aspen
HOLDINGS

Sustainability Report 2015

Providing medicines to more than

150 countries

Contents

All Aspen company information is available online at www.aspenpharma.com

- ➜ **2015 Integrated Report ("Integrated Report");**
- ➜ **Annual general meeting, notice to shareholders and proxy form;**
- ➜ **Group and Company Annual Financial Statements for the year ended 30 June 2015 ("Annual Financial Statements");**
- ➜ **Supplementary documents**:
  - Unabridged Corporate Governance Report;
  - Audit & Risk Committee Report;
  - Social & Ethics Committee Report; and
  - BBBEE report

(collectively, "Supplementary Documents")

Reading the Sustainability Report

This is Aspen's sixth Sustainability Report which has been prepared in accordance with the Global Reporting Initiative's ("GRI") G3.0, B+ application level. The report is structured around themes which represent Aspen's strategically relevant sustainability objectives as listed on page 2 of this report. Aspen's strategic objectives are reported on pages 14 to 23 of the 2015 Integrated Report.

The Sustainability Report supplements the information presented in the Group's 2015 Integrated Report, Annual Financial Statements and Supplementary Documents. The GRI Standard Disclosures Table and web-based, referenced documents can be accessed online. The environmental information pertaining to carbon emissions and water usage for selected business units as disclosed in this report, will be included in Aspen's 2016 Carbon Disclosure Project ("CDP") submission.

The Sustainability Report has been independently assured by Environmental Resources Management (Pty) Limited ("ERM") in accordance with the AccountAbility AA1000 Assurance Standard (Revised, 2008) (Type II Moderate level). The Group's material key performance indicators ("KPIs") have been verified through application of a combined assurance approach.

The following supplementary sustainability documents are available online:

- GRI Standard Disclosures Table;
- 2015 CDP submissions; and
- 2015 Sustainability Assurance statements.

Company names and currencies have been abbreviated throughout the Sustainability Report. Full names, additional abbreviations and acronyms can be referenced on pages 57 to 59.

Sustainability Report contact details

Queries regarding Aspen's Sustainability Report or its contents can be directed to the Aspen Company Secretary & Group Governance Officer at rverster@aspenpharma.com.

About Aspen

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.

Aspen is a global supplier of branded and generic pharmaceutical products as well as infant nutritional and consumer healthcare products in selected territories. It 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, effective 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 the Integrated Report). The Group has 26 manufacturing facilities at 18 sites on six continents and more than 10 000 employees.

The Group has delivered sustained growth for 17 consecutive years with a compound annual growth rate ("CAGR") in gross revenue, EBITA* and normalised headline earnings per share ("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 benefiting from its products, reaching more than 150 countries across the world.

Aspen's business model (pages 6 and 7), global presence (pages 12 and 13) and manufacturing capabilities (pages 52 and 53) can be found in the 2015 Integrated Report.

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

Aspen's sustainability management framework

Aspen's vision

To deliver value to all stakeholders as a responsible corporate citizen that provides high quality, affordable, medicines and products globally.

Business plans and risk management priorities facilitate implementation of Aspen's business model as aligned to the Group's strategic objectives

Aspen's sustainability objective	Capital	Relevant KPIs
Sustaining life and health through high quality, affordable medicines	Intellectual	• Number of product recalls • IMS value of product pipeline for the next five years
Adding economic value to stakeholders	Financial	• Return on ordinary shareholders' equity • Growth in gross revenue • Growth in EBITA • Growth in NHEPS • Value added per employee
Maintenance of financial health	Financial	• Operating cash flow per share • Net interest cover
Sustaining a cost-competitive manufacturing base	Manufactured	• Return on total assets • EBITA margin
Providing a safe working environment	Human capital	• DIFR and LWDFR
Promoting equality	Social & relationship	• BBBEE accreditation in South Africa
Creating an environment in which our employees can thrive	Human capital	• Average staff turnover • Average training spend per employee
Preserving the environment	Natural	• Carbon emissions • Amount of waste recycled
Managing efficient utilisation of scarce resources	Natural	• Electricity used • Water used
Conducting our business in a responsible manner	Social & relationship	• Number of material incidents of legislative infringements

Sustainability KPIs and risks monitored by Aspen's Board, board committees and Group executives

Aspen's key sustainability governance policies

Aspen values * Aspen Code of Conduct * Aspen responsible corporate citizenship philosophy * Aspen environmental management principles * Aspen stakeholder engagement policy * Aspen ethics management policy * Aspen risk management policy

Aspen's sustainability governance structure

Aspen's Board consists of experienced individuals who provide strategic direction and insight in respect of commercial, operational, financial, governance and compliance matters affecting the Group. Board members participate in training programmes and presentations aimed at keeping them abreast of new developments impacting Aspen's business and to obtain a strong understanding of the Group's dynamic business environment. The results of the Board's annual performance evaluation are available to Aspen's external auditors upon request.

Biographical information on the Board of Directors and the Abbreviated Corporate Governance Report is available on pages 76 and 79 of the 2015 Integrated Report.

The diagram below represents the various functional responsibilities in respect of sustainability management and reporting across the Group's organisational structure. Further information on the structure and responsibilities of the Board and each of its committees can be found in the supplementary documents, available online.

Aspen's Board is responsible for ensuring that the Group upholds its reputation as a responsible corporate citizen by considering not only the financial aspects of the business of the Group, but also the impact that its business operations have on the economic, physical and social environments within which Aspen operates. The Board ratifies the Group's material sustainability KPIs annually. The Group's sustainability management performance objectives are monitored on the basis of these approved KPIs.

Aspen's Social & Ethics Committee

is responsible for monitoring the governance of the Group's social, environmental, human rights and ethics issues in accordance with the relevant regulations, guidelines and recommendations.

Aspen's Audit & Risk Committee

is responsible for monitoring effectiveness of the Group's risk management process to ensure sustainability of the Group and for monitoring the Group's top risks and mitigation actions. The Committee also approves the annual Sustainability Report on the basis of a satisfactory combined assurance process.

Aspen's Remuneration & Nomination Committee

is responsible for monitoring and administering continuing professional development of Board members and for monitoring the existence of fair executive remuneration structures in accordance with appropriate performance measurement criteria that are aligned to the Group's strategic objectives.

Group and business unit executives are responsible for implementing and managing the Group's sustainability management activities through embedded processes, systems and risk mitigation structures that ensure that the Group's strategic objectives are achieved in a responsible manner. These aspects are monitored as part of routine management processes and management performance is assessed in accordance with strategically aligned financial and non-financial criteria.

Aspen's sustainability management framework continued

The compensation of Group executive directors, senior managers and executives is linked to financial, social, environmental and governance aspects relevant to their mandated responsibilities. Aspen's integrated management approach requires that these governance aspects be identified, evaluated and responded to in an appropriate manner as part of the day-to-day management responsibilities, as these governance aspects collectively secure long-term business sustainability. Business performance management targets and remuneration structures for business leaders are structured accordingly. These governance aspects are, as a consequence, not isolated in the evaluation and incentivisation of management's performance.

This paragraph should be read together with the following online supplementary governance reports:

- the 2015 Unabridged Corporate Governance Report;
- the 2015 Social & Ethics Committee Report; and
- the 2015 Audit & Risk Committee Report.

Stakeholder engagement

Stakeholder management forms part of Aspen's day-to-day business activities and the Group promotes an appropriately consultative and constructive approach to stakeholder engagement. Designated representatives, at the Group and business unit levels, are entrusted with the management of key stakeholder relationships and engagement takes place through appropriate mechanisms including meetings, electronic communication, participation in industrial forums, regulated communication protocols and the media.

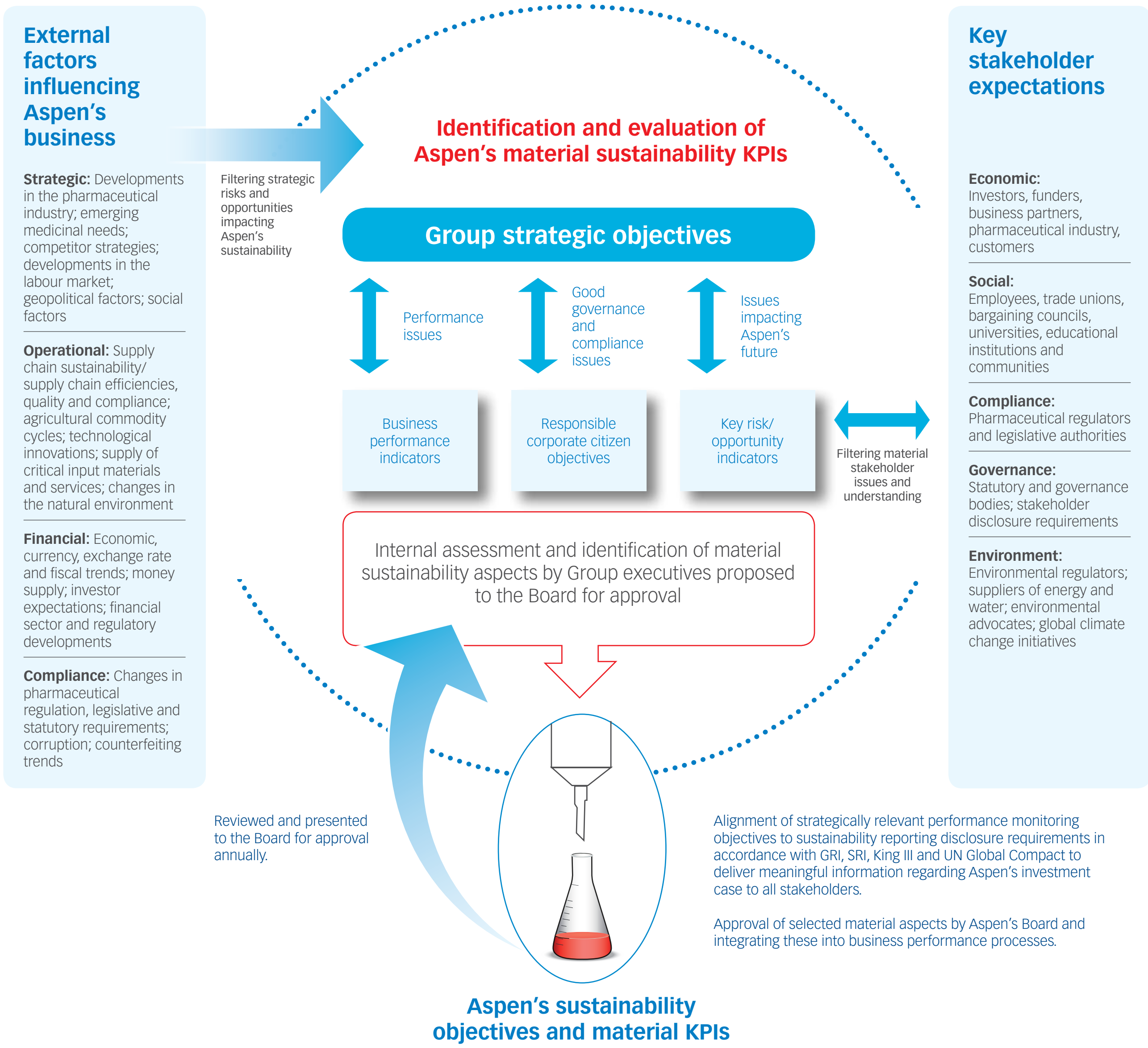
The expectations of key stakeholders are considered in formulating the Group's strategy, in evaluating material risks and in reviewing business unit performance.

Senior Group executives and business unit leaders prepare and submit quarterly stakeholder engagement reports, summarising key stakeholder engagement activities and outcomes, to the Aspen Board via the Company Secretary & Group Governance Officer. Material matters impacting key stakeholders and Aspen's response to these matters are discussed at the Group's quarterly business unit reviews and Executive Risk Forum meetings. The Group's 2015 Stakeholder Engagement Report and the Stakeholder Engagement Policy are available online.

Determination of sustainability objectives and material KPIs

Aspen strives to conduct its business in a responsible manner with consideration of future requirements and its accountability to stakeholders. To this end, the Group's strategy has been translated into sustainability objectives which are monitored with reference to material KPIs and other supplementary KPIs which are measured and disclosed to provide a meaningful base for evaluating Aspen's responsible investment case. These material KPIs represent the Group's economic, social, governance, compliance and environmental management objectives.

A graphic depiction of how the sustainability objectives and material KPIs are determined, are detailed on page 5.



Combined assurance

Aspen's 2015 Sustainability Report has been assured by ERM in accordance with AA1000AS. All material KPIs have been verified, using a combined assurance approach as set out in the five-year material sustainability KPI performance review set out on pages 12 to 18 of this report.

The 2015 sustainability assurance statements from external assurance providers, ERM and PricewaterhouseCoopers ("PwC"), can be accessed online. Aspen's Group Internal Audit function ("Internal Audit") also provided limited assurance on selected KPIs and, based on the audit work performed, concluded that the tested KPIs have been prepared in accordance with the defined reporting criteria and are free from material misstatements.

Recommendations for improvement, arising from the 2015 combined assurance processes, will be addressed as part of the continuous improvement processes.

Aspen's sustainability reporting process

About this report

Information in this report reflects Aspen's sustainability management performance for the financial year ended 30 June 2015. Subsequent events have been reported to the extent that disclosure is considered to be of relevance to stakeholders.

The Group's sustainability management performance is measured and monitored with reference to material KPIs as presented on pages 12 to 18. These aspects are discussed under sustainability objectives that are material to the attainment of the Group's strategic objectives.

Reported data has been measured using generally accepted measurement techniques for reported indicators. Formulae applied in the calculation of the material KPIs can be found on page 58. Comparative information may be restated where audited findings and/or a refinement of measurement systems and/or standardisation of recording methodologies require.

Year-on-year movements above 5% have been analysed and explained against the comparative 2014 information.

Comparative information is disclosed on a consistent basis to that of the relevant reporting period, unless otherwise stated. Where comparative data has been restated, concise explanations are included to support the restated values on the pages upon which these performance indicators are disclosed.

Sustainability reporting frameworks applied in the preparation of this report

The Group continued to align its Sustainability Report to GRI 3.0. There has also been a strong focus on the disclosure requirements of the JSE's Socially Responsible Investment ("SRI") index in order to present Aspen's responsible investment case. Aspen's sustainability objectives have been linked to the six capitals referenced by the International Integrated Reporting Council's Framework as outlined on page 2 of this report.

The United Nations Global Compact

Aspen is a signatory to the United Nations Global Compact ("UN Global Compact") and supports global initiatives aimed at upholding human rights, fair labour practices, responsible environmental practices and combating corruption. The Group's policies and procedures have been reviewed and aligned with the UN Global Compact Principles as well as the Organisation for Economic Cooperation and Development recommendations on bribery and corruption. The Aspen Social & Ethics Committee monitors adherence to the Group's Code of Conduct and ethics management principles by means of the Group's ethics management programme. Aspen's appointed regional ethics officers are required to report on the application of these principles and are responsible for monitoring the application status of these principles at a business unit level.

Aspen's full UN Global Compact Communication on Progress Report is available online.

Scope and boundaries

The information reported in this Sustainability Report includes all operating subsidiaries controlled by the Group across the geographic segments comprising International, Asia Pacific, South Africa and sub-Saharan Africa ("SSA"). There are no limitations to the scope and boundary of reported information in any of these segments.

KPIs are implemented across business units with reference to the following criteria:

- relevance and suitability of the KPI to the effective measurement of performance at a commercial, manufacturing or combined business unit (refer to pages 12 and 13 of the 2015 Integrated Report for classification of the Group's business units);
- relevance of these KPI measures to the key risk management objectives at a business unit level; and
- the maturity of the business unit in terms of integration into the Group's business model and existence of appropriate reporting infrastructure and systems.

The following material KPIs are relevant to selected business units:

Material KPIs	Applicable business unit	Rationale
All environmental KPIs including: • Carbon emissions • Amount of waste recycled • Electricity used • Water used	Manufacturing business units only	• Environmental indicators are not measured and reported on for the commercial business units as their environmental impact is not material.
Safety KPIs including: • Disabling incident frequency ratio ("DIFR") • Lost work day frequency ratio ("LWDFR")	Manufacturing business units only	• The risk of work-related safety incidents and occupational diseases is highest at the manufacturing facilities where employees are directly exposed to and in contact with production machinery as well as pharmaceutical and chemical materials. • Occupational fatalities are monitored and measured across both the manufacturing and commercial business units. • Permanent disabling injuries are monitored and measured at the manufacturing business unit only.
Commercial KPIs including: • Number of product recalls • IMS Health (Pty) Limited ("IMS") value of total product pipeline for the next five years	Commercial business units only	• The affected product is registered in the name of the relevant commercial business unit and not the supplying manufacturing site. It should be noted that quality management and quality assurance processes are in place at the manufacturing sites to ensure compliance with pharmaceutical good manufacturing practice ("GMP"). These processes aim to release products to the commercial business units only after the requisite quality checks have been passed. Products are blocked for release by Aspen's Quality Assurance Department in instances where requisite quality standards are not met. This does not, however, constitute a product recall from customers. • The commercial business units are responsible for identifying and launching commercially viable molecules from the product pipeline.

Aspen sustainability reporting process continued

Changes to the reporting scope and boundaries since the previous report

Information in respect of the following business units has been included for the first time:

- The active pharmaceutical ingredient ("API") facilities in Oss, the Netherlands and Sioux City, United States, acquired from Merck Sharpe & Dohme ("MSD") with effect from 1 October 2013;
- The infant nutritionals manufacturing facility in Vallejo, Mexico, acquired from Nestlé with effect from 28 October 2013;
- The specialist manufacturing facility at Notre Dame de Bondeville, France, acquired from GlaxoSmithKline ("GSK") with effect from 30 April 2014; and
- Aspen's recently established commercial businesses in Europe CIS.

Data representing Aspen Oss, Vallejo in Mexico, Aspen NDB and Europe CIS, which were not included in the prior year, significantly impacted on selected 2015 KPIs. Consequently, the consolidated values for the environmental and employee training KPIs for the Group, excluding these entities, have been separately reflected, to enable meaningful comparison of the 2015 data for the established entities against the reported 2014 data. The affected graphs on the five-year material sustainability KPI performance review on pages 12 to 18 have been plotted accordingly.

Information for the Baulkham Hills, Dandenong and Noble Park manufacturing sites has been included in the 2014 and 2015 reported data for Aspen Australia. The Noble Park and Baulkham Hills sites have subsequently been decommissioned and closed. The Baulkham Hills site was sold in June 2015, with Noble Park's sale to be settled in November 2015. Future environmental and safety KPIs in respect of Aspen Australia's manufacturing sites will, as a result, represent information for the remaining Dandenong site only.

During the year, Aspen acquired 65% of Kama, a privately owned company incorporated in Ghana. This acquisition was only effected in May 2015 and as a result, information from this business has not been included in this report, with the exception of employee numbers.

Progress on Aspen's sustainability reporting journey

2015 key achievements	Key medium-term objectives
• The Group focused on facilitating the effective implementation of sustainability management policies and procedures at the recently acquired businesses in Europe and Spanish Latin America. This resulted in sustainability KPIs being reported for the first time in respect of Aspen Oss, Aspen NDB, Europe CIS and Vallejo in Mexico. • The sustainability reporting process has reached a satisfactory level of maturity and is well embedded across the Group. Continuous improvement initiatives are ongoing. • The sustainability reporting automation project has progressed well – the system is scheduled for implementation during the 2016 financial year. • For the fifth consecutive year, Aspen qualified for the JSE's SRI index in November 2014 and continues to be the only pharmaceutical company in this index.	• Evaluation of emerging sustainability reporting trends and alignment of Aspen's Sustainability Report and related processes to the most relevant framework or a combination of these, as appropriate – GRI G4, International Integrated Reporting Council's Framework and evolving SRI disclosure requirements. • Implementation of intensity-based measures for material KPIs, starting with the environmental indicators. • Expand the scope of Aspen's CDP carbon and water submissions, currently representing information for South Africa, Australia and Germany, to include the Group's facilities in Europe, Latin America and SSA. • Optimising the benefits of the new automated KPI reporting system for improved quality of reported information. • Setting targets for material KPIs where it is practical to set Group-wide targets and where the setting of targets is strategically relevant.

Message from the Group Chief Executive

Stephen Saad, ***Group Chief Executive***

Aspen's sustainability reporting process is well embedded into the Group's management philosophy and business language. Valuable feedback received from the various assurance providers through the combined assurance process will again assist in ensuring that we drive continuous improvement in the management, measurement and disclosure of the Group's sustainability indicators as appropriate for Aspen and in line with best practice.

Message from the Group Chief Executive continued

Increased global economic pressure, fuelled by volatile currency markets, legislated price reductions of medicines and heightened pharmaceutical regulation are ongoing challenges experienced by most, if not all, multinational pharmaceutical companies. Aspen remains resolute in achieving its defined strategic objectives by identifying and harnessing those synergistic opportunities that will deliver the most value from its existing and recently acquired businesses. As part of this the Group has undertaken a number of ambitious capital expansion projects, notably in South Africa, France and the Netherlands. These projects are mainly aimed at ensuring the vertical integration of the supply chain in respect of the APIs relating to a number of its recently acquired products, the improved supply of core Aspen products such as injectable anticoagulants and other sterile products as well as the reduction of costs of goods across the Aspen value chain. The Group has, at the same time, concluded transactions in Australia and South Africa to divest certain non-core brands and molecules in the product pipeline. These activities are intended to reshape Aspen and align its focus on those core products and activities that ensure the maximisation of value from the various capitals it employs. In addition to these activities, Aspen's track record for executing large multi-territory transactions makes it an obvious and qualified candidate to participate in these kind of transactions. Aspen remains poised to take advantage of any appropriate acquisitive opportunities and continues to actively seek out these opportunities.

