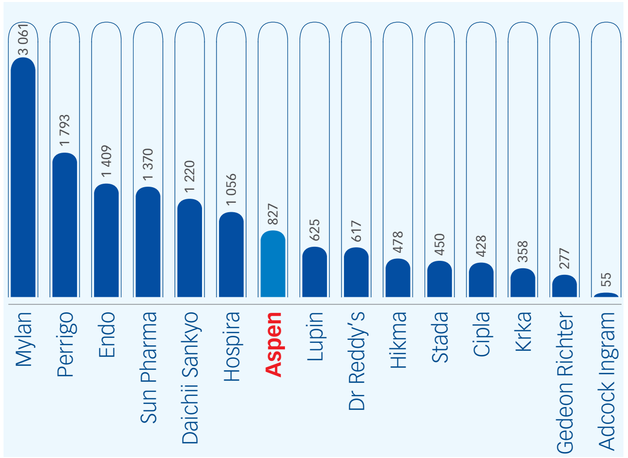
Market capitalisation and enterprise value 2015 (USD'billion)



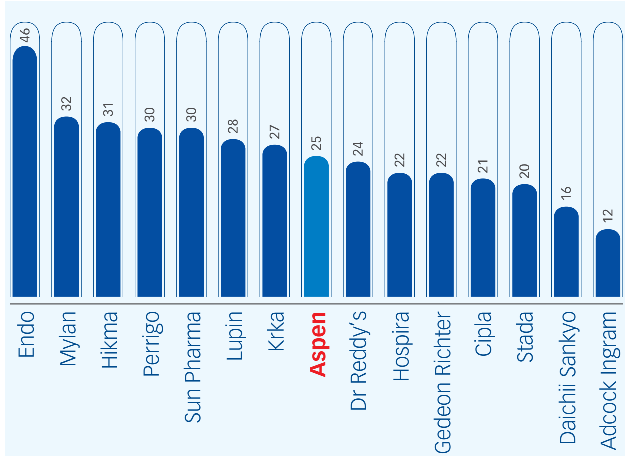
Revenue (USD'million)



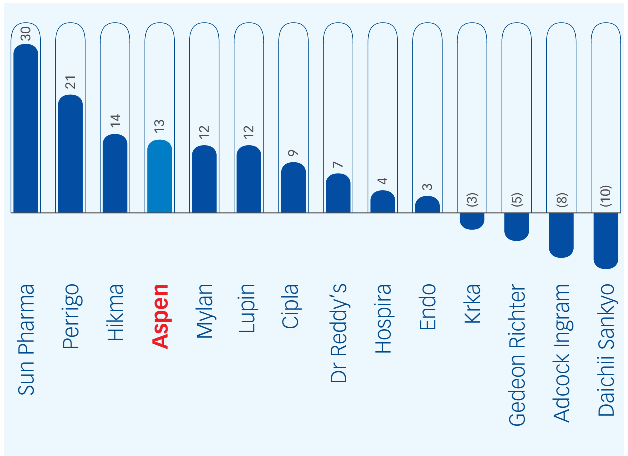
EBITDA (USD'million)



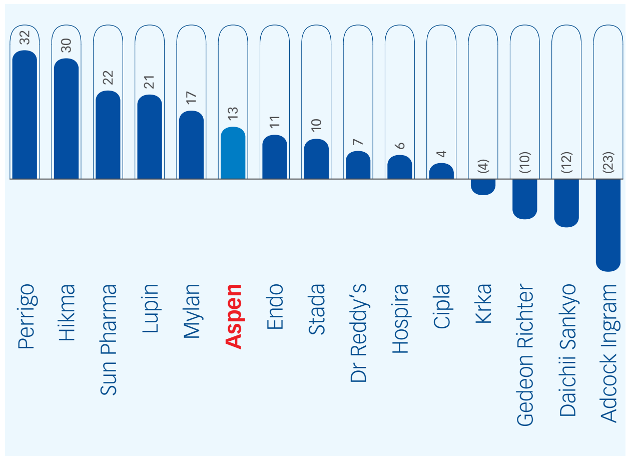
EBITDA margin (%)



Revenue CAGR (%)



EBITDA CAGR (%)



Source: JP Morgan – All information for peer companies is as per Bloomberg annualised consensus forecast as at 30 June 2015. Aspen's actual results for the year ended 30 June 2015 are reflected on the charts.

Accolades and achievements

Aspen was ranked **8th in the top 100 companies** over five years category and **second in the top 40 index companies** over five years in the 2014 Sunday Times "Top 100 Companies Awards" in South Africa. Aspen has been confirmed as one of the Sunday Times Royal Companies

Aspen was featured in Forbes' "The Top 25 Most Innovative Companies in the World" list for the second consecutive year, ranked as the **12th most innovative company** in the world

In November 2014, Aspen qualified for inclusion in the **JSE's SRI index** for the fifth consecutive year and has been included in the recently launched FTSE/JSE Responsible Investment Index

Aspen's 2014 Integrated Report was ranked in the Excellent category of **Ernst & Young's Excellence in Integrated Reporting Awards 2015**

Aspen's 2014 Integrated Report was ranked **42nd best annual report globally** by Report Watch, achieving an A- score and improving its ranking from 82nd in the prior year. It was only one of only three South African companies to be in the top 100

Aspen received the **Top Gender-Empowered Company: Health & Pharma** award at the Topco 12th Standard Bank Top South African Women Awards. The Group Operating Officer, Lorraine Hill, was again recognised as a finalist in the **Businesswoman of the Year** category of these awards

Aspen's Group Legal Officer & Group Compliance Officer, Kurt Drieselmann, received the 2014 African Legal Awards award for **General Counsel of the Year** and was recognised as **Leader of the Year** at the 2014 Southern Africa Compliance Awards

Aspen received the **Best Corporate Governance – Pharmaceuticals – Africa** award at the Ethical Boardroom magazine 2015 awards

Aspen Healthcare's Tara Banasi was elected as one of the winners of Forbes' **"Top Business Leaders in the MENA Region"**. She was the only female among the winners

Aspen was the recent recipient of the South African PMR Africa **CSR Award: Platinum for Manufacturers**, which is the highest award in this category

Aspen's approach to sustainability

Aspen's vision, *"To deliver value to all stakeholders as a responsible corporate citizen that provides high quality, affordable medicines and products globally"*, encapsulates the Group's inherent approach of conducting business ethically, with integrity and with a commercial wisdom which strives to enhance the economic and social well-being of its investors, employees, customers and business partners. Aspen recognises that doing business in a sustainable manner is integral to ensuring its future viability, as such sustainability considerations underpin Aspen's strategy and all of its day-to-day activities.

In particular, the Board monitors that the Group's business activities are conducted in a manner that ensures its continued sustainability, with due regard being given to:

- increasing shareholder wealth;
- adherence to Aspen's Code of Conduct and protecting the credibility and good reputation of the Group;
- compliance with legislative and regulatory requirements;
- the expectations of and potential impact on affected stakeholders;
- risk management, including the Group's tolerance for risk and the mitigation of risks which may arise from time to time;
- employee development, health and safety;
- the impact of Aspen's operations on the environment and the conservation of the natural capital entrusted to Aspen;
- the SED contributions Aspen is best positioned to make, with particular focus on basic healthcare in South Africa; and
- the unique market and operational dynamics which characterise each territory in which Aspen does business.

Aspen believes in constructive engagement and communication with its identified stakeholders to provide information which is truthful, accurate, consistent and relevant to them in making their decisions, to assist stakeholders in understanding and evaluating Aspen's sustainability performance. This is measured in terms of certain identified sustainability indicators or KPIs – a detailed explanation of how Aspen has performed in terms of these KPIs for the past financial year is contained in the Sustainability Report which forms a part of this Integrated Report by reference and is available online. These identified sustainability KPIs are closely aligned to the Group's strategic objectives and the Group's six capitals, as such the Board monitors Aspen's performance with reference to these KPIs on a regular basis.

Assurance in respect of the information reflected for these sustainability KPIs has been obtained by means of a combined assurance approach, with Environmental Resource Management ("ERM") providing assurance on the key SHE indicators in line with the AccountAbility AA1000 Assurance Standard, PwC providing assurance on the financial indicators and other assurance providers such as the Group's Internal Audit and Empowerdex providing assurance on the balance of the indicators reported on. The assurance statements issued by ERM and PwC are available online.

Material sustainability issues and five-year KPI review

Aspen believes in the importance of conducting its business in a way that is sustainable, which considers the future and which is accountable to stakeholders. In practising good corporate citizenship, consideration is given to the responsible management of ethics, human rights, health and safety, SED, as well as the environment.

Aspen's material sustainability issues are those economic, social and governance aspects which are considered to be relevant to the Group's strategic objectives which are reported on page 14 to 23. Material issues are determined through ongoing interactions with the Group's key stakeholders with reference to:

- the Group's strategic objectives;
- external factors impacting the Group's business model and pursuit of strategic objectives;
- key business risks impacting the Group's sustainability;
- the Group's mandated responsibility to its stakeholders in terms of the business model and related stakeholder expectations;
- the value exchange and/or opportunity cost of the applied financial, intellectual, manufactured, human, social and relationship and natural capitals to the business and responsible management of these; and
- the Group's responsibility to stakeholders in accordance with Global Reporting Initiatives ("GRI"), King III, Companies Act of South Africa, BBBEE Codes in South Africa, SRI, the Carbon Disclosure Project and the UN Global Compact.

Key matters concerning stakeholders, which were identified and addressed during the year, are reported on page 24 under the heading Engaging Stakeholders. Aspen's Communication on Progress Report in terms of its participation to the UN Global Compact is available online.

The Group's 2015 Sustainability Report, available online, outlines Aspen's management approach to these material issues under sustainability development themes and the progress made in respect of the related KPIs during the year. The 2015 Sustainability Report has been prepared in accordance with GRI 3.0 and assured by ERM. Aspen's GRI standard disclosure table is available online.

A combined assurance approach is implemented to obtain assurance over the Group's material KPIs. ERM and PwC have provided moderate/limited assurance on selected KPIs. These assurance statements are available online and conclude that the tested KPIs have been prepared in accordance with defined reporting criteria and are free from material misstatement. Aspen Internal Audit also provided limited assurance on selected KPIs.

MATERIAL ISSUES AND KPIs	RELEVANCE TO THE BUSINESS	2015 ASSURANCE PROVIDED BY	ACHIEVEMENT 2015	2014	2013	2012	2011	PERFORMANCE IMPLICATIONS
Sustaining life and health through high quality, affordable medicines								
Number of product recalls	Products that regulatory authorities determine to be potentially harmful to patients and require to be recalled. Indicate the extent to which quality systems are effective.	Internal Audit	**6**	5	4	8	3	A total of six products were recalled during the year. These included four products in South Africa. The investigations in respect of these recalls have been completed and appropriate corrective action plans have been implemented to address the identified quality issues. One product was recalled in Brazil and the quality problem was isolated to specific batches which have all been recalled from customers. A recall of one product was required in Australia due to incorrect expiry dates having been printed on the packaging. The cause of this problem has been determined and preventive measures have been put in place to avoid a recurrence.
IMS value of total product pipeline for the next five years (USD'billion)	Leading indicator of potential organic revenue growth over the next five-year period. References IMS sales values as at 31 December 2014 for currently patented originator molecules which are included in the Group's pipeline as at 30 June 2015 and that are in the process of developing into generic equivalents of the originator product.	Internal Audit	**4,7**	6,7	8,9	9,1	8,9	The rationalisation of the product pipeline and the divestment of non-core product portfolios in South Africa and Australia has resulted in a USD1,4 billion reduction in value of the total product pipeline. The regional product pipelines now consist of molecules with confirmed commercial feasibility. Due to patent extensions and/or technical product evaluation processes, the product launch timing of molecules having an IMS value of USD1,5 billion was extended beyond the five-year period. Molecules with an IMS value of USD1,3 billion were added to the pipeline and the pipeline value was increased by USD0,3 billion due to an update of IMS reported data against the comparative period. A total IMS value of USD0,7 billion was unlocked through the release of products into the product registration processes and through the commercialisation of registered products in the form of new product launches.

Material sustainability issues and five-year KPI review continued

MATERIAL ISSUES AND KPIs	RELEVANCE TO THE BUSINESS	2015 ASSURANCE PROVIDED BY	ACHIEVEMENT 2015	2014	2013	2012	2011	PERFORMANCE IMPLICATIONS
Adding economic value to stakeholders								
Return on ordinary shareholders' equity	Measures productivity of ordinary shareholders' equity. Can be benchmarked against other potential investments by shareholders.	PwC	**17%**	20%	18%	17%	18%	Foreign exchange volatility arising from the stronger US Dollar relative to Aspen's principal trading currencies impacted negatively on profitability. The Group's global presence, diversified business model and proven strategy execution capability presents an attractive investment case for shareholders.
Growth in gross revenue from continuing operations	Revenue is the foundation of business performance. The product of the volume and price of products sold. Change in revenue is a leading indicator of the growth or contraction of a business.	PwC	**+21%**	+51%	+27%	+24%	+31%	Acquisitive revenue growth in Europe CIS and Spanish Latin America were the major contributors to the revenue growth. Negative revenue growth in Asia Pacific and a 1% growth in SSA diluted the Group's overall year-on-year growth rate.
Growth in EBITA from continuing operations	A leading indicator of growth in operating profitability.	PwC	**+19%**	+38%	+27%	+27%	+28%	Acquisitive EBITA growth in Europe CIS and Spanish Latin America were the major contributors to the EBITA growth over the prior year. The South African business enjoyed high single-digit growth with the SSA and Asia Pacific businesses partly diluting overall growth.
Growth in NHEPS from continuing operations	Measures earnings performance per share year-to-year in relative terms on a consistent and comparable basis. The leading indicator of overall improvement in earnings performance.	PwC	**+15%**	+27%	+27%	+21%	+19%	Solid EBITA growth was reduced by unfavourable foreign exchange influences as a consequence of the strong USD.
Value added per employee (R'000)	The leading indicator of the productivity of the Group's permanent employees in value creation.	PwC	**1 705**	1 756	1 493	1 258	1 029	Value added per employee decreased by 3% during the year due to a 24% increase in the number of employees that transitioned in the newly acquired businesses.

Material sustainability issues and five-year KPI review continued

MATERIAL ISSUES AND KPIs	RELEVANCE TO THE BUSINESS	2015 ASSURANCE PROVIDED BY	ACHIEVEMENT 2015	2014	2013	2012	2011	PERFORMANCE IMPLICATIONS
Maintenance of financial health								
Operating cash flow per share (cents)	Indicates the Group's ability to generate cash which is key to meeting cash outflow commitments.	PwC	**1 060**	841	875	666	555	The strong growth of 26% in operating cash flow per share is due to the lower relative level of working capital investment which peaked in 2014 as a consequence of the significant once-off investment in working capital relating to the recent business acquisitions.
Net interest cover (times)	The leading indicator of the headroom the Group has servicing its debt.	PwC	**6**	8	10	6	8	Net interest cover of six times was achieved despite the negative effect of a stronger US Dollar on borrowings. This exceeds the Group's internal medium-term target of five times cover.
Sustaining a cost-competitive manufacturing base								
Return on total assets	Measures productivity of the assets of the Group.	PwC	**12%**	13%	16%	17%	17%	The return on total assets reduced marginally to 12% as a consequence of the Group's ongoing investment in capital projects at its manufacturing sites in Port Elizabeth, Aspen Oss and Aspen NDB. The benefit from these investments coupled with the savings to be generated from continuous cost improvement projects will yield higher returns in the medium term.
EBITA margin	EBITA is a leading indicator of the efficiency of profit generation which is influenced by relative selling price, relative cost of goods and operating expenses.	PwC	**24%**	25%	27%	27%	26%	The Group's margins are slightly lower and mainly impacted by foreign exchange volatility, acquired lower margin businesses in Aspen Oss and Spanish Latin America as well as lower margins from the South African business, mainly due to foreign exchange pressure and low state tender prices.
Providing a safe working environment								
Disabling incident frequency ratio ("DIFR")	Percentage of employees who suffered disabling injuries in the 12 months ended 30 June, irrespective of whether such incidents resulted in lost work days.	ERM	**1,08**	1,32	1,08	0,94	0,81	The Group's DIFR of 1,08 and LWDFR of 0,85 exceed Aspen's tolerance levels of 1,00 and 0,75 respectively. Reported incidents for the Aspen NDB, Vallejo in Mexico and Aspen Oss sites have been included in the ratios for the first time. The Aspen Oss and Vallejo ratios were below the tolerance levels which contributed to the decrease in the Group's ratios. Excluding these business units, and compared to the prior year, the DIFR and LWDFR has decreased to 1,11 and 0,88 respectively due to improvements at the South African and East African sites. There were no incidents of work-related fatalities or permanent disabling injuries during the year. A three-year programme is in place for the phased enhancement of safety systems at the Group's facilities in Australia, Latin America, Europe and SSA in alignment to OHSAS 18001 standards. The Group's South African, German and Mexican (Vallejo) facilities have already received OHSAS 18001 certification.
Lost work day frequency ratio ("LWDFR")	Percentage of employees who had to be booked off due to work-related disabling injuries or illnesses over the last 12 months.	ERM	**0,85**	1,14	0,86	0,87	Not measured	

Material sustainability issues and five-year KPI review continued

MATERIAL ISSUES AND KPIs	RELEVANCE TO THE BUSINESS	2015 ASSURANCE PROVIDED BY	ACHIEVEMENT 2015	2014	2013	2012	2011	PERFORMANCE IMPLICATIONS
Promoting equality								
BBBEE accreditation in South Africa (contributor level)	Measures Aspen's adherence to BBBEE legislation in South Africa and indicates Aspen's success in transformation. Supports the credibility of the Group as a partner of choice in terms of South African preferential procurement criteria in the public and private sectors.	Empowerdex	**Level 4**	Level 3	Level 3	Level 3	Level 3	The Group achieved a Level 4 BBBEE status during the year as a result of the increased targets and higher BBBEE recognition levels of the revised BBBEE Codes. Aspen will seek to improve its status through initiatives targeted at addressing the Group's transformational objectives in the areas of skills development, enterprise and supplier development and SED.
Creating an environment in which our employees can thrive								
Average staff turnover	Indicates the percentage of Aspen's permanent employees who have left the Group in the year.	Internal Audit	**14%**	13%	14%	18%	16%	The Group's staff turnover increased to 14%. Increased turnover rates have been recorded in Russia (22%), Asia Pacific (24%) and Spanish Latin America (36%). The turnover rate at the Asia Pacific business was mainly affected by the Australian facility rationalisation programme. The higher turnover in Russia and Spanish Latin America is attributable to the business transition and integration process.
Average training spend per employee (Rand)	Aspen invests in the enhancement of employees' capabilities aligned to the short and medium-term business objectives.	Internal Audit	**5 656**	3 477	3 344	2 689	2 230	The total investment in employee training and development programmes increased by 131% to R49,6 million during the year. This increase was due to the inclusion of training spend for Aspen NDB, Aspen Oss and Europe CIS for the first time. As a result, the average training spend per employee increased by 63%. The Group is committed to ongoing investment in the development of future business leadership and the building of a pool of scarce pharmaceutical skills.
Preserving the environment								
Carbon emissions (tCO_2e)	Aspen recognises that greenhouse gas emissions are required to be controlled in order to prevent environmental damage which could threaten global environmental sustainability. The Group therefore seeks to go beyond mere regulatory compliance in responsibly managing its carbon footprint.	ERM	**Scope 1: 38 036** **Scope 2: 151 183**	Scope 1: 10 917 Scope 2: 114 615	Scope 1: 10 744 Scope 2: 119 189	Scope 1: 6 774 Scope 2: 88 008	Scope 1: 15 012 Scope 2: 97 855	The increase in carbon emissions is due to the expanded reporting scope which now includes facilities at all manufacturing business units – reporting for prior years was limited to the Australian, South African and Aspen Bad Oldesloe facilities ("legacy facilities") only. Scope 1 emissions in respect of the legacy facilities have decreased by 3% due to the reduced usage of refrigerants at the Port Elizabeth site and Scope 2 emissions for the legacy facilities have increased by 3% mainly due to additional production capacity introduced at FCC. Where a risk of harmful emissions is identified, consideration will be given to implementing emission reduction targets. The risk of harmful emissions is currently negligible.
Amount of waste recycled (tonnes)	Waste recycling is undertaken to manage waste in an environmentally responsible and resourceful manner, extending utilisation of finite resources and limiting waste disposal. In addition to supporting the environment, this is cost effective.	ERM	**34 360**	3 496	2 476	1 698	1 574	The increase in waste recycled is largely due to the inclusion of data for the Aspen Oss, Vallejo in Mexico and Aspen NDB facilities for the first time. These facilities now contribute 90% of the Group's total waste.

Material sustainability issues and five-year KPI review continued

MATERIAL ISSUES AND KPIs	RELEVANCE TO THE BUSINESS	2015 ASSURANCE PROVIDED BY	ACHIEVEMENT 2015	2014	2013	2012	2011	PERFORMANCE IMPLICATIONS
Managing efficient utilisation of scarce resources								
Electricity used (gigajoules)	Electricity provides the primary source of power to the Group's manufacturing sites. It is an increasingly expensive commodity. In South Africa there is a risk of supply interruptions at times of excess load on the source of supply. Efficient electricity utilisation supports lower costs of production and reduces demand, prolonging energy sources.	ERM	**696 437**	445 224	469 767	454 357	440 784	Electricity consumption increased by 56% largely due to the inclusion of the Aspen Oss, Aspen NDB, Vallejo in Mexico and Aspen API sites for the first time. Electricity usage in the legacy facilities increased by 2% due to increased production volumes. Electricity conservation continues to be implemented across the Group.
Water used (kilolitres)	Water is essential for the manufacture of Aspen's products, as an energy source (steam), as a lubricant in manufacture, as a delivery medium in liquid medicines, as a cooling agent in temperature control and as a cleaning material. As a limited resource in scarce supply, it is recognised that initiatives to curtail water utilisation will allow for more sustainable water availability.	ERM	**1 715 642**	443 893	499 715	545 372	484 168	The Group's measured water usage increased by 286% as a result of the inclusion of the water usage data from the Aspen Oss, Aspen NDB and Vallejo in Mexico sites contributing 1 268 637kl. Water usage at the legacy facilities increased by 1% mainly due to additional manufacturing facilities becoming operational at FCC. Benefits continue to be realised from water recycling initiatives implemented at the sites during previous years.
Conducting our business in a responsible manner								
Number of material incidents of legislative infringements	Lawful compliance underpins an ordered and effective society. Aspen strives to conduct its business with due care and regard for all legislation relevant to the Group.	Internal Group Compliance Officer review	**0**	0	0	0	0	No material incidents of legislative infringements were recorded during the year as a result of effective compliance management and governance processes that are adhered to across the Group.

Financial review

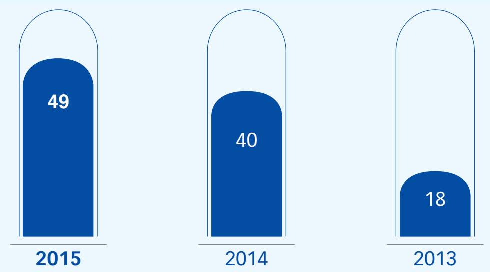
Gus Attridge, Deputy Group Chief Executive

The successful integration of the recently acquired businesses in Europe CIS and Spanish Latin America together with Aspen's continuing investment in strategic manufacturing capabilities has created a solid platform for future sustainable growth.

21% growth in **gross revenue** to R38,0 billion

14% increase in **operating profit** to R8,4 billion

Offshore contribution to gross revenue (%)



Positive growth in an unfavourable exchange rate environment

Growth in gross revenue (+21% to R38,0 billion) and in operating profit (+14% to R8,4 billion) benefitted from the contribution of acquisitions concluded during the prior year. Aspen's primary measure of financial performance, normalised headline earnings per share, increased by 15% to 1 219 cents. The positive growth was achieved despite an unfavourable exchange rate environment in which the US Dollar was particularly strong, devaluing revenue flows and increasing cost of goods in the Group's principal trading currencies.

The three levels at which the Group reports earnings per share are set out in the table below:

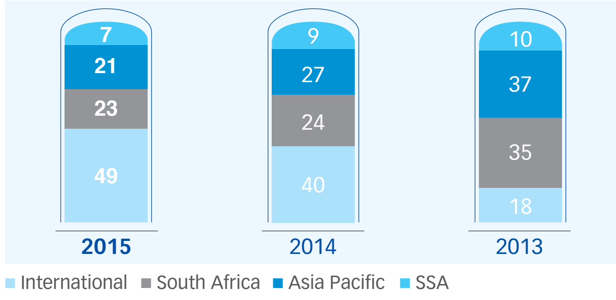
	Cents	Change
Basic earnings per share	1 140	+4%
Headline earnings per share	1 150	+13%
NHEPS	1 219	+15%

Basic earnings per share is calculated from the fully inclusive profit for the year. The growth in basic earnings per share is diluted by the effect of significant capital profits on the sale of certain non-core products during the prior year. Headline earnings are adjusted for certain items as specified on page 96. In the current year these adjustments comprised an add back for net impairments on assets and the removal of net profit on the sale of assets. In arriving at normalised earnings, Aspen adjusts for specific non-trading items as specified on page 96, the most material of which related to the transactions undertaken in the prior year. Foreign exchange losses of R479 million, partially offset by hyperinflationary adjustments of R335 million, diluted the stronger underlying operational growth.

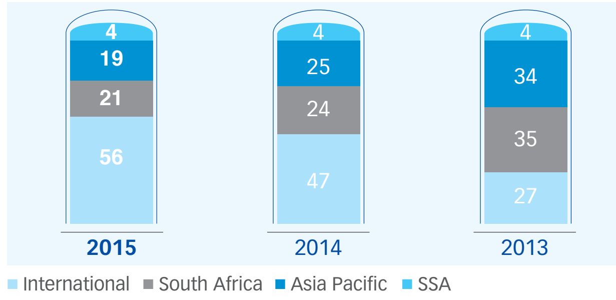
International business is a leading contributor

The International business revenue increased by 46% to R18,6 billion and EBITA climbed by 42% to R5,2 billion consolidating the position of the International business as the largest contributor to Group revenue (49%) and EBITA (56%). The South African business advanced revenue by 16% and EBITA by 7%, reclaiming the position of second biggest contributor in the Group from the Asia Pacific business.

Gross revenue by region (%)

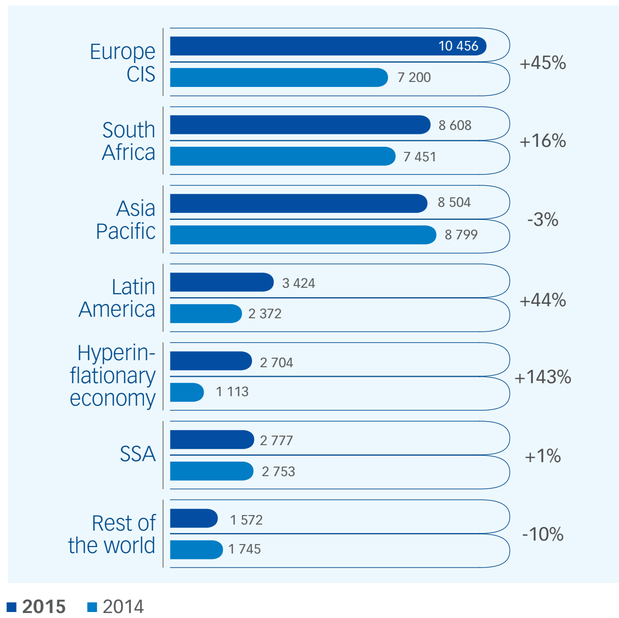


EBITA by region (%)



Europe CIS is a material territory within the International business. Of the R10,5 billion of revenue from customers in Europe CIS, R6,9 billion was from sales of finished dose form pharmaceuticals to healthcare providers while the balance was mainly sales of APIs, with some finished dose form contract manufacturing making up the remainder.