None of the above-mentioned activities are, of course, undertaken in isolation and without due regard to how they will impact the KPIs used to measure the Group's performance from a sustainability perspective. These KPIs form an integral part of ensuring that the Group meets its defined strategic objectives. The Group's performance in respect of these KPIs, as regularly and carefully monitored by the Board, has been detailed in this report to the Group's investors and other stakeholders.

Aspen's continued success hinges on how it nurtures and hones the talent, skills and capacity of its more than 10 000 employees who form the backbone of Aspen. The Group human resources strategy continues to target the harmonisation of employee management policies and procedures across the various business units, as appropriate, and progress in this regard is being closely monitored. Customised leadership and skills development programmes for high-potential employees have been put in place to support the Group's future human capital requirements. A number of employee recognition programmes have also been launched throughout the Group to identify and celebrate excellence throughout the Group. These programmes, along with existing performance management platforms maintained throughout the Group, serve as strong motivators and have already had a notable impact on performance levels.

Changes to the Department of Trade and Industry's Broad-Based Black Economic Empowerment Codes of Good Practice ("BBBEE Codes") implemented during the year impacted on the BBBEE scorecards of most businesses in South Africa, resulting in Aspen being accredited at a level 4 from a level 3 in 2014. As a consequence of these changes, revised transformational objectives and programmes, including those aimed at the further promotion of supplier development, employment equity and skills development, have been formulated. The effectiveness of these interventions and the achievement of Aspen's transformational objectives in general will continue to be monitored by the Social & Ethics Committee.

The year also saw Aspen's continued and active participation in the UN Global Compact. I am pleased to reaffirm Aspen's support of the 10 principles of the UN Global Compact in the areas of human rights, labour, environment and anti-corruption. In its capacity as a signatory to the UN Global Compact, Aspen looks forward to building on its existing reputation for respecting basic human rights, engaging in fair labour practices, being environmentally responsible and having a zero-tolerance approach to corruption. My thanks goes to the Social & Ethics Committee, which monitors the implementation of policies and procedures applicable to the Group as a whole in respect of the application of the letter and the spirit of the 10 principles set out in the UN Global Compact. Aspen's second Communication of Progress Report describes Aspen's actions to continually improve the integration of the UN Global Compact and its principles into its business strategy, culture and daily operations and is available online.

Further progress has been achieved in the alignment of safety, health and environmental ("SHE") management systems to international standards and good progress is being made to complete the OHSAS 18001 alignment project by 2017. The measurement and management of safety incidents was further improved during the year as a result of safety data from the recently acquired manufacturing sites of Aspen Oss, Aspen NDB and Vallejo in Mexico now being included in the Group's totals for the year. While there has been an improvement in both safety ratios tracked by the Group, these remain above the respective tolerance levels Aspen has set itself. Steps continue to be taken to identify and address the root causes of reported incidents. No occupational fatalities were recorded during the year. Further SHE compliance audits were conducted by external assurance providers during the year and confirmed a satisfactory status across most manufacturing facilities. Areas for improvement have been identified and will be addressed over appropriate timeframes. The ongoing risk of non-compliance with changing safety and environmental legislation in respect of the Moleneind and Boxtel sites in the Netherlands, which have arisen mainly as a result of safety and environmental legislation in Europe and the ageing infrastructure of these sites, remain of material concern to the Group. Progress of mitigation plans continues to be monitored closely by Group executives and by the Social & Ethics Committee. Proactive engagement with affected stakeholders and the relevant authorities in the Netherlands continues to take place.

Aspen has continued to support socio-economic development ("SED") projects aimed at increasing access to primary healthcare facilities, the management of HIV/AIDS and developing the pool of scarce healthcare skills in South Africa through its participation in the South African Public Healthcare Enhancement Fund ("PHEF"). I am particularly inspired by Aspen's ongoing support of the Nelson Mandela International Day ("Mandela Day") with employees across the Group giving even more support to this initiative this year. A total of 90 community upliftment projects were supported across 36 countries.

Aspen's sustainability reporting process is well embedded into the Group's management philosophy and business language. Valuable feedback received from the various assurance providers through the combined assurance process will again assist in ensuring that we drive continuous improvement in the management, measurement and disclosure of the Group's sustainability indicators as appropriate for Aspen and in line with best practice. The Group's sustainability reporting strategy remains aligned with international best practice and, to this end, consideration has been given to the application of the Integrated Reporting Framework's principles and efforts have been made to indicate the alignment between Aspen's sustainability KPIs and its six capitals.

The Group has again delivered strong returns to shareholders in the 2015 financial year, with CAGR of gross revenue, EBITA and NHEPS exceeding 40% over the past 17 years of unbroken double-digit growth. From humble beginnings, Aspen has become a global multinational pharmaceutical company, with its products reaching more than 150 countries across developed and developing pharmaceutical markets.

I would like to thank members of the Board for the sound guidance provided in managing the Group's sustainability objectives in the responsible pursuit of Aspen's strategic objectives. We trust that, through our integrated sustainability management approach, Aspen will continue to be a partner of choice for stakeholders and will maintain its strong investment case for shareholders.

Stephen Saad
Group Chief Executive

22 October 2015

Five-year material sustainability KPI performance review

Aspen's five-year sustainability performance review is presented below and identifies the assurance providers for each material KPI. Assurance statements issued by ERM and PwC can be accessed online.

Material issues and KPIs	Five-year performance review	Continuous improvement objective

Sustaining life and health through high quality, affordable medicines

Number of product recalls
Page 20

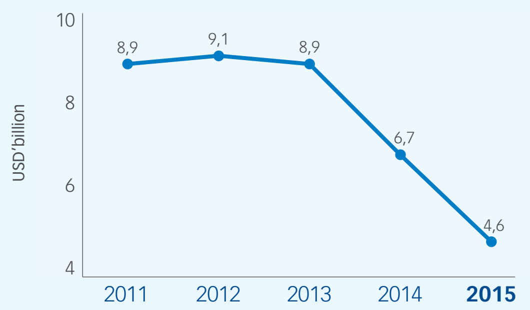
Products that regulatory authorities determine to be potentially harmful to patients and require to be recalled. Indicates the extent to which quality systems are effective.

2015 assurance provided: Internal Audit

To continue to supply high quality and compliant products to a growing, global customer base and to ensure customer safety throughout the product lifecycle across the expanded product portfolio.

IMS value of total product pipeline for the next five years
Page 20

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 being developed into generic equivalents of the originator product.



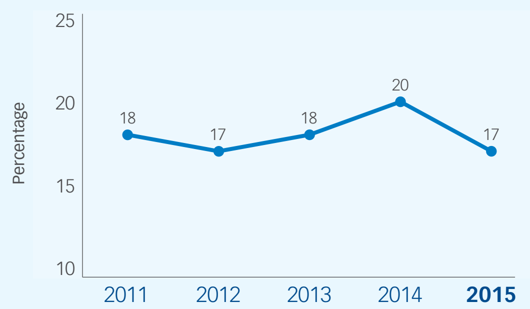
2015 assurance provided: Internal Audit

To monitor the relevance and commercial viability of molecules in the product pipeline to ensure optimum returns on investment in the product pipeline, as well as to manage the successful registration and launch of targeted molecules.

Adding economic value to stakeholders

Return on ordinary shareholders' equity
Page 23

Measures productivity of ordinary shareholders' equity. Can be benchmarked against other potential investments by shareholders.



2015 assurance provided: PwC

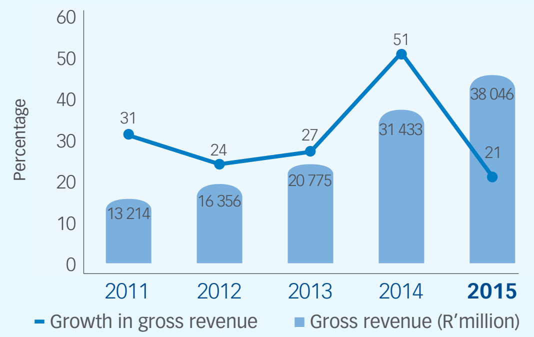
To identify assets diluting the return on ordinary shareholders' equity and to devise strategies to improve these outcomes.

Material issues and KPIs	Five-year performance review	Continuous improvement objective

Adding economic value to stakeholders continued

Growth in gross revenue*
Page 23

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.

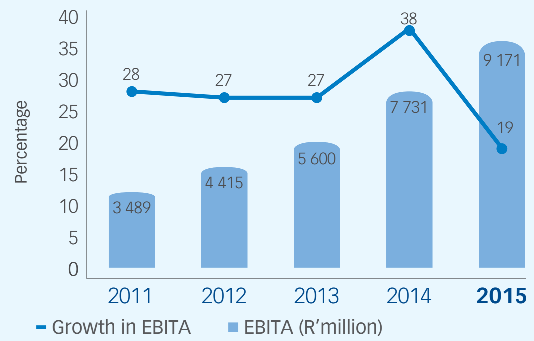


2015 assurance provided: PwC

To continue to refine the product offering to ensure the portfolio has sufficient growth drivers.

Growth in EBITA
Page 23

A leading indicator of growth in operating profitability.

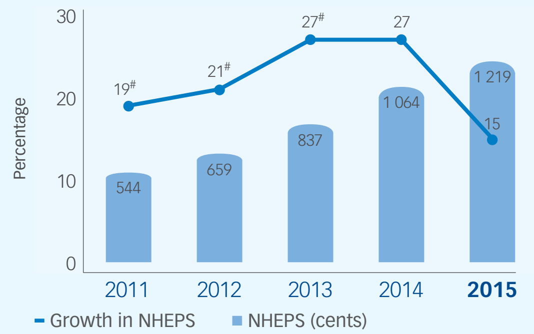


2015 assurance provided: PwC

To continue to identify margin improvement and value creation opportunities.

Growth in NHEPS
Page 23

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.



2015 assurance provided: PwC

To adopt and implement strategies that benefit shareholders in the medium term.

** Gross revenue is revenue prior to an adjustment for the profit share from the GSK Aspen Healthcare for Africa Collaboration ("the Collaboration").*
 # Diluted headline earnings is no longer used in the calculation of this KPI and therefore the historic figures have been aligned for comparability purposes.

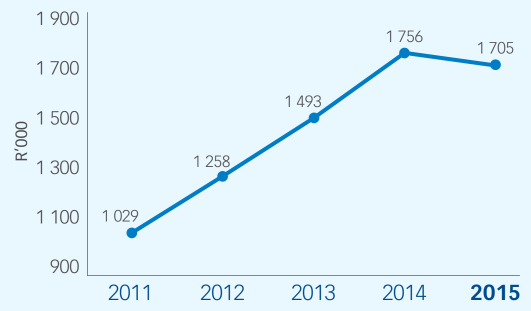
Five-year material sustainability KPI performance review
continued

Material issues and KPIs	Five-year performance review	Continuous improvement objective

Adding economic value to stakeholders continued

Value added per employee
Page 23

The leading indicator of the productivity of the Group's permanent employees in value creation.



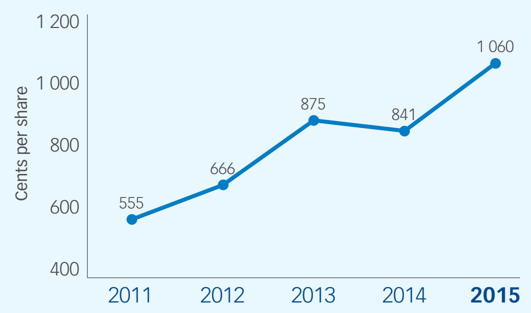
2015 assurance provided: PwC

To achieve improved productivity through the ongoing management, development and performance assessment of the Group's employees.

Maintenance of financial health

Operating cash flow per share
Page 34

Indicates the Group's ability to generate cash which is key to meeting cash outflow commitments.

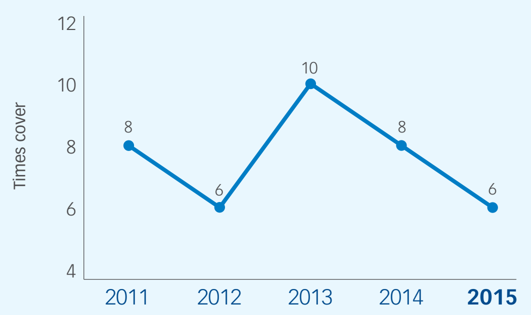


2015 assurance provided: PwC

To optimise working capital levels at newly acquired businesses to ensure these are consistent with the Group's strong cash-generation model.

Net interest cover
Page 34

The leading indicator of the headroom the Group has to service its debt.



2015 assurance provided: PwC

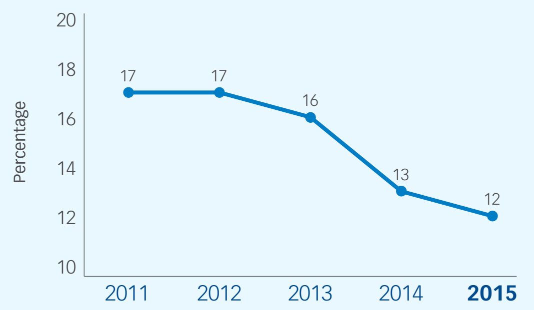
To sustain earnings and funding arrangements at a level which allows achievement of the Group's internal medium-term target of at least five times interest cover.

Material issues and KPIs	Five-year performance review	Continuous improvement objective

Sustaining a cost-competitive manufacturing base

Return on total assets
Page 35

Measures productivity of the assets of the Group. Can be benchmarked against other companies.

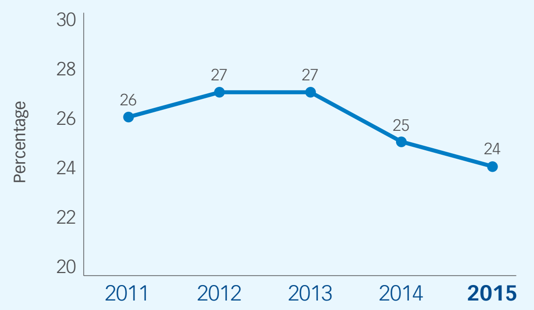


2015 assurance provided: PwC

To evaluate performance of existing assets and to invest in new assets. This will allow for superior medium-term returns.

EBITA margin
Page 35

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.



2015 assurance provided: PwC

To remain committed to the Group's cost conscious culture and continuous improvement programmes which enhance operational efficiencies to support the sustained feasibility of commercial strategies.

Providing a safe working environment

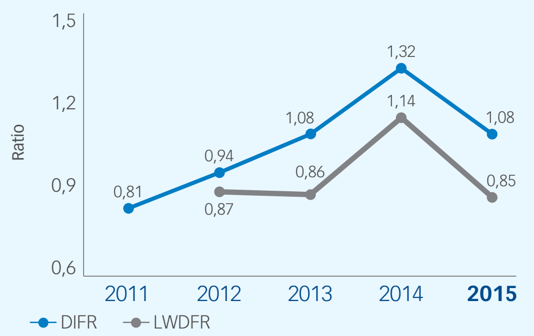
DIFR and LWDFR
Page 43

DIFR

Percentage of employees who suffered disabling injuries in the 12 months ended 30 June, irrespective of whether such incidents results in lost work days.

LWDFR

Percentage of employees who had to be booked off due to work-related disabling injuries or illnesses over the last 12 months.



2015 assurance provided: ERM

To promote ongoing safety awareness and training to prevent work-related injuries across Aspen's facilities and to complete the OHSAS 18001 alignment project by latest 2017.

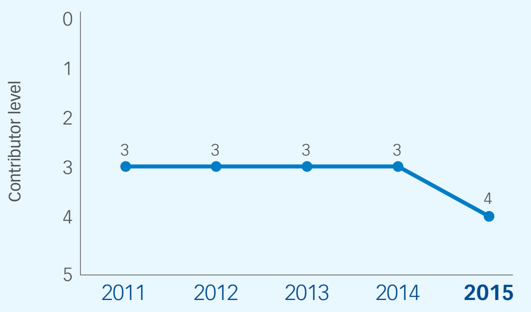
Five-year material sustainability KPI performance review
continued

Material issues and KPIs	Five-year performance review	Continuous improvement objective

Promoting equality

BBBEE accreditation in South Africa
Page 45

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.



2015 assurance provided: Empowerdex

To remain committed to transformational objectives in South Africa and to align related programmes in the South African business appropriately in response to the revised BBBEE Codes.

Creating an environment in which our employees can thrive

Average staff turnover
Page 37

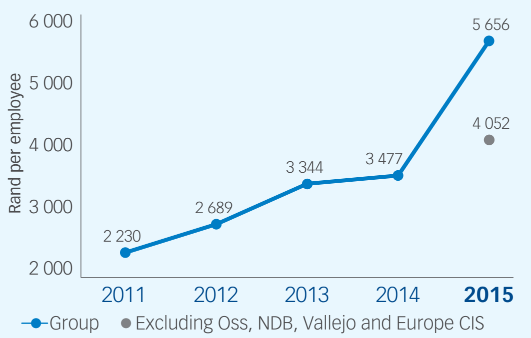
Indicates the percentage of Aspen's permanent employees who have left the Group in the year.

2015 assurance provided: Internal Audit

To promote the attraction and retention of high-performing individuals who are capable of supporting the Group's future growth and proactively manage the risk of staff attrition.

Average training spend per employee#
Page 37

Aspen invests in the enhancement of employees' capabilities aligned to the short- and medium-term business objectives.



2015 assurance provided: Internal Audit

To invest in the development of employees to sustain the Group's functional and technical excellence and to groom the Group's future business leaders.

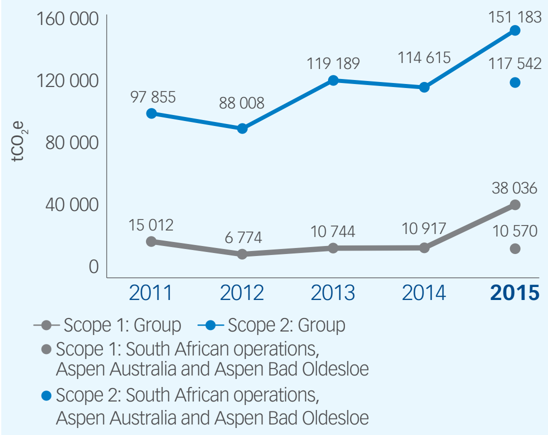
 # Data representing Europe CIS, Aspen Oss, Vallejo in Mexico and Aspen NDB have a significant impact on the 2015 KPIs. Consequently, the consolidated data totals for the Group, excluding these entities, have been separately reflected to aid meaningful analysis of the 2015 data for the established entities against the 2014 comparative.

Material issues and KPIs	Five-year performance review	Continuous improvement objective

Preserving the environment

Carbon emissions*
Page 50

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 manage its carbon footprint responsibly.

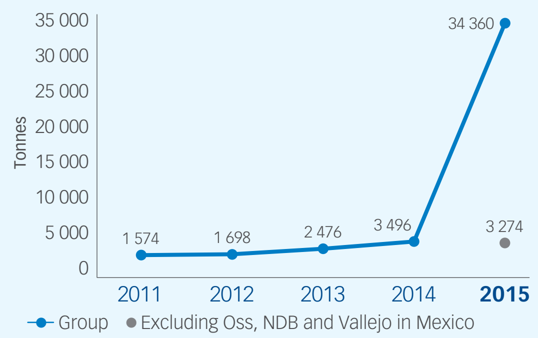


2015 assurance provided: ERM

To contain the Group's carbon footprint by promoting energy conservation initiatives and through feasible investment in environmentally responsible technologies.

Amount of waste recycled#
Page 50

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.



2015 assurance provided: ERM

To improve the classification and quantification of waste streams, continue the promotion of waste recycling initiatives and reduce the use of the landfill waste disposal method.

** 2015 emissions data was verified by ERM, for all Aspen sites where this information was recorded excluding Aspen API. Aspen's 2015 CDP submission, as reviewed by ERM, is based on the data from the 2014 financial year for South African operations, Aspen Bad Oldesloe and Aspen Australia. Totals for these entities have been separately reflected to aid meaningful analysis of the 2015 data against the 2014 comparative.*

 # Data representing the Aspen Oss, Vallejo in Mexico and Aspen NDB entities have a significant impact on the 2015 environmental KPIs. Consequently, the consolidated environmental data totals for the Group, excluding these entities, have been separately reflected to aid meaningful analysis of the 2015 data for the established entities against the related 2014 comparative.

Five-year material sustainability KPI performance review
continued

Material issues and KPIs	Five-year performance review	Continuous improvement objective

Managing efficient utilisation of scarce resources

Electricity used# Page 53

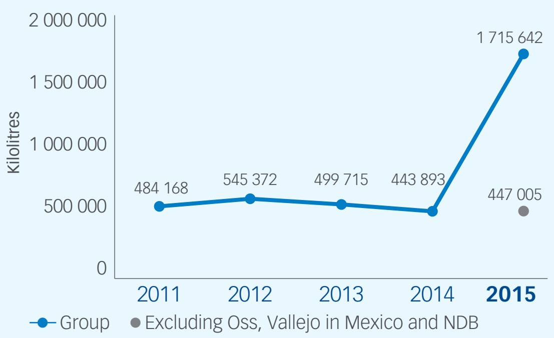
Electricity provides the primary source of power to the Group's manufacturing sites. It is an increasingly expensive commodity. In South Africa there is a risk of supply interruptions at times of excess load on the source of supply. Efficient electricity utilisation supports lower costs of production and reduces demand, prolonging energy resources.

2015 assurance provided: ERM

To monitor and respond to the electricity supply constraints in South Africa, to identify and implement electricity conservation projects at the manufacturing facilities and review electricity conservation targets.

Water used# Page 53

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.



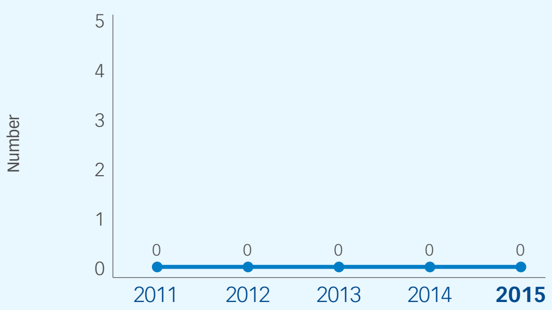
2015 assurance provided: ERM

To identify and implement feasible water recycling projects at the manufacturing facilities, to review and set water conservation targets, and to remain aware of developments in water efficient technology suitable for the pharmaceutical industry.

Conducting our business in a responsible manner

Number of material incidents of legislative infringements Page 5 of the Unabridged Corporate Governance Report

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.



2015 assurance provided:
Internal Group Compliance Officer review

To uphold the Group's reputation as a responsible corporate citizen, a strong investment case, a trusted business partner and employer of choice.

Data representing Aspen Oss, Vallejo in Mexico and Aspen NDB have a significant impact on the 2015 environmental KPIs. Consequently, the consolidated environmental data totals for the Group excluding these entities, have been separately reflected to aid meaningful analysis of the 2015 data for the established entities against the 2014 comparative.

Sustaining life and health through high quality, affordable medicines

Relevance to the business

Relevant strategic objectives:
- **To supply customers and patients with high quality medicines at competitive prices**
- **To continuously increase and improve our offering to healthcare professionals and patients through a prolific product pipeline**
- **To increase the direct promotion of Aspen products worldwide**

Intellectual property, in the form of developed and acquired product molecule dossiers, is the key driver for organic growth in a pharmaceutical company. As an established provider of branded products, Aspen's product pipeline largely represents acquired product dossiers, planned product line extensions to leverage existing brands across relevant territories and targeted branded product acquisitions.

Products in the pipeline target therapeutic categories which are relevant to address emerging disease profiles in each territory. Products are launched only after the patent for the originator equivalent has expired, subject to product registration requirements per country. Dossiers in the pipeline are monitored continuously for technical feasibility and for alignment to the Group's commercial objectives in key territories.

Organic growth is also achieved through identifying opportunities to commercialise existing brands across other territories where the customer demand exists and where technical and commercial feasibility of product supply are assured. The requisite territory-specific regulatory approval would be secured. Acquisitive growth, in the form of corporate acquisitions and product distribution arrangements entered into with leading multinational pharmaceutical companies, supplements Aspen's organic growth strategy and strengthens the Group's ability to respond to identified healthcare needs.

Products are supplied to more than 150 countries through the Group's established international supply chain infrastructure. The Group's manufacturing sites provide a strategic supply chain advantage to support the Group's objective of supplying affordable products to customers.

Managing the responsible supply of high quality products

The Aspen brand is trusted for the supply of high quality, affordable products. Stringent compliance procedures are in place, across the supply chain to maintain and grow customer confidence.

Aspen has a zero-defect approach to managing product quality as this has a direct impact on patient safety. To this end, regulated in-process and supply chain quality management controls are in place and strictly applied. Raw materials and packaging materials are purchased from accredited and authorised suppliers who meet the necessary quality, regulatory and Aspen-specified requirements.

Products are manufactured at Aspen's own manufacturing sites or sourced from reputable, third-party suppliers. Manufacturing sites are required to comply with GMP, which governs the manufacture of products in the pharmaceutical industry, and to uphold the status of pharmaceutical regulatory approvals that are relevant to the supplied territories. A smaller portion of supplied products are manufactured by accredited third-party manufacturers who are approved on the basis of regulatory accreditation, quality, manufacturing capability, cost and supply efficiency. The Quality Assurance Department conducts audits of potential and existing suppliers to support the Group's high quality objectives in the supply chain.

Only products that meet the prescribed quality and regulatory standards are released for sale into the market and regulated quality compliance controls are in place. The quality and efficacy of supplied products are monitored throughout the product lifecycle using systems approved and monitored by regulatory authorities. As the holder of the marketing authorisation, Aspen is responsible for the quality of its owned products across all territories.

Products are promoted in accordance with applicable regulations, product packaging requirements and relevant marketing codes governing the supply of products in each territory. Qualified medical representatives have specialist product knowledge to support and educate customers, including dispensing doctors and pharmacists. Product awareness training is conducted for employees and for customers, as relevant. Customer relationship management objectives and related customer engagement activities receive ongoing focus. Accredited third-party distributors are generally used to provide logistics services and in certain markets, wholesaling services. Aspen does not deliver products directly to the end customer.

All suppliers and service providers to Aspen are bound by the Group's Code of Conduct and are required to uphold prescribed ethical and human rights standards across the supply chain.

Sustaining life and health through high quality, affordable medicines continued

Review of 2015 performance

Material KPI	2015	2014	Change
Number of product recalls	6	5	20%
IMS value of product pipeline (USD'billion)	4,6	6,7	-31%

Product recalls

A total of 6 (2014: 5) products were recalled during 2015. These included Microcidal and Lethyl tablets, as well as Paraspen solution and Kaostatex suspension which were all recalled in South Africa due to certain quality control concerns. The root cause investigations for these recalls have been completed and appropriate corrective action plans have been implemented to address the identified quality issues and increase in-process quality controls.

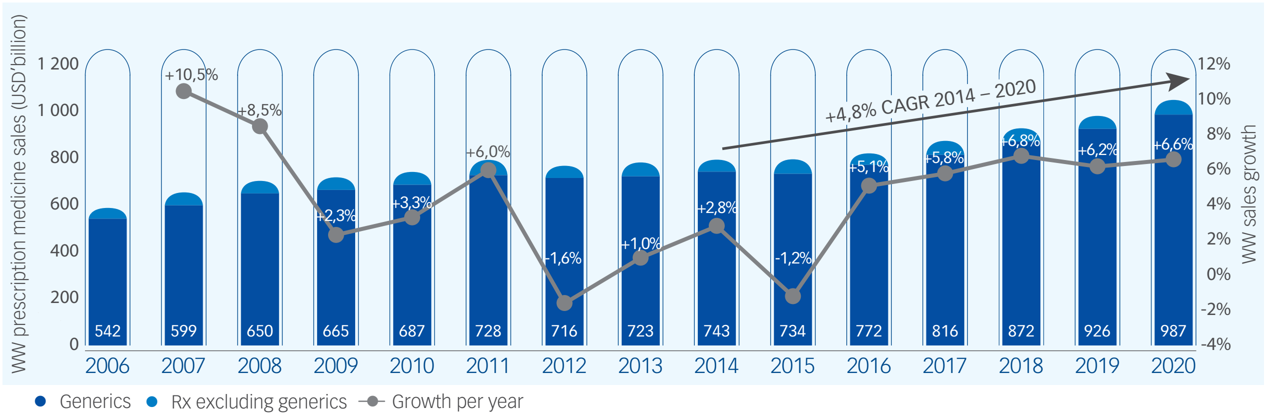
Aldosterin tablets were recalled in Brazil due to a quality problem which was isolated to specific batches and were recalled from customers.

A recall of Cartia tablets was required in Australia due to incorrect expiry dates having been printed on the packaging. The root cause of this problem has been determined and preventive measures have been put in place to avoid a recurrence.

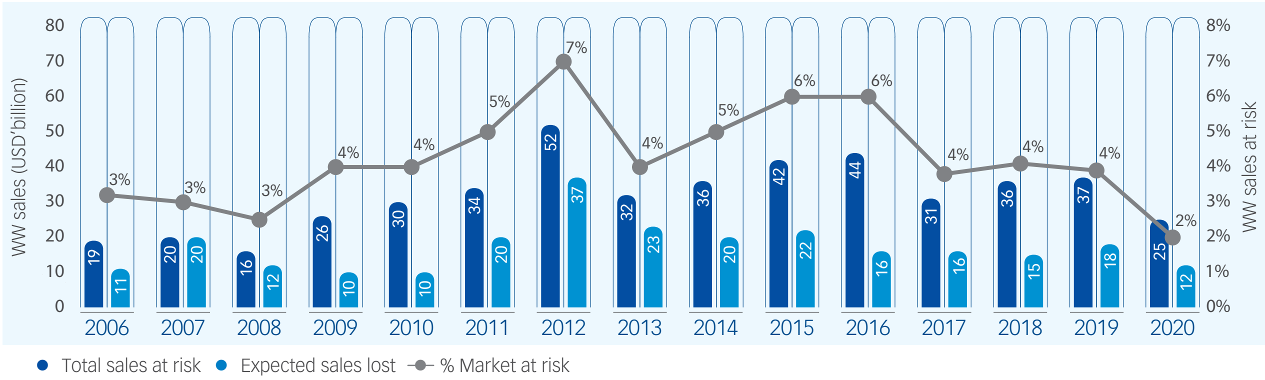
Product pipeline – pharmaceutical products

According to EvaluatePharma, worldwide prescription medicine sales are expected to reach USD987 billion by 2020, representing a CAGR of 4,8% from 2014. The total value at risk of patent expiries amounts to USD22 million, thereby creating opportunities for genericisation of leading molecules over the next five years. Generics are expected to increase to 11,3% by value of total prescription medicine sales by 2020 from 10,0% in 2014.

Worldwide total prescription medicine sales (2006 – 2020)

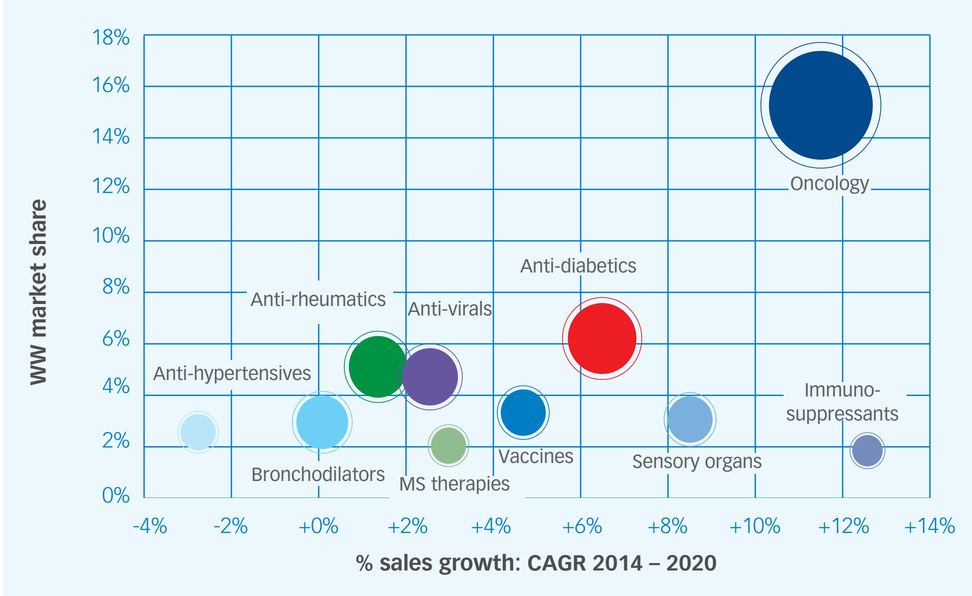


Worldwide sales at risk from patent expiration (2006 – 2020)



Source: EvaluatePharma® 22 May 2015

Top 10 therapy areas in 2020, market share and sales growth



Source: EvaluatePharma® World Preview 2015, Outlook to 2020, Evaluate Limited, www.evaluate.com.

Oncology, diabetes and anti-rheumatics are projected to be the leading therapeutic categories in 2020, reaching sales of USD153 billion, USD61 billion and USD53 billion respectively. The demand for anti-virals and vaccines is also expected to increase.

Aspen's existing portfolio of specialist brands, generic products and pipeline products include molecules which are relevant to emerging disease profiles.

Through a series of acquisitive transactions over the last seven years, the Group developed its portfolio of specialist products, including anticoagulants, infant nutritionals, oncological, endocrinal, hormonal, gastrointestinal and anti-viral products, with a number of central nervous system and cardiovascular products having been acquired in respect of selected territories.

The Group also has existing distribution arrangements with selected multinational companies to optimise the strength of its sales representative structures in selected territories and supplement its product offering to customers.

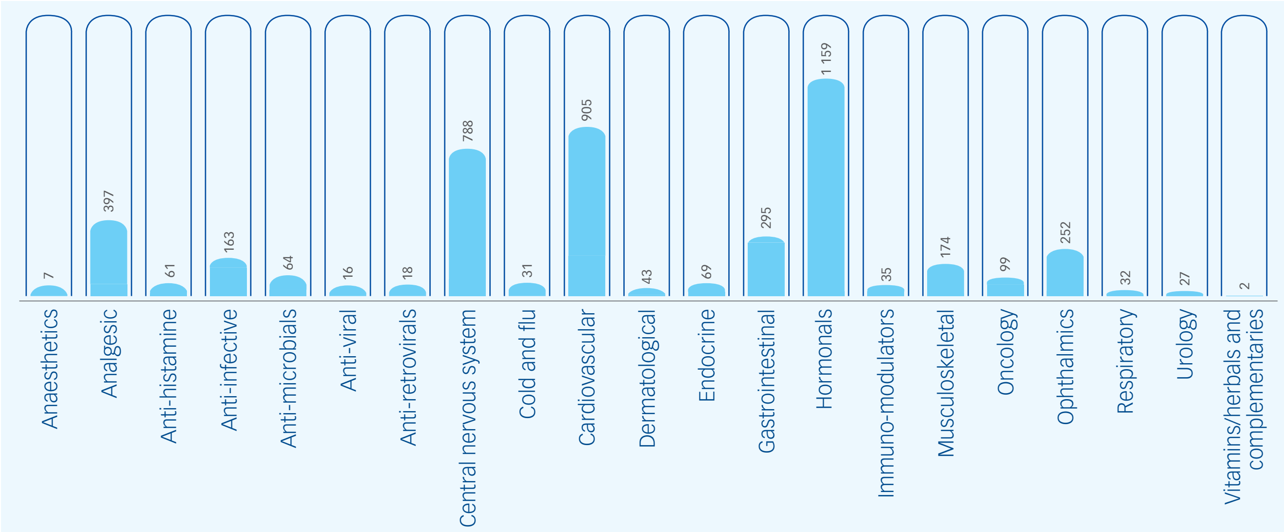
During the year under review, the Group continued to focus on certain core therapeutic areas through a range of acquisitive transactions, licensing deals and internal development projects. In doing so, the Group is building a strategic pipeline and ensuring vertical integration through optimising specific supporting assets held within the business. 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, specifically aligned to growth targets within the OTC franchises, consumer brands, as well as through more complex licensing deals in the biologic space. A total of 105 products were launched in 18 countries in the period under review, with the majority of the value being aligned to the core therapeutic focus areas.

The Group continues its pursuit of new supplementary pipeline opportunities of varying scope, thus ensuring exciting value projections for the business through robust organic growth, as well as strategic partnering and acquisitive prospects.

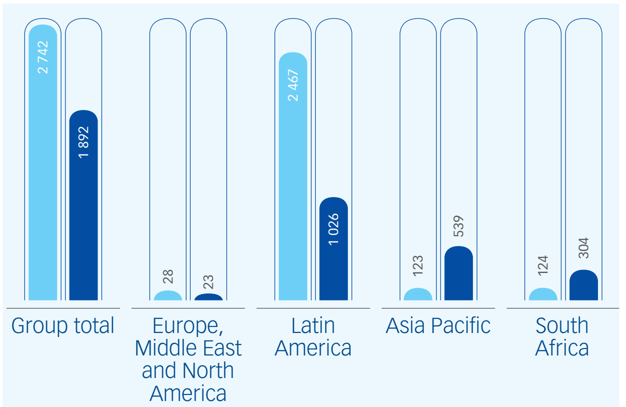
The 31 December 2014 IMS value of molecules in Aspen's product pipeline as at 30 June 2015 amounted to USD4,6 billion (2014: USD6,7 billion), with 41% expected to be launched within the next two years and the balance over the next three years, subject to timing of technical validation and product registration processes. The actual value realised through product launches will largely be influenced by market competition, the level of discount to that of the originator molecule presently sold in the market and prevailing pricing regulations.

Sustaining life and health through high quality, affordable medicines continued

IMS value of product pipeline per therapeutic category (USD'million)



Anticipated timing of product pipeline launch values at 30 June 2015 (USD'million)



■ Anticipated launch: years 3 – 5 ■ Anticipated launch: years 0 – 2

During 2015, the Group's product pipeline was rationalised together with the divestment of non-core product portfolios in South Africa and Australia. The regional product pipelines now consist of molecules with confirmed commercial feasibility. This reduced the IMS value of the product pipeline by USD1,4 billion. 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. The Group launched 105 products across 18 countries during 2015.

Growth of the infant nutritionals portfolio

The recent acquisition of a portfolio of well-known infant nutritionals from Nestlé, including S-26 and SMA, has supplemented the Group's existing Infacare range. The Aspen infant nutritionals portfolio has, as a result, extended its footprint across SSA, Australia and Latin America.

Euromonitor 2015 values the global nutritionals market at USD46,7 billion with expectations of a compounded annual growth of 9,1% CAGR over the next five years. Asia Pacific currently represents more than 65% of the world market and is the fastest growing region with growth expectations of 11,9%. Euromonitor projects demand for infant nutritionals in Australasia, Latin America, and Middle East and Africa ("MENA") to grow by 0,1%, 4,4% and 7,7% respectively over a period of five years.

Aspen's strategy is targeted at increasing the critical mass of sales across targeted territories through responsible promotion, technical innovation and product line extensions. Aspen has established the Aspen Nutritionals Institute for the formulation and ongoing development of products through engagement with critical raw material suppliers. Aspen has also secured the collaboration of leading market specialists and selected universities to ensure that formulations are up to date and remain relevant to the market.

During the year, two new United Nations Children's Emergency Fund-approved formulations, used to treat malnutrition in adults and children, were launched in South Africa and are being supplied to the public sector. New formulations are expected to be launched in Australia during the next year.

Adding economic value to stakeholders

Relevance to the business

Relevant strategic objectives:

- **To achieve superior returns on investment for our shareholders over the long term**
- **To be alert to opportunities to enhance the value of the Group for its stakeholders**
- **To deliver sustainable growth in earnings from a diversified portfolio of products and geographies**
- **To increase the direct promotion of Aspen products worldwide**
- **To provide a safe, challenging and rewarding environment for our employees**

As a leading global pharmaceutical and JSE Top 40 company, Aspen aims to provide a sustained return on investment to its shareholders. Aspen also endeavours to create value for its broader network of key stakeholders, including its employees, customers, providers of capital, governments, business partners and providers of financial capital. To achieve this, the Group seeks to manage its financial, human, manufacturing and intellectual capital in a commercially astute and diligent manner to harness opportunities for long-term growth through effective cash management strategies.

Review of 2015 performance

Material KPI	2015	2014	Change
Return on ordinary shareholders' equity	**17%**	20%	
Growth in gross revenue	**+21%**	+51%	
Growth in EBITA	**+19%**	+38%	
Growth in NHEPS	**+15%**	+27%	
Value added per employee (R'000)	**R1 705**	R1 756	-3%

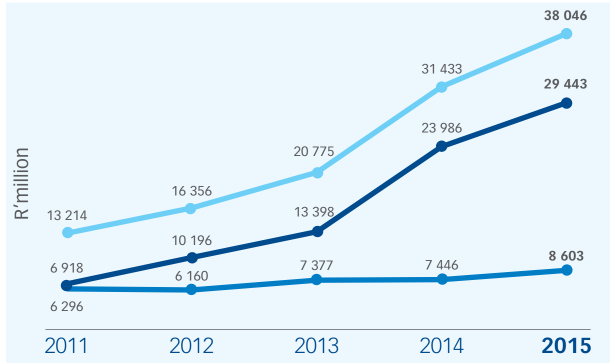
Delivering returns to shareholders

The Group's continued share price growth, driven by a trend in positive results and Aspen's proven business model presents a strong investment case and has benefitted long-term shareholders.

The Group has successfully delivered a compounded annual growth in gross revenue, EBITA and NHEPS of 44%, 46% and 40% respectively over a 17-year period since listing. Revenue and EBITA generated by the Group's segments outside South Africa have increased by a CAGR of 49% and 55% respectively over the past 10 years. On 30 June 2015, Aspen's share price closed at R360,00, representing a CAGR of 34% over 17 years. The value of a R10 000 investment in Aspen on 1 July 1998 would have been worth R1 771 238 on 30 June 2015, assuming distributions had been reinvested by the shareholder.

Gross revenue increased by 21% to R38,0 billion boosted by a significant increase in revenue from the International business, assisted by the inclusion of the material transactions completed during the prior financial year. Europe CIS business increased revenue by 45% to R10,5 billion and Spanish Latin America (excluding Venezuela) grew revenue by 44% to R3,4 billion.