Gross revenue by customer geography (R'million)



Financial review continued

Exchange rate influences

The major currencies contributing to revenue are indicated in the table below:

	Average rate for year to June 2014	**Average rate for year to June 2015**	Variance	**Revenue for the year to June 2015 ZAR'billion**
ZAR/EUR	14,20	**13,61**	4%	**8,5**
ZAR/ZAR	1,00	**1,00**	0%	**7,9**
ZAR/AUD	9,55	**9,48**	1%	**6,7**
ZAR/USD	10,44	**11,47**	-9%	**3,3**
ZAR/VEF	1,25	**1,93**	-35%	**2,4**
ZAR/MXN	0,80	**0,80**	0%	**1,3**
ZAR/RUB	0,31	**0,23**	35%	**0,7**
ZAR/BRL	4,56	**4,26**	7%	**0,7**
ZAR/JPY	0,10	**0,10**	4%	**0,4**
ZAR/GBP	17,10	**18,01**	-5%	**0,8**
ZAR/PHP	0,24	**0,26**	-8%	**0,2**
ZAR/NZD	8,68	**8,77**	-1%	**0,2**
Other currencies				**3,0**
Total revenue				**36,1**

Hyperinflationary accounting was applied in respect of the Venezuelan business unit. The official CENCOEX exchange rate (the official rate of exchange for the importation of essential goods including infant nutritionals and pharmaceutical medicines in Venezuela) of 6,30 VEF per US Dollar confirmed by the Venezuelan government in February 2015, has been applied in the translation of local currency results. In the prior year a rate of 8,50 VEF per USD was applied as at that time there was uncertainty regarding the risk of a potential devaluation of the official CENCOEX rate. The net effect of these entries on EBITA was a loss of R19 million as set out on page 100. The change in rate combined with the effect of hyperinflationary accounting resulted in a reduction to net finance costs of R335 million as set out on page 100.

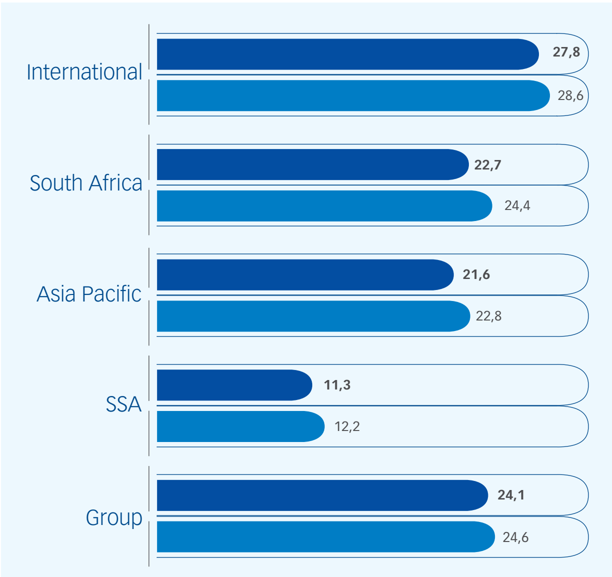
Margin percentage relatively stable

The EBITA margin percentage for the Group declined slightly from 24,6% to 24,1%. Margins have stabilised relative to the declining trend in the prior year caused by the inclusion of lower margin new businesses, being the API business in Europe and the infant nutritionals business in Spanish Latin America.

The following were the influencing factors by business segment:

- In the International business the EBITA margin percentage reduced from 28,6% to 27,8% mainly as a result of unfavourable exchange rates and post-transition margin erosion on acquired products.
- In the South African business the failure of the SEP to adequately compensate for currency weakness, rising inflation and increased ARV tender revenue mix were the main influences in the reduction from 24,4% to 22,7%.
- In the Asia Pacific business the EBITA margin percentage moved from 22,8% to 21,6%, primarily as a result of regulated price cuts and unfavourable exchange rates in Australia.
- In the SSA business unfavourable exchange rates and supply constraints were the key factors in lowering the EBITA margin percentage from 12,2% to 11,3%.
- The increased contribution of the higher margin International business EBITA to 56% of Group EBITA partially mitigated the reduction of overall Group margins.

EBITA margin (%)

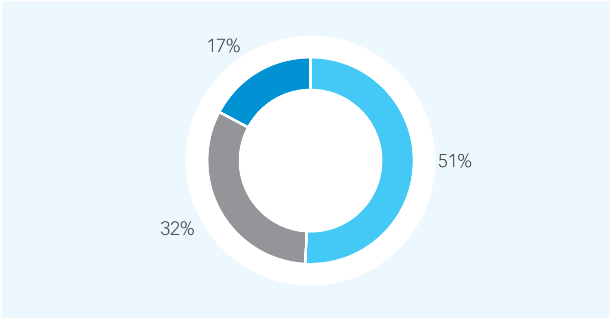


EBITA margins will benefit in the medium term from the value created by the projects aimed at harnessing synergies from recently completed transactions.

Funding

Net borrowings of R30,0 billion increased R0,2 billion over the prior year. R2,5 billion of this arose from unfavourable relative exchange rate movements. Gearing declined to 47% at the period end. Financing costs, net of interest received, were covered six times by operating profit before amortisation. The relative weighting of net borrowings between the three debt pools is indicated below together with the blended interest rates applicable as at 30 June 2015.

Net borrowings of R30 billion



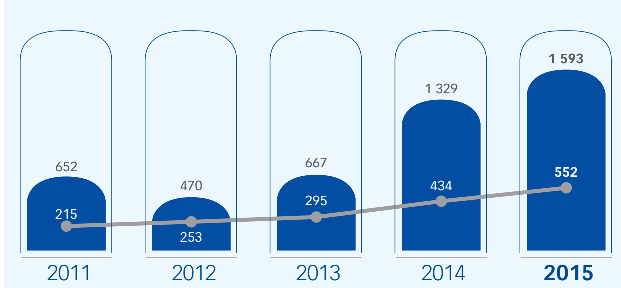
Blended interest rates for net borrowings as at 30 June 2015

Debt denomination	Weighted average rate per annum
ZAR	7,00%
USD	2,75%
AUD	4,60%

Investing in the future

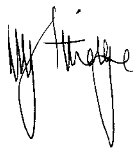
During the 2015 financial year Aspen spent R2,2 billion on the acquisition of subsidiaries and businesses. A further R2,4 billion was incurred in capital expenditure while there were inflows of R3,6 billion from the sale of assets. The Group continues to invest in strategic manufacturing capabilities which will ensure sustainable long-term benefits and security of supply of select key products. As depicted below, Aspen's capital expenditure on property, plant and equipment has exceeded the related depreciation charge for an extended period as the Group builds competitive advantage through investment in manufacturing capability.

Property, plant and equipment (R'million)



Strong cash flows

The enlarged Group generated strong operating cash flows and cash generated from operating activities increased by 26% to R4,8 billion. During the current year the Group continued to invest on a one-off basis in working capital as a consequence of integrating the recently acquired businesses. The inherently strong cash flows in the Aspen business model is an important factor in supporting the Group's capital structure into the future as new investment opportunities are explored.



Gus Attridge

Deputy Group Chief Executive

22 October 2015

Manufacturing capabilities

Primary sites



Port Elizabeth, South Africa

Unit 1 facility
Capability: High-volume solids manufacturing and packing for domestic and export markets.
Capacity: 6 billion tablets.
Accreditation: MCC, PIC/S, MHRA, US FDA, WHO, ANVISA, GCC, MCAZ, ICHA, PMPB, PPB, NDA, TGA, TFDA, DRU, NHRA, FMHACA and NAFDAC

Unit 2 facility
Capability: Small to medium-volume solids manufacturing for domestic and export markets.
Capacity: 4 billion tablets.
Accreditation: MCC, PIC/S, MHRA, US FDA, WHO, ANVISA, GCC, MCAZ, ICHA, PMPB, PPB, NDA, TGA, TFDA, DRU, NHRA, FMHACA and NAFDAC

Unit 3 facility
Capability: End state packing for domestic market. Liquid manufacturing and packing until end 2015.
Capacity: 140 million packed units of tablets and capsules; 30 million packed units of liquids.
Accreditation: MCC and PIC/S

Unit 4 facility
Capability: Hormonal and high potency solids manufacturing and packaging for the domestic and export markets.
Capacity: 3,2 billion tablets (hormonal); 395 million tablets (potency).
Accreditation: The physical construction of the facility has been completed and equipment installation and commissioning is in progress. Inspections by various regulators will be conducted once the initial trial batches have been completed.

Sterile facility
Capability: Eye drops, ampoules, liquid and lyophilised vials for domestic and export markets.
Capacity: 42 million units of eye drops;
2,9 million units of liquid vials;
1,4 million lyophilised vials;
30 million units of ampoules;
45 million units of liquid vials.
Accreditation: MCC, PIC/S, US FDA, WHO, ANVISA, PPB and Bfarm

Notre Dame de Bondeville, France

Block 3: Etna and Stromboli* lines
Capability: Aseptic prefilled and terminally sterilised syringe manufacturing and packing for domestic and export markets.
Capacity: 85 million syringes (Etna line);
130 million syringes (Stromboli line*).
Accreditation: ANSM, ASN and HPB
currently under construction

Block 2: Flexible manufacturing facility
Capability: Bulk prefilled aseptic and terminally sterilised syringe manufacturing and packing for domestic and export markets.
Capacity: 34 million diluents; 66 million prefilled syringes.
Accreditation: ANSM, US FDA, PMDA, ANVISA, TRA, KFDA and HPB

Bad Oldesloe, Germany

Multi-product suite
Capability: Solid dose forms, oral and topical liquids, semi-solids and blow-fill seals manufacturing and packing for domestic and export markets.
Capacity: 3,3 billion tablets;
6 240 tonnes of liquids;
1 404 tonnes of topical liquids;
351 tonnes of semi-solids;
60 million units for blow-fill seals.
Accreditation: GRA, US FDA, ANVISA, PPB, PMDA, TGA, IRA and LRA

API facilities

Cape Town, South Africa

FCC API facility
Capability: Specialised API manufacturing for domestic and export markets.
Capacity: 378 KvH.
Accreditation: MCC, PIC/S, US FDA and PMDA

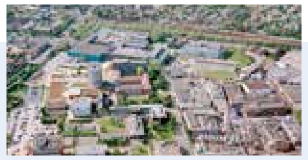

Notre Dame de Bondeville, France

Nadroparin facility
Capability: Specialised biochemical API – conversion of heparin to nadroparin.
Capacity: 130 batches of nadroparin.
Accreditation: ANSM

Fondaparinux facility
Capability: Specialised chemical API – purification by chromatography of Fondaparinux.
Capacity: 34 batches of fondaparinux sodium.
Accreditation: ANSM, US FDA, PMDA, ANVISA, TRA and KFDA

Sioux City, United States

API facility
Capability: Specialist biochemical API – heparin intermediates.
Capacity: Biologicals – capacity is measured on demand – dependent on product mix.
Accreditation: US FDA


Oss, the Netherlands

De Geer site
Capability: Specialised hormonal and chemical APIs.
Capacity: 15 000 KvH.
Accreditation: IGZ, US FDA, KFDA, ANVISA and PMDA

Moleneind site
Capability: Specialised biochemical, hormonal and chemical APIs.
Capacity: Dependent on product mix.
Accreditation: IGZ, US FDA, KFDA, ANVISA and PMDA

Boxtel site
Capability: Specialised biochemical API – gonadotrophin intermediates.
Capacity: Measured on demand.
Accreditation: IGZ, US FDA and PMDA

Regional facilities

Johannesburg, South Africa
Capability: Infant nutritionals and UHT infant milk liquids manufacturing and packing for domestic and export markets.
Capacity: 6 800 metric tonnes of infant nutritionals; 9 million packed units of liquid UHT.
Accreditation: ISO 22000

East London, South Africa
Capability: High-volume oral contraceptive manufacturing and packing for domestic market.
Capacity: 1 billion tablets.
Accreditation: MCC and PIC/S

East London, South Africa
Capability: Solids, semi-solids and liquid manufacturing and packing for domestic market.
Capacity: 800 million tablets; 76 million packed units of liquids; 23 million packs of semi-solids.
Accreditation: MCC and PIC/S

Melbourne, Australia
Capability: High-volume solids, liquids and semi-solids.
Capacity: 3 billion tablets; 1 167 tonnes semi-solids; 1 721 tonnes liquids.
Accreditation: TGA,YRA and UAERA

Auckland, New Zealand
Capability: Infant nutritionals, dairy powder blending and packing for domestic and export markets.
Capacity: 24 000 tonnes of 900g cans (27 million cans); 70 million single serve sachets.
Accreditation: NZ RMP, HACCP, FSSC 22000, China CNCA, China GMP, Halaal, Organic

Vitória, Brazil
Capability: Small to medium-volume solids and liquids.
Capacity: 220 million tablets; 96 kℓ of liquids.
Accreditation: ANVISA and GMP Certificate

Toluca, Mexico
Capability: Small to medium-volume solids.
Capacity: 38 million tablets; 50 million capsules.
Accreditation: COFEPRIS

Vallejo, Mexico
Capability: Infant nutritionals manufactured and packed for the domestic and export markets. Small to medium-volume solids, semi-solids and liquids.
Capacity: 20 000 tonnes of infant nutritionals. 225 million tablets and capsules; 1 300 tonnes semi-solids; 2 000 tonnes liquids.
Accreditation: COFEPRIS, FSSC 22000, ISO 9001, ISO 14001 and OHSAS 18001

Dar es Salaam, Tanzania
Capability: Large volume solids and liquids and small to medium-volume semi-solids.
Capacity: 1,2 billion tablets; 15 tonnes of semi-solids; 1 500 kℓ of liquids.
Accreditation: TFDA**, PPB*, GFDB, PMPD, PRA, MOH – DRC, MOH – IC, NDA, DACA, FMHACA and PIC/S

Nairobi, Kenya
Capability: Small to medium-volume solids, liquids and fast-moving consumer goods.
Capacity: 500 million tablets; 488 kℓ of liquid.
Accreditation: PPB*, NDA**, PMPB*, TFDA, MCAZ, MOH – DRC, PRA and ZAMRA

** Routine audit applied for. ** Site audited – GMP certificate awaited.*

Accra, Ghana
Capability: Small to medium-volume liquids
Capacity: 567 kℓ of liquids.
Accreditation: GFDA

Group strategic operations

Aspen's Group strategic operational projects in respect of its primary manufacturing sites and API facilities are creating niche manufacturing capabilities and delivering integration and operational synergies across its various production sites, thereby providing the platform for growth.

Oral solid dose manufacturing

Aspen has embarked on a number of oral solid dose form capacity expansion and diversification projects for existing and newly acquired global brand products, which have progressed significantly in the past year:

- Construction of Aspen's R700 million high containment facility at its Port Elizabeth site is nearing final completion. The hormonal suite has been completed and manufacturing trials have commenced, while the oncolytic suite is in the final stages of equipment installation and commissioning, and commenced with manufacturing trials in September 2015. The facility, designated Unit 4, employs technologies that support the requirements for high levels of containment and operator protection, and will be used in the production of certain global brands;
- The upgrade of the Unit 3 domestic market packing area to international standards has been completed, thereby more than doubling the packing capacity for internationally marketed products;
- Planning for the construction of a high potency finished dose packing suite within the existing Unit 3 facility footprint is complete and the project is set to commence once the final oral liquid products have been transferred to the Aspen East London site. The associated manufacturing suite is in place and will produce Lanoxin for supply into Latin America; and
- The transfer of the MSD divested brands, Ovestin cream, Thyrax tablets, Oradexon tablets and Meticortolone liquid, from the historic MSD manufacturing facilities to the Aspen Bad Oldesloe site, located in Germany, is proceeding to plan.
- The launch of the line extensions to the Eltroxin brand and the Ovestin cream brands into the first commercial markets is in progress. Technical transfer of the other selected products acquired from MSD is progressing to plan, with validation completed and stability testing for regulatory submission in progress. In addition to the new hormonal cream and ointments suite, the construction of the new blister packing line at Aspen Bad Oldesloe for Thyrax has been completed.

Aspen Port Elizabeth's large volume and scale, coupled with its new niche production capability, and Aspen Bad Oldesloe's niche and specialised, flexible manufacturing and packing capabilities, together with its location in the European market, offer significant and cost-effective synergies in the production of Aspen's global brands.

Sterile manufacturing

Aspen's Sterile sites in Port Elizabeth and in Notre Dame de Bondeville in France are complementary in technology (identical prefilled syringe filling technology) and product offering (Fraxiparine in prefilled syringe and vial formats). Integration and capacity expansion plans in respect of these sites have progressed well in the past year:

- Construction of the R1,4 billion extension to the sterile manufacturing capabilities in Port Elizabeth, comprising a high speed prefilled syringe suite, a combination vial/ampoule suite and a segregated specialised suite, is proceeding to plan. The first trial and validation batches in respect of the prefilled syringes are scheduled for manufacture in the 2017 calendar year;
- The transfer of the acquired Fraxiparine vials product into the existing Aspen Sterile facility in Port Elizabeth is progressing to plan. The site was successfully inspected by the German regulatory authorities for the granting of a manufacturing licence for supply of Fraxiparine vials into the European Union;
- The capacity expansion plan at Aspen NDB, comprising the establishment of a new high speed prefilled syringe filling suite, has been completed. The first trial and validation batches for Fraxiparine syringes are in progress and commercial production is planned to commence in October 2015; and
- The transfer of Arixtra prefilled syringes to the high speed Etna line is proceeding to plan with validation having commenced in May 2015 and first commercial supply, after regulatory authority approval, expected to be in 2016.

The complementary processes and products across these sites present Aspen with a significant skills and technology base to support growth.



API manufacturing

The integration of Aspen Oss into the existing Aspen API network has made pleasing progress during the past year. Together with FCC in South Africa and third-party facilities in India dedicated to Aspen, a number of realignment and integration projects are in place, which have progressed well in the past year:

- The internal and external realignment plans at Aspen Oss are proceeding to plan and the IPT3 plant has ceased the manufacture of chemical APIs. The project to increase the heparin purification capacity at Aspen Oss by repurposing the IPT3 production facility has been delayed and is now planned to commence trial and validation batches in early 2016. A similar project to double danaparoid capacity will commence once technical projects have been completed to resolve the robustness of the danaparoid API production process. The reintroduction of niche conjugated and esterified estrogen API production into Oss is also making good progress and will offer significant strategic and commercial opportunities to Aspen;
- A new facility for the production of large volume, early stage API intermediates has been constructed in India on Aspen's behalf and as part of Aspen's strategic alliance with a leading Indian API manufacturer. Technology transfer of all key intermediates from Aspen Oss to this facility has been completed and the first commercial deliveries have been received. This facility is expected to offer significant synergistic and cost reduction opportunities for the Group; and
- Construction of the new high volume, high potency multipurpose API facility at FCC in South Africa is progressing to plan with three of the four production suites completed and in operation. The final production suite is expected to be operational in the next few months. The upgrades to existing production facilities to improve GMP and efficiencies have also been completed. The construction of a new high potency hormone manufacturing facility has been delayed and is now planned to be operational before the end of the 2015 calendar year.

These two sites provide Aspen with specialised API capabilities in respect of both Aspen's own and third-party commercial opportunities. In addition, the combination of Aspen Oss (the Netherlands and United States operations) with Aspen NDB and the Aspen Port Elizabeth steriles facility, provides Aspen with a fully integrated biochemical supply chain for the GSK acquired products.

Cost containment and increased efficiencies

Focused initiatives and projects remain in place to ensure resource conservation, production efficiencies, effective equipment operation and waste elimination in Aspen's South African operations and at Aspen Bad Oldesloe. Targets have been set for the new financial year and are monitored on a monthly basis.

Comprehensive, detailed, multi-year savings plans, covering all aspects of the operations, have been developed for Aspen Oss and Aspen NDB and are expected to deliver significant cost savings to the Group. The progress made in achieving these plans is monitored on a three-monthly basis.

Continued focus on compliance

Aspen's Group Strategic Operations function has maintained its strong focus on quality. Aspen Oss was successfully inspected by the US FDA and the French regulator, ANSM, extended the site GMP certificate of Aspen NDB without the need of an on-site inspection. All the Aspen sites underwent successful customer audits.

The South African operations' facilities underwent successful ISO 14001 and OHSAS 18001 Health, Safety and Environmental surveillance inspections. Aspen Bad Oldesloe was successfully inspected against ISO 14001, ISO 18001 and ISO 50001. Preparation of Aspen Oss and Aspen NDB ISO accreditation in the near future is proceeding to plan.

Through these projects and achievements, Aspen's manufacturing operations continue to excel in the supply of high quality, affordable products into the various markets in which Aspen operates.

International

Aspen's International business comprises operating subsidiaries in Europe CIS, Latin America, MENA, Canada as well as Mauritian-based Aspen Global, the international commercial business and intellectual property holding company which is also a primary Group trading operation and supply chain hub. Globally branded pharmaceutical products are distributed into multiple territories as well as local brands in selected regions. The recent acquisition of API manufacturing capabilities in Oss in the Netherlands and Sioux City in the United States has added API sales across the world, while the manufacturing site in Notre Dame de Bondeville in France will primarily service Group supply needs.

Business unit overview

Key business units			Key territories supplied to
Europe CIS	Aspen Bad Oldesloe Aspen Europe Aspen France Aspen Germany Aspen Ireland	Aspen Italy Aspen NDB Aspen Oss Aspen Polska Aspen Russia Aspen the Netherlands	Argentina Brazil Canada CariCam Chile CIS Colombia Ecuador Europe Mexico Middle East North Africa Panama Peru Russia United States Venezuela
Latin America	Aspen Argentina Aspen Brazil Aspen Caricam Aspen Chile Aspen Colombia	Aspen Ecuador Aspen Mexico Aspen Panama Aspen Peru Aspen Venezuela	
Rest of the world	Aspen API Aspen Canada Aspen Dubai Aspen Global		

Market statistics and recognition

- The European and CIS thrombosis pharmaceutical market is valued at EUR2,5 billion, growing 9,8% in value and 4,8% in volume as at 30 June 2015.
- Aspen is the second largest manufacturer of injectable anticoagulants in Europe CIS and is the leader in certain countries such as Bulgaria, the Czech Republic, the Netherlands and Romania.
- The Spanish Latin American private pharmaceutical sector is valued at USD38,5 billion and Aspen was ranked 27th as at 30 June 2015.
- The Brazilian private pharmaceutical sector is valued at USD26,7 billion and Aspen was ranked 55th as at 30 June 2015.
- Santa Cruz Distributor recently acknowledged Aspen Brazil's sales team with the *'Provendas Award'* for product sales.
- The MENA pharmaceutical sector is estimated at USD20 billion.
- Aspen's major markets in the MENA region include Saudi Arabia, Egypt, Algeria, Yemen and Morocco.



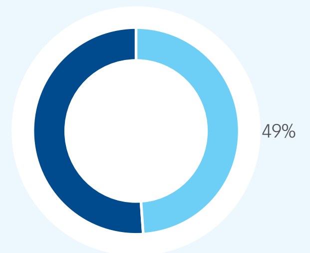
Financial performance

	2015 R'million	2014 R'million	Change
Revenue	**18 567**	12 725	46%
EBITA	**5 160**	3 636	42%
EBITA margin (%)	**27,8**	28,6	

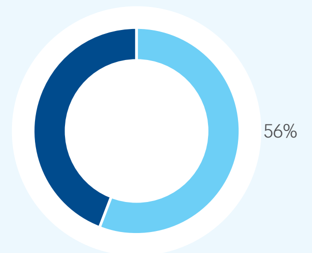
Revenue by customer geography

	2015 R'million	2014 R'million	Change
Revenue			
– Europe CIS	**10 456**	7 200	45%
– Latin America	**3 424**	2 372	44%
– Hyperinflationary economy	**2 704**	1 113	143%
– Rest of the world	**1 572**	1 745	–10%

Contribution to Group revenue



Contribution to Group EBITA



Number of products launched from pipeline:
Europe CIS: Nil (2014: Nil)
Latin America: 43 (2014: 9)
Rest of the world: Nil (2014: Nil)

IMS value of pipeline as at 30 June 2015 anticipated to be launched in:
0 – 2 years
USD1 049 million
3 – 5 years
USD2 495 million

Number of permanent employees:
Europe CIS:
2 608 (2014: 2 455)
Latin America:
1 360 (2014: 1 362)
Rest of the world:
235 (2014: 197)

Number of product recalls:
1 (2014: Nil)

Average staff turnover:
Europe CIS: 5%
Latin America: 33%
Rest of the world: 17%

Number of work-related fatalities:
Nil (2014: Nil)

Highlights for the year

- Aspen's revenue in Europe CIS advanced 45% to R10,5 billion. This is now the largest business for the Group contributing 49% towards total revenue. The inclusion of acquisitions for a full year and good growth from existing global brands were the main contributors to this increase.
- Aspen acquired Mono-Embolex, a heparin-based injectable anticoagulant, from Novartis AG for a consideration of USD142 million in February 2015. Mono-Embolex presents an excellent strategic fit with the Group's recent acquisitions in the thrombosis therapeutic category.
- Revenue from Spanish Latin America grew by 44%, propelled by the recent infant nutritionals and pharmaceutical products acquisitions.
- In Latin America, Aspen now has full control over all brands previously handled with distributors in most countries including Mexico, Venezuela, Colombia, and the Andean region.
- The MENA region successfully launched its regional distribution hub, giving Aspen improved control and means to drive the availability of its products in this region.

International continued

Market dynamics and legislative environment

Europe

The European CIS pharmaceutical sector was valued at USD226 billion by IMS as at 30 June 2015. The European region is the world's second largest pharmaceutical sector, valued at USD210 billion, while the CIS region's sector is valued at USD16 billion and is ranked 11th globally. Healthcare spend per capita in Europe is more than 14 times higher than in the CIS, with only twice the population of the CIS region. Aspen's major markets in Europe CIS include France, Germany, Italy, Poland and Russia.

Germany is the country with the largest pharmaceutical sector in Europe, valued at EUR37 billion as at 30 June 2015 by IMS. The retail segment makes up the majority of the sector in both value (87%) and counting units (91%). For injectable anticoagulants, volumes are driven by demand from hospitals, while retail sales are higher in value. The French pharmaceutical sector is similar with retail sales being the majority of the sector at more than 70% of the total value of EUR28 billion. Originator brands are the bulk of the sector at 82% in value and 69% in units.

European countries set prices using a variety of mechanisms including reference pricing to other countries. The free movement of goods within the European Union poses a challenge as it enables goods from lower priced countries to be sold into higher priced countries, thereby exploiting price differences.

During 2015, the European CIS business was heavily impacted by foreign exchange currency movements. Relative weakness of the Euro and the Russian Ruble to the Rand reduced reported revenues from this region. The Russian Ruble weakened 21% against the Euro and 35% against the Rand over the financial year, while the Euro weakened by 4% against the Rand.

The Russian trading environment remains challenging as a result of ongoing political and economic uncertainty. This sector is tender driven with heavy reliance on public spending for medicines.

Spanish Latin America

Spanish Latin America is a pharmerging market dominated by ethical products with an increasing share for generics and OTC products. It has grown at nearly 15% in value and 2,5% in volume per annum for the four-year period to 2015. Market dynamics are particular to each country as each has its own health authority, political dispensation and economic macro-variables influencing healthcare trends.

With Mexico being the country with the largest pharmaceutical sector in Spanish Latin America it remains an attractive investment destination for pharmaceutical companies with other priority markets being Argentina and Colombia. Trading conditions in Venezuela have proven challenging for most multinational companies, including companies in the pharmaceutical and infant nutritionals sectors, due to the current hyperinflationary environment, currency volatility and the challenges experienced with recovering debt and repatriating earnings from this country. These challenges have resulted in medicine shortages as pharmaceutical companies selling into Venezuela find it increasingly difficult to obtain payments for these sales. As a consequence, this market is now driven by demand rather than by competitive pricing or brand positioning.