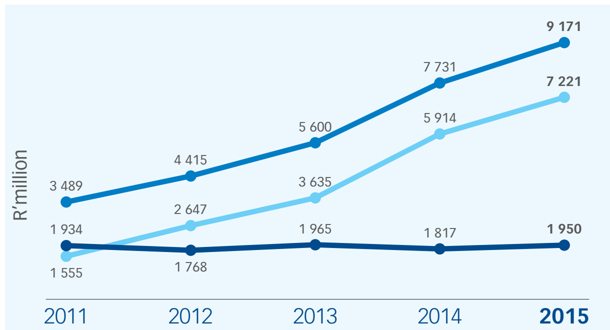
Gross revenue trends



Gross revenue – Group, Gross revenue – International, Gross revenue – South Africa

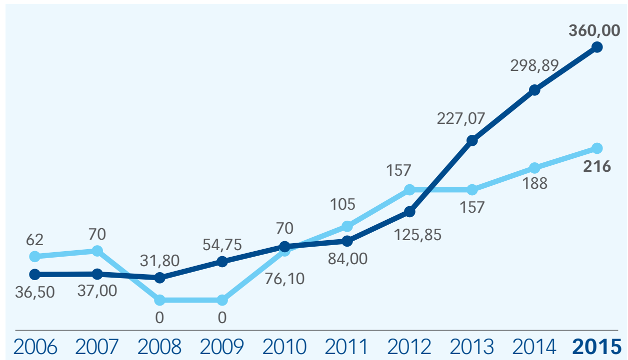
EBITA growth of 19% lagged revenue growth of 22% primarily due to adverse foreign exchange volatility devaluing revenue flows and increasing the cost of goods in the Group's principal trading currencies.

EBITA trends



EBITA International, EBITA – South Africa, Group EBITA

Distribution declared to shareholders and closing share price at 30 June



Distribution to shareholders (cents), Closing share price (Rand)

Adding economic value to stakeholders continued

After considering the Group's cash flow and earnings performance for the past year, existing debt service commitments, future proposed investments and funding options, the Board declared a total capital distribution of 216 cents per share (2014: 188 cents).

Aspen's investment case can be found on pages 8 and 9 of the 2015 Integrated Report and the 2015 Investor Presentation can be accessed online.

Extract of the Value Added Statement

for the year ended 30 June 2015

	Change	2015 R'million	%	2014 R'million	%
Revenue	22%	**36 127**		29 515	
International	46%	**18 567**		12 725	
Asia Pacific	(5%)	**8 107**		8 517	
South Africa	16%	**8 603**		7 446	
SSA	2%	**850**		827	
Other operating income		**543**		692	
Less: Purchased materials and services	22%	**(21 230)**		(17 429)	
Value added from operations	21%	**15 440**	**98**	12 778	98
Investment income		**383**	**2**	278	2
Total wealth created	21%	**15 823**	**100**	13 056	100
Employees	31%	**5 883**	**37**	4 485	34
Providers of capital	53%	**3 153**	**20**	2 062	16
Finance costs		**2 295**	**15**	1 346	10
Capital distribution and dividends paid to shareholders		**858**	**5**	716	6
Governments	34%	**1 582**	**10**	1 185	9
Reinvested in the Group	(2%)	**5 205**	**33**	5 324	41
Depreciation and amortisation		**1 039**	**7**	824	6
Deferred tax		**(176)**	**(1)**	211	2
Income retained in the business		**4 342**	**27**	4 289	33
Total value distribution	21%	**15 823**	**100**	13 056	100

The Group's weighted number of permanent employees during the year comprises 9 056 (2014: 7 278).

The number of employees who joined Aspen from acquired businesses during the year has been weighted and included for the number of months since the effective date of acquisition.

The detailed Value Added Statement is available online.

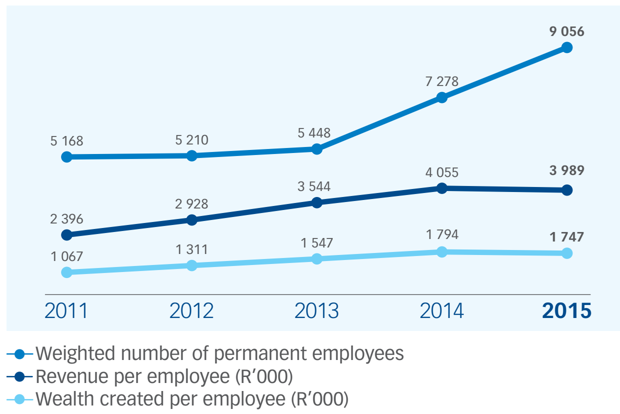
Delivering value to key stakeholders

The value added from operations increased by 21% to R15,4 billion led by strong performance from the international businesses where net revenue was up 46% on 2014.

Value added from operations

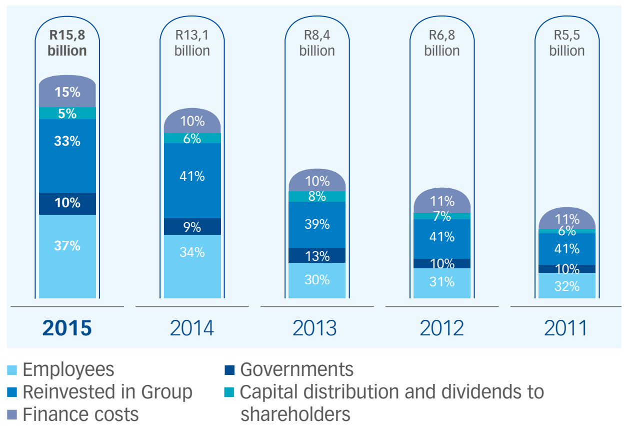
Average value added per employee decreased by 3% to R1,7 million. This was mainly as a result of the number of full-time employees used to calculate this having increased by 24% over 2014 due to the inclusion of permanent employees from the acquired businesses for the full year. Revenue per employee decreased by 2% to R4,0 million and wealth created per employee decreased by 3% to R1,7 million.

Employee productivity measures



Aspen's gross economic contribution to central and local governments in the countries in which it operates increased 34% to R1,6 billion. The Group received state subsidies in the form of capital investment allowances and skills development incentives in South Africa. In support of South Africa's transformation objectives, Aspen contributed R13,4 million to communities through its SED initiatives, R69,5 million to support small businesses through enterprise development initiatives and R436,3 million to emerging suppliers and service providers, including black-owned and black female-owned businesses. In Brazil, Aspen received the *Imposto sobre Circulação de Mercadorias e Serviços,* or state value-added tax reduction, on imported goods granted to locally registered companies in Brazil that engage in foreign trade activity and invest in capital and technological projects.

Total value distribution

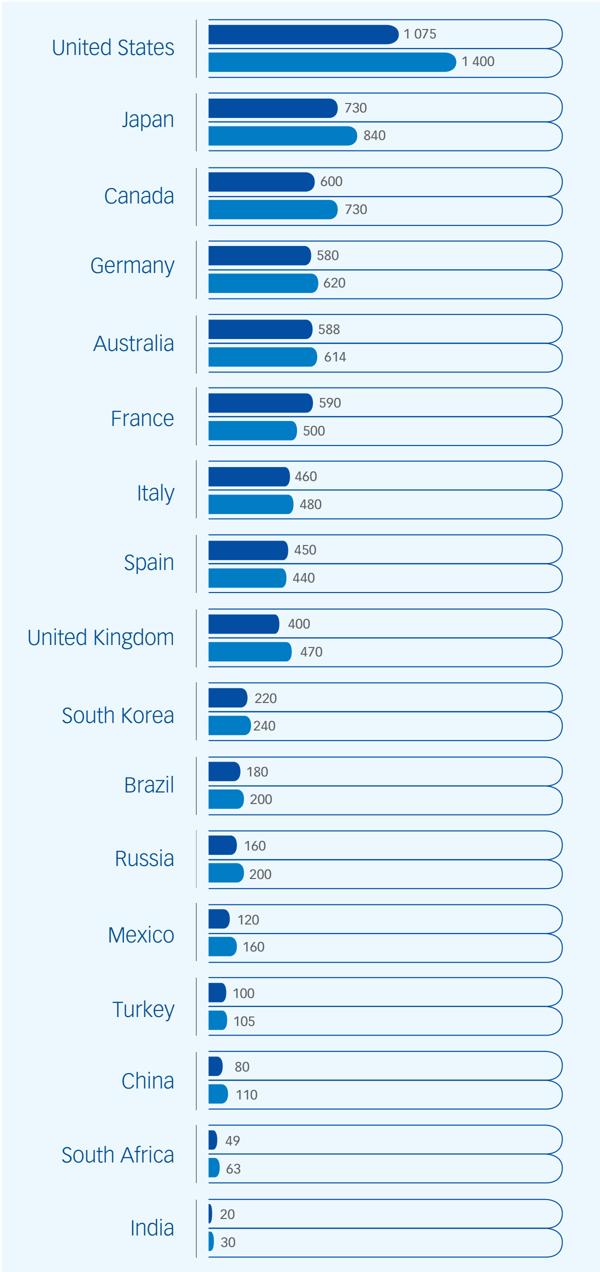


Geographic and product diversity to sustain growth

IMS projects that most countries will experience an increase in pharmaceutical spending per capita by 2018, led by strong growth in the developed pharmaceutical markets including the US, the major five European markets including Germany, France, Italy, Spain and the United Kingdom as well as Japan. The emerging pharmaceutical ("pharmerging") countries will increase their contribution to growth over the next four years and account for nearly 50% of absolute growth in 2018, led by China.

Adding economic value to stakeholders continued

Pharmaceutical spend per capita (USD), 2013 versus 2018

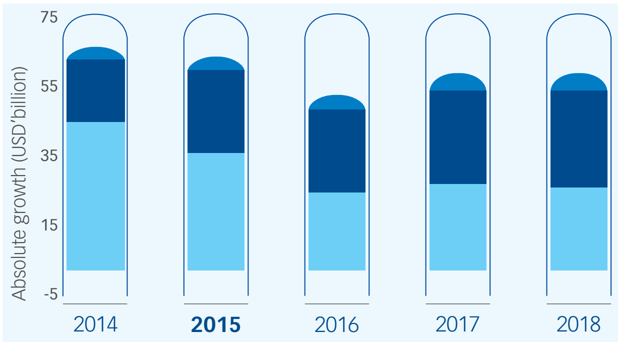


■ 2013 ■ 2018

Source: Economic Intelligence Unit, 2014, IMS Market Prognosis, September 2014

The demographic drivers favouring an increase in future demand for pharmaceutical products include an increase in diagnosis and treatment of chronic conditions, an ageing population in the developed countries and population growth and greater access to healthcare facilities in the pharmerging countries. Austerity measures in Europe and the geopolitical conditions in Russia, Africa and the Middle East remain inherent downside risks to medium-term growth. Furthermore, patent expiries and downward pricing pressures in developed countries are expected to dilute the benefits of volume growth.

Global growth 2014 – 2018 (USD305 to USD335 billion)



■ Developed ■ Pharmerging ■ Rest of world

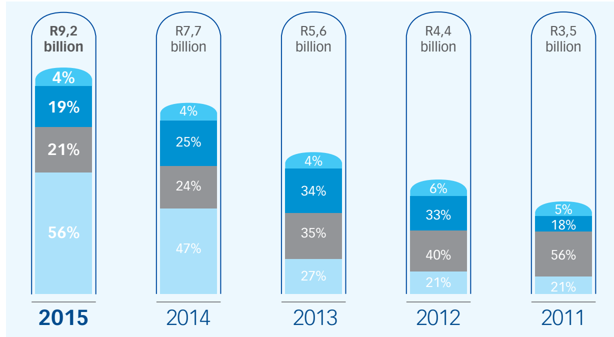
Source: IMS Market Prognosis, 2014

IMS expects generics to be the largest driver of growth globally, particularly in Latin America, growing at 61% – double the rate of branded products in the pharmerging countries. In the developed countries, growth will be led by rising demand for speciality medicines.

While the existence of local generic suppliers is strong in selected pharmerging regions such as Latin America and Africa, other smaller countries rely on imported generic medicines and therefore tend to have a higher portion of spend on branded products – this presents opportunities for pharmaceutical product exports to these regions.

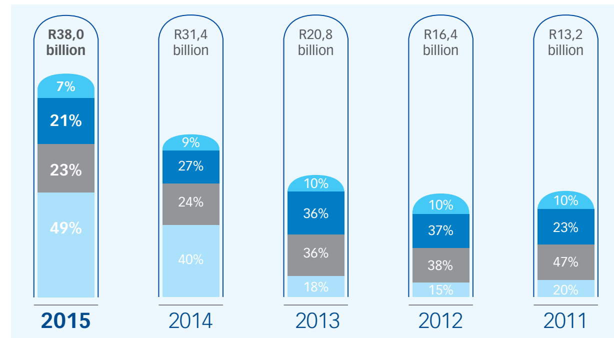
Geographic diversification of Aspen's business has been a strategic priority for the Group since its establishment, having primarily sold a portfolio of generic and consumer products into South Africa and parts of Africa. In 2001, the Group established a distribution business in Australia followed by the acquisition of businesses in Brazil, Spanish Latin America and East Africa in 2008 which increased its presence in pharmerging markets.

Geographic diversification for sustainable growth in EBITA (four-year CAGR to 2015 = 27%)



■ International ■ South Africa ■ Asia Pacific ■ SSA

Geographic diversification for sustainable gross revenue growth (four-year CAGR to 2015 = 30%)



■ International ■ South Africa ■ Asia Pacific ■ SSA

Between 2009 and 2014, the Group completed a series of transactions with leading multinational companies for the acquisition of specialist, branded products and specialist manufacturing facilities which expanded Aspen's reach across six continents, including both developed and pharmerging markets. Through the aforementioned transactions, the Group's existing manufacturing capabilities which included oral solid dose, liquids, steriles, infant nutritionals and API technologies, were supplemented in 2014 by the acquisition of specialist API facilities in Oss, the Netherlands and Sioux City, the United States, a specialist sterile manufacturing facility in Notre Dame de Bondeville, France and an infant nutritionals facility in Vallejo, Mexico. The Group's network of 26 manufacturing facilities, presents a strategic advantage to sustain the supply of affordable, high quality products to its worldwide customer base. Significant investment has been made in the establishment of experienced sales representative structures, a global supply chain network and regulatory intelligence centres to support the Group's global expansion.

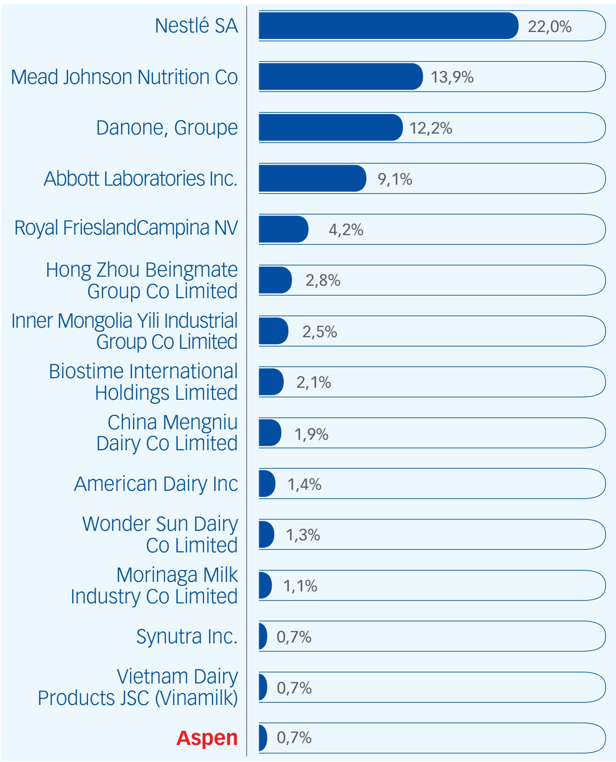
The Europe CIS pharmaceutical sector was valued at USD226 billion by IMS as at 30 June 2015. The European region is the world's second largest pharmaceutical sector, valued at USD210 billion, while the CIS region's sector is valued at USD16 billion and is ranked 11th globally. Healthcare spend per capita 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.

The Group's infant nutritionals portfolio comprises the Infacare, Nutrikids and S-26 brands which are currently supplied to customers in South Africa, Australia, SSA and Spanish Latin America. This portfolio includes a range of standard and speciality infant nutritional products. These products are positioned in the premium, standard and economy consumer categories, thereby offering both premium and affordable options to customers. Aspen is currently ranked the fifteenth largest supplier of infant nutritional products globally and one of only two suppliers in the top 15 that represents the pharmaceutical industry, adding the credibility of rigorous quality and safety standards. With almost 60% of the global demand for infant nutritional products coming from China, opportunities to supply Aspen's range of infant nutritionals to selected Asian countries, including China, continue to be evaluated. In this respect, Aspen 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. NZ New Milk is one of a limited number of companies which holds the required endorsements from the Chinese regulatory authorities to produce infant nutritionals for this key territory.

The Group's in-house Research and Development Department includes both paediatric and adult nutritional experts who are strategically located in Europe and in South Africa to provide the latest technical input for innovation projects.

Adding economic value to stakeholders continued

Global share of the infant milk formula sales



Source: 2015 Euromonitor international packaged food: Euromonitor from trade sources/national statistics

Aspen's mature businesses in South Africa and Australia continue to perform well. The Group has maintained its leading position in these territories despite factors which indicate tapered value growth prospects, mainly due to pricing pressure. In South Africa, Aspen provides a comprehensive range of products to customers and, through its large sales representation footprint, is well positioned to take advantage of volume growth drivers led by the increased access of patients to healthcare facilities. The single exit pricing mechanism in South Africa regulates the pricing of medicine in the private sector with reference to domestic inflation rates and the average rate of exchange. Price increases are granted annually, resulting in a timing and quantum lag between the approved prices increase and the impact of inflationary and currency adjustments to the supply chain. In Australia, the annual Pharmaceutical Benefits Scheme price decreases prevail, negating feasible prospects of value growth. In mitigation, Aspen Australia's product portfolio has been tailored to increase the focus on the supply of commercially viable products that continue to address customer needs. In addition, the Group has diversified its growth prospects further into Asia, including territories such as The Philippines, Malaysia, Taiwan and, more recently, Japan.

The Group's business model and brand recognition in Asia Pacific, Spanish Latin America, the Eastern Europe and CIS region, MENA and SSA have been embedded. The businesses are consequently well positioned to pursue growth prospects in these pharmerging regions where the need for affordable, branded products is high.

The Group has also targeted growth opportunities in the developed pharmaceutical markets in Western Europe and the United States with its portfolio of specialist, branded medicines with a material presence in the thrombosis category and important products in oncology, female health, endocrine, cardiovascular, anti-viral and gastro-intestinal diseases.

During 2015, the Group acquired 65% of Kama's pharmaceutical business in Ghana and Aspen Japan commenced trading on 1 July 2015, thereby expanding its presence in SSA and Asia Pacific respectively.

Through these strategic initiatives, the Group is well positioned to leverage its business model, intellectual property and manufacturing capabilities effectively across high-growth territories and thereby hedge its exposure to any particular region, product or currency.

Trust in the Aspen brand across key territories

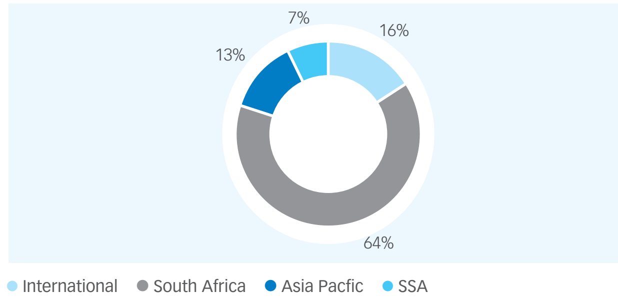
- Number 1 pharmaceutical company in South Africa – more than one in five scripts written are for an Aspen product in accordance with ImpactRx
- Largest supplier of medicines to the South African State anti-retroviral ("ARV") tender
- Cegedim reports that one in five scripts in Australia are written for an Aspen product
- Shelys is a leading pharmaceutical company in East Africa
- Aspen Japan commenced trading on 1 July 2015
- Aspen is a leading supplier of infant nutritionals in Australia, New Zealand, Latin America and Africa
- Aspen's S-26 range is a leading premium infant nutritionals brand in Australia
- Aspen is one of the leading suppliers of injectable anticoagulants in Europe with its portfolio of products including Arixtra, Fraxiparine and Mono-Embolex
- Aspen sponsors Continuing Medical Education activity focused on women thrombosis and cancer, through unrestricted grants
- Aspen's position as an established provider of infant nutritionals will be enhanced by the launch of a number of non-premium brands in certain tender-driven markets in the Spanish Latin American region

Leveraging the Group's diverse and specialist production capabilities

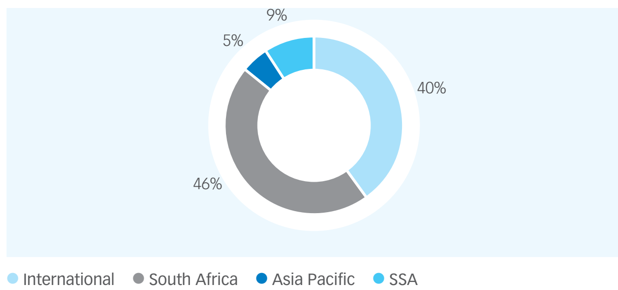
The Group's strategic objective of supplying high quality, affordable products is facilitated through vertical integration of its supply chain and ownership of its strategically important manufactured capital. In this way, the Group is able to better manage its operating profit margins and return on total assets.

Aspen's solid dose manufacturing is centred at its Port Elizabeth site in South Africa. The Aspen Bad Oldesloe site in Germany manufactures selected global brands for worldwide distribution and offers blow-fill seals manufacturing capability. The recently acquired API facility in the Netherlands and the prefilled sterile manufacturing facility in France have extended the Group's specialist manufacturing capabilities to sustain the supply of the acquired Arixtra and Fraxiparine/Fraxodi brands. The expansion of Aspen's infant nutritionals business into Spanish Latin America included the acquisition of Nestlé's infant nutritionals facility in Vallejo, Mexico during 2014. During the last year, strategic manufacturing projects have been focused on alignment of the acquired facilities to the Group's manufacturing and commercial strategies, to Aspen's quality and compliance standards and to the Group policies and procedures.