Brazil

The Brazilian pharmaceutical sector value growth slowed to high single-digit figures for the first time since Aspen established an operation in this country. The economic and political environment impacted most sectors, including the pharmaceutical sector, albeit to a lesser extent. The public market constitutes about 30% of the pharmaceutical sector and was affected by the federal government's budget cuts in most areas, including healthcare spending.

The Brazilian pharmaceutical regulator, ANVISA, recently published new regulations that require additional documentation for registrations of new, generic and bio-similar medicines. This led to the delay in the registration and the renewal of registrations. It is, however, expected that ANVISA will be considering certain regulatory amendments such as simplifying the transfer of marketing authorisations and that these amendments will be to Aspen's benefit going forward.

Rest of the world

All territories outside of Europe CIS and Latin America are classified as Rest of the world, which includes Aspen's businesses in MENA and North America. The MENA region's pharmaceutical sector has historically been driven by tender business but has now been overtaken in growth by the private sector. Aspen's business in this region is primarily in retail, with limited tender business demand. The region is largely for branded products with fairly low generic penetration estimated at less than 10% of the pharmaceutical sector. Aspen's sales in North America are mostly through distributors and in respect of APIs.

Performance review

International

Revenue for the International segment increased 46% to R18,6 billion and EBITA 42% to R5,2 billion in 2015. This makes it the largest contributor in the Group with a 49% contribution to Group revenue and 56% towards EBITA.

Europe CIS

2015 was the first full year of Aspen operating with its own local presence in Europe CIS and revenue to customers advanced by 45% to R10,5 billion. Commercial sales grew 74% to R6,9 billion.

Commercial sales were boosted by the full year inclusion of the products recently acquired from GSK and MSD, compared to six months' inclusion in 2014. Existing global brands grew by 18% driven by the strong performance of the oncology portfolio and as a result of the benefit of Aspen having local presence in countries where distributors were previously utilised. The oncology portfolio includes products such as Alkeran, Leukaran, Myleran and Purinethol. Aspen's anticoagulant products performed well and grew 13% in the second half of 2015 compared to the first half, despite increased currency weaknesses as the financial year progressed. Revenue from these anticoagulant products for the year amounted to R4,6 billion.

The acquisition of Mono-Embolex during the year assisted performance and offset the impact of currency weaknesses by contributing R308 million towards revenue. The acquisition of this product is expected to boost Aspen's anticoagulants portfolio for this region and gives credibility to Aspen being a solid contender in this therapeutic category. This product is positioned as a simple-to-use once daily prophylaxis treatment and is the only low molecular weight heparin that offers patients weight-independent dosing, thereby combining ease of administration with the proven efficacy in prophylaxis and therapy of deep vein thrombosis. While this product is currently only available in Germany, Switzerland and Austria, with the bulk of sales being in Germany, there are opportunities to launch this product in other countries. Its addition to the thrombosis portfolio led to the expansion of the German sales force and 100 additional representatives were recruited once Aspen took over promotion of the product in February 2015. The integration of Mono-Embolex into Aspen's operations has been completed and there are also potential synergies in the integration of the product into Aspen manufacturing facilities where cost saving initiatives, such as lower API sourcing cost as a result of increased crude heparin volumes, present themselves.

Aspen now has direct representation in 22 countries across the European and CIS regions, with the majority of sales representatives being based in Germany, Aspen's largest market in Europe. Aspen is currently the only company that offers a broad range of specialist injectable anticoagulants. This strength creates synergistic opportunities between the thrombosis and other Aspen therapeutic classes complemented by thrombosis products, female health products (from the acquired MSD portfolio) and oncology (existing global brands).

API and finished form product sales grew 10% to R3,6 billion with the majority of these being API sales of R3,0 billion which grew at 11% for the year. This is considered good growth in view of the negative currency impact of 4,5% to sales and the inclusion of sales to GSK for a quarter in 2014.

Latin America

Overall Latin American performance was influenced by the ongoing economic situation in Venezuela and as a result of International Financial Reporting Standards ("IFRS") requirements, Venezuela was separately reported on as a hyperinflationary economy. Sales to customers in Latin America (excluding Venezuela) grew 44% to R3,4 billion, supported by the infant nutritionals, anticoagulants and MSD products acquisitions. Sales to Venezuela grew 143% to R2,7 billion for the year boosted by hyperinflation and currency rate changes.

Spanish Latin America

Revenue to customers in Spanish Latin America (i.e. Latin America, excluding Brazil) advanced 98% to R5,3 billion for the year. Revenue from infant nutritional products doubled to R3,1 billion, benefitting from the annualisation impact of revenue which was included for eight months the previous year. The acquired infant nutritionals business continues to perform in line with expectations for this region and in Mexico the change in commercial strategy from retail to detailing healthcare practitioners and paediatricians is progressing well. Mexico is a key market for infant nutritionals and Aspen has recovered lost share with the implementation of a prescriber-based promotional campaign. The restructuring of sales operations and distribution discount practices stabilised share, as reported on by IMS, entrenching Aspen's third position in this highly competitive segment. Strong performances, with double-digit growth, were achieved in Colombia, Venezuela, Ecuador, Panama and Costa Rica. Aspen became the sector leader in Ecuador and Chile and retained its second position in Venezuela. The nutritionals business is a priority for this region as it now makes up 58% of revenue in this region, including Venezuela.

International continued

Pharmaceutical sales for Spanish Latin America, excluding Venezuela, grew by 75% assisted by the acquisitive growth from the MSD products during the year. Leading brands for this region include Meticorten, Zyloric, Novial, Deca-Durabolin and Ovestin. Female health is a focus area for Aspen in this region and the portfolio was complemented by the launch of Darifenacin. Other product launches include Valsartan and Valsartan HCTZ, both used to treat high blood pressure, as well as Anastrozole used to treat breast cancer and Fluorouracil used for the treatment of cancer.

Concerted efforts were made to establish Aspen's new businesses in the Andean region, Costa Rica and Caricam during the year. These efforts included establishing awareness of Aspen's identity with the medical community, establishing distribution channels for infant nutritionals and product codification without supply interruption. Key global brands were also transferred from third-party distributors. The majority of the transfers of the pharmaceutical portfolio from distributors were accomplished with limited disruption to existing supply and sales channels. The pharmaceutical business in Caricam, constituting a complex hub supplying 15 countries and managed out of Panama, continued being managed by contracted distributors. In the OTC portfolio, supply shortages were experienced for Cofal and Milk of Magnesia in most of the regions. Product transitions for the recently acquired MSD products commenced in the final quarter of the year.

The difficult socio-economic environment in Venezuela has led to the restructuring of this business to limit financial exposure. Despite this restructuring, Aspen intends maintaining its presence in Venezuela where it will continue to supply essential medicines and infant nutritional products to the retail market. Aspen's engagement of the Venezuelan government is ongoing and recent developments related to the advance settlement of imports of infant nutritional products are positive.

Brazil

Regulatory amendments and third-party supply constraints during the 2015 financial year impacted on this business' performance and, as a result, revenue for the year was flat at R0,8 billion. While a number of supply interruptions could be effectively managed by finding alternative internal sources of supply, inconsistent third-party supply remained a challenge through most of the year.

Rest of the world

Revenue from these territories reduced by 10% to R1,6 billion, mainly due to the disposal of Arixtra in the United States to Mylan. Sales for the MENA region were impacted by supply issues for leading products and political turmoil in certain key markets.

Strategic priorities and future outlook for next financial period

- The anticoagulants portfolio is the largest product franchise in Europe CIS for Aspen and focus remains on promoting this unique specialist offering. The advantages of each of the products for the treatment of specific conditions will be a focus area in their promotion in the coming year. This coupled with extracting and realising synergies between the anti-thrombosis therapeutic class and the female health and oncology portfolios is expected to drive growth in this region.
- Aspen will seek registration of its global brands portfolio into new European markets where previously unavailable and deemed appropriate to complement the existing offering.
- Continued focus will be placed on neonatal prescribers to increase Aspen's share of the Spanish Latin American infant nutritionals sector. As most transitions have occurred for recent acquisitions, local commercial teams will focus on leveraging their sales, supply and distribution channels and to grow these hormonal and anticoagulant portfolios in Mexico and the Andean region. The key focus for the Caricam region will be to mitigate the supply challenges for key products and taking ownership of global brands that remain with third-party distributors thereby reducing the complexity in the supply channel.
- Socio-economic challenges and limitations in accessing foreign currency to pay for product may limit Aspen's ability to grow in Venezuela. Efforts to work with local government will continue in order to ensure the continued availability of Aspen pharmaceutical and infant nutritional products in this market.
- Aspen in MENA will continue to maximise marketing and promotional activities and campaigns to increase in-market demand. Profitability and regulating the supply of products remains a priority in driving growth and a sustainable business in the region.

Leading brands in International

Brand name	Classification	Therapeutic category	Therapeutic application
Alkeran	Pharmaceutical	Oncology	For the treatment of cancer
Arixtra	Pharmaceutical	Cardiovascular	For the treatment of acute deep vein thrombosis and acute pulmonary embolism
Deca-Durabolin	Pharmaceutical	Hormonal	For the treatment of various inflammatory conditions such as allergic disorders, skin conditions, lupus, psoriasis and others
Fraxiparine	Pharmaceutical	Cardiovascular	For the treatment of acute deep vein thrombosis and acute pulmonary embolism
Imuran	Pharmaceutical	Immuno-modulator	For the treatment of certain autoimmune conditions and for the prevention of organ transplant rejection
Lanoxin	Pharmaceutical	Cardiovascular	For the treatment of certain heart conditions including heart failure
Meticorten/Meticortelone	Pharmaceutical	Hormonal	For the treatment of allergic disorders
Mono-Embolex	Pharmaceutical	Cardiovascular	For the treatment of acute deep vein thrombosis
Novial	Pharmaceutical	Oral contraceptive	For the prevention of pregnancy
Ovestin	Pharmaceutical/OTC	Hormonal	For the treatment of symptoms of menopause
Purinethol	Pharmaceutical	Oncology	For the treatment of cancer
S-26	Consumer	Infant nutritionals	For the nourishment of infants
Zyloric	Pharmaceutical	Anti-gout	For the treatment of gout

South Africa

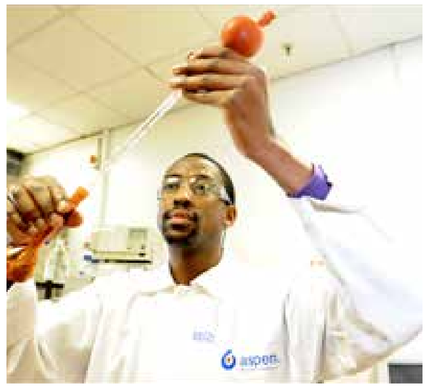
The South African business provides a diverse basket of branded, generic, OTC, consumer health and infant nutritional products which are supplied to pharmacies, retail pharmacy chains, hospitals, clinics, prescribing specialists, dispensing general practitioners, managed healthcare funders and retail stores across the private and public sectors in South Africa.

Business unit overview

Key business units	Key territories supplied to
Aspen Pharmacare	Botswana Lesotho Namibia South Africa Swaziland

Market statistics and recognition

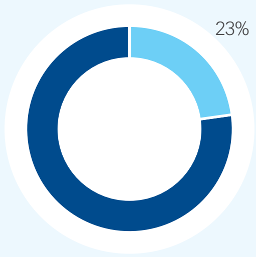
- The South African private pharmaceutical sector was valued at R33,1 billion for the year ended 30 June 2015.
- Aspen is ranked as the number one pharmaceutical company in the private sector, as measured by IMS, with a 16,0% share.
- About one in every five scripts dispensed by South African pharmacists is for an Aspen product, as recorded by ImpactRx.
- In the private sector, four out of the top 20 products by value, as measured by IMS for the year ended 30 June 2015, was an Aspen product.
- Three out of the top five generic products supplied in the private sector were Aspen products.
- In November 2014, Aspen was the recipient of two UPD awards, namely the "*Fastest Growing Distribution Supplier*" and "*Supplier of the Year Award*" for the second consecutive year.
- Aspen was the recent recipient of the South African PMR Africa CSR Award: *"Platinum for Manufacturers"*, which is the highest award in its category.
- Aspen was ranked 8th in the Top 100 Companies over five years category and second in the Top 40 Index Companies over five years in the 2014 Sunday Times "Top 100 Companies Awards" in South Africa. Aspen has been confirmed as one of the Sunday Times Royal Companies, i.e. companies which retain a top 20 position within the Sunday Times Top 100 Companies rankings for three consecutive years.



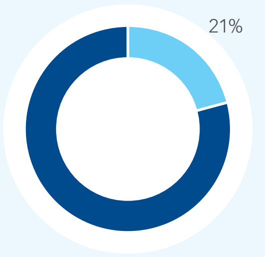
Financial performance

	2015 R'million	2014 R'million	Change
Revenue	**8 603**	7 446	16%
EBITA	**1 950**	1 817	7%
EBITA margin (%)	**22,7**	24,4	

Contribution to Group revenue



Contribution to Group EBITA



Number of products launched from pipeline:
9 (2014: 9)

IMS value of pipeline as at 30 June 2015 anticipated to be launched in:
0 – 2 years
USD304 million
3 – 5 years
USD124 million

Number of permanent employees:
3 634 (2014: 3 197)

Number of product recalls:
4 (2014: 1)

Average staff turnover:
10% (2014: 11%)

Number of work-related fatalities:
Nil (2014: Nil)

Highlights for the year

- The private sector Pharmaceutical division delivered a strong performance with 12% revenue growth for the year. This performance was driven by the continued growth of key brands as well as the notable performance of generic clones (second brands) launched under co-marketing agreements entered into with multinationals.
- Revenue for the Consumer division grew 23% primarily driven by the exceptional growth of 47% in infant nutritionals.
- Aspen was awarded approximately 20% of the ARV tender in December 2014. The award is for a number of key products including 25% of the fixed dose combination containing Tenofovir, Emtracitibine and Efavirenz (Tribuss), of which more than 80% is considered as a first line treatment for adults.
- Aspen reached agreement to dispose of a product portfolio to Litha Pharma (Pty) Limited for R1,6 billion as part of its strategic intent to reduce complexity and focus attention in areas where most value can be added.

South Africa continued

Market dynamics and legislative environment

The South African private pharmaceutical sector, valued at R33,1 billion as at 30 June 2015 by IMS, advanced 8,2% in value (2014: 6,1%) and 5,4% in volume (2014: 5,3%) for the year. Growth was largely driven by generics and the fact that originator brands still enjoying patent protection had managed to revive some growth in the ethical segment during the year. The generics segment, which is valued at R9,4 billion, grew 10,5% in value for the year, more quickly than the private sector as a whole. IMS comparatives for 2014 differ from previously published figures due to the merger of ImpactRx and IMS. This merger led to data corrections and the restatement of historical information which was initiated in April 2015.

The Department of Health granted a single exit price ("SEP") increase of 7,5% for the private sector (2014: 5,8%) and this adjustment was implemented with effect from March 2015. Despite continued downward pressure on prices by funders and the influx of newly registered generic brands from competitors, the sector performed better than the prior year as indicated by IMS statistics.

Public sector business varies and depends on awards for each tender that is published. The ARV tender remains the largest component of Aspen's public sector revenue. Although this is the largest public tender in South Africa, valued at R14,0 billion over a three-year period commencing 1 April 2015, the current tender is at significantly reduced selling prices compared to the previous tender.

The South African legislative and regulatory environment continues to face a number of proposed amendments which, upon promulgation, would have an impact on pharmaceutical companies:

- The MCC announced the proposed rescheduling of various APIs such as acetyldihydrocodeine, codeine, dihydrocodeine and norcodeine in February 2015. This, in turn, will have an impact on the scheduling status of certain OTC products. Final confirmation of the proposed rescheduling in the Government Gazette is awaited. The implementation of the proposed rescheduling is not expected to have a significant impact on Aspen's revenue.
- During July 2015, the proposed rescheduling of aspirin to Schedule 2, when used for the treatment of children or adolescents or for the prophylaxis of cardiovascular disease in adults, was published for comment. This could potentially impact some products currently in registration.
- Legislation relating to the capping of logistics fees is still pending.
- While there has not been any formal update from the Department of Health relating to international benchmark pricing, price comparisons of comparator products from Australia, New Zealand, Canada and Spain for originator medicines has been requested in both the 2015 SEP adjustment process, as well the proposed calculation of the SEP adjustment for 2016 currently open for comment. This appears to be a step towards international benchmarking.

Other market conditions that impacted the business:

- The Rand traded weaker against major currencies during the year, resulting in higher prices of APIs and conversion costs continue to be under pressure owing to rising electricity and input prices. There is also a general slowdown in economic growth which is expected to impact negatively on consumer spending going forward.

Performance review

Strong Pharmaceutical division growth

The private sector Pharmaceutical division achieved strong revenue growth of 12%, driven by a combination of price and volume growth of existing products, boosted by the good performance of clones (second brands), such as Trustan, Zuvamor and the recently launched Ciavor. The annualised impact of the 5,8% SEP increase awarded in the fourth quarter of 2014 also contributed favourably to growth. While key brands such as Tribuss, Foxair, Augmentin and Mybulen experienced double-digit growth during the year, pricing pressure was experienced in highly competed elements of the portfolio. Growth was aided by product launches in the prior year being in the market for the full 12 months while four new molecules were launched during the year.

Public sector revenue grew by 14%, driven by a significant increase in volumes of the fixed dose combinations that form part of the ARV tender. Contract price adjustments applied to existing tenders due to adverse currency movements provided some relief although there is a lagged effect to this. Other tenders were relatively flat as new awards were offset by products lost under the new tenders.

Consumer division growth largely driven by infant nutritionals

Revenue growth of 23% for the Consumer division was primarily as a result of the impressive growth in the infant nutritionals business. A full year of ownership of S-26 and the other products acquired from Nestlé in the prior year added to the growth of this range which exceeded plan. Infacare also produced pleasing double-digit growth driven by volume and price increases. The robust performance of infant nutritionals was achieved through a dedicated team constantly seeking new opportunities including improved customer understanding and penetration initiatives. As a result Aspen's volume share in this sector increased to 26,3% in June 2015 from 24,5% in June 2014, as measured by AC Nielsen.

The infant nutritionals business also improved its margin by focusing on a number of initiatives such as centralised global procurement for raw material inputs, rationalisation of non-profitable lines and other operating expense initiatives. Most of the commercial benefits derived from these initiatives will only reflect in the next financial year.

While the nutritionals business recorded a pleasing performance for the year, performance of the rest of the Consumer division was disappointing, mainly as a result of inventory shortages of key brands. Internal initiatives to leverage the structure of the Pharmaceutical division and the strengthening of the supply chain team are expected to improve this position going forward. A lack of new product launches during the year further limited revenue growth opportunities within the consumer health range.

Other developments during the year

In May 2015, Aspen reached agreement to dispose of a product portfolio comprising injectables and established brands to Litha Pharma (Pty) Limited for R1,6 billion as part of its strategic intent to reduce complexity and focus attention in areas where most value can be added. This portfolio contributed revenue of R412 million and profit before tax of R123 million for the year ended 30 June 2015. The transaction was subject to the South African Competition Tribunal's approval which was obtained subsequent to year end in early August 2015. The transaction became effective on 1 October 2015.

Aspen also concluded a set of agreements with the Netherlands-based Norgine to purchase all of the shares of its South African subsidiary. The acquisition forms part of Aspen's strategy to increase its focus on therapeutic areas that present the best long-term growth opportunities. Norgine's key brands which include Movicol, Normacol and Camcolit, will form part of Aspen's commercial strategy to optimise consumer products. This transaction was also subject to the South African competition authorities' approval which was obtained on 25 August 2015. The Norgine products have continued to be promoted by the Norgine sales team since the transaction closed on 30 September 2015.

Strategic priorities and future outlook for next financial period

- Organic growth is expected to be boosted by new product launches and possible bolt-on product acquisitions in targeted therapeutic areas. Following the success of current second brands/clones launches, additional co-marketing arrangements will be explored.
- In the quest to reduce complexity within the business, the Pharmaceutical and Consumer divisions of this business will be streamlined into a single structure to drive synergies.
- Focus on infant nutritionals continues with plans to achieve further growth through the various stages of infancy as well as ensuring reliable availability of products through all channels.
- The recent divestment of a product portfolio to Litha Pharma (Pty) Limited and acquisition of the Norgine business forms part of Aspen's ongoing strategic intent to focus attention on areas where most value can be added and to lessen complexity.

Leading brands in South Africa

Brand name	Classification	Therapeutic category	Therapeutic application
Altosec	Pharmaceutical	Gastrointestinal	For the treatment of gastric ulcers and reflux
Augmentin	Pharmaceutical	Antimicrobial	For the treatment of bacterial infections
Dutch Medicines	Consumer	Vitamin, herbal and complementary	For the treatment of assorted ailments
Foxair	Pharmaceutical	Respiratory	For the treatment of asthma
Infacare	Consumer	Infant nutritionals	For the nourishment of infants
Mybulen	Pharmaceutical	Analgesic	For the treatment of pain, inflammation and fever
Pharmapress	Pharmaceutical	Cardiovascular	For the treatment of hypertension
S-26	Consumer	Infant nutritionals	For the nourishment of infants
Tribuss	Pharmaceutical	ARV	For the treatment of HIV/AIDS
Trustan	Pharmaceutical	Gastro-intestinal	For the treatment of gastro-intestinal reflux disease, for duodenal and gastric ulcers and for conditions associated with hypersecretion of gastric acid

Asia Pacific

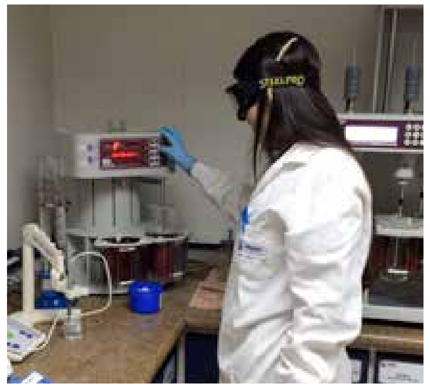
Aspen's business in Asia Pacific comprises operations in Australasia, the Philippines, Malaysia, Taiwan and a recently established business in Japan. These operations supply a diversified portfolio of branded, generic, OTC, consumer and infant nutritional products into Australia and New Zealand and selected territories in Asia. Certain tablets, liquids and semi-solids are produced at the Group's manufacturing sites in Melbourne, while other products are increasingly being sourced from Aspen's global manufacturing sites and accredited third-party manufacturers.

Business unit overview

Key business units	Key territories supplied to
Aspen Asia Aspen Australia Aspen Japan Aspen Malaysia Aspen Philippines Aspen Taiwan	Australia China Hong Kong Indonesia Japan Korea Malaysia New Zealand Singapore Taiwan Thailand The Philippines Vietnam

Market statistics and recognition

- The Australian pharmaceutical sector is valued at AUD14,6 billion by IMS and Aspen is currently ranked 1st by value with a 9,4% volume share and 4th by value with a 4,2% value share for the year ended 30 June 2015.
- Asian pharmaceutical markets are valued at almost USD202,4 billion by IMS in 2015. Japan is the largest market in Asia at USD79 billion followed by China at USD76 billion. The combined value of the markets where Aspen has local operations in Asia is USD88 billion.
- Almost one in five scripts written in Australia is for a product distributed by Aspen.
- In Australia, Aspen was awarded the "*Generics Supplier of the Year*" at the Sigma Awards in October 2014 for the third consecutive year.
- Aspen was awarded the "*Medicines Supplier of the Year Award for 2015*" by the Discount Drug Store in Australia.
- Dequadin won the 7-11 Favourite Consumer Brand Award in Hong Kong.



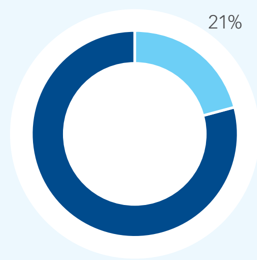
Financial performance

	2015 R'million	2014 R'million	Change
Revenue	**8 107**	8 517	–5%
EBITA	**1 748**	1 945	–10%
EBITA margin (%)	**21,6**	22,8	

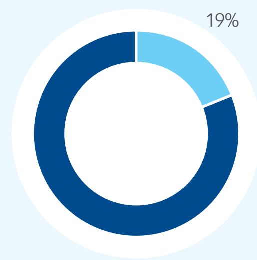
Revenue by customer geography

	2015 R'million	2014 R'million	Change
Revenue			
– Australasia	**7 217**	7 876	–8%
– Asia	**1 287**	923	38%

Contribution to Group revenue



Contribution to Group EBITA



Number of products launched from pipeline:
34 (2014: 15)

IMS value of pipeline as at 30 June 2015 anticipated to be launched in:
0 – 2 years
USD539 million
3 – 5 years
USD123 million

Number of permanent employees:
844 (2014: 906)

Number of product recalls:
1 (2014: 3)

Average staff turnover:
24% (2014: 17%)

Number of work-related fatalities:
Nil (2014: Nil)

Highlights for the year

- The Australian infant nutritionals business continued to exceed expectations and achieved revenue growth of 8% in 2015. The S-26 brand remains the leading infant nutritionals brand in Australia.
- The rest of Aspen's Asia business delivered a combined revenue growth of 39% to R1,3 billion with successful product transfers in all markets resulting from the global products acquisitions from GSK and MSD in the prior year.
- In October 2014, Aspen acquired a 50% stake in NZ New Milk, with the strategic intent of securing control over the supply of locally sourced infant nutritionals for the Australian nutritionals portfolio and to spearhead these opportunities in Asia.
- Aspen divested a portfolio of primarily generic products, contributing AUD113 million of revenue in 2014, to Strides Arcolab Limited for AUD217 million. This strategic divestment formed part of the ongoing realignment of Aspen Australia's portfolio to higher margin and niche pharmaceutical products.
- Aspen Japan was successfully established and began trading on 1 July 2015.

Asia Pacific continued

Market dynamics and legislative environment

Australia

The Australian Government continues to target the healthcare industry as a prime source of spending cuts to restore balance to its federal budget. As at 30 June 2015 the Australian pharmaceutical sector was valued at AUD14,6 billion, a 3,1% increase from the prior year. This increase was primarily driven by volume growth of 6,9%, largely resulting from the upwards adjustment of an error in the OTC sector for under accounted sales in respect of one of the companies in this sector, which led to a 19% growth of this segment for the year. Products listed on the Pharmaceutical Benefits Scheme ("PBS") are subject to mandatory price cuts that occur twice a year, with affected products facing cuts until weighted average prices are within 10% of each other. With the majority of prescribed medicines in Australia being listed on the PBS, the price disclosure regime is a powerful mechanism for the government in achieving its budgeted spending within the sector.

In May 2015, new amendments contained in the National Health Amendment (Pharmaceutical Benefits) Bill 2015 were proposed. These are intended to enable net savings of more than AUD3,7 billion to the Australian government over five years. The proposed amendments include:

- A once-off 5% statutory price reduction in respect of medicines on the F1 formulary (i.e. under patent), after they have been listed on the PBS for five years. Aspen has limited originator products under patent protection and no material impact is expected from this proposal.
- For medicines subject to competition that have been listed on the F2 formulary for three years or more, it is proposed that the originator brand be excluded from the calculation of the weighted average disclosed price. This is likely to push the weighted average disclosed price down and lead to greater price disclosure percentage reductions for multiple-brand medicines. This amendment will expose the Aspen portfolio to price cuts of an increased magnitude.

The above suggested changes to the regulatory environment, combined with aggressive competition present challenging marketing conditions for achieving organic growth in Australia.