Analysis of Group tablet making capacity (2015: approximately 23 billion tablets)



Factory employees per geographic segment



A portion of the Group's products are manufactured by accredited third-party suppliers in the following instances where it has been assessed that:

- it is not feasible for Aspen to invest in the required technologies to produce the product;
- the cost of outsourced manufacture is competitive for smaller product volumes;
- acquired products are produced by third-party manufacturers as part of a transitional arrangement; and/or
- it reduces unwarranted complexity at the Aspen-owned sites.

There is a strong focus on continuous improvement initiatives to optimise production efficiencies across the Group in order to supply cost-effective products. Procurement management is a key focus area to manage the cost and consistent supply of production materials. These initiatives are implemented in alignment with the Group responsible corporate citizenship philosophy which is available online.

The Group's manufacturing capabilities and group strategic operations review are available on pages 52 to 55 of the 2015 Integrated Report. These reports present Aspen's network of 26 manufacturing facilities and progress made in leveraging the Group's organisational and manufactured capitals to achieve its strategic commercial objectives.

SENS announcements and media releases relating to the Group's corporate activities are available online.

The Group's positioning, growth prospects and risks across key territories

A summary of market characteristics as well as a summary of Aspen's reach, risks and opportunities across key territories is summarised in the pages that follow. Refer to the Business Unit Reviews on pages 56 to 75 of the 2015 Integrated Report and to the online 2015 Investor Presentation for an overview of annual performance, industry challenges and growth prospects across Aspen's material geographic segments.

Adding economic value to stakeholders continued

Aspen's positioning, growth prospects and risks across key territories

International: Latin America

Brazil

Leading territory indicators

Population:
206,1 million

Gross domestic product ("GDP") value:
USD2,4 trillion

IMS value of total pharmaceutical sector:
USD23,8 billion

Global IMS ranking of pharmaceutical sector:
8th

Healthcare expenditure per capita:
USD1 085

Aspen's primary product categories

1. Central nervous system agents
2. Insulin analogues
3. Systemic anti-bacterials

Number of permanent employees:
374

Number of stock keeping units ("SKUs") sold:
115

Risks

- Socio-economic challenges due to a steep decline in the oil price and currency volatility. High cost of doing business in a brand-conscious market, including high staff retention costs
- Highly regulated taxation environment

Opportunities

- Ongoing evaluation of local acquisition opportunities
- Steps have been taken towards increasing the pool of registered local suppliers to increase supply security for leading products

Mexico

Leading territory indicators

Population:
125,4 million

GDP value:
USD1,3 trillion

IMS value of total pharmaceutical sector:
USD11,2 billion

Global IMS ranking of pharmaceutical sector:
15th

Healthcare expenditure per capita:
USD664

Aspen's primary product categories

1. Infant nutritionals
2. Systemic corticosteroids
3. Endocrine hormonals

Number of permanent employees:
687

Number of SKUs sold:
136

Risks

- Price increases as a result of currency devaluation could increase demand for low-price generics.
- Ability to increase price to compensate for currency devaluation
- Enforcement of the breast feeding laws, reducing promotional opportunity for infant nutritionals and increasing complexity in this business

Opportunities

- Consolidation of the acquired female health products will support Aspen's growth in this targeted therapeutic category
- Transfer of selected products from third-party suppliers to Aspen-owned sites in Mexico will enhance security of supply for leading OTC brands
- Demonstrated performance improvement in the infant nutritionals portfolio since acquisition from Nestlé
- Leveraging the Vallejo manufacturing capabilities to realise synergies across the Group's infant nutritionals businesses

Venezuela

Leading territory indicators

Population:
30,7 million

GDP value:
USD510,0 billion

IMS value of total pharmaceutical sector:
USD9,2 billion

Global IMS ranking of pharmaceutical sector:
16th

Healthcare expenditure per capita:
USD1 085

Aspen's primary product categories

1. Infant nutritionals
2. Systemic corticosteroids
3. Endocrine hormonals

Number of permanent employees:
80

Number of SKUs sold:
138

Risks

- Sovereign and fiscal volatility in Venezuela due to steep declines in global oil prices – revenues from oil represent approximately 97% of total US Dollar inflow into Venezuela
- Hyperinflation leading to significantly lower consumer demand
- Further tightening of exchange and price controls

Opportunities

- Good growth prospects for branded products including Aspen's portfolio of infant nutritionals products
- Pharmaceutical products represent a critical need for consumers in the country and a limited number of suppliers remain active in Venezuela

International: Rest of the world

Europe

European Union

Leading territory indicators

Population:
508,3 million

GDP value:
USD18,5 trillion

IMS value of total pharmaceutical sector:
USD210,0 billion

Global IMS ranking of pharmaceutical sector:
2nd

Healthcare expenditure per capita:
USD3 460

Aspen's primary product categories

1. Analgesics
2. Endocrine hormonals
3. Anti-thrombotic agents

Risks

- Increased penetration of oral anticoagulants have the possibility to reduce market share of injectable anticoagulants reducing top line revenue
- High cost of operating in Europe impacting operating profit margins
- Pharmaceutical pricing regulations impacting continued feasibility of selected product portfolios
- Diverse regulatory requirements across developed markets
- Foreign currency movements will continue to affect results

Opportunities

- Targeted promotional activities and improved cost of goods initiatives in respect of the acquired Arixtra and Fraxiparine products
- Synergistic opportunities presented by the acquisition and integration of Mono-Embolex
- Revitalisation of the women's health portfolio in Europe and CIS with active promotion to gynaecologists and price increases
- Leverage the synergies between the female health and oncology portfolios
- Launch of a project to improve profitability through reduction in product costs and managing salesforce efficiency
- Dedicated commercial teams are focused on growing the recently acquired thrombosis portfolio through leveraging the Group's supply chain capabilities
- The acquisition of the specialist manufacturing facilities at Oss in the Netherlands and Notre Dame de Bondeville in France further extends Aspen's vertical integration capabilities to effectively manage product cost competitiveness and sustained supply of critical medicines

CIS

Number of permanent employees:
2 608

Number of SKUs sold:
2 075

CIS

Leading territory indicators

Population:
143,8 million

GDP value:
USD1,9 trillion

IMS value of total pharmaceutical sector:
USD16,0 billion

Global IMS ranking of pharmaceutical sector:
11th

Healthcare expenditure per capita:
USD957

Aspen's primary product categories

1. Anti-thrombotic agents
2. Oncology
3. Endocrine hormonals

Risks

- Socio-economic challenges due to a steep decline in the oil price and currency volatility. High cost of doing business in a brand-conscious market, including high staff retention costs
- Barriers to entry are high including price controls, localisation and regulatory requirements

Opportunities

- Long-term growth potential for range of anticoagulant products
- Aspen is ranked first in the hospital injectable thrombosis segment

- *Source for healthcare expenditure per capita (2014), GDP and population size data: www.worldbank.org.*
- *IMS values and rankings are reported as at 31 December 2014. IMS sales values have been combined for the European Union countries (region ranked 2nd overall).*
- *These regional values are not specifically ranked by IMS and therefore the approximated ranking has been included based on IMS sales value. The IMS country rankings have not been adjusted to include these combined regions and reflect the IMS rankings as at 31 December 2014.*

Adding economic value to stakeholders continued

Aspen's positioning, growth prospects and risks across key territories continued

Asia Pacific

Leading territory indicators

Population:
23,5 million

GDP value:
USD1,5 trillion

IMS value of total pharmaceutical sector:
USD12,2 billion

Global IMS ranking of pharmaceutical sector:
14th

Healthcare expenditure per capita:
USD6 110

Aspen's primary product categories

1. Infant nutritionals
2. Analgesics
3. Intestinal anti-inflammatory

Australia

Number of permanent employees:
671

Number of SKUs sold:
1 198

Risks

- Low population growth in Australia where patients have established access to medicines
- Pharmaceutical Benefits Scheme price cuts and growing competition restricting sustainable value and margin growth
- Weakening of Australian Dollar against the US Dollar places pressure on gross margins as a large portion of products are imported

Opportunities

- Aspen has established strong credibility in Australia and will focus on niche and branded molecules, with multinational partners, going forward
- Ongoing restructuring of the business following the divestment will harvest improved margins through greater efficiencies across the business
- Infant nutritionals business expected to continue to show strong growth through promotional activities and improved supply of products from NZ New Milk
- Australia represents a regional gateway to access high-growth pharmerging countries in Asia

Leading territory indicators

Population:
127,1 million

GDP value:
USD4,6 trillion

IMS value of total pharmaceutical sector:
USD78,9 billion

Global IMS ranking of pharmaceutical sector:
2nd

Healthcare expenditure per capita:
USD3 966

Aspen's primary product categories

1. Immunosuppressants
2. Corticosteroids
3. Anti-thrombotic agents

Japan

Number of permanent employees:
21

Number of SKUs sold:
17

Risks

- A mature market where prices are regulated through bi-annual price cuts on pharmaceutical products
- Stringent regulatory, quality and safety requirements with a high level of inherent reputational risk in the event of non-compliance

Opportunities

- Aspen's portfolio of authorised, branded generics provides the option of high quality, affordable medicines in a country where the containment of escalating healthcare expenditure is a priority

- *Source for healthcare expenditure per capita (2014), GDP and population size data: www.worldbank.org.*
- *IMS values and rankings are reported as at 31 December 2014. IMS sales values have been combined for the European Union countries (region ranked 2nd overall).*
- *These regional values are not specifically ranked by IMS and therefore the approximated ranking has been included based on IMS sales value. The IMS country rankings have not been adjusted to include these combined regions and reflect the IMS rankings as at 31 December 2014.*

South Africa

Leading territory indicators

Population:
54,0 million

GDP value:
USD349,8 billion

IMS value of total pharmaceutical sector:
USD3,0 billion

Global IMS ranking of pharmaceutical sector:
34th

Healthcare expenditure per capita:
USD593

Aspen's primary product categories

1. ARVs
2. Infant nutritionals
3. Analgesics

South Africa

Number of permanent employees:
3 634

Number of SKUs sold in South Africa:
1 683

Number of SKUs sold in export territories:
1 476

Risks

- Margin pressure – single exit price increases have not adequately covered inflationary increases and the impact of currency adjustments on the cost of goods
- Regulatory uncertainties with the pending logistics fee and international benchmark regulations
- Impact of erratic demand for public sector products on working capital and production planning

Opportunities

- Aspen is South Africa's leading pharmaceutical company and has the largest sales representation in South Africa
- Increased access to medicines and healthcare facilities by a greater number of patients leading to increased disease diagnoses
- Socio-economic and healthcare legislation favour volume growth for affordable generics
- Through vertical integration and scale of sales units, the Group is able to respond to pricing risks
- Aspen offers a diverse basket of generics, branded and consumer products in private and public sectors in South Africa

Sub-Saharan Africa

Leading territory indicators

Population:
973,4 million (Nigeria: 177,5 million)

GDP value:
USD1,7 trillion (Nigeria: USD568,5 billion)

IMS value of total pharmaceutical sector:
Not available

Global IMS ranking of pharmaceutical sector:
Not ranked

Healthcare expenditure per capita:
USD101

Aspen's primary product categories

1. Analgesics
2. Infant nutritionals
3. Cough and cold preparation

SSA

Number of permanent employees:
408

Number of SKUs sold:
3 797

Risks

- Political instability, currency volatility and fragmented markets
- The ability to reach critical mass in any one territory
- Impact of counterfeit medicines and cheap generics imported from India and China

Opportunities

- Aspen, in collaboration with GSK, has the largest sales representation in the region
- A high-growth future pharmerging market
- Socio-economic factors favour affordable generics in this region
- In East Africa Aspen represents pharma companies in SSA in terms of distribution and marketing
- Continued expansion in West Africa through product and business acquisitions
- Aspen has local manufacturing presence in this region

Maintenance of financial health

Relevance to the business

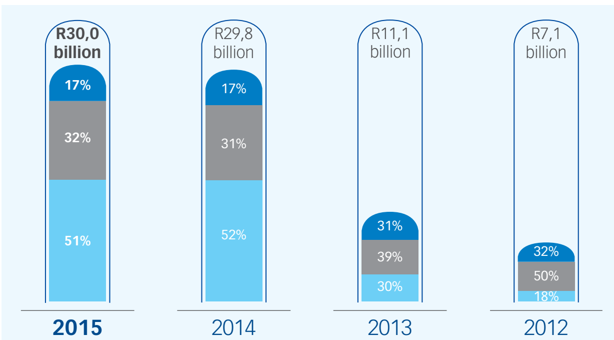
Relevant strategic objectives:
- **To achieve superior returns on investment for our shareholders over the long term**
- **To be alert to opportunities to enhance the value of the Group for its stakeholders**

To sustain the Group's business model and to generate accretive value for investors, Aspen has a fiduciary duty to its stakeholders to manage its financial capital in a responsible manner. Robust financial controls and treasury management systems are in place to mitigate currency, interest rate and credit risks as far as reasonably possible.

The Group's cash flows, financial performance, funding structure and debt covenant obligations are managed and monitored at multiple levels on an ongoing basis. A treasury risk management approach is used across the Group. The treasury function makes recommendations to the Treasury Committee which discusses and approves funding decisions within its mandate, referring decisions to higher authorities as specified in the approvals framework. Aspen Global independently manages its own treasury function and that of its subsidiaries. At a business unit level, treasury considerations are built into monthly cash flow reporting and debt or funding ratios. Borrowings are grouped into currency-denominated debt pools that strive to match the related cash flows to mitigate against currency mismatches. It is not always possible, however, to match the currencies of the operating cash flows exactly to the debt service payments and hence it is possible for currency mismatches to occur. Natural hedging and derivative foreign exchange instruments are applied to manage currency risk where it is practical to do so.

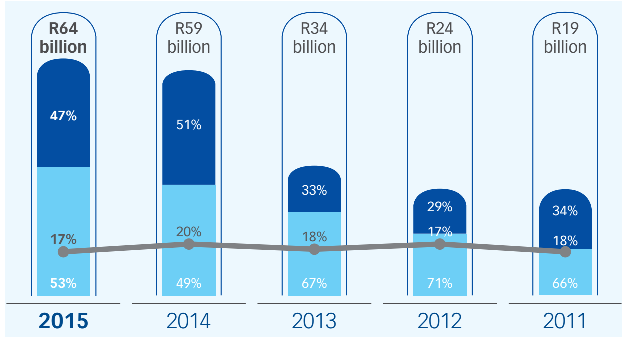
Notwithstanding the impact of ongoing geopolitical event risk on global debt capital markets, Aspen continues to offer a credible debt investment proposition for both local and international lenders seeking to establish, maintain and enhance their business relationships with Aspen. The Group has a proven track record for raising funding on a cost-effective basis as part of its growth strategy and fostering enduring relationships with its key lenders. The funding of growth opportunities is considered as part of a Group-wide capital structure.

Debt pool composition



■ International ■ South Africa ■ Asia Pacific

Capital composition



■ Equity ■ Net borrowings —●— Return on shareholders' equity

Review of 2015 performance

Material KPI	2015	2014	Change
Operating cash flow per share (cents)	1 060	841	26%
Net interest cover (times)	6	8	–

The Group's investment in working capital increased by 10% to R14 billion affected by the once-off investment in working capital relating to recent business acquisitions. The working capital cycle for Aspen Oss is higher due to the long API production cycle. The Group's working capital, excluding Aspen Oss, as a percentage of revenue for 2015 was 32% (2014: 32%).

Solid growth of 26% in operating cash flow per share is as a consequence of lower relative working capital investment which peaked in 2014 as a consequence of the business acquisitions undertaken during that year.

The Group's net borrowings increased by 1% to R30,0 billion. The increase included investments in the new subsidiaries, businesses and products at a value of R2,2 billion and capital investment projects to the value of R2,4 billion. This was largely offset by the proceeds from the sale of assets totalling R3,6 billion. The Group's net borrowings continue to be managed through currency-denominated debt pools, of which 68% are from international sources. The exchange rate effect on these borrowings resulted in an increase of R2,5 billion (2014: R0,8 billion).

Net interest cover reduced to six times (2014: eight times) and exceeded Aspen's internal target of five times cover.

Sustaining a cost-competitive manufacturing base

Relevance to the business

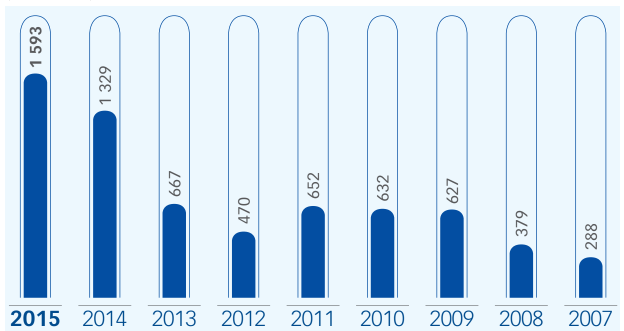
Relevant strategic objectives:
- **To achieve superior returns on investment for our shareholders over the long term**
- **To achieve a strategic advantage through our production capabilities**
- **To be alert to opportunities to enhance the value of the Group for its stakeholders.**

Aspen is committed to supplying high quality products at affordable prices globally. To this end, the Group's production facilities present a range of manufacturing capabilities and capacities that are aligned to the Group's current and future commercial objectives. By owning its strategically important manufacturing capital, Aspen is able to better manage its product quality, production efficiencies and cost competitiveness to ensure responsive management of the supply chain. This, in turn, supports the maintenance of Group EBITA margins. Where outsourcing manufacture of selected product ranges to accredited third-party manufacturers is evaluated to be more feasible, supply chain and quality control processes are implemented to manage this supply relationship in alignment with the Group's overall supply strategy. There is a strong focus on continuous improvement projects to enhance production efficiencies and optimise economies of scale. These also include initiatives aimed at enhancing employee safety and responsible environmental management practices.

All supplied products are manufactured at facilities that have been approved for compliance by relevant regulatory authorities for supplied territories. Quality control and quality assurance procedures are stringently applied and adherence is monitored to uphold product quality.

The South African sites, centred in Port Elizabeth, represent 64% of the Group's tablet manufacturing capacity. Aspen's ongoing investment in its world-class manufacturing hub in South Africa has contributed positively to the region by increasing employment opportunities and has contributed to the development of its employees. In addition to this, it has and will continue to create business opportunities for downstream BBBEE entrepreneurs, our strategic objective. Over the last nine years, the Group has invested more than R6,5 billion to expand, upgrade and refurbish its manufacturing facilities, largely related to facility investment projects at the South African sites.

Annual investment in property, plant and equipment
(R'million)



This investment has also enabled the export of products from the South African facilities to reduce reliance on volumes from the South African business. The number of SKUs exported to international territories (including third-party manufacturing) represents 47% of total volumes produced at the South African finished product facilities.

Details of the Group's manufacturing capabilities are available on pages 52 and 53 of the 2015 Integrated Report.

Review of 2015 performance

Material KPI	2015	2014
Return on total assets	12%	13%
EBITA margin %	24%	25%

Pages 48 to 51 of the financial review in the 2015 Integrated Report provide for a synopsis of the Group's financial performance for the year under review.

The Group owns 26 manufacturing facilities across South Africa, Germany, Australia, France, the Netherlands, Brazil, Mexico, Kenya and Tanzania. During the prior financial year, Aspen acquired MSD's API facilities in the Netherlands and the United States, GSK's finished dose sterile manufacturing site in France and Nestlé's infant nutritionals manufacturing site in Mexico. The addition of these facilities extends the Group's manufacturing capabilities to include the production of biochemical products and anti-coagulants while enhancing vertical integration opportunities for specialist APIs and nutritional products.

Oral solid dose manufacturing

The construction of the high-containment facility in Port Elizabeth is progressing to plan and will further extend Aspen's oral solid dose manufacturing capability. The hormonal suite at this site has been completed and manufacturing trials have commenced, while the oncolytic suite is nearing final completion. This facility employs technologies that support the requirements for high levels of containment and operator protection. The upgrade of the Unit 3 domestic market packing area to international standards has been completed and has the packing capacity for internationally marketed products. 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.

Sustaining a cost-competitive manufacturing base continued

Sterile manufacturing

The complementary processes and products across these sites will present Aspen with a significant skills and technology base to support future growth. 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 Aspen sterile facility site in Port Elizabeth was successfully inspected by the German regulatory authorities for the granting of a manufacturing licence for supply of Fraxiparine vials into the European Union and the transfer of the acquired Fraxiparine vials product into this facility is progressing to plan. 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. Following project completion in 2017 of the Sterile manufacturing site in Port Elizabeth, these sites in South Africa and France will be complementary in technology (identical prefilled syringe filling technology) and product offering (Fraxiparine in prefilled syringe and vial formats).

API manufacturing

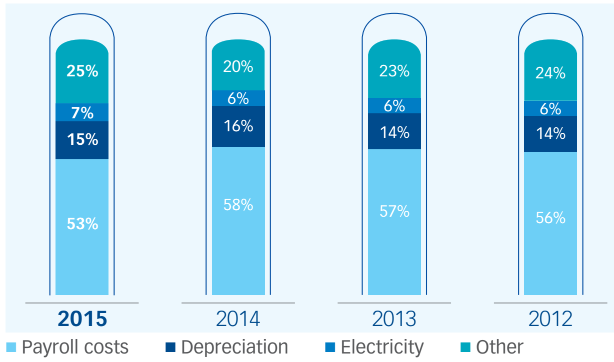
The integration of Aspen Oss into the existing Aspen API network has made pleasing progress during the past year with a number of realignment and integration projects being put in place. Construction of the new high volume, high potency multi-purpose API facility at FCC in South Africa, is continuing according 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. The upgrades to existing production facilities to improve GMP and efficiencies have also been completed.

The Aspen Oss and FCC 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.

Procurement and supporting transformation in the South African supply chain

Group procurement is an area which has received a significant amount of focus for improved efficiencies, particularly at the South African operations where the cost of production materials represents close to 70% of total production costs.

Allocation of conversion costs at the South African facilities



In South Africa, Aspen's raw materials are largely purchased from accredited suppliers in the East as local sources of supply are not available for these products. Packaging material is procured mostly from South African suppliers to the extent that quality and cost requirements are met. Aspen's total qualifying procurement spend in South Africa with BBBEE suppliers amounted to 88,8%.

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.

Creating an environment in which our employees can thrive

Relevance to the business

Relevant strategic objectives:

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

Aspen is made up of a team of more than 10 000 committed, responsible, dynamic and solutions-oriented individuals who, collectively, represent the Group's human capital and contribute toward developing its organisational capital. Aspen's proven success is testament to the effectiveness of its employee management processes that empower employees through a culture of accountability. Once appointed, all employees are given equal opportunities for development, advancement and promotion, without prejudice. The Group supports transformation objectives in South Africa, and consequently, applies the principles of the BBBEE Codes for the advancement of historically disadvantaged individuals.

Aspen seeks to attract, develop and retain appropriately qualified and experienced individuals who present the right mix of technical and behavioural competencies that address targeted business requirements. The Group invests in structured on-the-job coaching, training and mentoring programmes as well as in relevant training courses to ensure that employees are able to execute their mandated responsibilities. The Group Human Resources Department, under the leadership of the Human Resources Executive, develops and monitors the employee management strategy, related policies and effectiveness of training programmes. Decentralised human resources structures, at a business unit level, are responsible for implementation of policies that are aligned to the Group's human resources strategies and with relevant in-country labour legislation.

Retention plans are in place for key managerial and technical staff and for identified high potential employees. Succession plans are also in place for key business unit executives. The adequacy of these succession plans is monitored by the responsible regional executives. The Remuneration & Nomination Committee monitors succession plans in respect of the Group's executive directors and senior executives. The effectiveness of leadership and management development programmes is monitored.

Supporting staff to create value

Employee performance is managed through formal Key Performance Area ("KPA") programmes. During the year, KPAs were conducted for 94% of permanent employees in the Group. Annual salary increases and performance bonuses are based on the results of the KPA process and other business management factors.

The Remuneration & Nomination Committee monitors remuneration and reward structures to ensure that employees are compensated with competitive salary and benefit schemes. Employee wage rates across the Group comply with legislated wage rates in the relevant jurisdictions and, where applicable, employees are paid in accordance with rates agreed upon with trade unions and/or collective bargaining councils. Salaries are benchmarked against industry standards in each territory to ensure that high-performing employees are offered competitive remuneration packages that would promote retention objectives.

To accommodate unique personal circumstances which may prevent an employee from complying with the Group's standard work hours, selected business units may approve flexible working arrangements for employees in line with the adopted policy principles.

Respecting employee rights

Human resources, industrial relations and legal compliance frameworks are in place to uphold employee rights and ensure compliance with labour legislation. Formal grievance procedures are in place and communicated to employees at each business unit. The Group employee grievance policy is available online. In the execution of their duties, employees are required to abide by the Group's Code of Conduct and adherence is monitored by regional ethics officers. In order to uphold its corporate reputation, Aspen applies a zero-tolerance approach to unethical behaviour.

Employee trade unions represent a key stakeholder group. Site executive management teams manage trade union relationships. All employees are free to exercise their right to belong to trade unions and collective bargaining units without restriction. At year end, approximately 22% of the Group's employees were members of a trade union and 34% of employees were represented by collective bargaining units. No strike action was experienced at any one of the Group's manufacturing facilities during the year under review and consequently no production days were lost. Subsequent to year end, unionised employees at Aspen's Dandenong manufacturing site embarked on a strike in August 2015 which resulted in a temporary lock-out of these employees – a total of eight production days were lost as a result of this industrial action.

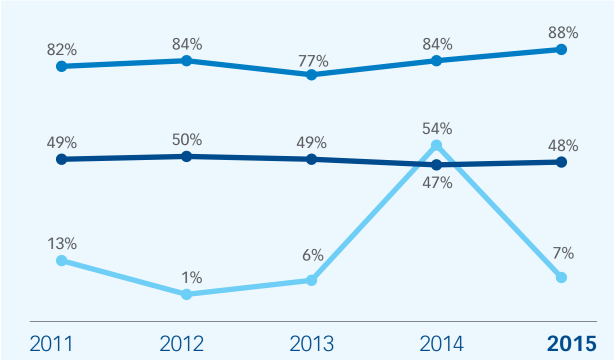
Review of 2015 performance

Material KPI	2015	2014	Change
Average staff turnover	**14%**	13%	1%
Training spend per employee	**R5 656**	R3 477	63%

Creating an environment in which our employees can thrive continued

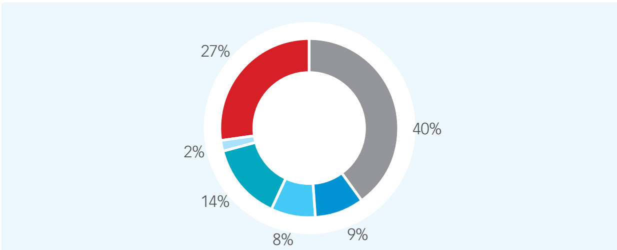
As at 30 June 2015, Aspen employed a total of 10 331 employees, representing 45 different nationalities across six continents. Women represented 48% of the total workforce and 88% of the employees were employed on a permanent basis. In South Africa, 79% of permanent employees represent historically disadvantaged individuals.

Group employee trends



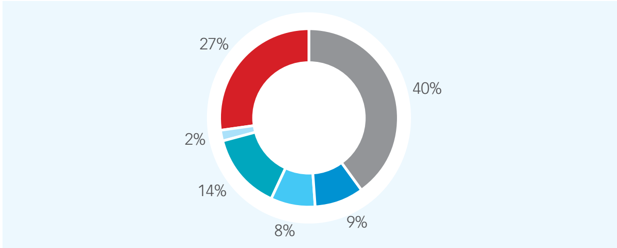
- Net growth in permanent employees
- Percentage of female employees
- Percentage of permanent employees

Aspen's total employees per geographic segment (2015)



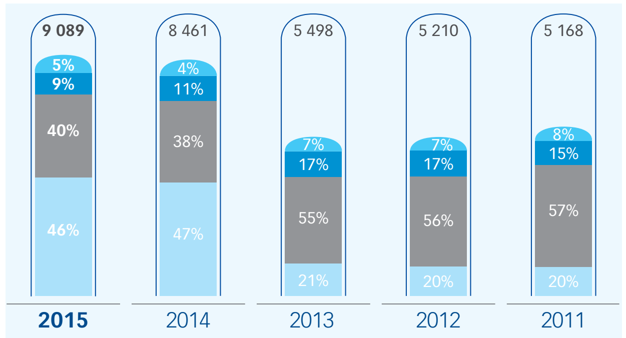
South Africa, SSA, Rest of the world, Asia Pacfic, Latin America, Europe CIS

Aspen's total employees per geographic segment (2014)



South Africa, SSA, Rest of the world, Asia Pacfic, Latin America, Europe CIS

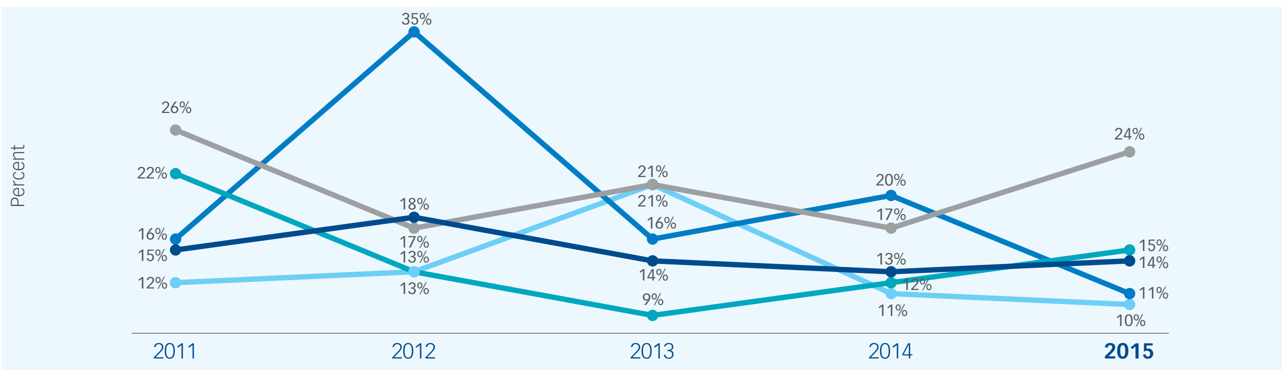
Number of permanent employees per geography



International, South Africa, Asia Pacific, SSA

The Group's average staff turnover increased by 1% to 14%. The reasons for the attrition rates are being monitored by business unit management teams and the Group Human Resources Department. Appropriate interventions have been introduced in Spanish Latin America, Russia and selected territories in Asia Pacific where turnover rates are generally high with resultant improvements having been realised in some areas such as Brazil. The manufacturing site rationalisation project in Australia has been completed for the most part.

Permanent employee turnover ratios



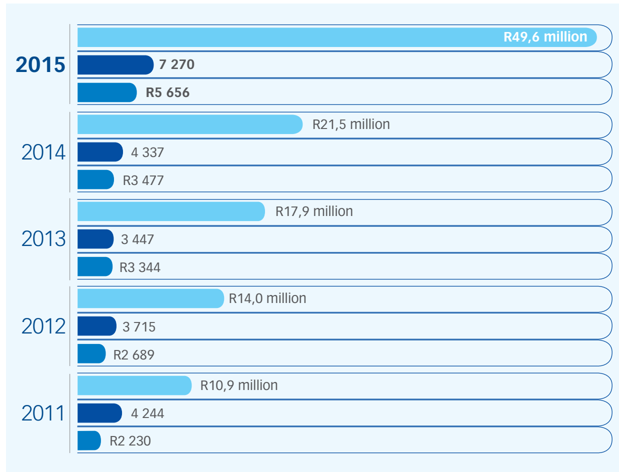
International, South Africa, Asia Pacific, SSA, Total Group

No occupational fatalities occurred during the year but the Group regrets to report the non-work-related deaths of 15 employees. Fifty-three (2014: 42) employees retired during the year, including five medical retirements. Aspen acknowledges the value these individuals have added to the Group during their tenure.

The Group invested in training interventions for 7 270 employees during the year (2014: 4 337 employees), representing an increase of 68%. Training interventions included short training courses, management and leadership development programmes as well as executive coaching programmes.

The total investment in employee training and development programmes increased by 131% to R49,6 million (2014: R21,5 million). This increase was due to the inclusion of training spend for Aspen NDB, Aspen Oss, Valleyo in Mexico and Europe CIS for the first time to the value of R24 million. As a result, the average training spend per employee increased by 63% to R5 656 (2014: R3 477). The average training spend for the base business units increased by 17% to R4 052 against the comparative 2014 value.

Investment in employee training

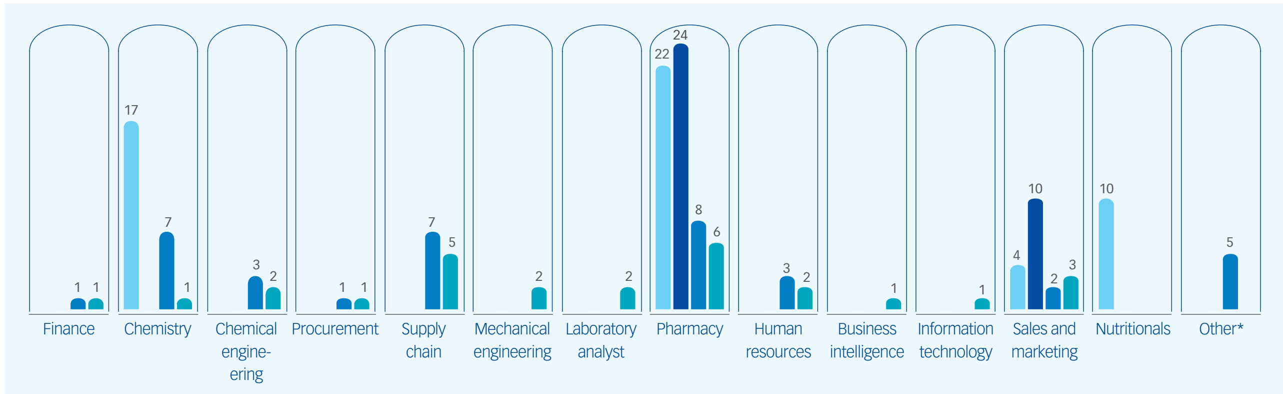


- Total investment in training
- Total number of employees trained
- Average value of training spend per permanent employee

New training initiatives such as the Aspen Competencies and Global Talent Planning Process have been launched to the Group.

During the year, the Group supported various skills development programmes comprising internships and learnerships within South Africa. In total, 61 learners successfully completed their skills development programmes, which included 60 learners from historically disadvantaged backgrounds. Ninety learners are continuing their programmes of which 89 are previously disadvantaged.

Skills development programmes



- Learnerships (in progress)
- Learnerships (complete)
- Internships (in progress)
- Internships (complete)

Other includes Legal, biotechnology, microbiology and production.

Creating an environment in which our employees can thrive continued

Women in leadership

The Women in Leadership Programme was launched in Port Elizabeth during the year which brings together a cross functional representation of women in the organisation who receive the opportunity to network with each other and receive training from mentors within this group. During March 2015, 19 participants attended this programme.

Training and development

A dairyman learnership programme was launched at the Aspen's nutritionals site in February 2015. Participants included learners with disabilities who received training on how to convert milk into various commercial products and achieve the Dairyman qualification. The South African government acknowledged the programme and the Premier of Gauteng, Mayor of Ekurhuleni and the Minister of Agriculture, Forestry and Fisheries visited the learners at the Aspen site in Johannesburg.

Management development

The Aspen Management Development Programme 2015 started in March 2015 comprising 27 delegates from the South African businesses and Aspen Global. The programme is in its second year and has proven to be effective in improving the managerial skills. The opening event of this year's programme was attended by Aspen's Group executives who emphasised the importance of this programme in developing Aspen's future leaders.

Managing employee wellness

Employee health, wellness and fitness for work are fundamental to enable the effective execution of designated responsibilities and implementation of value-adding initiatives for the business. To this end, employee benefit arrangements include subsidisation of tailored healthcare insurance plans for employees and their direct dependants where this is required. Employees at selected sites also have access to on-site clinics, employee assistance programmes and wellness support programmes.

Employee wellness facilities are unique to each business unit with reference to the quality and proximity of public healthcare facilities and local healthcare priorities. Employee health and wellness risks that potentially impact employee productivity are identified through monitoring root causes for recurring absenteeism. Where on-site facilities exist, medical counselling and support, in terms of specialist referrals, is offered to employees. For absenteeism related to a diagnosed illness or a psycho-social matter, employees are referred to the employee assistance programme at sites where this is in place. The potential risk of occupational illness and disease is managed through the SHE management programme which specifies the required medical codes of practice for pre-employment, periodical and exit medical surveillance.

Supporting employees in the identification and management of HIV/AIDS

In Africa, HIV/AIDS and related non-communicable diseases continue to present a sustainability risk to economic productivity on the continent and negatively impacts the lives of affected employees and their families. UNAIDS reports that 25,8 million people were estimated to be living with HIV/AIDS in SSA and only 10,7 million, representing 41%, are receiving ARV treatment. Furthermore, 66% of all new infections arise in SSA.

- 36,9 million people globally are living with HIV/AIDS with 25,8 million people living in SSA, representing 70%
- SSA accounts for 66% of the global new HIV infections and 41% of infected people are accessing ARV treatment
- AIDS-related deaths have fallen by 42% since the peak in 2004, having reduced to 1,2 million people
- One in five AIDS-related deaths are attributable to tuberculosis

Source: UNAIDS 2014 Fact Sheet

Aspen acknowledges these issues and has played an active role in responding to the medicinal need for affordable ARVs and generic medication to address non-communicable diseases, including tuberculosis, over the last 10 years.

Targets are not set for the percentage of HIV/AIDS positive employees or for the participation rates in the voluntary testing programmes as these factors cannot be controlled by Aspen. Instead, a proactive approach is applied to support affected employees with early identification and ongoing management of the disease. HIV/AIDS voluntary testing and counselling programmes are in place for employees in South Africa and East Africa who are most exposed to the HIV/AIDS risks.

Non-communicable diseases such as diabetes, hypertension and cholesterol are also tested during this assessment. An HIV/AIDS policy is in place. Infected employees have access to subsidised ARVs and voluntary counselling and support programmes through their healthcare insurance schemes. HIV/AIDS prevention and disease management training is offered to all employees and to family members of affected employees through peer educator programmes. Free condoms are conveniently accessible to employees from condom dispensers installed at various points across the South African and East African sites.

Aspen participates annually in World AIDS Day on 1 December and World TB Day on 24 March.

Voluntary counselling and testing programmes were conducted in South Africa and East Africa during September and October 2013. Employee participation continues to be encouraged through the HIV/AIDS awareness initiatives, assuring employees that the rights of employees will continue to be upheld, irrespective of the HIV/AIDS status. Results achieved are outlined in the table below.

Region	Number of partici-pants	Partici-pation rate*	Percentage tested who were found to be HIV/AIDS positive
South Africa	1 268	31%	2,4%
East Africa	192	58%	1,0%

**The participation rate is calculated with reference to the total number of permanent employees as at 30 June 2014. HIV testing is conducted every two years.*

Providing a safe working environment

Relevance to the business

Relevant strategic objective:

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

Aspen's commitment to safety and security management

Employees are entitled to a safe and healthy working environment and Aspen is committed to ensuring the safety and security of employees and third parties visiting its premises. This principle is outlined in the Group's Code of Conduct which is available online. In accordance with the Aspen Code of Conduct for Suppliers and Service Providers, available online, suppliers and third-party contractors are required to implement good health and safety practices for their employees and to adhere to Aspen's health and safety protocols for on-site work performed. The prevention of work-related injuries, permanent disabling injuries and occupational diseases is a key focus area for site management teams, particularly at the manufacturing facilities where the inherent risks of health and safety incidents, including chemical exposure, are high. Due to the nature of pharmaceutical and chemical products, compliance controls are in place, across the supply chain, to address the safe and compliant handling and transport of all materials and products.

Aspen's Board monitors material SHE KPIs on a quarterly basis and, through the Social & Ethics Committee, monitors the effectiveness and compliance of SHE management systems across the Group.

Formal SHE representation and management structures are in place at all manufacturing sites. SHE compliance is monitored and managed on a day-to-day basis and SHE KPIs form part of site management reporting processes. The Group SHE Department develops and promotes Aspen's SHE standards and monitors compliance and effectiveness of compliant SHE management systems across the business units. Independent SHE legal compliance audits are conducted annually across all manufacturing facilities. The Group SHE Department monitors the results of these audits during the year to verify and track progress of corrective action plans.

Ensuring employee security

Access controls and security systems are in place across all manufacturing and commercial sites to prevent unauthorised entry in the interests of employees and asset security. Additional measures are implemented by local management teams to protect employee safety in countries where the risk of social and/or political unrest is high.

Supporting SHE awareness

SHE awareness training is key to preventive safety management. SHE awareness and competency training programmes are conducted to promote the effective implementation and maintenance of SHE policies and procedures.

Safety management: Brazil – Vitoria

The Vitoria manufacturing site in Brazil achieved a significant improvement in safety management as the DIFR and LWDFR were reduced to Nil (2014: 3,61). This was achieved through focused teamwork and a commitment to improvement in the safety controls environment. With support from executive business unit leaders, a SHE operations team, comprising site leaders, was formed to drive the establishment and implementation of a formal SHE management system. A series of training and awareness interventions was implemented at the site to ensure clear understanding of roles and responsibilities for safety management as well as awareness of the potential consequences of unsafe behaviours and activities.

Managing SHE compliance

Aspen's manufacturing sites in South Africa (other than FCC), Germany and Vallejo in Mexico are OHSAS 18001 certified. Phased plans are in progress across the remaining manufacturing facilities to align site SHE systems to OHSAS 18001 and Aspen's SHE management standards. This alignment process is expected to be completed in 2017 and formal certification will be considered thereafter. The SHE policies in respect of South African operations, at Aspen Bad Oldesloe and Vallejo in Mexico, are displayed across the manufacturing sites and are available online.

Measuring SHE performance

External independent SHE compliance audits were performed at 14 of the Group's more material sites during the year. The status of compliance at the majority of the sites was considered adequate. All material findings have been addressed and the necessary corrective actions have been implemented. The implementation of all corrective actions is managed by each facility and the progress made in closing out the findings is monitored by the Group SHE function.

The DIFR and LWDFR represent the Group's material safety KPIs.

The DIFR reflects the percentage of employees who suffered disabling injuries in the 12 months ended 30 June 2015, irrespective of whether such incidents resulted in lost work days. DIFR tolerance is set at less than or equal to 1,00.

The LWDFR indicates the percentage of employees who were absent from work due to work-related disabling injuries over the last 12 months. LWDFR tolerance is set at less than or equal to 0,75.

The calculation formulae for DIFR and LWDFR are reflected on page 58.

Review of 2015 performance

Material KPI	2015	2014	Change
DIFR	**1,08**	1,32	-18%
LWDFR	**0,85**	1,14	-25%

The Group's DIFR and LWDFR improved during the year, having decreased by 18% and 25% respectively. This was largely due to increased focus on safety compliance and safety initiatives undertaken during the year. The Group's 2015 DIFR and LWDFR both, however, exceeded the tolerance levels of 1,00 and 0,75 respectively.