The weakening Australian Dollar against major trading currencies has also put pressure on the cost of goods for local manufacturers. This impacted manufacturing at the raw material level (APIs) as well as fully imported finished products.

Asia

The regulatory environment in Asia remains stable with healthcare authorities continuing with established policies to reduce the cost of medicine and increasing patient access to affordable healthcare.

The Japanese pharmaceutical market declined by 6% to USD78,9 billion, while the Chinese pharmaceutical market increased by 12% over the prior year with total pharmaceutical sales of USD75,9 billion, followed by South Korea growing by 10% to USD12,5 billion.

In Japan, the generic segment of the market continues to grow in double digits with more recent authorised generic launches achieving 20% volume market share and above within six months of launching. Generics account for 9,8% of the market and are expected to grow by around 8% per year for the foreseeable future, driven mainly by government initiatives to contain budget spending and increase generic utilisation.

The Chinese infant nutritionals market, the world's largest infant nutritionals market, continued to grow, increasing 15,4% in 2014 to USD17,5 billion as per Euromonitor. Factors such as increasing urbanisation and the number of working women in lower tier Chinese cities is contributing to a reduction in breastfeeding, while changes to the one-child policy are expected to drive further growth in the future. The authorities continue to reform the market through increased focus on quality manufacturers and stringent new marketing legislation in respect of qualities and features attributed to products.

Performance review

Asia Pacific

Revenue derived from Asia Pacific declined by 3% to R8,5 billion, with certain product disposals and discontinuations in Australia being the primary drivers for the decline. Aspen continued to increase its product offering in the Asian region and the benefits of investing in additional local presence in Asian countries resulted in the Asian component increasing to 15% of revenue for the region from 10% in the prior year.

Overall EBITA margin declined by 10% over the prior year primarily as a result of the various prior year disposals, the discontinuation of low margin licensing agreements and continued regulated price reductions.

Australasia

Aspen performed well and maintained its ranking as the fourth largest pharmaceutical company by value, despite continuing price cuts and some disposals during the year.

Aspen Australia's revenue declined by 8% for the year. This was primarily as a result of the disposal of a portfolio of consumer products to Perrigo Company plc in February 2014 (which contributed R148 million to revenue in the prior year), the withdrawal from a number of low margin licensing agreements and ongoing price cuts. Revenue losses were also incurred on low margin licenced products such as Zyprexa and Cymbalta, being post-patent products facing significant generic competition. Excluding the licenced products and the Perrigo disposal, the base business revenue grew by 1,8% year on year. This was achieved through various internal initiatives to manage and counter the impact of the price cuts through a combination of brand price premium increases, reduction in the discounts afforded to pharmacists and new product launches. Leading brands such as Salofalk, Eutroxsig, Ursofalk, Cartia and Bio-Oil delivered good growth and the MSD portfolio, acquired during the 2014 financial year, also contributed towards revenue growth.

The infant nutritionals business exceeded expectations and delivered 8% revenue growth to R975 million in 2015. Performance was underpinned by educational initiatives targeting healthcare professionals and new mothers. These initiatives positioned the division well for continued growth in both pharmacy and hospital channels while product was also placed in the wholesale channel, as Aspen sought diversification from the grocery channel.

Aspen Australia continued to review its product portfolio and reshaped its business model to focus on higher margin products. As part of these efforts Aspen exited from a number of low margin licensing arrangements, allowing representatives to focus on detailing Aspen-owned products and its infant nutritionals business which is not subject to PBS price cuts.

In addition, an agreement to dispose of a large portion of the generics and generic consumer portfolio to Strides Arcolab Limited for AUD217 million was entered into in May 2015. The transaction also included the divestment of a number of non-core brands and the transfer of 53 sales and marketing employees. Following the completion of the transaction at the end of August 2015, Aspen's generic portfolio will represent less than 5% of total revenue in Australia thereby significantly reducing exposure to PBS price disclosure. This transaction also reduced complexity in the business. Aspen management will continue to review the relevance of the local portfolio, in addition to other strategic operational considerations to ensure the quality and sustainability of the earnings in Australia.

In October 2014, Aspen invested in a joint venture arrangement with NZ New Milk, acquiring a 50% stake in this company with the intent of transitioning the supply of infant nutritionals from Nestlé to the Aspen supply chain. This investment will provide Aspen with improved control over the supply and quality of its infant nutritionals, with raw materials being procured locally. It also provides a base to pursue additional infant nutritional opportunities in Asian markets. The change in source of infant nutritionals is also expected to assist in driving sales growth and meeting the market demands for locally produced infant nutritional products. The first batches of supply from New Zealand have been received and commenced selling into the Australian market during October 2015.

The rationalisation of manufacturing sites is near completion. The sale of Baulkham Hills was completed in June 2015 and the Noble Park sale will be completed in November 2015. This leaves Aspen with one manufacturing site based in Dandenong, Melbourne. This rationalisation has resulted in significant overhead cost savings and operational cost efficiencies within the manufacturing division. A number of projects were completed at the Dandenong site during the year which included the implementation of energy reduction initiatives (supported by state government grants), process re-engineering to optimise efficiencies and a review of the opportunities to manufacture some of the third-party supplied products.

Asia Pacific continued

Asia

Revenue in Asia grew 39% to R1,3 billion in 2015, primarily driven by organic growth and by product acquisitions from MSD and GSK in the prior year. Aspen-owned affiliates performed well compared to the prior year with Malaysia and Taiwan achieving 37% and 20% revenue growth respectively. While the Philippines' growth of 10% was limited by the discontinuation of low margin licensing agreements in the Philippines, core Aspen products grew at 21%. The Philippines business was restructured to focus on higher margin Aspen-owned brands.

Transitions relating to the GSK and MSD transactions were substantially completed during the year in all territories and the year ahead is expected to see increased marketing initiatives on these strategic portfolios to drive organic growth.

The operational setup of Aspen Japan commenced during the year under review with the business successfully initiating trade in July 2015. The organisation currently has a staff complement of 21, with the sales representatives being dedicated to a portfolio of Aspen global brands. These included Imuran, used to treat certain autoimmune diseases and the prevention of organ rejection as well as Arixtra, administered for the treatment of acute deep vein thrombosis and acute pulmonary embolism. Other key global brands for Aspen in the Asian market comprise Decadron for the treatment of cancer and Florinef for treating Addison disease.

Strategic priorities and future outlook for next financial period

- The reshaping of the Australian business will shift its focus to higher margin, Aspen-owned products. Management will continue to refine the product portfolio and assess new opportunities.
- Growth in the Australian base business is expected to be muted as authorities continue to implement budget reforms across the healthcare sector. The base business will be complemented by product launches in niche therapeutic categories such as the thrombosis and thyroid segments. These launches are a direct benefit of previous global acquisitions aligned with the Group's strategies of leveraging off its global supply chain in these therapeutic areas.
- The infant nutritionals business will continue to focus on initiatives around early stage products, building on the momentum gained during the year. Local sourcing from New Zealand through NZ New Milk is expected to enhance growth.
- Aspen entities in Asia have substantially completed the transfer of products relating to recent global acquisitions, allowing local management teams to take control over all marketing activities and drive organic growth within their territories. The expansion of the nutritionals business is a key area with opportunities to launch Aspen brands being assessed.
- Aspen's newly established entity in Japan faces the exciting but challenging task of building the Aspen brand through representation in the field, focusing on the existing Aspen portfolio which includes recently acquired global brands and the timely launch of authorised generics to maximise the government's initiative to rapidly expand generic drugs usage.

Leading brands in Asia Pacific

Brand name	Classification	Therapeutic category	Therapeutic application
Bio-Oil	OTC/consumer	Dermatological	For the treatment of scars and skincare
Cartia	OTC	Cardiovascular	For the treatment of platelet aggregation inhibition
Coumadin	Pharmaceutical	Cardiovascular	For the treatment of pulmonary embolism and venous thrombosis
Coloxyl	OTC/consumer	Gastrointestinal	For the treatment of constipation
Dequadin	OTC/consumer	Respiratory	For the treatment of sore throats
Eltroxin	Pharmaceutical	Endocrine	For the treatment of thyroid conditions
Endone	Pharmaceutical	Pain	For the relief of moderate to severe pain
Eutroxsig	Pharmaceutical	Endocrine	For the treatment of thyroid hormone deficiency
Imuran	Pharmaceutical	Immuno-modulator	For the treatment of certain autoimmune conditions and for the prevention of organ transplant rejection
Salofalk	Pharmaceutical	Gastrointestinal	For the treatment of colitis, maintaining remission
S-26	Consumer	Infant nutritionals	For the nourishment of infants
Ursofalk	Pharmaceutical	Gastrointestinal	For the treatment of chronic cholestatic liver disease
Zantac	Pharmaceutical	Gastrointestinal	For the treatment of stomach and duodenal ulcer disease

Sub-Saharan Africa

Aspen's presence in SSA is through its wholly owned subsidiary, Shelys, Aspen Nigeria, the Collaboration, Aspen's majority shareholding in Kama and the export of products from South Africa and Shelys into selected territories. Aspen uses its own sales representation and distribution infrastructure across the region to supply a range of high quality pharmaceutical products to meet the needs of the local population in SSA's more significant countries. These include Nigeria, Ghana, Kenya, Tanzania and Uganda. The rest of the region is serviced through long-standing relationships with local distributors supported by sales representatives. Aspen supplies a range of branded, generic, OTC, consumer health and infant nutritionals products into SSA.

Business unit overview

Key business units	Key territories supplied to
Shelys Aspen Nigeria Kama Exports division The Collaboration	Botswana Ethiopia Ghana Ivory Coast Kenya Namibia Nigeria Senegal Tanzania Uganda Zambia Zimbabwe

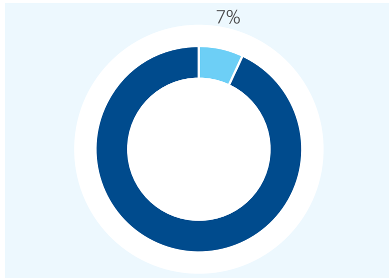
Market statistics and recognition

- Reliable private sector data is not readily available in SSA and this makes it difficult to assess Aspen's share of the SSA market. It is, however, apparent that Aspen is one of the leading pharmaceutical companies in the private sector across this region.
- Aspen is represented in the region by more than 200 distributors and a sales force of more than 700 people in 48 countries.
- Aspen is among the leading companies in antibiotics, respiratory, pain, cough and cold segments throughout SSA.
- Shelys received the "Presidential Manufacturer of the Year" Award for 2014 under the "Pharmaceutical and medical equipment, large scale" category.

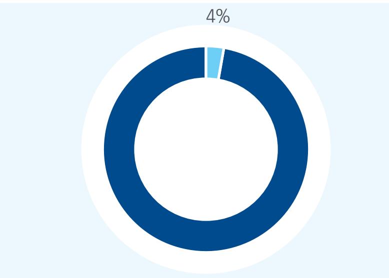
Financial performance

	2015 R'million	2014 R'million	Change
Revenue	**2 769**	2 744	1%
EBITA	**313**	334	-6%
EBITA margin (%)	**11,3**	12,2	

Contribution to group revenue



Contribution to group EBITA



Highlights for the year

- Strong cash flows were generated from Aspen entities in SSA for the year.
- Aspen extended its footprint in West Africa by acquiring 65% of Kama in Ghana, with effect from 1 May 2015.
- The Aspen production facility in Kenya was upgraded and technology transfers for key products resulted in improved cost of goods.

Number of products launched from pipeline:
19 (2014: 21)

IMS value of pipeline as at 30 June 2015 anticipated to be launched
Not covered by IMS

Number of permanent employees:
408 (2014: 344)

Number of product recalls:
Nil (2014: 1)

Average staff turnover:
11% (2014: 20%)

Number of work-related fatalities:
Nil (2014: Nil)

Sub-Saharan Africa continued

Market dynamics and legislative environment

- SSA continues to demonstrate strong economic growth relative to developed markets in the world. A growing population, urbanisation, the increased need for high quality, affordable healthcare and the growing middle class are the key drivers of growth in SSA.
- Each country in SSA is governed by an independent regulatory authority that has its own rules and regulations. This creates complexity as registrations of the same product in multiple countries needs to meet different requirements. The timelines for approvals of registrations vary from nine to 36 months. The longer registration timelines impact negatively on the ability to launch products in certain markets. The SSA regulators are continually refining their rules and regulations and are becoming more stringent during the approval process.
- Fragmented markets and lack of critical mass in individual countries adds to the challenges in the region over and above the political instability that regularly affects key markets. This was the case in Nigeria during the second half of the 2015 financial year, during which the elections and violence in the north of the country resulted in performance falling below expected levels.
- The strengthening of the US Dollar and British Pound against local currencies in key markets has also negatively affected input costs, leading to higher cost of goods, thereby reducing margins.
- While the majority of SSA markets are not governed by pricing controls, markets are very sensitive to price increases as cheaper products continue to enter SSA due to companies seeking to capitalise on these growing markets.
- Aspen continues with its strategy of brand building and focusing on its sales and marketing abilities as a means to effectively counter the increased competition.
- Political and cultural instability continue to negatively impact performance.

Performance review

Gross revenue for the SSA region was R2,8 billion, a 1% increase from R2,7 billion earned in the prior year. Revenue growth was largely limited by shortages of key products in the Collaboration as well as political instability in Nigeria. The margin percentage was 11,3%, which is reduced from the previous year's 12,2%. The strengthening of the US Dollar and British Pound against local currencies led to higher input costs of manufacturing as well as increasing the cost of importation of finished goods.

- The Collaboration is the largest contributor to revenue for the SSA region. Revenue showed negligible growth. This was attributable to supply shortages of key products to the West African markets which worsened in the second half of the financial year. Political instability in Nigeria also impacted performance as it is a significant contributor to the Collaboration. The lack of new product launches by the Collaboration during the year also contributed to lack of revenue growth.
- Shelys grew revenue by 8,3%, mainly by strong growth in Kenya, which was driven by increased selling and marketing focus, resulting in higher volumes and price increases. Leading brands such as Action, Mara Moja and Good Morning Lung Tonic continued to grow in double digits. Tanzania also showed good growth during the year with a strong performance in OTC products, while generics experienced pricing pressure which limited the business' ability to implement price increases. New products also contributed towards revenue growth as Shelys launched 18 products across three countries.
- Ongoing political instability in Northern Nigeria and the uncertainty arising in advance of the presidential elections that took place in March 2015, resulted in Aspen Nigeria's performance falling below expectations. Revenue decreased by 32,1% from the prior year. Cafenol, a major contributor to the total sales of the entity and primarily sold in the north of the country, was impacted most by the unstable political environment in this region.
- Revenue from exports out of South Africa almost doubled in 2015. The infant nutritionals business in particular showed increased demand. The introduction of S-26 in Zambia resulted in Aspen gaining good ground in the infant nutritionals sector in this country. In addition, Aspen was awarded the Melegi tender in Botswana. Infacare exports to East Africa also increased notably during the year. Zimbabwe, Zambia and Kenya remain the largest markets for exports of products from South Africa.
- Aspen further expanded its footprint in West Africa and acquired 65% of Kama in Ghana, with effect from 1 May 2015. Kama has been operating since 1986 and is an established business with strong brand equity and well known products in the Ghanaian market. These are mostly consumer products including multivitamins, appetite stimulants, topical anti-inflammatories and analgesics. The acquisition enables Aspen to leverage established distribution channels in Ghana for existing products within the Aspen Group.

Aspen's strategy of focusing on key countries, investment in distribution and sales representation is supporting a leadership position in the SSA region.

Strategic priorities and future outlook for next financial period

- Further investment in commercial structures will be made and the recruitment of additional sales representatives and managers in key countries has commenced. This is expected to further entrench the Aspen brand in the major territories and to have a positive impact on both the pharmaceutical and consumer segments.
- New products are in the pipeline in key markets with particular emphasis on Nigeria focusing on the consumer segment.
- The technology transfer of acquired products into Aspen facilities for manufacturing is on track and is expected to enhance margins and security of supply.
- The integration of Kama into Aspen has commenced and additional commercial staff are being recruited. The manufacturing site of this business is also being upgraded and is expected to be completed during the 2016 financial year.
- Aspen continues to be on the lookout for opportunities to acquire businesses and/or products on the African continent that will add long-term sustainable earnings value and enable the Group to realise synergistic benefits.

Leading brands in SSA

Brand name	Classification	Therapeutic category	Therapeutic application
Action	OTC	Analgesic	For the treatment of pain
Augmentin	Pharmaceutical	Antimicrobial	For the treatment of bacterial infections
Cafenol	OTC	Analgesic	For the treatment of pain
Diclopar	Pharmaceutical	Analgesic/anti-inflammatory	For the treatment of pain and fever
Good Morning Lung Tonic	OTC/consumer	Antitussive	For the treatment of a persistent cough
Hedex	OTC	Analgesic	For the treatment of pain and fever
Infacare	Consumer	Infant nutritionals	For the nourishment of infants
Kamaclox Mouthwash	OTC	Mouthwash	For the treatment of inflammation of the gum
Mara Moja	OTC	Analgesic	For the treatment of pain and fever
S-26	Consumer	Infant nutritionals	For the nourishment of infants
Tres-Orix Forte Syrup	OTC	Multivitamin	Dietary supplement

Board of directors

1.
Stephen Saad (51)
Qualification:
CA(SA)
Appointed:
January 1999
Classification:
Executive director; Group Chief Executive

2.
Gus Attridge (54)
Qualification:
CA(SA)
Appointed:
January 1999
Classification:
Executive director; Deputy Group Chief Executive

3.
Judy Dlamini (55)
Qualification:
MBChB, DOH, MBA (Wits)
Appointed:
July 2005
Classification:
Non-Executive; Chairman of the Board

4.
John Buchanan (71)
Qualification:
CA(SA), BTh[Hons] EDP (Columbia)
Appointed:
May 2002
Classification:
Independent Non-Executive

5.
Kuseni Dlamini (47)
Qualification:
MPhil (Oxon), BSocSci (Hons), (Natal)
Global Leadership for the 21st Century Programme (Harvard)
Foundations for Leadership in the 21st Century (Yale)
Appointed:
April 2012
Classification:
Independent Non-Executive, Chairman designate

6.
Chris Mortimer (54)
Qualification:
BA, LLB
Appointed:
January 1999
Classification:
Non-Executive

7.
Sindi Zilwa (48)
Qualification:
CA(SA), BCompt (Hons), CTA, Advanced Taxation Certificate, Advanced Diploma in Financial Planning and Advanced Diploma in Banking
Appointed:
September 2006
Classification:
Independent Non-Executive

8.
Maureen Manyama (38)
Qualification:
CA(SA), BCom Honours (Taxation), MBA
Appointed:
June 2014
Classification:
Independent Non-Executive

9.
David Redfern (49)*
Qualification:
BSc (Hons), CA
Appointed:
February 2015
Classification:
Non-Executive
*British

10.
Roy Andersen (67)
Qualification:
CA(SA), CPA (Texas), CD (SA)
Appointed:
August 2008
Classification:
Lead Independent Non-Executive

11.
Riaan Verster (39)
Qualification:
B.Proc, LL.B, LL.M (Labour Law), ACIS
Appointed:
December 2011
Classification:
Company Secretary & Group Governance Officer

Board of directors continued

Executive directors

Stephen Bradley Saad (51)
A founder of Aspen, Stephen is the Group Chief Executive of the Aspen Group. He attends the Remuneration & Nomination Committee by invitation.

Michael Guy (Gus) Attridge (54)
A founder of Aspen, Gus is the Deputy Group Chief Executive of the Aspen Group. He is also a member of the Social & Ethics Committee and attends meetings of all of the other Board Committees by invitation.

Non-executive directors

Nobuhle Judith (Judy) Dlamini (55)
A medical doctor by profession, Judy spent some 10 years in practice prior to attaining her MBA and making the full-time move to business. After spending two years at HSBC, specialising in transport and energy corporate finance, she began to develop her entrepreneurial interests.

Judy is a shareholder and non-executive director of Imithi Investments (Pty) Limited, Aspen's black economic empowerment shareholder. She is currently the Managing Director and Executive Chairman of Mbekani Health & Wellbeing (Pty) Limited, Chairman of Masibulele Pharmaceuticals (Pty) Limited and other companies within the Mbekani group. She is also a non-executive director of Anglo American plc and a trustee and founder of Mkhiwa Trust, a family trust for rural development and education of previously disadvantaged individuals.

Judy has provided visionary leadership and guidance to the Group since her appointment as Chairman of the Board in November 2007 and Aspen has benefitted from her extensive experience in areas such as SED and the healthcare industry. She is a member of the Remuneration & Nomination and Social & Ethics committees.

Roy Cecil Andersen (67)
A Chartered Accountant by profession and with significant experience in the banking, insurance, construction and packaging industries, Roy's expertise in fields such as governance and remuneration have been of great benefit to Aspen. He was previously Chairman and Chief Executive of Ernst & Young, Chief Executive of the Liberty Group Limited and a former President of JSE Limited. Roy is currently a non-executive director of Nampak Limited, Chairman of SASFIN Limited and SASFIN Bank Limited and a Major General in the South African National Defence Force, holding the post of Chief of Defence Reserves. He is a member of the King Committee on Corporate Governance.

Roy serves as lead independent non-executive director and is the Chairman of the Remuneration & Nomination Committee and a member of the Audit & Risk Committee.

John Frederick Buchanan (71)
John brings vast financial and business management experience to the Board having held a number of executive positions with leading South African companies. He was previously the Group Finance Director of Cadbury Schweppes (South Africa) Limited and Metal Box (South Africa) Limited, as well as a past executive director of Nampak Limited. He has also served as a non-executive director on the boards of companies in the ICT and packaging industries, where he was Chairman of their Audit and Risk committees. He currently serves on the National Council of the South African Institute of International Affairs and is chairman of its Finance Committee.

In addition to his non-executive directorship of Aspen, he chairs the Audit & Risk Committee and is a member of the Remuneration & Nomination Committee.

Douglas (Kuseni) Dlamini (47)
Kuseni is the Chairman of Massmart Holdings Limited. He was previously Chairman of Times Media Group Limited and Chief Executive Officer of Old Mutual South Africa and Emerging Markets. He brings a wealth of economic and business skills to the Board having previously held positions as the Head of Anglo American South Africa and Executive Chairman of Richards Bay Coal Terminal Company. Kuseni is the former Chairman of the South African National Parks (SANParks) and a former member of the Global Agenda Council on Economic Growth and Poverty Alleviation formed by the World Economic Forum. He is active in academic and professional bodies which include the Council of the University of Pretoria, South African Institute of International Affairs (SAIIA) and the advisory boards of the Wits Business School and Common Purpose.

Kuseni is a member of the Remuneration & Nomination Committee.

Christopher (Chris) Nattle Mortimer (54)
Chris has been a full-time practising attorney since 1988 and has substantial legal and commercial expertise. His intimate knowledge of the Group, its business operations and governance processes has been of immense benefit to Aspen over the years and he continues to serve the Board as a trusted adviser. As Chris' firm is intermittently called upon to provide legal advice to the Group, he is classified as a non-independent executive director.

Maureen Manyama (38)
Maureen has 14 years combined experience in the various fields on a governance level. She started her career in external auditing, followed by internal audit financial reporting and management while qualifying as a Chartered Accountant. Maureen is currently Financial Director of the Airports Company of South Africa Limited. Prior to this role, she was Chief Financial Officer of the South African Forestry Company Limited. She is a non-executive director of the South African Reserve Bank and serves on this bank's Audit Committee. She has also held directorships on a number of other boards during the past nine years.

Maureen is a member of the Audit & Risk Committee.

David Simon Redfern (49)
David was appointed Chief Strategy Officer of GSK in May 2008 and is responsible for corporate development and strategic planning. During the last six years GSK has entered into numerous bolt-on acquisitions and joint ventures including, in particular, this year a multi-billion dollar three-way asset swap with Novartis. He is a member of the Corporate Executive Team and reports to the CEO, Sir Andrew Witty. Previously, he was responsible for the leadership of GSK's business in Northern Europe from 2005 to 2008 and Central and Eastern Europe from 2002 to 2005. He joined Glaxo in 1994 in finance and progressed through a series of finance roles before becoming Finance Director of the European business in 1999.

In addition to his current role, David is Chairman of ViiV Healthcare Limited. ViiV is a joint venture between GSK, Pfizer and Shionogi and focuses specifically on the development and commercialisation of medicines to treat HIV.

Sindiswa (Sindi) Victoria Zilwa (48)
Sindi, a Chartered Accountant by profession, is an expert in the areas of accounting, auditing and business management. She is currently the Chief Executive Officer of Nkonki Incorporated. Sindi is a Chartered Director (SA) and has had vast experience as a director in the public and private sectors and currently serves as a non-executive director of Discovery Holdings Limited, Metrofile Limited and Gijimi Limited. She is an author of "The ACE Model-Winning Formula for Audit Committees", used by the Institute of Directors to train audit committee members in South Africa.

She is a member of the South African Institute of Chartered Accountants and Independent Regulatory Board for Auditors. Sindi was previously Non-Executive Chairman of Airports Company South Africa and a non-executive director of Woolworths Limited, Primedia Limited, Wiphold Limited, Ethos Private Equity, Institute of Directors, Alexkor Limited, Rebosis Limited, ATNS SOC Limited and previously chaired the BUSA Standing Committee on Transformation.

Sindi serves as Chairman of the Social & Ethics Committee and is a member of the Audit & Risk Committee.

Company Secretary & Group Governance Officer

Riaan Verster (39)

Abbreviated Corporate Governance Report[1]

In an environment of increasing regulatory pressure, the Board remains mindful of the need to maintain an appropriate balance between the governance expectations of investors, regulators, government and other stakeholders, and the market demands that the Group delivers competitive financial returns to its shareholders.

Governance philosophy

Governance in the Group extends beyond mere legislative and regulatory compliance. Management strives to entrench an enterprise-wide culture of good governance aimed at ensuring that decisions are taken in a fair and transparent manner, within an ethical framework that promotes the responsible consideration of all stakeholders, while also holding decision-makers appropriately accountable. In line with the philosophy that good corporate governance is an evolving discipline, governance structures, practices and processes are actively monitored and revised from time-to-time to reflect best practice.

Corporate governance and application of King III

The Board is accountable to shareholders and other stakeholders and is ultimately responsible for the implementation of sound corporate governance practices throughout the Group. Aspen's Board of Directors is committed to ensuring that the Group adheres to high standards of corporate governance in the conduct of its business.

The directors are of the opinion that the Group has applied the requirements of King III and that it has applied 74 of the 75 mandatory corporate governance principles prescribed by the JSE Listings Requirements as more fully detailed in the King III application register available online. The application of the outstanding principle, which relates to the effective management of information assets, continues to receive attention as appropriate systems are being put in place to address the management of information assets throughout the Group.

Role and function of the Board

A formally documented and approved Board Charter outlines the composition, scope of authority, responsibilities, powers and functioning of the Board. In addition, the Board functions in accordance with the requirements of King III, the provisions of the South African Companies Act, the Listings Requirements of the JSE and other applicable laws, rules or codes.

The key responsibilities of the Board are, in the main, to:

- approve and review the strategic direction of the Group and monitor the execution of strategic plans;
- monitor and oversee major capital expenditure, acquisitions and disposals;
- consider financial reports and review and approve annual budgets and business plans;
- monitor the financial performance of the Group and approve annual and interim financial reports and capital distributions or dividends;
- identify and monitor key risk areas;
- review risk management strategies and ensure the implementation of effective internal controls;
- approve the appointment and replacement, where necessary, of the Group Chief Executive, the Deputy Group Chief Executive and certain other senior executives and oversee succession planning in respect of these positions;
- approve the nomination of directors and to monitor the performance of all the directors, including the Chairman and the Group Chief Executive;
- make decisions on key issues or matters at levels deemed material to the Group and to delegate authority for the day-to-day running of the business of the Group to management; and
- identify and oversee the Group's communication with key stakeholders.

Board leadership

The Board is currently led by Judy Dlamini, a non-executive director. In line with the recommendations of King III and in view of the fact that she is not classified as an independent non-executive director in terms of these recommendations, the Board has appointed Roy Andersen as the lead independent non-executive director. He also acts as Chairman in instances where the Chairman may have a conflict of interest. Both the Chairman and the lead independent non-executive director have formally mandated roles and responsibilities, are appointed annually by the Board after each annual general meeting and are subject to an annual evaluation of their performance. During the year Dr Dlamini confirmed her intention to resign as director and Chairman of the Company at the Company's annual general meeting scheduled for 7 December 2015 and it has been announced that Mr Kuseni Dlamini will succeed her as Chairman from that date.

The roles of the Chairman of the Board and the Group Chief Executive are separate and clearly defined, such that no one individual director has unfettered powers of decision-making.

[1] *To be read with the unabridged Corporate Governance Report available online.*

Composition of the Board

The Board currently comprises 10 directors, two of whom are executive directors with the remainder being non-executives. Five of these are considered independent non-executive directors within the criteria determined by King III and constitute the majority of the non-executive directors on the Board.

The composition of the Board is carefully considered to ensure that there is an appropriate balance of power and authority in decision-making processes. Non-executive directors are appointed by the Board in terms of a formally documented and transparent process which takes place under the guidance of the Remuneration & Nomination Committee. Non-executive directors are selected on the basis of their skills, business experience, reputation and qualifications. Gender and racial diversity is also considered in the appointment of new directors.

The Deputy Group Chief Executive fulfils the role of full-time executive financial director and the appropriateness of the expertise and experience of this director is assessed and reported upon by the Audit & Risk Committee on an annual basis.

Board appointment and retirement processes

The appointment of any new director is considered by the Board as a whole on the recommendation of the Remuneration & Nomination Committee and in terms of a formally adopted policy, following rigorous and transparent appointment processes which include conducting the appropriate background confirmations. The terms and conditions of appointment of each of the non-executive directors are contained in a letter of appointment which, together with the Board Charter, forms the basis of the director's appointment.

The Remuneration & Nomination Committee, consisting exclusively of independent non-executive directors and chaired by the lead independent non-executive director, is responsible for making recommendations to the Board for the identification and removal of under-performing or unsuitable directors, should this prove necessary.

In terms of the Company's Memorandum of Incorporation, one-third of the non-executive directors retire by rotation at each annual general meeting. Directors who retire may, if eligible, offer themselves for re-election. The re-election of retiring directors by shareholders is subject to a recommendation by the Remuneration & Nomination Committee, following an evaluation of those directors' performance. Directors who may be appointed during a reporting period must have their appointments ratified at the next annual general meeting and as such the appointment of David Redfern, who was appointed as a director with effect from 1 February 2015, is to be dealt with under ordinary resolution 3 as set out in the notice of the 2015 annual general meeting.

Although non-executive directors have no fixed terms of appointment, the Board Charter provides for the automatic retirement of a director at the age of 70. At the Board's discretion, the retiring director may thereafter be invited to serve as a non-executive director on a year-on-year basis, provided that shareholders confirm such reappointment at the next annual general meeting. At the Board's discretion, the retiring director may thereafter be invited to serve as a non-executive director on a year-to-year basis. John Buchanan, who has turned 71 during the year, has been invited by the Board to serve as a director for the year and this reappointment has been proposed to shareholders in terms of ordinary resolution 3 as set out in the notice of the 2015 annual general meeting.

Board committees

The Board has established the following Board committees, each with specific terms of reference, to assist it in the execution of its role:

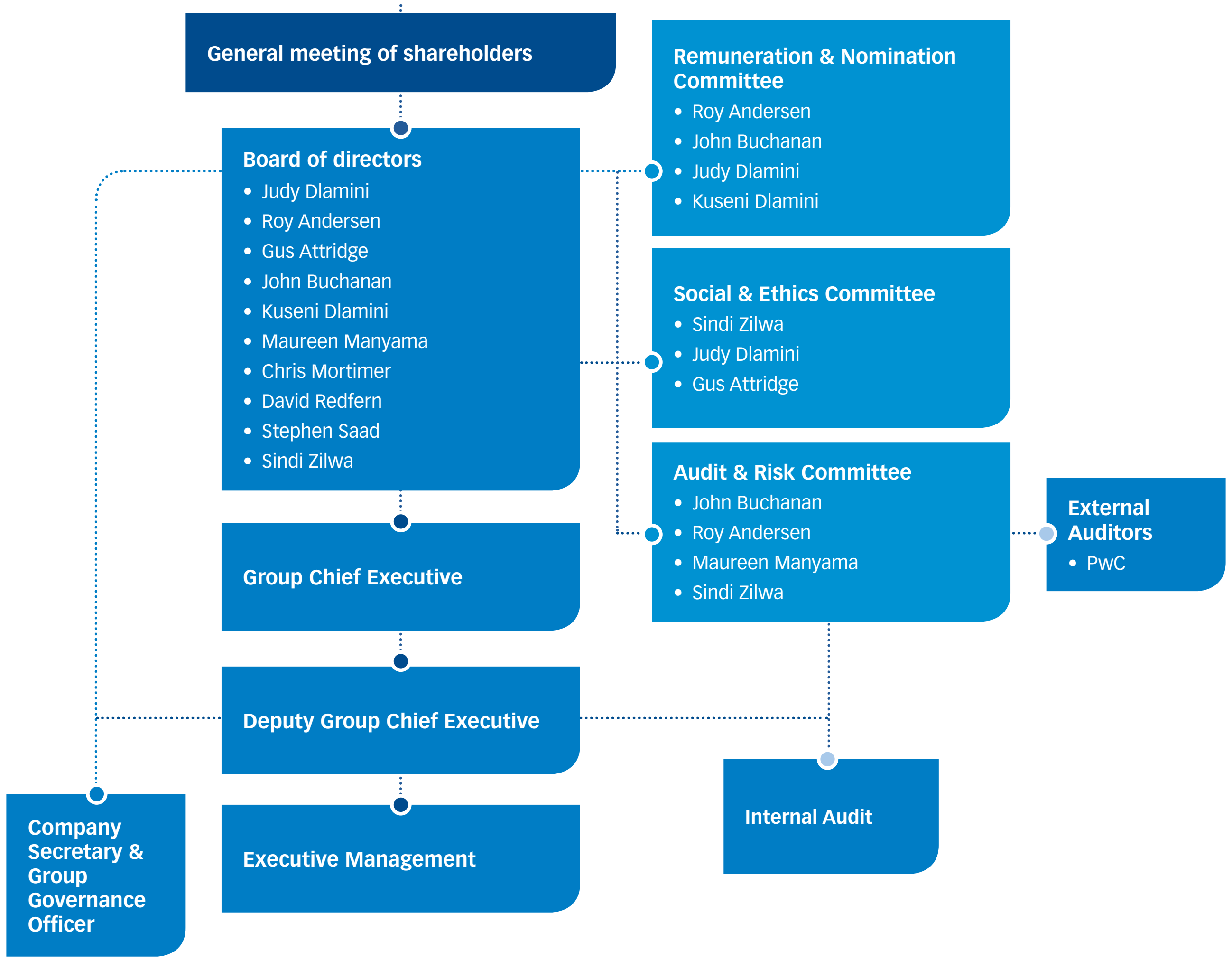
- Audit & Risk
- Remuneration & Nomination
- Social & Ethics

All of the Board committees are constituted in accordance with the recommendations of King III and are chaired by an independent non-executive director. The terms of reference of each of the Board committees are reviewed as necessary and specify the relevant committee's constitution, mandate, relationship and accountability to the Board. Detailed reports on the constitution, role and performance of each of the Board committees can be accessed online.

The Audit & Risk Committee has been appointed in terms of the provisions of King III and the Companies Act and consists exclusively of independent non-executive directors. The members of this Committee are elected by shareholders at every annual general meeting.

Abbreviated Corporate Governance Report continued

Aspen's corporate governance structure



The table below sets out the attendance by the directors at Board meetings:

Board member	11 July 2014	10 September 2014	17 October 2014	8 December 2014	5 March 2015	25 June 2015 (Strategic)	25 June 2015
Roy Andersen	✓	✓	✓	✓	✓	✓	✓
Gus Attridge	✓	✓	✓	✓	✓	✓	✓
Rafique Bagus*	Apology	✓	✓	✓	✓	n/a	n/a
John Buchanan	✓	✓	✓	✓	✓	✓	✓
Judy Dlamini	✓	✓	✓	✓	✓	✓	Apology
Kuseni Dlamini	✓	✓	✓	✓	✓	✓	✓
Abbas Hussain#	✓	Apology	Apology	✓	n/a	n/a	n/a
Maureen Manyama	✓	✓	✓	✓	Apology	✓	✓
Chris Mortimer	✓	✓	✓	✓	✓	✓	✓
David Redfern#	n/a	n/a	n/a	n/a	✓	✓	✓
Stephen Saad	Apology	✓	✓	✓	✓	✓	✓
Sindi Zilwa	✓	✓	✓	✓	✓	✓	✓

** Rafique Bagus resigned from the Board with effect from 31 March 2015.*

 # Abbas Hussain resigned from the Board with effect from 1 February 2015 and was replaced by David Redfern with effect from that date.

The average overall attendance rate of the Board meetings for the 2015 financial year was 91%.

Board and committee meetings

The Board meets at least once every quarter. These meetings and the meetings of the Board's committees are held as scheduled, with additional meetings being convened to discuss specific issues which arise between scheduled meetings. Board meetings are convened by formal notice to the directors. There are comprehensive management reporting disciplines in place with strategic, financial, operational, risk and governance reports tabled. Meeting packs, containing detailed proposals and management reports, are distributed by the Company Secretary & Group Governance Officer to all directors in a timely manner in advance of scheduled meetings, and directors are afforded ample opportunity to study the material presented and to request additional information from management where necessary.

Decisions taken at Board meetings are decided by a majority of votes, with each director having one vote. Where resolutions need to be taken between Board meetings, a written proposal is circulated to all directors, and requires signature by a majority of directors to be valid.

The Board committees report formally to the Board at each Board meeting following any meeting of a committee.

Evaluation of Board performance

An evaluation of the performance of the Board, the Board committees, the Chairman, the Group Chief Executive, the Company Secretary & Group Governance Officer and of each of the individual directors is conducted annually. Evaluations are designed to gain an insight into how each of the directors of the Board believes the Board is meeting its objectives. The results of these assessments were found to be satisfactory.

Independence of non-executive directors and conflicts of interest

The independence of the non-executive directors is tested on a regular basis to ensure that there are no business or other relationships which could materially interfere with a director's capacity to act independently. At least once annually, Aspen actively solicits details of its directors' interests in the Group, their material external shareholdings in companies they are directors of and other directorships so as to determine whether there are any actual or potential conflicts of interest. Directors are expected to consider whether any shareholding in the Company affects their independence and discuss the matter, if appropriate, with the Chairman. A register containing the directors' declarations of interest is kept by the Company Secretary & Group Governance Officer, circulated to all directors at least once per year and is available for inspection by any of the directors on request. In addition, the agenda at each scheduled Board meeting allows the Board to consider any conflicts arising from changes to the directors' declarations of interests. The Board has satisfied itself that no relationships exist which could adversely affect the classification of its independent non-executive directors, and accordingly that the classification of each of the directors is appropriate. The independence of non-executive directors who have served on the Board for longer than nine years is assessed annually.

Succession planning

The Board has delegated succession planning for the Group Chief Executive, Deputy Group Chief Executive and senior executives to the Remuneration & Nomination Committee with direct input, as appropriate, from the Chairman and the Group Chief Executive. Succession plans are integrated into the key performance areas at management and executive levels and reported to the Board annually.

Standards of directors' conduct

Directors conduct themselves in accordance with the Aspen Code of Conduct and act consistently in performing their common law and legislative duties of care, skill and diligence, giving due consideration to their fiduciary responsibilities towards the Company.

Company Secretary & Group Governance Officer

The Company Secretary & Group Governance Officer plays a pivotal role in the corporate governance of the Group. He is appointed by and is accountable to the Board as a whole. He attends all Board and committee meetings and provides the Board and directors, collectively and individually, with guidance on the execution of their governance role. The Board has considered and is satisfied with the qualification, competence and expertise of the Company Secretary & Group Governance Officer. He is not a director of the Company and the Board has also satisfied itself of the fact that he continues to maintain an appropriate arm's-length relationship with the Board.

All directors have access to the advice and services of the Company Secretary & Group Governance Officer.

Abbreviated Corporate Governance Report continued

Director development
Newly appointed directors are required to participate in an induction programme coordinated by the Chairman together with the Company Secretary & Group Governance Officer. In addition to providing an orientation in respect of the Group's operations, directors are guided in their fiduciary duties, provided with information relating to the relevant statutory and regulatory frameworks and introduced to key members of management. The programme makes directors aware of relevant policies such as those relating to dealing in the Company's securities, the duty to declare conflicts of interest and the Company's Code of Conduct.

The Company Secretary & Group Governance Officer is also, with the assistance of the Group Legal Officer & Group Compliance Officer, responsible for ensuring that directors are kept abreast of relevant legislative and regulatory developments as well as significant information impacting the Group's operating environment. Training sessions for non-executive directors are held regularly and are presented by senior management or subject experts. These sessions are designed to keep directors updated on developments in the Group and the territories in which it operates as well as other relevant matters.

Legislative compliance
The Board is ultimately responsible for overseeing the Group's compliance with laws, rules, codes and standards in terms of King III. The Board has delegated to management the responsibility for the implementation of an effective legislative compliance framework and processes as envisaged by King III.

The Board has considered the compliance framework that has been established by management and has satisfied itself that it is adequate for the requirements of King III. Aspen has appointed a Group Legal Officer & Group Compliance Officer who fulfils the function of Group Compliance Officer in providing the Board with assurance that the Group is compliant with applicable laws and regulations. This is an objective assurance and consulting activity designed to give operational effect to the principles of King III.

Stakeholder engagement and dispute resolution
The strength of the Group lies in its ability to foster and maintain strong relationships with its stakeholders through transparency and effective communication. The Board of Directors is committed to sustaining Aspen's established credibility and rapport among its stakeholders – this commitment is dealt with in more detail in its Stakeholder Engagement Report available online. In line with this policy, conflict and dispute resolution is dealt with through constructive dialogue with the relevant parties. Where this preferred method does not result in adequate resolution of the matter, external legal advisers, mediators and/or arbitrators are engaged to expedite resolution.

Corporate citizenship
Aspen's vision to deliver value to its stakeholders as a responsible corporate citizen that provides high quality, effective, affordable medicines and products globally is contained in its Responsible Corporate Citizenship Philosophy which is available online.

Risk governance
Risk management is an embedded attribute of Aspen's corporate culture and is inherent in all its business decisions, activities and transactions. Risk management is considered to be a prerequisite to the sustainability of the Group. As such an integrated approach to risk management is implemented giving due consideration to economic, environmental and social indicators which impact the Company and its stakeholders. Both the opportunities and threats underlying each identified risk are considered to ensure a balanced outcome between risk and reward for the sustainability of the Group as a whole. Aspen's risk management objectives aim to sustainably support the effective pursuit of the Group's strategy.

IT governance
IT systems have an essential role to play in the implementation of the Group's strategy and the effectiveness of these systems is reported to the Board on a quarterly basis. The Board has adopted an IT governance charter in accordance with the King III recommendations and has appointed a Chief Information Officer to discharge the duties contained in this charter. An IT Steering Committee has been established to ensure that the Group's IT strategy is aligned with the Group's business objectives and to oversee the implementation and maintenance of the Group's IT governance. This steering committee meets periodically, comprises representatives from both the Group's businesses and is chaired by the Deputy Group Chief Executive. The Board is provided with a quarterly report from the Chief Information Officer detailing aspects relating to IT governance and the Group's IT investments in general.

Internal audit
Internal Audit is an independent, objective assurance and consulting activity aimed at assisting Aspen to accomplish its objectives by bringing a systematic, disciplined approach to the evaluation and improvement of the effectiveness of risk management, internal control and governance processes.

Remuneration report

The Remuneration & Nomination Committee, a subcommittee of the Board, assists the Board, *inter alia*, in ensuring that:

- the Board has the appropriate composition for it to execute its duties effectively;
- directors are appointed through a formal process;
- the formal induction and ongoing training and development of directors takes place;
- an annual evaluation of the performance of the Board, the Board committees, the Chairman, the Group Chief Executive, the Group Deputy Chief Executive (Finance Director), the Company Secretary & Group Governance Officer and each of the individual directors is conducted;
- the formal succession plans for the Board, the Chairman of the Board, Group Chief Executive, Deputy Group Chief Executive/ Financial Director and senior management are reviewed and approved;
- the remuneration policy and remuneration levels are appropriately set across the Group;
- the Group remunerates each director and each executive fairly and responsibly; and
- the disclosure of directors and remuneration is accurate, complete and transparent.

Remuneration & Nomination Committee Terms of Reference
The Remuneration & Nomination Committee has adopted formal Terms of Reference as incorporated in the Board Charter which have been approved by the Board of Directors. The Terms of Reference are reviewed and amended by the Board as and when required. The Committee has conducted its affairs in compliance with these Terms of Reference and has discharged its responsibilities contained therein.

Remuneration & Nomination Committee members and attendance at meetings
In applying the recommendations of King III, the Remuneration & Nomination Committee consists of a majority of independent non-executive directors, one of whom chairs the Committee's meetings. Members and the Chairman of this Committee are elected by the Board.

The Chairman of the Board is a member of this Committee and the Group Chief Executive, Deputy Group Chief Executive and Company Secretary & Group Governance Officer attend meetings by invitation. From time to time other executives of the Group attend meetings of the Committee, as requested.

In accordance with the Terms of Reference, the Committee meets at least three times annually, but more often if necessary. During the current financial year, the Committee met four times. The minutes of these meetings are made available to the other directors on a secure electronic database. The Chairman of the Committee provides the Board with a verbal report of the Committee's activities at each Board meeting.

The following table of attendance at Remuneration & Nomination Committee meetings reflects the Committee's meetings held during the year and the attendance of these meetings by its members during the year:

Remuneration & Nomination Committee member	11 July 2014	9 September 2014	17 February 2015	5 March 2015
Roy Andersen (Chairman)	✓	✓	✓	✓
John Buchanan	✓	✓	✓	✓
Judy Dlamini	✓	✓	✓	✓
Kuseni Dlamini	✓	✓	✓	✓

The attendance for the Remuneration & Nomination Committee meetings held during the year was 100%.
The Chairman of the Committee represents the Remuneration & Nomination Committee at the annual general meeting each year.
The Company Secretary & Group Governance Officer is also the Secretary of the Committee.

Remuneration report continued

Remuneration philosophy and policy

The Group strives to retain its competitive advantage in the global pharmaceutical industry through the attraction and retention of high-calibre individuals, who not only have the required technical qualifications and experience, but who also demonstrate the desired behavioural traits which fit the Group's entrepreneurial and dynamic culture.

The Group remains cognisant of the importance of finding the proper balance between keeping its employees appropriately rewarded and motivated and balancing the financial considerations of the Group's shareholders in the medium term. The Group makes reference to independent surveys, publicly available economic data and marketplace intelligence both locally and internationally in endeavouring to set remuneration packages that are competitive as well as industry and market related. In awarding annual salary increases and incentive payments to employees, consideration is given to an employee's performance and the financial performance of the Group company in which he or she is employed. Consideration is also given to the economic conditions impacting the industry and the geographical market in which the employee is based.

Executive and management remuneration principles

The remuneration philosophy of the Aspen Group is aimed at driving the Group's high-performance culture. Remuneration packages are directly linked to individual and Company performance. Executive and management remuneration is formulated in a manner which aligns the rewards of these employees with changes in the value delivered to the Group's stakeholders and further recognises exceptional individual contributions. The remuneration packages of executives and management are accordingly made up of fixed, variable and medium-term incentive elements, as follows:

Base salary

This is the fixed portion of the remuneration package which is payable in cash. It is reviewed annually and in circumstances where the executive or manager has changed responsibilities or has relocated.

Annual incentive

This variable portion of remuneration increases as a proportion of maximum potential earnings as the executive or manager reaches higher levels of seniority. Payable in cash, the entitlement to and the quantum of the annual incentive is determined according to the achievement of predetermined performance targets by the employee, the Group company in which the executive or manager is employed and/or the specific division or operating arm of that company.

The annual incentive is capped in value. The cap on the annual incentive for executives and managers varies between countries of employment, but does not in any instance exceed 30% of the total remuneration cost (excluding incentives).

A further discretionary bonus may be paid in cash to employees who are considered by the Remuneration & Nomination Committee to have rendered exceptional service in any given year.

Medium-term incentive

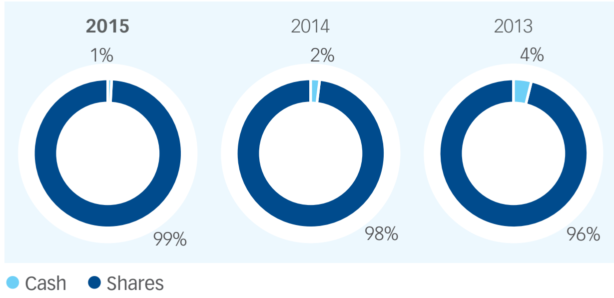
This is applicable to selected employees in Group companies who exceed agreed performance criteria. The medium-term incentive vests three years after award on condition that the executive or manager concerned remains in the employ of the Group. However, should the employee retire within the three-year period, the medium-term incentive will be accelerated to the date of retirement. The medium-term incentive scheme thus plays a direct role in facilitating the Group's retention objectives. The medium-term incentive is determined according to the achievement of predetermined performance targets by the executive or manager, the Group company in which they are employed and/or the specific division or operating arm of that company. Individual performance is assessed against pre-set key performance measures and company performance is assessed relative to the operating profit budget of the company for which the employee works. In South Africa the medium-term incentive is payable in cash or shares, at the employee's election. In all other qualifying territories, the medium-term incentive is payable in cash in terms of the provisions of a phantom share scheme.

The medium-term incentive scheme is also capped in respect of the value that can be awarded, with this cap varying according to the level of seniority of the executive or manager and territory of employment. The maximum award does not exceed 33% of the total remuneration cost (excluding incentives) in any instance. These medium-term incentives are awarded under the following schemes currently in operation:

The Aspen South African Management Deferred Incentive Bonus Scheme

The scheme is designed to acknowledge performance and reward individuals for achievement of both the relevant Aspen business which employs the individual and the individual's performance for the trading period immediately preceding the date that the award is made. This scheme is also aimed at ensuring critical executive and professional skills retention and enhancing congruence between the interests of senior and executive employees and shareholders. The eligible employee is given the choice at the date of the award to receive the deferred incentive bonus either in cash or Aspen shares. These awards vest three years after the date of the award. An enhancement of 10% is given to employees who elect to receive the award in shares. Alignment between shareholder and employee interests has been successful as most eligible employees have historically elected to receive the value of the award in Aspen shares as graphically reflected below.

The value of deferred incentive awards taken in shares versus value of deferred incentive awards taken in cash over the past three years is reflected below.



To the extent that an employee elects to receive shares pursuant to the award, these shares are bought on the open market by the Share Incentive Scheme Trust to avoid the dilution of shareholders and are awarded to employees in terms of the existing Aspen Share Incentive Scheme. Shares awarded in terms of this scheme vest three years after the date of the award. The rules of the scheme specifically prohibit the re-pricing of awards to cater for unfavourable fluctuations in the share price. The rules of the scheme also provide that the Remuneration & Nomination Committee may amend the rules of the scheme at any time, provided that no such amendment may adversely affect the vested rights of the participants of the scheme unless their prior written consent is obtained. All material amendments are also subject to the approval of shareholders and the JSE.

The Aspen International Phantom Share Scheme

In order to incentivise the management of Aspen's non-South African businesses in the medium term, a phantom share scheme exists for selected employees. Awards are linked to performance of the employee, the business and growth in the Aspen share price. The scheme has been designed to incentivise managers for the medium term, align their goals with those of the Aspen Group and to match their reward to movements in the Aspen share price. Due to regulatory restrictions in respect of transfer and ownership of Aspen shares to offshore employees, the scheme is operated on a phantom basis, which is designed to give an employee the same economic benefit as ownership of shares. The phantom shares entitle eligible employees to receive a bonus based initially on a predetermined value and thereafter on changes in the Aspen share price. As this scheme does not result in the issue of shares or other Company securities, it is not regulated by the JSE, it does not require shareholder approval and it does not lead to dilution in shareholding. All awards in terms of this scheme require the express approval of the Remuneration & Nomination Committee.

In determining annual incentives, the Remuneration & Nomination Committee has the discretion to exclude factors and extraordinary events which are beyond the control of the Group, but which may nevertheless favourably or adversely impact the Group's performance. Accordingly, extraneous factors may be excluded in the calculation of incentives for the executive directors and other members of executive management at the discretion of the Committee.

Legacy share schemes

The following share schemes are still operational in terms of awards which were previously made. No new awards are being made under the schemes.

Aspen Share Incentive Scheme

- The scheme was adopted by shareholders in January 1999. In terms of the scheme adopted, and subsequent amendments, share options were granted to management and key employees. Participants in the scheme are entitled to take release of the options granted in five equal annual tranches, commencing on the second anniversary of the date granted and expiring on the eighth anniversary of the grant date. All outstanding options in terms of this scheme have been exercised since year-end and the scheme has therefore been terminated.

Aspen Share Appreciation Plan

- The plan was adopted by shareholders in October 2005. In terms of the plan, share appreciation rights are awarded to key management. Participants are awarded rights to receive shares in the Company equivalent to an amount calculated by reference to the increase in value of the rights between the date of the grant and the date of exercise of the rights. The rights vest on the third anniversary of the award date and expire on the fifth anniversary of that date. To the extent that outstanding share appreciation rights are exercised on or after vesting date, the appropriate number of shares will be listed and awarded to the participant. Only two employees still hold share appreciation rights and no new rights have been issued in terms of this scheme since the end of the 2013 financial year.

Remuneration report continued

Aspen South African Workers' Share Plan

- The Workers' Share Plan was adopted by shareholders in October 2005. In terms of the plan, all South African employees employed by the Company for a full year on a permanent basis were issued shares in the Company to the value of R9 000 each over a period of three years. The shares vested immediately but are subject to a lock-up period of one year. The last tranche of this plan was issued in July 2009.

At the December 2012 annual general meeting the Company's shareholders approved amendments to the terms of these legacy share schemes operated by the Group thereby limiting the maximum number of shares that can be issued in terms of these schemes to 45 477 945 or 10% of the Company's issued share capital (down from 64 741 611 or 14% of the Company's issued share capital), and the maximum number of shares issued to any single employee is limited to 4 800 000 (down from 6 474 161 shares). Since this amendment was approved, 1 569 634 shares have been issued in terms of these legacy schemes, representing 0,34% of the Company's issued share capital. From the date of inception of these schemes in 2001, 39 070 829 shares have been issued under the schemes comprising 8,56% of issued share capital. This constitutes an average dilution rate of less than 1% per year.

A detailed indication of the maximum number of shares that may result from awards granted in terms of the Share Incentive Scheme is contained in note 16.1 of the Group Annual Financial Statements. The number of shares that may result from awards made under the Share Appreciation Plan can only be determined at the date of exercise. Refer to note 16.2 of the Group Annual Financial Statements.

The Group's management incentive schemes are approved by the Remuneration & Nomination Committee, which reports to the Board on all approved schemes.