No permanent disabling injuries (2014: Nil) or work-related fatalities (2014: Nil) were recorded during the year.

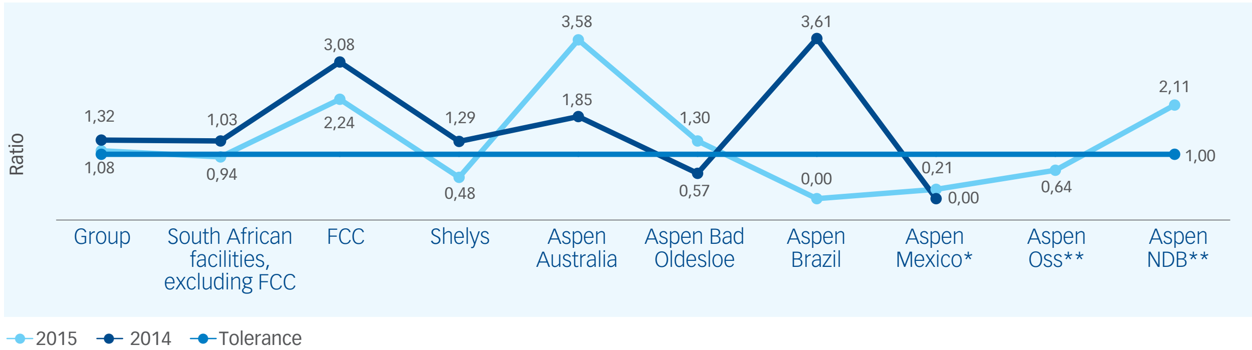
Aspen NDB and Aspen Oss have been included in the calculation of the safety ratios for the first time during 2015 and no comparative information exists. Subsequent to the acquisition of these sites, a comprehensive overview of the Aspen sustainability reporting requirements was conducted to ensure inclusion in the 2015 reports.

Aspen Bad Oldesloe reported two additional incidents in comparison to the previous year. All four incidents were considered to be isolated cases but additional preventive measures have been put in place.

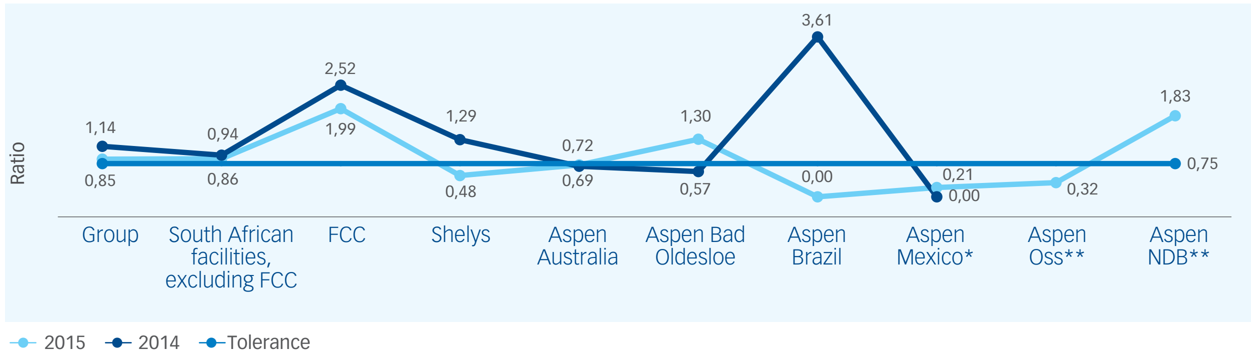
The DIFR and LWDFR for Aspen Oss were below the tolerance levels. Fifteen disabling injuries and 13 lost work day cases were recorded at Aspen NDB. Subsequently, increased safety awareness and competency training programmes have been conducted. There has also been an evaluation of preventive maintenance plans, and system as well as equipment design has been strengthened.

Through the development and implementation of formal SHE management systems initiated in the previous financial year, the Shelys and Aspen Brazil facilities continued to demonstrate an improvement in their DIFR and LWDFR ratios. The ongoing promotion of compliance to standard operating procedures and SHE awareness training have improved the ratios for South Africa and FCC.

DIFR trend



LWDFR trend



*From 2015 Aspen Mexico includes two sites, namely Vallejo and Toluca (2014: Aspen Mexico only included the Toluca site).
**Aspen Oss and Aspen NDB have implemented sustainability reporting from 2015 and therefore do not have comparatives.

Promoting equality

Relevance to the business

Relevant strategic objective:
- **To practise good corporate citizenship**

Transformation in South Africa

As a proudly South African-based group, Aspen supports the country's transformation objectives which aim to empower historically disadvantaged groups in South Africa. Through the legislated economic empowerment initiatives, South Africa will benefit from the social reparation of past injustices and the added economic contribution of inclusive and unrestricted participation by all citizens. The Group's employee management policies in South Africa are aligned with the Employment Equity Act and the BBBEE Codes to promote the advancement of historically disadvantaged individuals. In accordance with the BBBEE Codes and Aspen's transformation policy, the advancement of historically disadvantaged individuals, including females, in the South African business is promoted and measured. In addition, enterprise development projects and preferential procurement objectives and targets are in place to support the emergence of black-owned and black female-owned businesses. To this end, procurement initiatives include the identification of qualifying suppliers. The Social & Ethics Committee monitors progress of the Group's transformational objectives. Aspen's transformation policy can be accessed online.

During the year four of the eight non-executive directors who served on the Board of Aspen Pharmacare Holdings Limited, were from historically disadvantaged backgrounds, three of whom were female, including the Board's Chairman. This supports the Group's targeted objectives towards promoting transformation in the South African business.

In South Africa, in accordance with the BBBEE Codes and Aspen's transformation policy, the training, development and advancement of historically disadvantaged individuals, including females, is promoted and measured. Employment equity forums are in place at each of the South African sites.

Respecting human rights

Aspen's working environment is free of prejudice, bias, harassment and/or violation. Aspen's Code of Conduct entrenches the right of all employees to be treated with fairness, equality and respect. Discrimination of employees on the basis of gender, race, physical health, sexual orientation, individual belief systems and/or any other prejudicial grounds is prohibited. This policy is applicable across the Group's businesses.

No businesses in the Group are at risk of violating human rights which protect child labour, forced or compulsory labour. During the year, no incidents of discrimination, forced labour or compulsory labour were reported within the Group (2014: Nil). In addition, there were no reported incidents where the rights of indigenous people were violated (2014: Nil). These aspects are monitored in respect of all business units.

Aspen's Code of Conduct, signed by all employees, details the Group's commitment to fundamental human rights and the Social & Ethics Committee monitors the effectiveness of ethics management in the Group. It is mandatory for all Aspen's suppliers and business partners to sign the Aspen Code of Conduct for Suppliers and Service Providers to provide assurance that human rights and good ethical standards are upheld within the supply chain.

All alleged breaches of the Aspen Code of Conduct are reported to the Social & Ethics Committee. It can be confirmed that no material breaches of this code had been identified during the period under review.

Aspen's Board is committed to the advancement of women into managerial roles within the Group and the Social & Ethics Committee monitors this objective. Women employees comprise 48% of the total workforce (2014: 47%). A women's forum has been established in the South African business and is accessible to women employees from across the various business units. The purpose of the forum is to create a platform for women employees to engage on issues that affect women in the workplace and to provide solutions and recommendations to the business. Women in Leadership training programmes have been introduced in order to enhance the development of women who are in management positions and those aspiring to be managers.

Refer to the Social & Ethics Committee Report for more information on the Group's approach to and performance for the 2015 year as they pertain to transformation in South Africa, governance of human rights and ethical practices.

Review of 2015 performance

Material KPI	2015	2014
BBBEE accreditation in South Africa	Level 4	Level 3

Changes to the BBBEE Codes were effected during the year and the additional requirements have impacted on the BBBEE scorecards of most businesses in South Africa, including Aspen. As a consequence of these changes, revised transformational objectives and programmes, including those addressing employment equity, have been formulated and the effectiveness of these interventions will continue to be monitored by the Social & Ethics Committee.

Through careful planning and implementation of new initiatives, the negative impact on Aspen's BBBEE score in terms of the revised codes has largely been mitigated. One of the successful initiatives undertaken during the year entails the advance of enterprise development loan funding totalling R44,5 million to new and existing suppliers. Aspen's objectives in granting these loans are to:

- assist suppliers and service providers in achieving their respective strategies by providing loan funding at preferential rates;
- facilitate the employment of additional employees by the enterprise development beneficiary;
- maximise sustainable development points in terms of the new codes (10 points)
- graduate an enterprise development beneficiary to be a new supplier to Aspen;
- create sustainable business for the sustainable development beneficiary (expansion of business);
- grow the supplier business with Aspen;
- provide a sustainable business relationship; and
- align the business with Aspen's business to enable Aspen to commercially leverage off them.

In terms of the 2015 verification carried out by Empowerdex under the revised codes, Aspen has retained its status as an empowering supplier (BBBEE compliant entity), thereby enabling Aspen's customers to recognise their procurement from Aspen in terms of these codes.

The Group's BBBEE certification was performed by Empowerdex, an independent economic empowerment rating and research agency. The 2015 certificate can be accessed online.


EMPOWERDEX
Economic Empowerment Rating Agency

Generic B-BBEE Verification Certificate

Aspen Pharmacare Holdings Ltd
Incorporating
Pharmacare Ltd, Fine Chemicals Corporation (Pty) Ltd and
Brimpharm SA (Pty) Ltd

Level Four Contributor

07 October 2015

G15200267 (B)

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Certificate

Contributing to enhancement of healthcare, education and basic needs in communities

Relevance to the business

Relevant strategic objective:
- **To practise good corporate citizenship**

As a JSE-listed company, Aspen is committed to supporting initiatives in South Africa that address the underdeveloped healthcare infrastructure, shortage of healthcare professionals and the long-term consequences of HIV/AIDS to the country's sustainability objectives. The Group's SED strategy, led by the Senior Executive: Strategic Trade & Development, is primarily aimed at utilising its social and relationship capital to promote initiatives that provide long-term solutions to the healthcare, education and HIV/AIDS issues in South Africa.

Aspen has been the leading supplier of ARVs to the South African State tender programme for a number of years. Currently approximately 1,2 million South African patients use an Aspen ARV every day.

Aspen's SED strategy is largely aligned to the PHEF, a consortium of public and private sector members comprising the South African Department of Health and South African healthcare companies. Annual financial contributions made by the PHEF members are pooled and invested in nationally relevant social upliftment projects for shared value creation. In addition to participation in the PHEF, Aspen also invests in other SED initiatives that focus on education and training, healthcare, HIV/AIDS and community upliftment.

Business units across the Group support Mandela Day around 18 July each year. Given the broad geographic location of the business units and the variances in regional holiday periods, many of the northern European business units host Mandela Day activities during other months of the year rather than on 18 July. Employees are encouraged to invest at least 67 minutes of their time to be actively involved in community upliftment projects. In total, 90 such projects were completed by Aspen employees across 36 countries.

Mandela Day

The Aspen Holdings team supported by family members, engaged with Key of Hope, a United States-funded child welfare organisation in Durban, that provides assistance to approximately 1 500 less fortunate children

More than 132 Aspen Mexico employees, their families and representatives from the South African Embassy in Mexico participated in the Mandela Day activities aimed at assisting the Hoge Dulce Foundation, which cares for 23 underprivileged girls ranging in ages from nine to 20 years

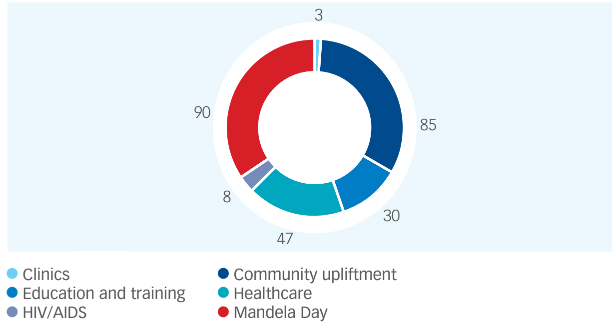
Review of 2015 performance

Relevant KPI*	2015	2014	Change
Total value of SED (R'million)	**20,5**	14,1	45%
Total number of SED projects supported across the Group	**263**	161	63%

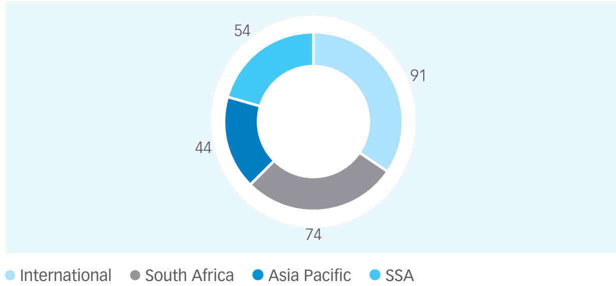
*These are not considered to be material KPIs but are relevant social sustainability indicators.

The Group supported a total of 263 SED projects during the year which were valued at R20,5 million, largely based in South Africa.

SED projects by project type across the Group
(263 projects)



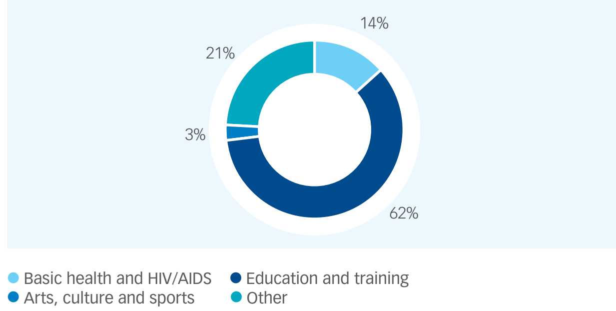
Number of SED projects supported per region during 2015, valued at R20,5 million



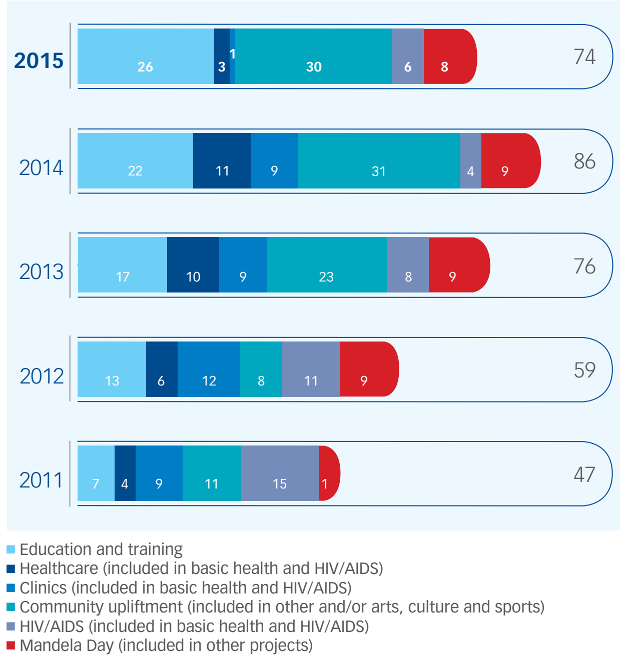
In South Africa, 74 SED projects (2014: 86) were supported at an investment of R13,4 million (2014: R13,1 million). This spend was allocated as follows:

Basic health and HIV/AIDS (including spend on clinics, HIV/AIDS and healthcare)	R1,9 million	14%
Education and training	R8,2 million	62%
Arts, culture and sports	R0,4 million	3%
Other (including Mandela Day and community upliftment)	R2,9 million	21%
Total	**R13,4 million**	**100%**

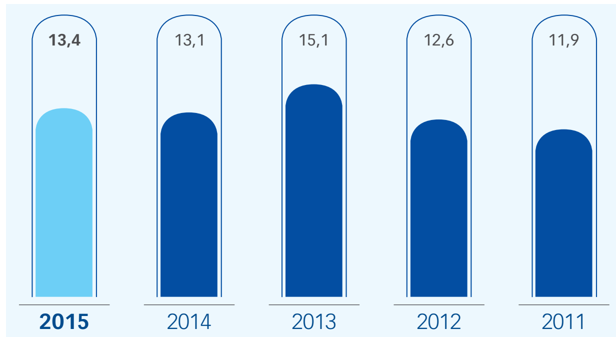
SED projects by project spend across South Africa during 2015, valued at R13,4 million



SED projects supported in South Africa



Value of SED in South Africa (R'million)



Preserving the environment

Relevance to the business

Relevant strategic objective:
- **To practise good corporate citizenship**

Climate change has potential environmental, social, political and economic implications. The Group recognises these direct and indirect implications and its effects on the Group's sustainability. Climate change is therefore relevant to the Group's sustainability objectives.

The Group's environmental management principles, available online, promotes the monitoring of Aspen's carbon footprint in its operations and across the supply chain in a technically and economically feasible manner. This objective is pursued through investment in energy efficient equipment and utilisation of greener energy technologies where feasible – Aspen Bad Oldesloe makes use of 100% renewable energy sourced from third parties. The Group measures its carbon emissions across all manufacturing sites, except for Aspen API, and stack emission surveys are conducted in South Africa.

The Group's risk of harmful air emissions is low and, consequently, the Group has not prioritised the development of air emissions targets. The risk of harmful air emissions is monitored regularly. GMP regulations require that technically advanced air handling systems are installed in production areas to extract and filter harmful fumes, vapours and dust particles during the manufacturing process. The implementation of these systems significantly reduces the risk of employee exposure to harmful substances and further prevents the release of polluted air emissions into the atmosphere. An accredited third party conducts stack emissions tests every three years at the South African facilities to assess the risk of harmful emissions. Stack emissions were measured during 2013 and the concentrations of air pollutants were found to be negligible.

Aspen's Board monitors the Group's material environmental KPIs on a quarterly basis. The Social & Ethics Committee monitors environmental risks, the adequacy of environmental management systems and environmental legal compliance. Under the direction of the Group Strategic Operations Executive, the Group SHE Department develops and promotes Aspen's environmental management principles and standards and monitors the alignment of business unit environmental management systems to the Group standards. Site management teams are responsible for implementing compliant environmental management systems on site.

As at year end, none of the Group's business units were located in conservation areas or areas of biodiversity.

Managing emissions

Scope 2 emissions, comprising purchased steam and electricity, represents the largest source of emissions in the Group. The Group also emits Scope 1 emissions in the form of fuel, primarily, used for the production of steam, fuel used in Aspen owned vehicles as well as refrigerants and natural gas. Scope 3 emissions are measured in South Africa in respect of business-related air travel, car rentals and for the transport of inbound production materials.

The Group is reliant on national carriers and third-party freight forwarders for these transport requirements and, as a result, is not able to influence the selection of transportation vehicles in an attempt to reduce Scope 3 emissions. In respect of these sources of emissions, the promotion of electronic communication as an alternative to business travel and the use of consolidated shipments for inbound production materials, indirectly contributes to the reduction in carbon emissions.

Aspen participates in the annual CDP. Aspen's 2015 CDP submission and the 2015 CDP assurance statement are available online.

Implementing environmental management systems

Aspen strives to align its environmental management systems to global standards. The Group's manufacturing sites in South Africa (other than FCC), Germany and Vallejo in Mexico comply with the ISO 14001 environmental management system standard. Aspen's Bad Oldesloe site in Germany has attained its ISO 50001 energy management system certification during 2014. A phased three-year plan is in place to align environmental management systems at other manufacturing sites to ISO 14001 by the end of 2017.

Responsible management of waste

Being in the pharmaceutical industry, a large portion of the Group's waste comprises hazardous waste. The volume of waste generated has increased materially over the past year following the inclusion of the recently acquired sites in the Netherlands, France and Mexico. The sites in Oss, the Netherlands, manufacture specialist APIs and biological products which, due to the nature of the related manufacturing processes, result in a high generation of waste. Hazardous waste represents 45% (2014: 55%) of total waste generated by the Group during 2015. Specific systems and processes are in place to manage hazardous and non-hazardous waste in compliance with waste management legislation applicable to each territory. In addition, responsible waste management initiatives are targeted at reducing use of the landfill waste disposal method in favour of more eco-friendly alternatives. Waste is formally classified, recorded and validated for all sites, with the exception of the Shelys manufacturing site in Tanzania where no validation takes place. Waste recycling initiatives are promoted across all sites.

The Group uses specialist and licenced waste management service providers to manage the transportation, treatment and disposal of waste in accordance with contracted terms and relevant legislation.

Responsible management of effluent

The quality of effluent discharge is monitored and controlled across all sites in accordance with local municipal by-laws. Effluent samples that are found to deviate from regulated standards result in investigations to identify and address the root causes.

Environmental and safety risks related to the acquired MSD sites in the Netherlands

At the time of the acquisition of the API facilities from MSD during 2013, pre-existing soil contamination was identified at the Moleneind site in Oss, the Netherlands, which was disclosed to Aspen and discussed with MSD during the due diligence process. The risks relating to this soil contamination have been retained by MSD and Aspen is indemnified in accordance with the applicable share purchase agreement and MSD will, accordingly, remain responsible for the completion of the soil remediation project in compliance with the regulations and requirements of the Dutch environmental authorities. A Governance Steering Committee is in place to monitor progress of MSD's soil remediation plan. In terms of the share purchase agreement, Aspen is accountable for any soil contamination issues that may arise as a consequence of its activities on this site post-acquisition.

Spills at the Moleneind site have occurred since Aspen's acquisition of this site. A specific task team has been appointed to perform a root cause analysis of the material spills which have occurred. In addition, capital investment projects are in place that target enhancement of environmental compliance at the Moleneind and De Geer sites – most of the compliance-critical projects were completed by December 2014. A survey of the safety culture has been performed and required improvements are being addressed in accordance with a structured plan. Due to the configuration of the aged Moleneind site, there is inherent risk of spills. Consequently, there are concerns regarding ability to uphold site compliance should there be future enhanced environmental legislation. Technically competent safety and environmental management teams are in place and new systems have been implemented to enhance the ability to efficiently monitor the alignment of current SHE policies and procedures to updated legislative requirements. Aspen Oss executives, Group executives and Aspen's Board continue to monitor the Moleneind site risk and the progress of related mitigation plans.