Benefits

Benefits vary from country to country depending on customs and regulations. Benefits include retirement funding, medical insurance and life and disability insurance. A limited number of employees in South Africa are entitled to post-retirement health benefits (as a consequence of contractual obligations assumed from predecessor companies). Aspen has never offered post-retirement health benefits, but has assumed obligations for retirement health benefits through various acquisitions.

In respect of retirement benefits, the Group generally contributes to employee retirement funding. The extent of its contributions varies from country to country, depending on the state social security contributions and benefits in the country concerned.

Executive directors

The principles in terms of which the remuneration packages of the Group's executive directors are determined are similar to those applicable to other executives and management. Executive directors accordingly receive a base salary, an annual incentive and a medium-term incentive which are determined in accordance with the principles applicable to executives and management and are calculated as set out in this report. In the case of the executive directors, the maximum annual incentive is 100% of their total remuneration cost (excluding incentives).

In terms of their service contracts, executive directors receive no additional remuneration on account of their being directors of the Company.

Executive directors' annual incentive bonuses are recommended by the Remuneration & Nomination Committee based on predetermined targets.

In respect of the year to 30 June 2015 the targets were:

- the three-year CAGR of the Group's fully diluted headline earnings per share from continuing operations. The maximum target is the three-year compound annual South African Consumer Price Index +8% and the minimum threshold for the achievement of the incentive is the three-year annual compound Consumer Price Index +1%. The weighting of this portion of the incentive is 40% of the total incentive;
- the three-year CAGR of the Group's earnings before interest, tax, depreciation and amortisation per share. The maximum target is the three-year annual compound South African Consumer Price Index +8% and the minimum threshold for the achievement of the incentive is the three-year compounded Consumer Price Index +1%. The weighting of this portion of the incentive is 30% of the total incentive; and
- a weighting of 30% on their key performance areas ("KPAs"), which include the development and implementation of Group strategy, management of key stakeholder relationships, effective corporate governance, manufacturing capacity, product development, safety and environmental performance, the alignment of IT with business requirements and the satisfaction of objectives set by the Social & Ethics Committee, including transformation within Aspen's South African businesses.

These performance targets were met by both the executive directors.

The KPA targets for the executive directors in respect of the year to 30 June 2016 have been updated to include:

- continuing to develop and implement a sustainable growth strategy for the Group;
- developing and implementing synergy realisation and growth plans;
- maintaining productive stakeholder relations;
- ensuring Group infrastructure is appropriate to meet Aspen's short to medium-term objectives;
- ensuring that SHE standards are maintained across the Group;
- maintaining an appropriate funding structure in line with the Group's growth objectives;
- meeting certain transformation objectives determined by the Social & Ethics Committee; and
- ensuring that an effective risk management and reporting process is maintained across the Group.

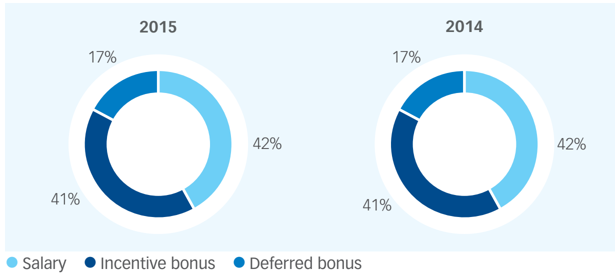
In addition to the annual incentive, executive directors are, subject to the approval of the Remuneration & Nomination Committee, awarded a medium-term incentive bonus under the terms and conditions of the South African Management Deferred Incentive Bonus Scheme referred to previously, capped at a maximum of 41,25% of their total remuneration cost (excluding incentives). The extent of these awards is determined with reference to the same predetermined targets applicable to the executive directors' annual incentive bonus as detailed previously.

Neither of the executive directors has a long-term service contract with the Group and, in both instances, the service contracts of the executive directors are terminable on six months' written notice.

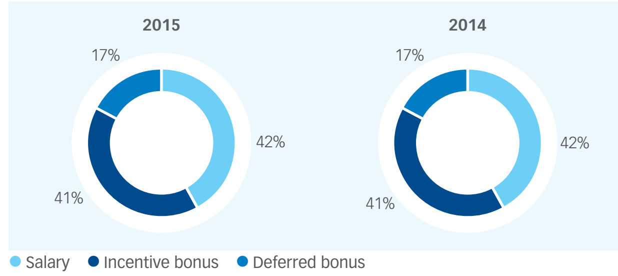
The executive directors have, to date, always elected to receive their deferred incentive awards in shares as opposed to cash.

Total remuneration composition of executive directors

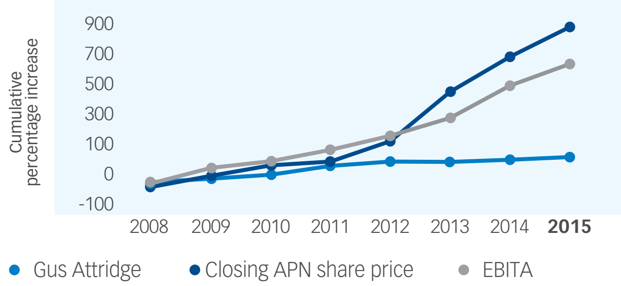
Stephen Saad

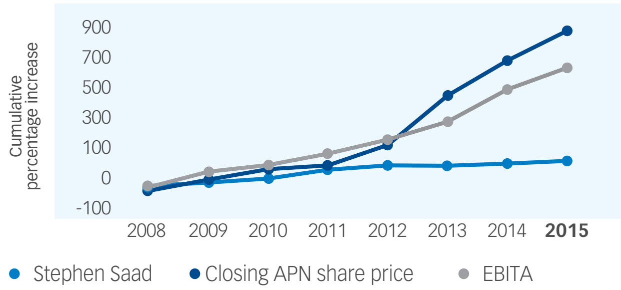


Gus Attridge



Cumulative executive director remuneration increases as compared to cumulative increases in EBITA and the Aspen share price





Non-executive directors

Non-executive directors do not receive any bonuses, share options, incentives or other payments in addition to their directors' fees. Following research into trends in non-executive director remuneration among companies of a similar size and complexity to the Group and the duties performed, non-executive directors' fees are proposed by management to the Remuneration & Nomination Committee.

After review of such proposals, the Remuneration & Nomination Committee makes appropriate recommendations, other than for fees for services rendered to the Remuneration & Nomination Committee, to the Board. The proposal endorsed by the Board is tabled for approval by shareholders at the annual general meeting.

Remuneration report continued

In line with the requirements of the Companies Act. The fees payable to the non-executive directors for the 2015 financial year were approved by a special resolution of Aspen's shareholders at the Company's annual general meeting held in December 2014. The fees payable to these directors through to the annual general meeting in 2016 will be submitted for approval at the Company's annual general meeting to be held on 7 December 2015.

The Chairman of the Board receives a fixed annual fee for her role as Chairman. Non-executive directors' fees are fixed for the year. A quarterly base fee is payable to each non-executive director, in addition to a fee per meeting attended. Further fees will be paid for attendance at unscheduled meetings dependent on the number of hours spent at the meeting, up to a maximum of the set fee per meeting. In the instance of non-attendance, non-executive directors are obliged to continue to participate in meetings by providing the Chairman or the committee Chairman with detailed inputs for all agenda items. The Remuneration & Nomination Committee has discretion to approve payment of such fees to a non-executive director notwithstanding his/her absence from a meeting under special circumstances.

Consistency of application and approval

The remuneration philosophy is consistently applied across all companies forming part of the Group. In line with the recommendation of King III, the Group will table this remuneration policy at its 2015 annual general meeting for a non-binding advisory vote by shareholders.

Directors' remuneration and shareholding

The tables below set out the remuneration paid to the directors as well as the details of directors' shareholdings in the Group:

Non-executive director	2015 R'000	2014 R'000
Roy Andersen	553	560
Rafique Bagus*	240	322
John Buchanan	661	662
Judy Dlamini	922	866
Kuseni Dlamini	330	318
Abbas Hussain#	86	257
Maureen Manyama	340	26
Chris Mortimer	276	248
David Redfern#	133	–
Sindi Zilwa	524	532
	4 065	3 791

* *Rafique Bagus resigned from the Board with effect from 31 March 2015.*
# *Abbas Hussain resigned from the Board with effect from 1 February 2015 and was replaced by David Redfern with effect from that date.*

Executive director	Remuneration R'000	Retirement and medical aid benefits R'000	Performance bonus R'000	Share-based payment expense R'000	Total R'000
2015					
Gus Attridge	5 196	632	5 679	1 945	13 452
Stephen Saad	6 303	747	6 975	2 362	16 387
	11 499	1 379	12 654	4 307	29 839
2014					
Gus Attridge	4 796	591	5 377	1 914	12 678
Stephen Saad	5 814	701	6 506	2 319	15 340
	10 610	1 292	11 883	4 233	28 018

Directors' interests in Aspen shares

Shares allocated in terms of the South African Management Deferred Incentive Bonus Scheme as at the beginning of the year and those offered to and accepted by executive directors during the year were as follows:

	Grant price (R)	Expiry date	Shares outstanding on 30 June 2014 ('000)	Awarded during the year ('000)	Released during the year R'000	Shares outstanding on 30 June 2015 ('000)
Gus Attridge	89,68	Oct 2014	20	–	20	–
	156,00	Oct 2015	13	–	–	13
	264,13	Oct 2016	8	–	–	8
	338,44	Oct 2017	–	6	–	6
			41	6	20	27
Stephen Saad	89,68	Oct 2014	25	–	25	–
	156,00	Oct 2015	16	–	–	16
	264,13	Oct 2016	10	–	–	10
	338,44	Oct 2017	–	8	–	8
			51	8	25	34
			92	14	45	61

The deferred incentive bonus shares have a maturity date of three years on acceptance of the bonus.

The direct and indirect beneficial interests of the directors and their associates in the shares of the Company were:

	Direct ('000)		Indirect ('000)	
	2015	2014	2015	2014
Roy Andersen	40	40	–	–
Gus Attridge	3 693	3 679	15 169	15 169
John Buchanan	–	–	30	30
Judy Dlamini	–	–	2 627	2 627
Kuseni Dlamini	–	–	–	–
Maureen Manyama	–	–	–	–
Chris Mortimer	88	88	–	–
David Redfern	–	–	–	–
Stephen Saad	4 031	4 006	51 303	51 303
Sindi Zilwa	–	-	–	–
	7 852	7 813	69 159	69 159

None of the directors held any non-beneficial shares in the Company at 30 June 2015.

Roy Andersen
Remuneration & Nomination Committee Chairman

22 October 2015

Summarised Group Annual Financial Statements

Statement of responsibility by the Board of Directors

The directors are responsible for the preparation, integrity and fair presentation of the Summarised Group Annual Financial Statements of Aspen Pharmacare Holdings Limited and its subsidiaries. The Summarised Group Annual Financial Statements were derived from the Group Annual Financial Statements which are separately available at www.aspenpharma.com.

The directors confirm that, in preparing the Summarised Group Annual Financial Statements, they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all IFRS that they consider to be applicable have been followed. The directors are satisfied that the information contained in the Summarised Group Annual Financial Statements fairly presents the results of operations for the year and the financial position of the Group at year-end. The directors also prepared the other information included in the Integrated Report and are responsible for both its accuracy and its consistency with the Summarised Group Annual Financial Statements.

The directors have responsibility for ensuring that accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the Group to enable the directors to ensure that the Summarised Group Annual Financial Statements comply with the relevant legislation.

The preparation of the Summarised Group Annual Financial Statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Summarised Group Annual Financial Statements and the reported expenses during the reporting period. Actual results could differ from those estimates.

Aspen Pharmacare Holdings Limited and its subsidiaries operated in a well-established control environment, which is well documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable, but not absolute, assurance that assets are safeguarded and the risks facing the business are being controlled.

The going concern basis has been adopted in preparing the Summarised Group Annual Financial Statements. The directors have no reason to believe that the Group or any company within the Group will not be going concerns in the foreseeable future, based on forecasts and available cash resources. These Summarised Group Annual Financial Statements support the viability of the Group.

The Code of Conduct has been adhered to in all material respects.

The Group's external auditors, PricewaterhouseCoopers Incorporated, audited the Group Annual Financial Statements from which the Summarised Group Annual Financial Statements were derived.

The Summarised Group Annual Financial Statements have been prepared under the supervision of the Deputy Group Chief executive, MG Attridge CA(SA) and approved by the Board of Directors.

Judy Dlamini
Chairman

Gus Attridge
Deputy Group Chief Executive

Johannesburg
22 October 2015

Independent auditor's report on the summarised Group Annual Financial Statements

To the shareholders of Aspen Pharmacare Holdings Limited

The summarised Group Annual Financial Statements of Aspen Pharmacare Holdings Limited, which comprise the summarised Group statement of financial position as at 30 June 2015, the summarised Group statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited Group financial statements of Aspen Pharmacare Holdings Limited for the year ended 30 June 2015. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 30 June 2015. Our auditor's report on the audited Group financial statements contained an Other Matter paragraph: "Other reports required by the Companies Act" (refer below).

The summarised Group Annual Financial Statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to Annual Financial Statements. Reading the summarised Group Annual Financial Statements, therefore, is not a substitute for reading the audited Group Annual Financial Statements of Aspen Pharmacare Holdings Limited.

Directors' responsibility for the summarised Group Annual Financial Statements

The directors are responsible for the preparation of these summarised Group Annual Financial Statements in accordance with the requirements of the JSE Limited Listings Requirements and the requirements of the Companies Act of South Africa as applicable to summarised financial statements, and for such internal control as the directors determine is necessary to enable the preparation of summarised Group Annual Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the summarised Group Annual Financial Statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, *Engagements to Report on Summary Financial Statements*.

Opinion

In our opinion, the summarised Group Annual Financial Statements derived from the audited Group Annual Financial Statements of Aspen Pharmacare Holdings Limited for the year ended 30 June 2015 are consistent, in all material respects, with those Group Annual Financial Statements, in accordance with the requirements of the JSE Limited Listings Requirements and the requirements of the Companies Act of South Africa as applicable to summarised Annual Financial Statements.

Other reports required by the Companies Act

The "Other reports required by the Companies Act" paragraph in our audit report dated 30 June 2015 states that as part of our audit of the Group Annual Financial Statements for the year ended 30 June 2015, we have read the Directors' Report, the Audit & Risk Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited Group Annual Financial Statements. These reports are the responsibility of the respective preparers. The paragraph states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited Group Annual Financial Statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summarised Group Annual Financial Statements or our opinion thereon.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Incorporated
Director: Tanya Rae
Registered auditor

2 Eglin Road, Sunninghill
Johannesburg
22 October 2015[1]

[1] *Auditor's report on the summarised Group Annual Financial Statements is dated on the same day as the auditor's report on the Group Annual Financial Statements.*

Basis of presentation and accounting policies

These Summarised Group Annual Financial Statements for the year ended 30 June 2015 have been prepared in terms of the recognition and measurement requirements of IFRS, the AC 500 series pronouncements as issued by the Accounting Practices Board, the JSE Listings Requirements, the requirements of the South African Companies Act, No 71 of 2008, and the presentation and disclosure requirements of IAS 34 – *Interim reporting*. Accounting policies used are consistent with those applied in the previous annual financial statements and IFRS.

The entity wide analysis included in the segmental analysis for the year ended 30 June 2015 was restated to separately disclose the hyperinflationary economy.

These results have been audited by the Company's auditors, PricewaterhouseCoopers Incorporated.

Summarised Group statement of financial position

at 30 June 2015

	2015 R'million	2014 R'million
ASSETS		
Non-current assets		
Property, plant and equipment	**7 916,5**	7 150,8
Goodwill	**5 026,0**	6 641,8
Intangible assets	**40 522,1**	35 698,9
Other non-current assets	**407,5**	298,9
Contingent environmental indemnification assets	**676,9**	727,1
Deferred tax assets	**1 131,2**	817,1
Total non-current assets	**55 680,2**	51 334,6
Current assets		
Inventories	**10 791,5**	10 275,2
Receivables and other current assets	**10 390,2**	9 661,2
Cash and cash equivalents	**8 665,6**	8 225,6
Total operating current assets	**29 847,3**	28 162,0
Assets classified as held-for-sale	**2 889,8**	3 050,8
Total operating current assets	**32 737,1**	31 212,8
Total assets	**88 417,3**	82 547,4
Shareholders' equity		
Share capital (including treasury shares)	**3 006,8**	3 867,9
Reserves	**31 131,9**	25 006,3
Ordinary shareholders' equity	**34 138,7**	28 874,2
Non-controlling interests	**22,8**	1,9
Total shareholders' equity	**34 161,5**	28 876,1
Liabilities		
Non-current liabilities		
Borrowings	**25 491,6**	29 915,5
Deferred tax liabilities	**1 669,3**	1 351,1
Retirement and other employee benefits	**470,8**	497,6
Contingent environmental liabilities	**676,9**	727,1
Unfavourable and onerous contracts	**2 112,3**	2 638,7
Other non-current liabilities	**2 056,4**	2 499,3
Total non-current liabilities	**32 477,3**	37 629,3
Current liabilities		
Trade and other payables	**6 785,2**	6 884,0
Borrowings*	**13 222,2**	8 075,3
Other current liabilities	**1 455,6**	747,4
Unfavourable and onerous contracts	**315,5**	335,3
Total current liabilities	**21 778,5**	16 042,0
Total liabilities	**54 255,8**	53 671,3
Total equity and liabilities	**88 417,3**	82 547,4
Number of shares in issue (net of treasury shares) ('000)	**456 055**	455 914
Net asset value per share (cents)	**7 485,7**	6 333,3

** Includes bank overdrafts.*

Summarised Group statement of comprehensive income

for the year ended 30 June 2015

	Notes	Change	2015 R'million	2014 R'million
Revenue		22%	**36 126,6**	29 515,1
Cost of sales			**(18 872,4)**	(15 793,2)
Gross profit		26%	**17 254,2**	13 721,9
Selling and distribution expenses			**(5 614,4)**	(4 401,3)
Administrative expenses			**(2 817,5)**	(1 652,5)
Other operating income			**542,8**	692,4
Other operating expenses			**(915,2)**	(935,7)
Operating profit	B#	14%	**8 449,9**	7 424,8
Investment income	C#		**382,7**	278,1
Financing costs	D#		**(2 294,6)**	(1 346,4)
Profit before tax		3%	**6 538,0**	6 356,5
Tax			**(1 338,6)**	(1 351,0)
Profit for the year		4%	**5 199,4**	5 005,5
Other comprehensive income, net of tax*				
Net investment hedge profit in Aspen Asia Pacific			**–**	23,9
Net gains from cash flow hedging in respect of business acquisitions			**–**	75,1
Currency translation gains	E#		**916,0**	1 829,3
Cash flow hedges recognised			**22,2**	3,0
Remeasurement of retirement and other employee benefits			**(5,5)**	(25,3)
Total comprehensive income			**6 132,1**	6 911,5
Profit for the year attributable to				
Equity holders of the parent			**5 201,4**	5 007,6
Non-controlling interests			**(2,0)**	(2,1)
			5 199,4	5 005,5
Total comprehensive income attributable to				
Equity holders of the parent			**6 134,1**	6 915,4
Non-controlling interests			**(2,0)**	(3,9)
			6 132,1	6 911,5
Weighted average number of shares in issue ('000)			**456 347**	456 116
Diluted weighted average number of shares in issue ('000)			**456 453**	456 219
Earnings per share				
Basic earnings per share (cents)		4%	**1 139,8**	1 097,9
Diluted earnings per share (cents)		4%	**1 139,5**	1 097,6
Distribution to shareholders				
Capital distribution per share (cents)			**188,0**	26,0
Cash dividends per share (cents)			**–**	131,0
			188,0	157,0

The capital distribution to shareholders of 188,0 cents relates to the distribution declared on 10 September 2014 and paid on 13 October 2014 (2014 distribution: the total distribution of 157,0 cents relates to the distribution declared on 11 September 2013 and paid on 14 October 2013).

** Remeasurement of retirement and other employee benefits will not be reclassified to profit and loss. All other items in other comprehensive income may be reclassified to profit and loss.*

 # See notes on supplementary information.

Summarised Group statement of headline earnings

for the year ended 30 June 2015

	Change	2015 R'million	2014 R'million
Headline earnings			
Reconciliation of headline earnings			
Profit attributable to equity holders of the parent	4%	5 201,4	5 007,6
Adjusted for:			
– Profit on the sale of intangible assets (net of tax)		(58,4)	(479,8)
– Net impairment/(reversal of impairment) of property, plant and equipment (net of tax)		7,8	(5,8)
– Net impairment of intangible assets (net of tax)		162,3	112,6
– (Profit)/loss on the sale of property, plant and equipment (net of tax)		(65,4)	1,1
	13%	5 247,7	4 635,7
Headline earnings per share			
Headline earnings per share (cents)	13%	1 149,9	1 016,3
Diluted headline earnings per share (cents)	13%	1 149,7	1 016,1
Normalised headline earnings			
Reconciliation of normalised headline earnings			
Headline earnings	13%	5 247,7	4 635,7
Adjusted for:			
– Restructuring costs (net of tax)		98,6	29,4
– Transaction costs (net of tax)		217,2	435,9
– Net foreign exchange gains from hedging of business acquisitions (net of tax)		–	1,7
– Foreign exchange gain on settlement of transaction funding liability (net of tax)		–	(248,9)
	15%	5 563,5	4 853,8
Normalised headline earnings per share			
Normalised headline earnings per share (cents)	15%	1 219,1	1 064,2
Normalised diluted headline earnings per share (cents)	15%	1 218,9	1 063,9

Summarised Group statement of changes in equity

for the year ended 30 June 2015

	Share capital (including treasury shares) R'million	Reserves R'million	Total attributable to equity holders of the parent R'million	Non-controlling interests R'million	Total R'million
Balance at 1 July 2013	3 989,2	18 804,6	22 793,8	5,1	22 798,9
Total comprehensive income	–	6 915,4	6 915,4	(3,9)	6 911,5
Profit for the year	–	5 007,6	5 007,6	(2,1)	5 005,5
Other comprehensive income	–	1 907,8	1 907,8	(1,8)	1 906,0
Capital distribution and dividends paid	(118,6)	(597,4)	(716,0)	(0,2)	(716,2)
Issue of ordinary share capital – share schemes	2,7	–	2,7	–	2,7
Treasury shares purchased	(22,3)	–	(22,3)	–	(22,3)
Deferred incentive bonus shares exercised	16,9	(16,9)	–	–	–
Share-based payment expenses	–	21,8	21,8	–	21,8
Equity portion of tax claims in respect of share schemes	–	10,8	10,8	–	10,8
Hyperinflation adjustment – Venezuela	–	(132,0)	(132,0)	0,9	(131,1)
Balance at 30 June 2014	3 867,9	25 006,3	28 874,2	1,9	28 876,1
Total comprehensive income	–	6 134,1	6 134,1	(2,0)	6 132,1
Profit for the year	–	5 201,4	5 201,4	(2,0)	5 199,4
Other comprehensive income	–	932,7	932,7	–	932,7
Capital distribution and dividends paid	(857,4)	–	(857,4)	(0,3)	(857,7)
Issue of ordinary share capital – share schemes	0,2	–	0,2	–	0,2
Treasury shares purchased	(22,7)	–	(22,7)	–	(22,7)
Deferred incentive bonus shares exercised	18,8	(18,8)	–	–	–
Share-based payment expenses	–	24,8	24,8	–	24,8
Equity portion of tax claims in respect of share schemes	–	(0,7)	(0,7)	–	(0,7)
Contribution by non-controlling shareholders	–	–	–	4,7	4,7
Acquisition of subsidiary	–	–	–	16,4	16,4
Acquisition of non-controlling interests	–	(13,8)	(13,8)	2,1	(11,7)
Balance at 30 June 2015	3 006,8	31 131,9	34 138,7	22,8	34 161,5

Summarised Group statement of cash flows

for the year ended 30 June 2015

	Notes	2015 R'million	2014 R'million
Cash flows from operating activities			
Cash operating profit		**9 506,8**	7 911,2
Changes in working capital		**(1 466,9)**	(2 187,5)
Cash generated from operations		**8 039,9**	5 723,7
Net financing costs paid		**(2 007,4)**	(709,1)
Tax paid		**(1 193,7)**	(1 178,3)
Cash generated from operating activities		**4 838,8**	3 836,3
Cash flows from investing activities			
Capital expenditure – property, plant and equipment	A#	**(1 592,8)**	(1 328,9)
Proceeds on the sale of property, plant and equipment		**184,6**	106,3
Capital expenditure – intangible assets	A#	**(824,6)**	(700,4)
Proceeds on the sale of intangible assets		**412,2**	898,8
Acquisition of subsidiaries and businesses	H#	**(2 156,5)**	(19 764,2)
Acquisition of non-controlling interests		**(11,7)**	–
Acquisition of joint venture		**(61,5)**	–
Increase in other non-current assets		**(65,8)**	–
Payment of deferred consideration relating to prior year business acquisitions		**(495,7)**	(85,9)
Proceeds on the disposal of assets classified as held-for-sale		**3 050,8**	–
Net investment hedge profit in Aspen Asia Pacific		**–**	23,9
Cash used in investing activities		**(1 561,0)**	(20 850,4)
Cash flows from financing activities			
Net (repayments)/proceeds from borrowings		**(1 366,2)**	20 183,3
Capital distribution and dividends paid		**(857,7)**	(716,2)
Proceeds from issue of ordinary share capital		**0,2**	2,7
Contribution by non-controlling shareholders		**4,7**	–
Treasury shares purchased		**(22,7)**	(22,3)
Cash (used in)/generated from financing activities		**(2 241,7)**	19 447,5
Movement in cash and cash equivalents before effects of exchange rate changes		**1 036,1**	2 433,4
Effects of exchange rate changes		**(338,9)**	312,2
Movement in cash and cash equivalents		**697,2**	2 745,6
Cash and cash equivalents at the beginning of the year		**6 161,8**	3 416,2
Cash and cash equivalents at the end of the year		**6 859,0**	6 161,8
Operating cash flow per share (cents)		**1 060,3**	841,1
Reconciliation of cash and cash equivalents			
Cash and cash equivalents per the statement of financial position		**8 665,6**	8 225,6
Less: Bank overdrafts		**(1 806,6)**	(2 063,8)
		6 859,0	6 161,8

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash-on-hand, deposits held on call with banks less bank overdrafts.

See notes on supplementary information.

Summarised Group segmental analysis

for the year ended 30 June 2015

	2015 R'million	2015 % of total	Restated 2014 R'million	Restated 2014 % of total	Change
Revenue					
International†	**18 567,4**	**49**	12 724,8	40	46%
South Africa^	**8 602,6**	**23**	7 446,3	24	16%
Asia Pacific	**8 107,3**	**21**	8 517,2	27	(5%)
SSA	**2 768,6**	**7**	2 744,3	9	1%
Total gross revenue	**38 045,9**	**100**	31 432,6	100	21%
Adjustment*	**(1 919,3)**		(1 917,5)		
Total revenue	**36 126,6**		29 515,1		22%
Operating profit before amortisation					
Adjusted for specific non-trading items ("EBITA")					
International	**5 159,8**	**56**	3 636,1	47	42%
Operating profit#	**4 610,7**		3 633,1		27%
Amortisation of intangible assets	**249,9**		180,4		
Transaction costs	**75,9**		255,0		
Restructuring costs	**130,3**		–		
Profit on the sale of assets	**(60,7)**		(522,0)		
Impairment of assets	**153,7**		89,6		
South Africa	**1 950,2**	**21**	1 816,5	24	7%
Operating profit#	**1 826,5**		1 652,7		11%
Amortisation of intangible assets	**93,1**		65,1		
Transaction costs	**9,6**		77,4		
Profit on the sale of assets	**(19,6)**		–		
Net impairment of assets	**40,6**		21,3		
Asia Pacific	**1 748,4**	**19**	1 944,6	25	(10%)
Operating profit#	**1 705,8**		1 811,6		(6%)
Amortisation of intangible assets	**137,7**		138,2		
Transaction costs	**–**		7,0		
Restructuring costs	**1,5**		42,1		
Reversal of impairment of assets	**–**		(5,8)		
Profit on the sale of assets	**(96,6)**		(48,5)		
Sub-Saharan Africa	**312,7**	**4**	333,6	4	(6%)
Operating profit#	**306,9**		327,4		(6%)
Amortisation of intangible assets	**6,3**		6,2		
Profit on the sale of assets	**(0,5)**		–		
Total EBITA	**9 171,1**	**100**	7 730,8	100	19%
Entity-wide disclosure – revenue					
Analysis of revenue in accordance with customer geography					
Europe CIS	**10 456,3**	**28**	7 200,1	23	45%
South Africa	**8 608,1**	**23**	7 451,4	24	16%
Asia Pacific	**8 504,1**	**22**	8 798,7	28	(3%)
Latin America (excluding hyperinflationary economy)	**3 424,3**	**9**	2 371,7	8	44%
SSA	**2 776,8**	**7**	2 752,6	9	1%
Hyperinflationary economy	**2 703,9**	**7**	1 112,9	3	143%
Rest of the world	**1 572,4**	**4**	1 745,2	5	(10%)
Total gross revenue	**38 045,9**	**100**	31 432,6	100	21%
Adjustment*	**(1 919,3)**		(1 917,5)		
Total revenue	**36 126,6**		29 515,1		22%

† *Excludes intersegment revenue of R1 806,5 million (2014: R1 691,8 million).*
^ *Excludes intersegment revenue of R107,3 million (2014: R91,5 million).*
* *The profit share from the Collaboration has been disclosed as revenue in the statement of comprehensive income. For segmental purposes the total revenue for the Collaboration has been included to provide enhanced revenue visibility in this territory.*
# *The aggregate segmental operating profit is R8 449,9 million (2014: R7 424,8 million).*

Summarised Group supplementary information

for the year ended 30 June 2015

		2015 R'million	2014 R'million
A.	**Capital expenditure**		
	Incurred	**2 417,4**	2 029,3
	– Property, plant and equipment	**1 592,8**	1 328,9
	– Intangible assets	**824,6**	700,4
	Contracted	**683,4**	477,2
	– Property, plant and equipment	**600,8**	425,7
	– Intangible assets	**82,6**	51,5
	Authorised but not contracted for	**2 625,8**	2 967,1
	– Property, plant and equipment	**2 405,4**	2 652,9
	– Intangible assets	**220,4**	314,2
B.	**Operating profit has been arrived at after charging/(crediting)**		
	Depreciation of property, plant and equipment	**552,3**	433,9
	Amortisation of intangible assets	**487,0**	389,9
	Net impairment/(reversal of impairment) of property, plant and equipment	**11,0**	(8,2)
	Net impairment of intangible assets	**183,3**	113,3
	Share-based payment expenses – employees	**50,8**	47,5
	Transaction costs	**85,5**	339,4
	Restructuring costs	**131,8**	42,1
	Hyperinflationary reduction in operating profit	**19,4**	80,9
C.	**Investment income**		
	Interest received	**382,7**	278,1
D.	**Financing costs**		
	Interest paid	**(1 832,2)**	(1 295,9)
	Debt raising fees on acquisitions	**(142,0)**	(154,7)
	Net foreign exchange (losses)/gains	**(479,4)**	80,7
	Foreign exchange gain on settlement of transaction funding liability	**–**	248,9
	Fair value losses on financial instruments	**(0,9)**	(86,0)
	Notional interest on financial instruments	**(174,6)**	(131,4)
	Net hyperinflationary gains/(losses)	**334,5**	(8,0)
		(2 294,6)	(1 346,4)

E. Currency translation gains

Currency translation movements on the translation of the offshore businesses are as a result of the difference between the weighted average exchange rate used for trading results and the opening and closing exchange rates applied in the statement of financial position. For the period the weaker closing Rand translation rate increased the Group net asset value.

		2015 R'million	2014 R'million
F.	**Contingent liabilities**		
	There are contingent liabilities in respect of:		
	Contingent consideration for acquired products	**72,9**	–
	Contingency relating to product litigation	**31,6**	27,6
	Customs guarantee	**13,8**	14,8
	Indirect tax contingent liabilities	**19,9**	36,1
	Contingencies arising from labour cases	**5,1**	2,8
	Other contingent liabilities	**3,3**	5,7
		146,6	87,0
G.	**Guarantees to financial institutions**		
	Material guarantees given by Group companies for indebtedness of subsidiaries to financial institutions	**13 412,7**	12 888,7

H. Acquisition of subsidiaries and businesses

	R'million
2015	
Cash outflow relating to current year business combinations	**2 160,8**
Cash inflow relating to a working capital purchase price adjustment	**(4,3)**
	2 156,5

Set out below is the provisional accounting for the following June 2015 business combinations:

Kama

On 1 May 2015, the Company acquired 65% of the issued share capital of Kama, a privately owned company incorporated in Ghana for a purchase consideration of USD4,5 million.

Mono-Embolex business

Aspen Global acquired the rights to Mono-Embolex, an injectable anticoagulant, from Novartis AG for a consideration of USD142 million effective 20 February 2015.

Summarised Group supplementary information continued

for the year ended 30 June 2015

H. Acquisition of subsidiaries and businesses continued

Florinef and Omcilon business

Aspen Global and Aspen Brazil entered into an agreement with Bristol Myers Squibb Company for the acquisition of the rights to two corticosteroids. Florinef, in certain countries (primarily Japan, the United Kingdom and Brazil) and Omcilon in Brazil, for a consideration of USD41 million. Additional consideration of up to USD6 million is payable in the event of certain regulatory approvals being obtained but it is not possible to ascertain the likelihood of these occurring at this time. The transaction became effective on 1 November 2014.

	Kama R'million	Florinef and Omcilon business R'million	Mono-Embolex business R'million	Total R'million
Fair value of assets and liabilities acquired				
Property, plant and equipment	38,9	–	–	38,9
Intangible assets	12,2	446,5	1 660,0	2 118,7
Inventories	3,8	–	–	3,8
Trade and other receivables	3,0	–	–	3,0
Cash and cash equivalents	0,1	–	–	0,1
Deferred tax liabilities	(9,4)	(13,4)	(49,8)	(72,6)
Trade and other payables	(1,7)	–	–	(1,7)
Fair value of net assets acquired	46,9	433,1	1 610,2	2 090,2
Non-controlling interests	(16,4)	–	–	(16,4)
Goodwill acquired	23,9	13,4	49,8	87,1
Purchase consideration paid	54,4	446,5	1 660,0	2 160,9
Cash and cash equivalents in acquired companies	(0,1)	–	–	(0,1)
Cash outflow on acquisition	54,3	446,5	1 660,0	2 160,8

The initial accounting for these acquisitions, which have been classified as business combinations, has been reported on a provisional basis and will only be finalised in the year ending 30 June 2016.

Post-acquisition revenue included in the statement of comprehensive income was R465 million made up as follows:

Kama	R2 million
Florinef and Omcilon business	R155 million
Mono-Embolex business	R308 million

The estimation of post-acquisition operating profits is impracticable and not reasonably determinable due to the immediate integration of the businesses into the existing operations of the Group.

All transaction costs relating to the acquisition of these businesses have been expensed in other operating expenses in the statement of comprehensive income and adjusted for in normalised headline earnings.

Goodwill

(1) The goodwill arising on the acquisition of Kama recognises:
- the benefit to the business of Aspen's knowledge and expertise; and
- the synergies from the use of Kama as a platform to launch Aspen's existing intellectual property in Ghana.

(2) The goodwill arising on the acquisition of the Florinef and Omcilon business recognises:
- the benefit to the products of Aspen's additional promotional focus; and
- the synergies from the consolidation of the acquired business with Aspen's existing business, particularly in Brazil and Japan.

(3) The goodwill arising on the acquisition of the Mono-Embolex business recognises:
- the benefit to the products of Aspen's additional promotional focus;
- the synergies from the consolidation of the acquired business with Aspen's existing anticoagulant business in Germany; and
- the synergies from the vertical integration with Aspen's existing heparin production capabilities.

The total amount of goodwill recognised is not tax deductible.

H. Acquisition of subsidiaries and businesses continued

2014

API business

On 1 October 2013, the Company acquired 100% of the issued share capital in an API manufacturing business from MSD which manufactures for MSD and the market generally and which is located in the Netherlands with a satellite production facility and sales office in the United States for a purchase consideration of EUR31 million (net of cash acquired).

The initial accounting for this business combination was reported on a provisional basis in June 2014 and was finalised in the year ended 30 June 2015.

MSD business

Aspen Global exercised an option to acquire a portfolio of 11 branded finished dose form molecules from MSD for a consideration of USD600 million effective on 31 December 2013. USD533 million of the consideration was paid on 2 January 2014, and the balance of this consideration will be paid in five equal annual instalments commencing at the end of the first year after the acquisition date.

The initial accounting for this business combination was reported on a provisional basis in June 2014 and was finalised in the year ended 30 June 2015.

GSK thrombosis business

The two components of the acquisition set out below are linked and have been classified as one cash-generating unit for purchase price allocation purposes.

Arixtra and Fraxiparine brands

On 31 December 2013 Aspen Global acquired the Arixtra and Fraxiparine brands and related business worldwide, except in China, Pakistan and India from GSK for a purchase consideration of GBP505 million.

Aspen NDB

On 30 April 2014, the Company acquired a specialised sterile production site in France, which manufactures the Arixtra and Fraxiparine products and the related inventory, for a purchase consideration of GBP194 million.

The initial accounting for this business combination was reported on a provisional basis in June 2014 and was finalised in the year ended 30 June 2015.

Latin American infant nutritionals business

On 28 October 2013 Aspen Group companies concluded agreements with Nestlé in respect of the acquisition of certain licence rights to intellectual property, net assets (including an infant nutritionals production facility located in Vallejo, Mexico) and 100% of the issued share capital in the infant nutritionals businesses presently conducted by Nestlé and Pfizer in Latin America, predominantly in Mexico, Venezuela, Columbia, the Andean region and Caricam for a purchase consideration of USD180 million.

The initial accounting for this business combination was reported on a provisional basis in June 2014 and was finalised in the year ended 30 June 2015.

South African infant nutritionals business

The Company concluded agreements with Nestlé in the 2013 financial year in respect of the acquisition of certain rights to intellectual property licences and net assets in the infant nutritionals business previously conducted by Pfizer which distributed a portfolio of infant nutritional products to certain southern African territories (South Africa, Botswana, Namibia, Lesotho, Swaziland and Zambia). The acquisition of the South African infant nutritionals business from Nestlé was approved by the Competition Tribunal in December 2013. The effective date upon which Aspen assumed control of the business was 27 January 2014.

The initial accounting for this business combination was reported on a provisional basis in June 2014 and was finalised in the year ended 30 June 2015.

Summarised Group supplementary information continued

H. Acquisition of subsidiaries and businesses continued

2014 continued

Set out below is the final accounting for the following June 2014 business acquisitions:

	API business R'million	MSD business R'million	GSK thrombosis business R'million	Latin American infant nutritionals business R'million	South African infant nutritionals business R'million	Australian infant nutritionals business* R'million	Total R'million
Fair value of assets and liabilities acquired							
Property, plant and equipment	589,1	–	561,3	620,0	–	–	1 770,4
Intangible assets	506,3	6 250,3	10 533,5	749,8	253,4	–	18 293,3
Contingent environmental indemnification assets	680,1	–	–	–	–	–	680,1
Non-current financial receivables	–	–	267,1	–	–	–	267,1
Deferred tax assets	48,1	–	440,1	–	–	19,5	507,7
Current tax assets	–	–	–	3,0	–	–	3,0
Inventories	3 142,1	–	1 688,3	520,6	57,3	(2,3)	5 406,0
Trade and other receivables	507,9	–	309,8	465,1	62,3	(21,3)	1 323,8
Cash and cash equivalents	1 272,5	–	–	–	–	–	1 272,5
Contingent environmental liabilities	(680,1)	–	–	–	–	–	(680,1)
Environmental liabilities	(74,5)	–	–	–	–	–	(74,5)
Unfavourable and onerous contracts	(2 756,3)	–	(215,9)	–	–	–	(2 972,2)
Retirement and other employee benefits	–	–	(298,6)	(37,2)	–	–	(335,8)
Deferred tax liabilities	–	(187,5)	(310,1)	(2,7)	(73,8)	–	(574,1)
Trade and other payables	(370,2)	–	(376,0)	(609,2)	(57,0)	1,7	(1 410,7)
Non-current and current financial liabilities	(1 152,3)	–	(718,7)	–	–	–	(1 871,0)
Fair value of net assets acquired	1 712,7	6 062,8	11 880,8	1 709,4	242,2	(2,4)	21 605,5
Goodwill acquired	–	187,5	164,3	56,1	172,7	(13,5)	567,1
Deferred consideration	–	(650,2)	–	–	(20,8)	–	(671,0)
Prepayment set off against the fair value of the assets acquired	–	–	–	–	(394,1)	–	(394,1)
Purchase consideration paid	1 712,7	5 600,1	12 045,1	1 765,5	–	(15,9)	21 107,5
Net gains from cash flow hedging in respect of business acquisitions	–	–	(75,1)	–	–	–	(75,1)
Working capital purchase price adjustment	–	–	–	4,3	–	–	4,3
Cash and cash equivalents in acquired companies	(1 272,5)	–	–	–	–	–	(1 272,5)
Cash outflow on acquisition	440,2	5 600,1	11 970,0	1 769,8	–	(15,9)	19 764,2

** The initial accounting for this business combination was reported on a provisional basis in 2013 and was finalised in the year ended 30 June 2014. As a result of working capital adjustments, the purchase consideration decreased by R15,9 million to R1 562,7 million.*

I. Hyperinflationary economy

The Venezuelan economy is regarded as a hyperinflationary economy in terms of International Financial Reporting Standards.

There are three regulated exchange rates which are applicable in Venezuela:

- Official CENCOEX (the official rate of exchange for the importation of essential goods including infant nutritionals and pharmaceutical medicines) rate of VEF 6,3 per US Dollar for the importation of essential goods including infant nutritionals and pharmaceutical medicines which was reconfirmed in terms of an announcement made by the government in February 2015;
- SICAD 1 introduced in March 2013 at an initial rate of VEF12,0 per US Dollar and currently trading at VEF13,5 per USD and
- SIMADI introduced in February 2015 at an initial rate of VEF170,0 per US Dollar and currently trading at VEF198,0 per US Dollar.

During the 12 months to 30 June 2015 the Group received approximately USD18 million from Venezuela for transactions that were settled at the official CENCOEX rate of 6,3 VEF per US Dollar, and has approximately USD47 million of intergroup liabilities pending approval for future settlement at the CENCOEX rate. At 30 June 2015 the Group had USD70 million (US Dollar equivalent at the 6,3 official CENCOEX rate) of net monetary assets in its Venezuelan entities, of which the large majority is cash.

The Group has not used the SICAD 1 or SIMADI mechanisms to settle any transactions and does not anticipate using either the SICAD 1 or SIMADI mechanisms to settle any transactions. Accordingly, the Group has concluded that it is appropriate to apply the official CENCOEX rate of 6,3 VEF per US Dollar to report the Venezuelan business financial position, results of operations and cash flows for the year ended 30 June 2015, since the nature of the operations in Venezuela (the importation and distribution of pharmaceutical and infant nutritional products) qualifies for the most preferential rates permitted by law. For the year ended 30 June 2014 the Group applied a rate of 8,5 VEF per US Dollar which was higher than the official CENCOEX rate. The higher rate was used as there was considerable uncertainty, at the time, regarding the risk potential devaluation of the official CENCOEX rate. The announcement by the Venezuelan government in February 2015 which confirmed no change to the official CENCOEX rate eliminated this uncertainty. If circumstances change such that the Group concludes it would no longer be appropriate to use the official rate, or if a devaluation of the official CENCOEX rate occurs, it could result in a significant charge of the Group's results.

Eleven-year review

	10-year CAGR %	**IFRS Year ended 30 June 2015 R'million**	IFRS Year ended 30 June 2014 R'million	IFRS Year ended 30 June 2013 R'million	IFRS Year ended 30 June 2012 R'million	IFRS Year ended 30 June 2011 R'million	IFRS Year ended 30 June 2010 R'million	IFRS Year ended 30 June 2009 R'million	IFRS Year ended 30 June 2008 R'million	IFRS Year ended 30 June 2007 R'million	IFRS Year ended 30 June 2006 R'million	IFRS Year ended 30 June 2005 R'million
Group income statements												
Continuing operations												
Revenue	29	**36 126,6**	29 515,1	19 308,0	15 255,8	12 383,2	9 619,2	8 441,4	4 682,5	4 025,9	3 449,3	2 814,6
Gross profit	29	**17 254,2**	13 721,9	9 230,7	7 276,3	5 613,5	4 476,5	3 877,3	2 171,3	1 941,7	1 660,3	1 390,6
EBITA*	27	**9 171,1**	7 730,8	5 600,3	4 415,0	3 488,6	2 734,6	2 294,5	1 260,0	1 194,3	1 009,8	837,4
Total amortisation and non-trading adjustments	22	**(721,2)**	(306,0)	(557,0)	(474,4)	(339,6)	(210,2)	(124,2)	(63,7)	(117,7)	(115,1)	(99,2)
Operating profit	28	**8 449,9**	7 424,8	5 043,3	3 940,6	3 149,0	2 524,4	2 174,7	1 196,3	1 076,6	894,7	738,2
Net financing costs	41	**(1 911,9)**	(1 068,3)	(553,9)	(500,6)	(412,1)	(365,3)	(475,0)	(17,3)	(67,2)	(40,8)	(61,9)
Profit before tax	25	**6 538,0**	6 356,5	4 489,4	3 440,0	2 736,9	2 157,4	1 696,4	1 177,9	1 009,4	853,9	676,4
Profit after tax	27	**5 199,4**	5 005,5	3 514,1	2 667,7	2 154,9	1 698,9	1 337,5	844,8	717,7	637,5	468,8
Group statements of financial position												
Assets												
Non-current assets												
Property, plant and equipment		**7 916,5**	7 150,8	4 342,6	3 807,0	3 651,5	3 012,4	2 261,1	1 623,0	855,1	613,1	481,7
Goodwill		**5 026,0**	6 641,8	5 973,2	5 343,9	4 626,6	456,1	398,4	603,0	295,0	270,4	195,6
Intangible assets		**40 522,1**	35 698,9	18 933,0	11 869,8	8 916,7	8 609,9	4 103,6	3 631,8	844,7	803,4	665,8
Preference share investment		**–**	–	–	–	–	–	–	–	376,8	376,8	376,8
Other non-current assets		**1 084,4**	1 026,0	26,7	31,5	11,8	34,4	27,6	30,5	6,0	11,9	0,1
Deferred tax assets		**1 131,2**	817,1	369,2	234,4	216,5	65,5	17,9	1,0	15,1	34,4	57,6
Total non-current assets		**55 680,2**	51 334,6	29 644,7	21 286,6	17 423,1	12 178,3	6 808,6	5 889,3	2 392,7	2 110,0	1 777,6
Current assets												
Inventories		**10 791,5**	10 275,2	4 100,9	3 292,0	2 628,1	2 041,4	1 434,5	1 369,1	936,8	798,3	428,2
Trade and other receivables		**10 390,2**	9 661,2	5 657,5	3 825,2	3 263,8	2 359,5	2 040,2	1 789,1	871,2	727,2	512,7
Cash restricted for use		**–**	–	–	1,2	28,7	21,8	–	–	–	–	–
Cash and cash equivalents		**8 665,6**	8 225,6	6 018,6	3 313,5	3 039,2	2 939,8	2 065,0	1 521,2	3 331,2	625,2	439,6
Total operating current assets		**29 847,3**	28 162,0	15 777,0	10 431,9	8 959,8	7 362,5	5 539,7	4 679,4	5 139,2	2 150,7	1 380,5
Assets classified as held-for-sale		**2 889,8**	3 050,8	–	–	414,5	260,1	–	–	–	–	–
Total current assets		**32 737,1**	31 212,8	15 777,0	10 431,9	9 374,3	7 622,6	5 539,7	4 679,4	5 139,2	2 150,7	1 380,5
Total assets		**88 417,3**	82 547,4	45 421,7	31 718,5	26 797,4	19 800,9	12 348,3	10 568,7	7 531,9	4 260,7	3 158,1
Equity and liabilities												
Ordinary shareholders' equity		**34 138,7**	28 874,2	22 793,8	17 389,4	13 064,2	10 669,0	3 867,4	2 908,7	2 220,4	1 551,0	954,3
Equity component of preference shares		**–**	–	–	–	162,0	162,0	162,0	162,0	162,0	162,0	162,0
Non-controlling interests		**22,8**	1,9	5,1	8,7	61,1	55,2	75,9	61,1	7,0	6,7	–
Total shareholders' equity		**34 161,5**	28 876,1	22 798,9	17 398,1	13 287,3	10 886,2	4 105,3	3 131,8	2 389,4	1 719,7	1 116,3
Non-current liabilities												
Preference shares – liability component		**–**	–	–	–	381,3	386,6	392,2	402,1	403,5	403,3	406,6
Borrowings		**25 491,6**	29 915,5	8 923,5	6 254,1	4 249,0	2 260,2	3 433,8	75,9	25,9	49,0	62,7
Other non-current financial liabilities		**5 316,4**	6 362,8	233,5	210,0	167,0	174,8	9,4	11,9	17,8	35,9	37,4
Deferred tax liabilities		**1 669,3**	1 351,1	600,5	536,0	504,9	263,2	200,4	133,0	65,3	99,1	71,6
Total non-current liabilities		**32 477,3**	37 629,3	9 757,5	7 000,1	5 302,2	3 084,8	4 035,8	622,9	512,5	587,3	578,3
Current liabilities												
Trade and other payables		**6 785,2**	6 884,0	4 174,6	2 929,2	2 830,8	1 913,9	1 287,5	995,7	648,1	712,7	571,9
Borrowings		**13 222,2**	8 075,3	8 152,7	4 127,1	5 138,0	3 720,8	2 670,3	5 695,3	3 801,8	1 173,8	761,7
Other current financial liabilities		**1 771,1**	1 082,7	538,0	264,0	208,1	195,2	249,4	123,0	180,1	67,2	129,9
Total operating current liabilities		**21 778,5**	16 042,0	12 865,3	7 320,3	8 176,9	5 829,9	4 207,2	6 814,0	4 630,0	1 953,7	1 463,5
Liabilities associated with assets held-for-sale		**–**	–	–	–	30,9	–	–	–	–	–	–
Total current liabilities		**21 778,5**	16 042,0	12 865,3	7 320,3	8 207,9	5 829,9	4207,2	6 814,0	4 630,0	1 953,7	1 463,5
Total equity and liabilities		**88 417,3**	82 547,4	45 421,7	31 718,5	26 797,4	19 800,9	12 348,3	10 568,7	7 531,9	4 260,7	3 158,1

** EBITA represents operating profit from continuing operations before amortisation adjusted for specific non-trading items as set out in the segmental analysis contained in the Annual Financial Statements.*

Eleven-year review continued

		10-year CAGR %	IFRS Year ended 30 June 2015 R'million	IFRS Year ended 30 June 2014 R'million	IFRS Year ended 30 June 2013 R'million	IFRS Year ended 30 June 2012 R'million	IFRS Year ended 30 June 2011 R'million	IFRS Year ended 30 June 2010 R'million	IFRS Year ended 30 June 2009 R'million	IFRS Year ended 30 June 2008 R'million	IFRS Year ended 30 June 2007 R'million	IFRS Year ended 30 June 2006 R'million	IFRS Year ended 30 June 2005 R'million
Group statements of cash flows													
Cash operating profit		26	**9 506,8**	7 911,2	5 960,1	4 746,0	3 845,0	3 269,5	2 668,3	1 494,0	1 322,0	1 127,5	929,3
Working capital movements			**(1 466,9)**	(2 187,5)	(590,1)	(869,6)	(463,2)	(344,4)	(507,7)	(435,9)	(353,0)	(487,5)	(52,9)
Cash generated from operations		25	**8 039,9**	5 723,7	5 370,0	3 876,4	3 381,8	2 925,1	2 160,6	1 058,1	969,0	640,0	876,4
Net financing costs paid			**(2 007,4)**	(709,1)	(584,6)	(513,9)	(401,3)	(427,1)	(535,1)	(84,1)	(54,0)	(55,8)	(47,0)
Tax paid			**(1 193,7)**	(1 178,3)	(799,3)	(454,1)	(534,6)	(465,0)	(333,4)	(321,6)	(206,4)	(182,2)	(176,6)
Cash generated from operating activities		22	**4 838,8**	3 836,3	3 986,1	2 908,4	2 445,9	2 033,0	1 292,1	652,4	708,6	402,0	652,8
Cash used in investing activities			**(1 561,0)**	(20 850,4)	(6 283,2)	(2 656,3)	(5 645,5)	(1 020,7)	(3 556,7)	(1 456,3)	(431,6)	(442,0)	(799,8)
Cash generated used in/(from) financing activities			**(2 241,7)**	19 447,5	3 610,7	(288,3)	3 247,0	(498,7)	3 129,0	1 210,7	(50,8)	(152,1)	115,6
Translation effects on cash and cash equivalents of foreign operations			**(338,9)**	312,2	112,8	273,2	(107,3)	(23,8)	(486,4)	40,6	9,0	14,8	5,5
Movement in cash and cash equivalents			**697,2**	2 745,6	1 426,4	237,0	(59,9)	489,8	378,0	447,3	235,2	(177,3)	(25,9)
Cash and cash equivalents at the beginning of the year			**6 161,8**	3 416,2	1 989,8	1 752,8	1 812,7	1 322,9	944,9	497,5	262,3	439,6	465,5
Cash and cash equivalents at the end of the year			**6 859,0**	6 161,8	3 416,2	1 989,8	1 752,8	1 812,7	1 322,9	944,9	497,5	262,3	439,6
Share performance													
Earnings per share – basic	cents		**1 139,8**	1 097,9	773,0	645,8	595,5	494,9	374,6	245,3	205,6	185,3	137,6
From continuing operations	cents	24	**1 139,8**	1 097,9	773,0	609,3	495,2	425,4	370,1	239,7	205,6	185,3	137,6
From discontinued operations	cents		**–**	–	–	36,5	100,3	69,5	4,5	5,6	–	–	–
Earnings per share – diluted	cents		**1 139,5**	1 097,6	771,9	623,2	572,0	474,7	362,9	240,1	201,8	179,2	133,9
From continuing operations	cents	24	**1 139,5**	1 097,6	771,9	588,2	476,5	409,1	358,7	234,8	201,8	179,2	133,9
From discontinued operations	cents		**–**	–	–	35,0	95,5	65,6	4,2	5,3	–	–	–
Headline earnings per share	cents		**1 149,9**	1 016,3	788,0	650,1	520,3	482,9	389,4	231,3	210,1	185,4	138,3
From continuing operations	cents	24	**1 149,9**	1 016,3	788,0	649,7	510,9	451,8	378,1	225,7	210,1	185,4	138,3
From discontinued operations	cents		**–**	–	–	0,4	9,4	31,1	11,3	5,6	–	–	–
Headline earnings per share – diluted	cents		**1 149,7**	1 016,1	786,9	627,3	500,3	463,4	376,7	227,0	206,1	179,3	134,3
From continuing operations	cents	24	**1 149,7**	1 016,1	786,9	626,9	491,4	434,1	366,1	221,7	206,1	179,3	134,3
From discontinued operations	cents		**–**	–	–	0,4	8,9	29,3	10,6	5,3	–	–	–
Normalised headline earnings per share	cents		**1 219,1**	1 064,2	837,3	659,8	554,5	486,8	389,4	231,3	210,1	185,4	138,3
From continuing operations	cents	24	**1 219,1**	1 064,2	837,3	659,4	544,3	455,7	378,1	225,7	210,1	185,4	138,3
From discontinued operations	cents		**–**	–	–	0,4	10,2	31,1	11,3	5,6	–	–	–
Normalised headline earnings per share – diluted	cents		**1 218,9**	1 063,9	836,2	636,6	533,0	467,0	376,7	227,0	206,1	179,3	134,3
From continuing operations	cents	25	**1 218,9**	1 063,9	836,2	636,2	523,3	437,7	366,1	221,7	206,1	179,3	134,3
From discontinued operations	cents		**–**	–	–	0,4	9,7	29,3	10,6	5,3	–	–	–
Capital distribution/dividend per share	cents		**188,0**	157,0	157,0	105,0	70,0	–	–	70,0	62,0	48,0	30,0
Net asset value per share	cents	39	**7 485,7**	6 333,3	5 007,3	3 828,7	3 013,9	2 473,1	1 072,3	825,4	633,3	446,4	281,1
Operating cash flow per share	cents		**1 060,3**	841,1	875,3	666,6	565,0	505,7	361,0	185,4	203,1	116,8	191,7
From continuing operations	cents	19	**1 060,3**	841,1	875,3	666,2	554,8	471,2	363,3	187,6	203,1	116,8	191,7
From discontinued operations	cents		**–**	–	–	0,4	10,2	34,5	(2,3)	(2,2)	–	–	–
Share information													
Number of shares in issue – at the end of the year	million		**456,3**	456,3	455,7	454,8	434,3	431,6	361,3	391,3	389,6	386,4	378,4
Number of shares in issue (net of treasury shares) – at the end of the year	million		**456,1**	455,9	455,2	454,2	433,5	431,4	360,7	352,4	350,6	347,4	339,4
Weighted number of shares in issue	million		**456,3**	456,1	455,4	436,3	432,9	402,0	357,9	351,8	348,9	344,1	340,6
Diluted weighted number of shares in issue	million		**456,5**	456,2	456,0	455,2	454,4	426,2	382,7	374,7	371,6	369,8	350,2
Market capitalisation at year end	R'million	34	**164 285,5**	136 395,8	103 484,6	57 234,0	36 480,8	32 845,6	19 783,7	12 444,7	14 413,9	14 102,9	9 005,3

Eleven-year review continued

		IFRS Year ended 30 June 2015 R'million	IFRS Year ended 30 June 2014 R'million	IFRS Year ended 30 June 2013 R'million	IFRS Year ended 30 June 2012 R'million	IFRS Year ended 30 June 2011 R'million	IFRS Year ended 30 June 2010 R'million	IFRS Year ended 30 June 2009 R'million	IFRS Year ended 30 June 2008 R'million	IFRS Year ended 30 June 2007 R'million	IFRS Year ended 30 June 2006 R'million	IFRS Year ended 30 June 2005 R'million
JSE statistics												
Number of shares traded	million	**262,2**	247,8	243,8	197,8	249,0	328,1	335,5	271,0	359,2	268,8	103,4
Number of shares traded as % of weighted average number of shares	%	**57,5**	54,3	53,5	45,3	57,5	81,6	93,8	77,0	103,0	78,1	30,3
Market price per share												
– year end	cents	**36 000**	29 889	22 707	12 585	8 400	7 610	5 475	3 180	3 700	3 650	2 380
– highest	cents	**36 399**	31 810	22 707	12 761	9 785	8 505	5 748	3 239	4 016	4 450	2 500
– lowest	cents	**35 749**	21 330	12 300	7 774	7 330	5 375	2 720	2 915	3 055	2 365	1 270
Key market performance ratios												
Earnings yield	%	**3,4**	3,6	3,7	5,2	6,5	6,0	6,9	7,1	5,7	5,1	5,8
Price:earnings ratio	times	**29,5**	28,1	27,1	19,2	15,4	16,7	14,5	14,1	17,6	19,7	17,2
Business performance												
Profitability – measures financial performance of the Group												
Return on ordinary shareholders' equity	%	**17,0**	19,7	17,7	17,3	18,4	23,1	39,1	32,9	38,0	50,9	46,4
Return on total assets	%	**12,0**	13,0	16,4	16,5	17,3	19,7	23,7	19,0	30,5	31,8	38,4
Return on net assets	%	**21,4**	25,0	22,6	22,3	22,6	28,8	46,9	42,7	49,1	60,2	62,0
Revenue growth from continuing operations	%	**22,4**	52,9	26,6	23,2	28,7	14,0	80,3	16,3	16,7	22,6	27,8
Gross margin	%	**47,8**	46,5	47,8	47,7	45,3	46,5	45,9	46,4	48,2	48,1	49,4
EBITA* margin	%	**24,1**	24,6	27,0	27,0	26,4	27,1	27,2	26,9	29,7	29,3	29,8
South African EBITA* margin	%	**22,7**	24,4	26,6	28,7	30,7	29,4	25,6	29,7	32,5	32,5	32,9
Asia Pacific EBITA* margin	%	**21,6**	22,8	25,0	24,3	21,4	14,0	12,4	13,9	14,6	14,0	14,9
International EBITA* margin	%	**27,8**	28,6	40,0	37,2	28,1	36,3	39,4	43,8	28,2	24,2	20,4
SSA EBITA* margin	%	**11,3**	12,2	12,1	15,0	13,6	7,9	19,2	12,7	26,8	16,7	2,9
Effective tax rate	%	**20,5**	21,3	21,7	22,5	21,3	21,3	21,2	28,3	28,9	25,3	30,7
Liquidity – measures the Group's ability to meet its maturing obligations and unexpected cash needs in the short term												
Current ratio	times	**1,4**	1,8	1,2	1,4	1,1	1,3	1,3	1,1	1,1	1,1	0,9
Quick ratio	times	**0,9**	1,1	0,9	1,0	0,8	0,9	1,0	0,8	0,9	0,7	0,7
Cash ratio	times	**0,4**	0,6	0,6	0,5	0,4	0,6	0,6	0,2	1,9	0,4	0,3
Working capital as % of revenue	%	**39,7**	37,3	27,0	27,2	22,5	25,3	25,8	36,8	28,8	23,4	13,0
Debt indicators – measures the Group's ability to meet capital and interest payments over the long term												
Total debt	R'million	**30 444,5**	30 416,0	11 057,6	7 067,7	6 729,1	3 427,8	4 431,9	2 011,0	967,6	1 032,2	866,8
Net borrowings	R'million	**30 048,2**	29 765,2	11 057,6	7 067,7	6 347,8	3 041,2	4 039,1	1 597,2	496,5	597,6	384,7
Total debt to EBITA* cover	times	**3,3**	3,9	2,0	1,6	1,9	1,3	1,9	1,6	0,8	1,0	1,0
Net interest cover	times	**6,2**	7,8	9,7	5,6	7,9	4,9	5,8	23,9	35,1	48,6	20,9
Gearing ratio	%	**47,1**	51,3	32,7	28,9	33,7	24,0	52,4	39,6	28,9	37,6	43,7

Comparative figures have been restated to conform with changes in presentation.

** EBITA represents operating profit from continuing operations before amortisation adjusted for specific non-trading items as set out in the segmental analysis contained in the Annual Financial Statements.*

Financial ratios

Asia Pacific EBITA* margin (%)
EBITA* for Asia Pacific from continuing operations

Revenue for Asia Pacific from continuing operations

Average training spend per employee (Rand)
(Total investment in employee training during the year) + value of bursaries granted

Average number of employees

Cash ratio
Cash and cash equivalents

Current liabilities (excluding liabilities associated with assets held-for-sale) – bank overdrafts

Current ratio
Current assets (excluding assets classified as held-for-sale)

Current liabilities (excluding liabilities associated with assets held-for-sale)

DIFR (ratio)
Sum of qualifying disabling cases x 200 000

Number of employee hours worked over rolling 12 months

Earnings yield (%)
Normalised headline earnings per share from continuing operations

Market price per share at year-end

* EBITA
Represents operating profits from continuing operations before amortisation adjusted for specific non-trading items as set out in the segmental analysis contained in the Annual Financial Statements.

EBITA* growth (%)
EBITA (current year) – EBITA (prior year)

EBITA (prior year)

EBITA* margin (%)
EBITA*

Gross revenue from continuing operations

Effective tax rate (%)
Tax from continuing operations

Profit before tax from continuing operations

Gearing ratio (%)
Total debt (net of cash)

Total shareholders' equity – non-controlling interest + total debt (net of cash)

Gross margin (%)
Gross profit from continuing operations

Revenue from continuing operations

International EBITA* margin (%)
EBITA* for International from continuing operations

Revenue for International from continuing operations

LWDFR (ratio)
Sum of qualifying lost work day incident cases x 200 000

Number of employee hours worked over rolling 12 months

Market capitalisation
Year-end market price per share multiplied by number of shares in issue at year-end

Net asset value per share (cents)
Ordinary shareholders' equity

Number of shares in issue (net of treasury shares)

Net borrowings
Non-current borrowings + current borrowings – cash and cash equivalents

Net interest cover (times)
Operating profit before amortisation

Interest paid from continuing operations – interest received from continuing operations (excluding capital raising fees)

Normalised headline earnings
Normalised headline earnings are headline earnings adjusted for specific non-trading items, being transaction costs and other acquisition and disposal-related gains or losses, restructuring costs, settlement of product related litigation costs and significant once-off tax provision changes or credits arising from the resolution of prior year matters

Operating cash flow per share (cents)
Cash generated from operating activities

Weighted number of shares in issue

Price:earnings ratio
Market price per share at year-end

Normalised headline earnings per share from continuing operations

Quick ratio
Current assets (excluding assets classified as held-for-sale) – inventories

Current liabilities (excluding liabilities associated with assets held-for-sale)

Return on ordinary shareholders' equity (%)
Profit attributable to equity holders of the parent from continuing operations

Weighted average ordinary shareholders' equity

Return on net assets (%)
Profit before tax from continuing operations

Total weighted average assets – total weighted average liabilities

Return on total assets (%)
EBITA*

Total weighted average assets (excluding cash and cash equivalents)

Revenue growth from continuing operations (%)
Revenue from continuing operations (current year) – revenue from continuing operations (prior year)

Revenue from continuing operations (prior year)

South African EBITA* margin (%)
EBITA* for South Africa from continuing operations

Revenue for South Africa from continuing operations

SSA EBITA* margin (%)
EBITA* for SSA from continuing operations

Gross revenue for SSA from continuing operations

Total debt
Non-current borrowings + current borrowings + deferred payables + preference shares (liability component) – cash and cash equivalents

Total debt to EBITA* cover (times)
Total debt (net of cash)

EBITA*

Working capital as % of revenue
Inventories + trade and other receivables – trade and other payables

Annualised net revenue from continuing operations

Currency conversion for convenience purposes

Selected Group financial data translated into US Dollar

The pro-forma convenience statements of comprehensive income, financial position and cash flows have been translated from Rand into US Dollar to enable the offshore shareholders to interpret the financial performance in a universally measurable currency. These translated statements are unaudited, have been provided for illustrative purposes only and may not fairly present the Group's financial position and results of operations and cash flows. The directors are responsible for the preparation of this information.

A limited assurance report on this unaudited financial information prepared by the Group's auditors is available for inspection at the Company's registered office.

The pro-forma convenience statement of comprehensive income and the pro-forma convenience statement of cash flows were translated at an average rate of R11,47 (2014: R10,44).

The pro-forma convenience statement of financial position was translated at a closing rate of R12,15 (2014: R10,63).

	% growth	2015 USD'million	2014 USD'million
Pro-forma convenience statement of comprehensive income for the year ended 30 June 2015			
Revenue	11	3 148,5	2 827,8
Cost of sales		(1 644,7)	(1 513,1)
Gross profit	14	1 503,8	1 314,7
Net operating expenses		(725,0)	(565,9)
Operating profit before amortisation	4	778,8	748,8
Amortisation of intangible assets		(42,4)	(37,4)
Operating profit	4	736,4	711,4
Investment income		33,4	26,6
Financing costs		(200,0)	(129,0)
Profit before tax	(6)	569,8	609,0
Tax		(116,7)	(129,4)
Profit for the year	(6)	453,1	479,6
Other comprehensive income, net of tax		81,3	182,6
Total comprehensive income		534,4	662,2
Profit for the year attributable to			
Equity holders of the parent		453,3	479,8
Non-controlling interests		(0,2)	(0,2)
		453,1	479,6
Total comprehensive income attributable to			
Equity holders of the parent		534,6	662,6
Non-controlling interests		(0,2)	(0,4)
		534,4	662,2
Selected performance indicators			
Earnings per share (cents)	(6)	99,3	105,2
Headline earnings per share (cents)	3	100,2	97,4
Normalised headline earnings per share (cents)	4	106,2	102,0

	% growth	Pro forma 2015 USD'million	Pro forma 2014 USD'million
Pro-forma convenience statement of financial position at 30 June 2015			
ASSETS			
Non-current assets			
Property, plant and equipment		651,5	672,7
Intangible assets (including goodwill)		3 748,2	3 983,1
Other non-current assets		182,3	173,4
Total non-current assets	(5)	4 582,0	4 829,2
Current assets			
Inventories		888,0	966,6
Receivables, prepayments and other current assets		855,0	908,9
Cash and cash equivalents		713,2	773,8
Total operating current assets		2 456,2	2 649,3
Assets classified as held-for-sale		237,8	287,0
Total current assets	(8)	2 694,0	2 936,3
Total assets	(6)	7 276,0	7 765,5
Shareholders' equity			
Ordinary shareholders' equity	3	2 809,3	2 716,3
Non-controlling interests		1,9	0,2
Total shareholders' equity	3	2 811,2	2 716,5
Liabilities			
Non-current liabilities			
Borrowings		2 097,7	2 814,3
Other non-current liabilities		437,5	598,6
Deferred tax liabilities		137,4	127,1
Total non-current liabilities	(25)	2 672,6	3 540,0
Current liabilities			
Trade and other payables		558,4	647,5
Borrowings		1 088,1	759,7
Other current liabilities		145,7	101,8
Total current liabilities	19	1 792,2	1 509,0
Total liabilities	(12)	4 464,8	5 049,0
Total equity and liabilities	(6)	7 276,0	7 765,5
Pro-forma convenience statement of cash flows for the year ended 30 June 2015			
Cash generated from operating activities		421,7	367,6
Cash used in investing activities		(136,0)	(1 997,7)
Cash (used in)/generated from financing activities		(195,4)	1 863,3
Currency translation movements on cash and cash equivalents		(82,9)	(25,3)
Movement in cash and cash equivalents		7,4	207,9
Cash and cash equivalents at the beginning of the year		590,4	382,5
Cash and cash equivalents at the end of the year		597,8	590,4
Operating cash flow per share (cents)	15	92,4	80,6

Shareholder statistics

Analysis of shareholders at 26 June 2015

Ordinary shares	Number of shareholders	% of total shareholders	Number of shares	% of total shareholding
Size of holding				
1 – 2 500	45 690	91,7	19 061 080	4,2
2 501 – 12 500	3 072	6,2	16 026 691	3,5
12 501 – 25 000	400	0,8	7 046 317	1,5
25 001 – 50 000	261	0,5	9 196 090	2,0
50 001 and over	408	0,8	405 018 359	88,8
	49 831	**100,0**	**456 348 537**	**100,0**

Major shareholders

Institutional shareholders

According to the register of shareholders at 26 June 2015, the following are the top 10 registered institutional shareholders.

Institutional shareholder	Number of shares	% of total shareholding
Public Investment Corporation	45 832 947	10,0
Foord Asset Management	18 973 817	4,2
T. Rowe Price Associates Inc	14 469 764	3,2
STANLIB Asset Management	13 290 854	2,9
BlackRock	10 456 796	2,3
Vanguard	9 922 717	2,2
Government of Singapore Investment Corporation	9 878 283	2,2
Allan Gray Asset Management	8 753 678	1,9
Harding Loevner Management	7 571 802	1,7
JPMorgan Asset Management	6 930 177	1,5
	146 080 835	**32,1**

Top 10 beneficial shareholders

According to the register of shareholders at 26 June 2015, the following are the top 10 registered beneficial shareholders. The shareholdings of all directors are disclosed on page 91 of the Remuneration Report.

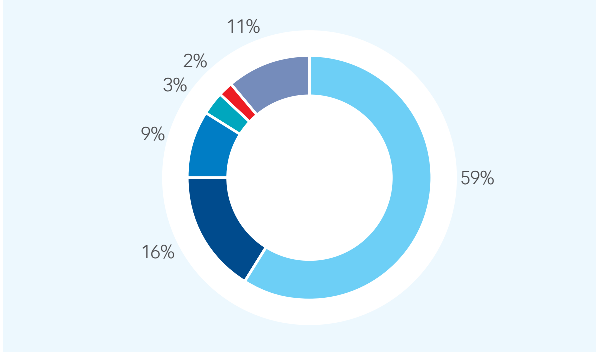
Shareholder	Number of shares	% of total shareholding
Saad, SB	55 333 518	12,1
Government Employees Pension Fund	50 504 418	11,1
Glaxo Group Limited	28 234 379	6,2
Imithi Investments (Pty) Limited	21 160 724	4,6
Attridge, MG	18 851 362	4,1
T. Rowe Price	13 242 558	2,9
Liberty Group	9 943 090	2,2
Foord	9 323 490	2,0
BlackRock	9 145 875	2,0
Vanguard	9 035 020	2,0
	224 774 434	**49,2**

Shareholders' spread

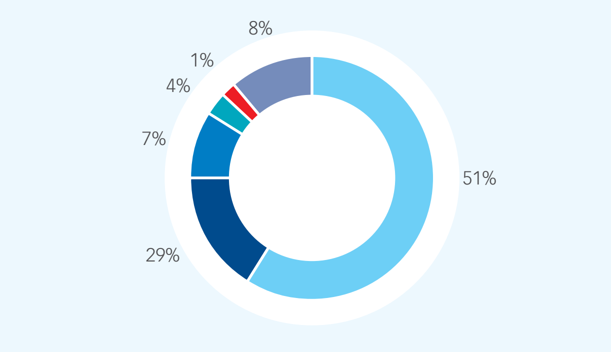
As required by paragraph 8.63 and terms of paragraph of 4.25 of the JSE's Listings Requirements, the spread of the ordinary shareholding at close of business 26 June 2015 was as follows:

	Number of shareholders	Number of shares	% of total shareholding
Non-public shareholders	11	105 669 907	23,2
Directors of the Company and directors of material subsidiaries	9	77 142 415	16,9
Glaxo Group Limited	1	28 234 379	6,2
Employee share trusts – treasury shares	1	293 113	0,1
Public shareholders	49 820	350 678 630	76,8
Total shareholding	**49 831**	**456 348 537**	**100,0**

Geographical split of beneficial shareholders 2015



Geographical split of institutional shareholders 2015

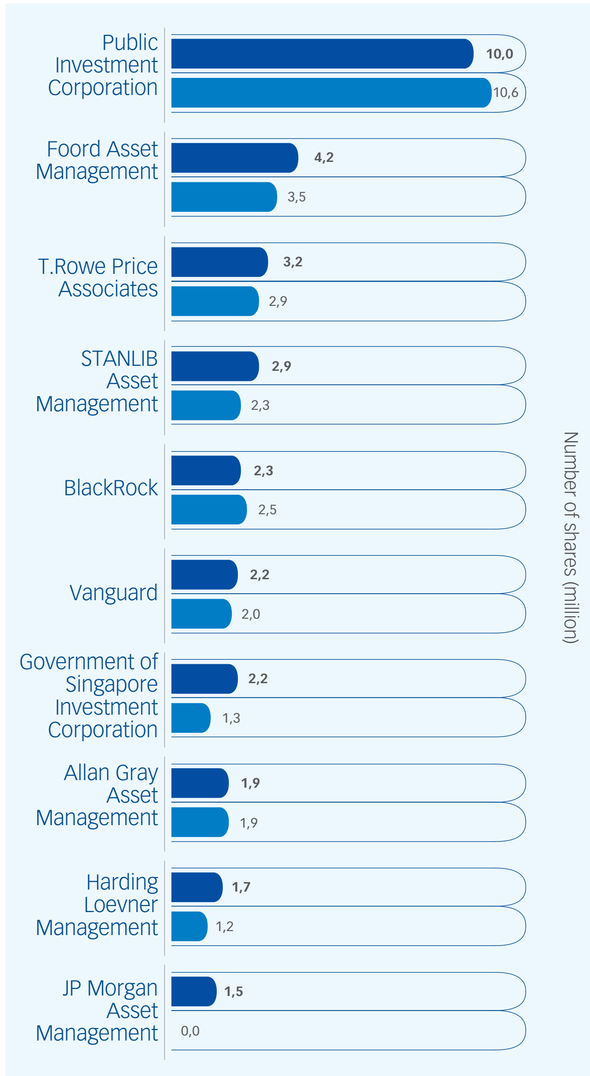


South Africa · Singapore · United States · United Kingdom · Saudi Arabia · Various other

South Africa · Singapore · United States · United Kingdom · Saudi Arabia · Various other

The analysis of the geographical split of beneficial and institutional shareholders reflected above is based on shareholders who own more than 50 000 Aspen shares.

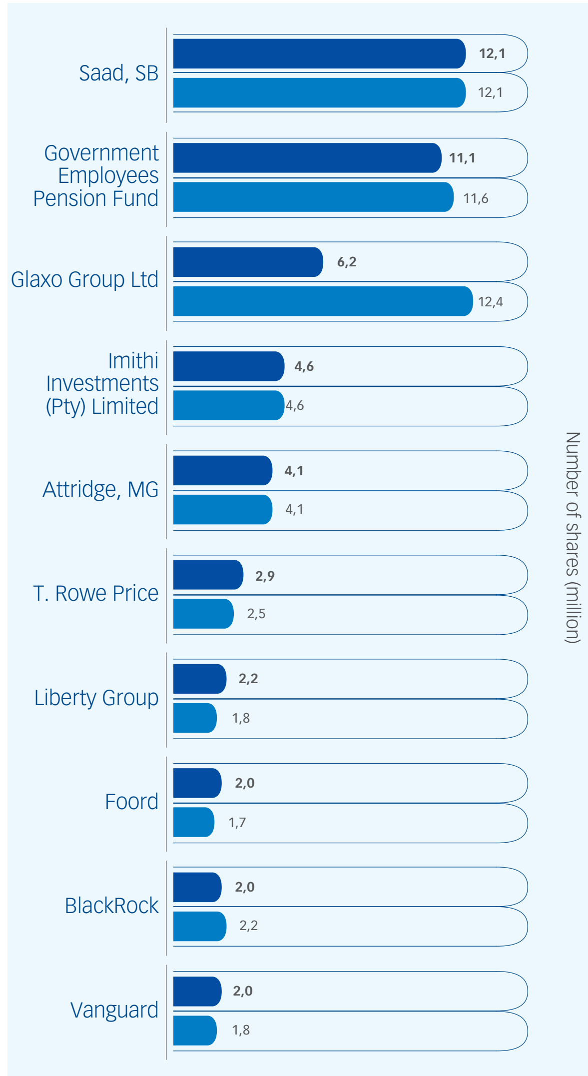
Top 10 institutional shareholders (%)



■ 2015 ■ 2014

Percentages reflect percentage of total issued shares.

Top 10 beneficial shareholders (%)



■ 2015 ■ 2014

Percentages reflect percentage of total issued shares.

Shareholders' diary

Financial year end	30 June 2015
Capital distribution paid to shareholders	12 October 2015
Annual general meeting	7 December 2015

Reports and Group results announcement for the 2016 financial year

Interim report	March 2016
Profit announcement for the year	September 2016
Annual financial statements	November 2016

Administration

Company Secretary & Group Governance Officer
Riaan Verster
B.Proc, LL.B, LL.M (Labour Law)

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PO Box 1587, Gallo Manor, 2052
Telephone +27 11 239 6100
Telefax +27 11 239 6144

Registration number
1985/002935/06

Share code
APN ISIN: ZAE 000066692

Website address
www.aspenpharma.com

Auditors
PricewaterhouseCoopers Inc.

Sponsors
Investec Bank Limited

Transfer secretaries
Computershare Investor Services (Pty) Limited
Transfer office: 70 Marshall Street, Johannesburg
PO Box 61051, Marshalltown, 2107
Telephone +27 11 370 5000
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Abbreviations of pharmaceutical regulatory authorities and acronyms

ANSM	National Agency for Medicinal and Health Product Safety
ANVISA	Brazilian National Health Surveillance Agency
ASN	Nuclear Safety Authority for E-beam
BFARM	German Federal Institute for Drugs and Medical Devices
CNCA	Certification and Accreditation Administration of the People's Republic of China
COFEPRIS	Mexican Federal Commission for Protection against Health Risk
DACA	Ethiopian Drug Administration and Control Authority
DRU	Drug Regulatory Unit of Botswana
FMHACA	Ethiopian Food, Medicine and Healthcare Administration Control Authority
FSSC	Food Safety System Certification
GCC	Middle East and North African Gulf Cooperation Council
GFDB	Ghana Food and Drugs Board
GMP	Good Manufacturing Practice
GRA	German Regulatory Authority
HACCP	South African Hazardous Analysis and Critical Control Point (SANS 10330)
HPB	Health Protection Branch (Canada)
ICHA	Ivory Coast Health Authority
IGZ	Dutch Health Authority
IRA	Israeli Regulatory Authorities
ISO	International Organisation for Standardisation
KFDA	Korean Food and Drug Administration
Kl	Kilolitre
KvH	Kilo vessel hours

Abbreviation of pharmaceutical regulatory authorities and acronyms continued

LRA	Libyan Regulatory Authorities
MCAZ	Medicines Control Agency of Zimbabwe ISO 22000
MCC	South African Medicines Control Council
MHRA	United Kingdom Medicines and Health Products Regulatory Agency
MOH – DRC	Ministry of Health – Democratic Republic of Congo
MOH – IC	Ministry of Health – Ivory Coast
NAFDAC	Nigerian National Agency for Food and Drug Administration and Control
NDA	Ugandan National Drug Authority
NHRA	National Health Authority of Bahrain
NZ RMP	New Zealand Risk Management Programmes
OHSAS 18001	Occupational Health and Safety Management Systems
PIC/S	Pharmaceutical Inspection Convention and Pharmaceutical Cooperation Scheme
PMDA	Japanese Pharmaceutical and Medical Device Agency
PMPB	Malawian Pharmacy, Medicines and Poisons Board
PPB	Kenyan Pharmacy and Poisons Board
PRA	Zambian Pharmaceutical Regulatory Authority
TFDA	Tanzania Food and Drug Authority
TGA	Australian Therapeutic Goods Administration
TRA	Turkish Regulatory Authority
UAERA	United Arab Emirates Regulatory Authority
US FDA	United States Food and Drug Administration
WHO	World Health Organisation
YRA	Republic of Yemen Regulatory Authority
ZAMRA	Zambia Medicine Regulatory Authority

Disclaimer

We may make statements that are not historical facts and relate to analyses and other information based on forecasts of future results and estimates of amounts not yet determinable. These are forward looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Words such as "prospects", "believe", "anticipate", "expect", "intend", "seek", "will", "plan", "indicate", "could", "may", "endeavour" and "project" and similar expressions are intended to identify such forward looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that predictions, forecasts, projections and other forward looking statements will not be achieved. If one or more of these risks materialise, or should underlying assumptions prove incorrect, actual results may be very different from those anticipated. The factors that could cause our actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements are discussed in each year's Annual Report. Forward looking statements apply only as of the date on which they are made, and we do not undertake other than in terms of the Listings Requirements of the JSE Limited, any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

BASTION GRAPHICS

aspen
HOLDINGS

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