Soil contamination risks exist at the Boxtel site and this is being addressed, in part, through a new-build capex project plan which is pending approval. An official letter, received by MSD from the Dutch environmental authorities, prior to Aspen's acquisition of this site, confirms that no further remedial work is required in respect of the soil contamination issue at Boxtel. However, in light of advancing environmental regulations in Europe, there is uncertainty whether this approval will remain valid until the new build project is completed. The situation is being monitored by Group executives and the Aspen Oss management team continues to engage with Dutch environmental authorities in the ordinary course of business.

Permit Foundations, in place at each of the Moleneind and De Geer sites, are the custodians of site-wide permits governing all relevant activities on those sites. Each Permit Foundation is responsible for monitoring compliance with environmental regulations on their sites across all site users which include Aspen, MSD and others. As a member of the Moleneind and De Geer Permit Foundations, Aspen has joint responsibility sanction for the Foundations' liabilities.

During the year, Aspen was informed of a criminal investigation of an incident that occurred on 23 October 2013 at the De Geer site, subsequent to acquisition of the business by Aspen on 1 October 2013. The incident relates to maintenance that was allegedly performed without application of the required safety measures and for which requisite legislated approvals were not timeously requested. A transaction/sanction offer of EUR15 000 each was made to Aspen Oss and to the Permit Foundation De Geer with respect to this incident whereby the offender was required to pay a fine to avoid the prosecution of the matter. Aspen Oss and the Permit Foundation De Geer have subsequently rejected the transaction/sanction offers. A decision regarding prosecution is awaited from the public prosecutor.

Preserving the environment continued

On 22 July 2015 the Moleneind Permit Foundation received notice from the Regional Criminal Investigation Department of the Dutch law enforcement agency that it was investigating five separate spills that allegedly occurred at the Moleneind site during April and May 2014. One of the five listed spills has since been removed from the investigation by the public prosecutor. Simultaneously, the De Geer Permit Foundation received notice from the same authorities advising that it was investigating a spill that allegedly occurred on the De Geer site in May 2014. Each of Aspen, the Moleneind Permit Foundation and the De Geer Permit Foundation are cooperating fully with the authorities in respect of these investigations, which includes an inspection of relevant information and documents.

Review of 2015 performance

Material KPI	2015	2014	Change
Carbon emissions (tCO_2e) – Scope 1*	**38 036**	10 917	248%
Carbon emissions (tCO_2e) – Scope 2*	**151 183**	114 615	32%
Weight of waste recycled (tonnes)	**34 360**	3 496	883%

**Aspen API, a non-material site from a Group perspective, has been excluded from the calculation as a suitable local emission factor could not be sourced in time for this publication.*

Data representing the Aspen Oss, Vallejo in Mexico and Aspen NDB entities have a significant impact on the 2015 environmental KPIs. Consequently, the consolidated environmental data totals for the Group, excluding these entities, have been separately reflected to aid meaningful analysis of the 2015 data for the established entities against the related 2014 comparative.

Carbon emissions

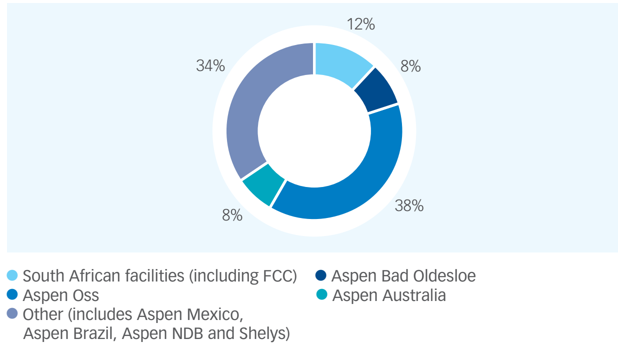
The total amount of Scope 1 emissions generated during the year increased to 38 036 tCO_2e and Scope 2 emissions increased to 151 183 tCO_2e. The increase in carbon emissions is due to the expanded reporting scope which was limited to the South African operations, Aspen Australia and Aspen Bad Oldesloe in the prior year. The scope for emissions now includes all manufacturing facilities except Aspen API, a non-material manufacturing site of the Group.

Group emissions (tCO_2e)

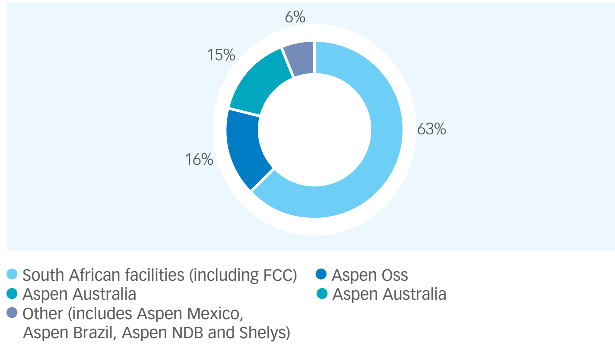
Scope 1 emissions from the comparative scope have decreased by 3% due to further factory closures in Australia, with a decrease of 258 tCO_2e and reduced usage of refrigerants at the Port Elizabeth site of 932 tCO_2e.

Scope 2 emissions in the comparative scope have increased by 3%, mainly as a result of increased electricity and steam usage in the South African operations, particularly in respect of the additional production capacity introduced at FCC. The use of green zero-carbon, emission-free electricity by Aspen Bad Oldesloe during 2015 and closure of sites in Australia resulted in a total decrease of 2 685 tCO_2e, a 2% decrease in the overall level of Scope 2 emissions.

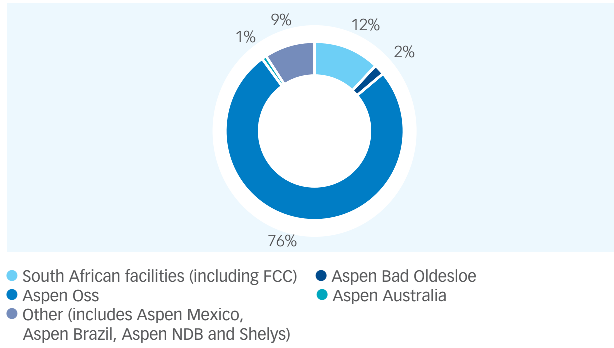
2015 Scope 1 emissions: 38 036 tCO_2e



2015 Scope 2 emissions: 151 183 tCO_2e



Waste generated by geography: 52 502 tonnes



Waste management

Total waste generated during the year amounted to 52 502 tonnes (2014: 8 449 tonnes), comprising 23 388 tonnes (2014: 4 612 tonnes) of hazardous waste representing 45% (2014: 55%).

Amount of waste generated (tonnes)

Two waste streams at Aspen API, a non-material manufacturing site of the Group, have been excluded due to a misinterpretation of the Aspen Group waste definition and as a result the quantities could not be validated. Measurement techniques are being investigated to ensure the accurate recording of all waste streams. The impact of this site on the overall data is negligible.

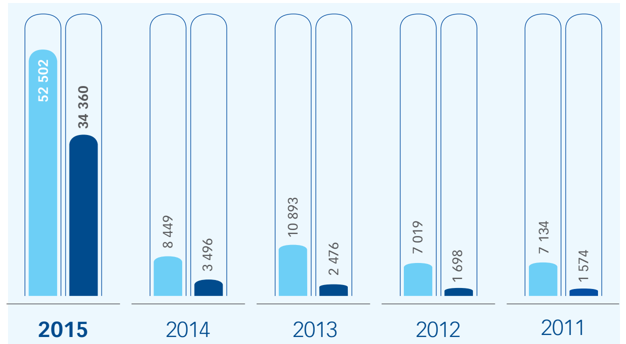
The increase in waste recycled is largely due to the inclusion of data for the Aspen Oss, Vallejo in Mexico and Aspen NDB facilities which contribute 90% of the Group's total.

The comparative business units' recycled waste decreased by 222 tonnes. This is attributed to the reduced production volumes at the Port Elizabeth site, in addition to the return of expired S-26 stock at the infant nutritionals site in Johannesburg in the prior year.

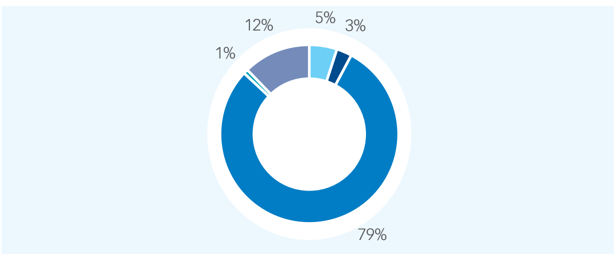
Responsible waste management practices which promote recycling and reduction of waste to landfill are ongoing.

Preserving the environment continued

Waste management (tonnes)



Total waste recycled: 34 360 tonnes



South African facilities (including FCC) • Aspen Oss • Other (includes Aspen Mexico, Aspen Brazil, Aspen NDB and Shelys) • Aspen Bad Oldesloe • Aspen Australia

The Group's detailed waste register for 2015 is available online.

Effluent management

Aspen Brazil experienced deviations from their targeted waste water quality standard during the first three quarters of the year. An investigation was conducted to measure the amount of ammoniacal nitrogen in the facility water treatment process. Subsequent to the investigation and the implementation of corrective action, monitoring of the quality of the waste water showed continuous improvement.

A limited number of minor non-compliances with local municipal standards were experienced at the South African sites which were investigated and corrective actions were put in place. No fines have been issued in this regard.

Environmental management training

During the year, environmental training was conducted at the existing and new manufacturing sites to ensure consistent application of environmental principles, standard operating procedures and compliance with legislative requirements.

Key environmental training initiatives which took place have been summarised in the table below:

Region	Key environmental training interventions implemented
South Africa	• All South African sites – Global warming training • Port Elizabeth site – Management of hazardous substances training • East London site – Waste management training • FCC – Environmental legal liability for managers training
East Africa	• Shelys – Waste and environmental management training as well as water quality regulation training
Europe	• Aspen Bad Oldesloe – Hazardous substances and disposal, safety, standard operating procedure, waste management and energy conservation training • Aspen NDB – Induction training, sustainable development training and chemical risk training • Aspen Oss – Prevention and reduction of spills and lead auditor training
Latin America	• Aspen Brazil – Safety integration and waste management training • Vallejo in Mexico – Hazardous and environmental aspects identification training, waste and chemical management training

Managing the efficient utilisation of scarce natural resources

Relevance to the business

Relevant strategic objective:
- **To practise good corporate citizenship**

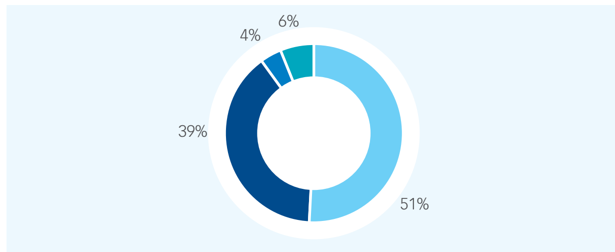
The availability of water is critical in the Group's supply chain. Water is required for the production of products, for cleaning validation processes, for employee hygiene and for the administration of medicines and infant nutritional products by customers. The risk of water supply is influenced by the growing global water scarcity, by increased urbanisation in South Africa which places a strain on existing water resources and by the ageing municipal infrastructure in South Africa that may impact water supply consistency.

Across the Group, all manufacturing facilities use municipal sourced water in the production process. Borehole water is a negligible source of water used at selected sites for purposes other than the production process. In order to remain aware of national and industry initiatives and technological developments aimed at more efficient use of scarce resources, the Group participates in relevant industry forums. Aspen participates in the annual Water Disclosure Project and the Group's 2015 submission is available online.

The severe electricity shortage in South Africa has resulted in intermittent power cuts which impacts manufacturing. These factors have a negative impact on cost-competitiveness and business continuity over the long term. The Group has therefore prioritised initiatives to secure the sustained supply of water and electricity in South Africa and to promote conservation of these scarce resources across all manufacturing sites.

Steam, fuel and gas are also used to power utilities. Indirect sources of energy such as electricity and purchased steam are bought from third-party suppliers. Aspen purchases fuel, liquid petroleum and natural gas and uses these commodities to produce steam and to power boilers on site. Fuel and gas are hence referred to as direct sources of energy.

Energy usage by primary source: 680 008GJ



Electricity* • Gas# • Fuel# • Steam purchased*

** Indirect source*
 # Direct source

The identification of suitable intensity measures for material environmental KPIs has been an ongoing process. An appropriate measure has been identified for the Group, and intensity targets will be established during the course of 2016. Intensity targets will support the Group's ability to accurately measure savings achieved through conservation projects.

Review of 2015 performance

Material KPI	2015	2014	Change
Electricity used (gigajoules)	**696 437**	445 224	56%
Water used (kilolitres)	**1 715 642**	443 893	286%

Energy used and energy conservation projects

Electricity consumption increased by 56% to 696 437GJ (2014: 445 224GJ) largely due to the inclusion of the Aspen Oss, Aspen NDB and Vallejo in Mexico sites, which comprised 241 599GJ of the increase, representing 96%. Electricity usage in the established facilities increased by 9 615GJ, representing 2%.

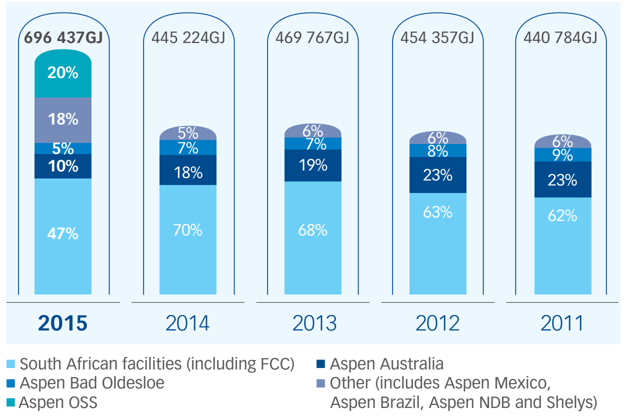
Commissioning a thermal system and additional production blocks at FCC which became operational during August 2014 resulted in an increase in electricity usage at FCC by 46% to 11 833GJ. In addition, electricity usage at Aspen's Nutritionals site in Johannesburg and the warehouses in Port Elizabeth have increased due to increased demand and improved temperature controls respectively.

Closure and sale of two sites in Australia contributed a 2% decrease in the Group's total. A more conservative energy usage approach implemented at the Shelys' manufacturing site in Tanzania, included the automated switching off of lights, heating, ventilation and air conditioning units ("HVACs"), air conditioners and chillers when not required.

Existing energy savings initiatives are ongoing at the South African sites and initiatives implemented during the year included adjusting and monitoring of the HVAC systems for various facilities. An HVAC energy saving project was also implemented at the Dandenong site and all light fittings were replaced with light-emitting diode ("LED") lamps. The application of a new water cooling technology at Vallejo in Mexico operating on a just-in-time basis replaced an energy intensive process in the Compounding Department.

Managing the efficient utilisation of scarce natural resources continued

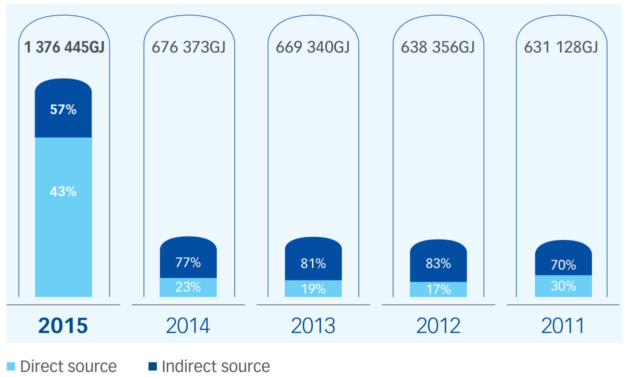
Electricity usage



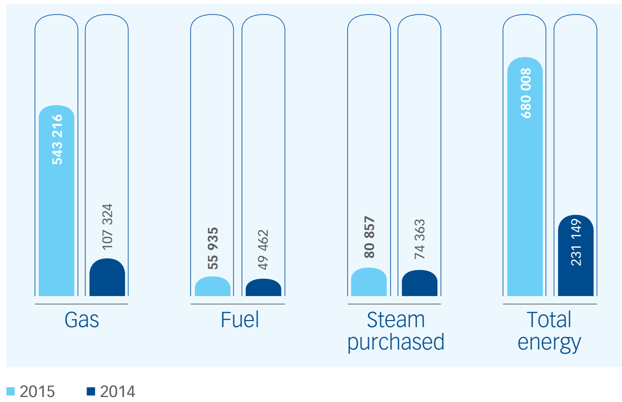
Total energy used by the Group during the year, excluding electricity, increased by 194% to 680 008GJ (2014: 231 149GJ).

The new sites recently acquired accounted for 439 985GJ, representing 98% of the increase. Other energy used at the established facilities increased by 4% to 8 873GJ, mainly as a result of production volume increases at Aspen Nutritionals.

Energy usage by source type (including electricity)



Energy usage by source in gigajoules (excluding electricity)

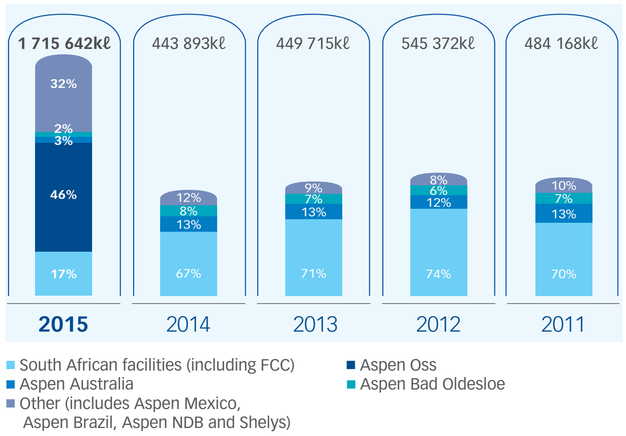


Water used and water conservation projects

The Group's measured water usage has increased by 286% to 1 715 642kℓ, with the water usage at the new facilities contributing 1 268 637kℓ. The increase was partially offset by the closure of facilities in Australia which reduced water usage by 14 313kℓ.

Water usage at the established facilities increased, driven mainly by increases at FCC and at Shelys of 7 864kℓ and 7 062kℓ respectively. The increase at FCC was due to additional manufacturing facilities becoming operational during August 2014. The increase at Shelys was as a result of the decommissioning of a borehole used at Beta Kenya which led to municipal water being used, instead of borehole water. Borehole water usage at Beta Kenya was not previously reported as the usage could not be validated and this water is not used in production.

Water consumption trend



Water conservation initiatives implemented included a continuous monitoring and maintenance project implemented during the year at Aspen's warehouses in Port Elizabeth to prevent leakages. A divergence tank was installed at Aspen's Dandenong site to facilitate the natural cooling of waste water as opposed to using municipal water to ensure compliance to legal limits for discharge to the sewer. At Vallejo in Mexico a waste water recycling project resulted in the use of treated waste water for gardening and ablution facilities. Other continuing water conservation projects include the recycling of water in the reverse osmosis plant in Port Elizabeth, South Africa.

During 2015, representatives from Aspen's manufacturing facilities participated in a number of environmental management forums which have been reported in the table below:

Region	Industry environmental management forum supported by Aspen	Description of forum
South Africa	Member of the Energy Efficiency Leadership Network (EELN)	The EELN was formed during 2011 by the National Business Initiative in partnership with Business Unity South Africa and the South African Department of Energy to drive the continuous improvement of energy efficiency in the South African business sector in support of the appropriate government policy and strategy, leading to enhanced international competitiveness and greenhouse gas emission reduction. Aspen's participation is expected to assist the Group in understanding and identifying national and industry objectives in respect of climate change and to consider alignment of Aspen's environmental management policies, objectives and targets accordingly.
	Institute of Waste Management	The Institute of Waste Management of Southern Africa (IWMSA) is a multi-disciplinary non-profit association that is committed to the improvement of waste management standards and legislation, supporting international, national and regional trends in best environmental practices, promoting the science and technology of waste management and promoting cost-effective management of waste. Education and training in the realm of effective and efficient waste management is a key focus area.
	Chemical and Industry Allied Association (CAIA)	Initiatives to promote the reduction of energy consumption are part of CAIA's ongoing contributions to the chemical industry. CAIA is a signatory to the energy efficiency accord through the Responsible Care programme. Aspen is member of the CAIA and is a signatory to the Responsible Care programme.
Australia	Australian Packaging Covenant (APC)	APC is an agreement between government, industry and community groups to find and fund solutions to address packaging sustainability issues with a focus on promoting green packaging, waste recycling and product stewardship. Aspen is an APC signatory.
Europe	Aspen Oss – The Association of the Dutch Chemical Industry (VNCI)	VNCI promotes the collective interests of the chemical industry in the Netherlands by means of consultations, information meetings and recommendations. The VNCI acts on behalf of the entire sector as a central contact point and undertakes activities that have a positive impact on the image of the chemical industry.

Managing the efficient utilisation of scarce natural resources continued

Energy conservation

Aspen's Dandenong site in Australia implemented a two-year energy conservation project over the period July 2013 to June 2015, after having established an annual baseline energy consumption of 53 588GJ during the preceding 12-month period.

The project consisted of two phases which projected a total annual energy saving of 10 387GJ for the site, and a 19% reduction from the baseline consumption.

Phase	Description	Estimated savings – electricity (GJ)	Estimated savings – carbon emissions (tCo_2e)
1	Replacement of all 2 900 incandescent and halogen light fittings with LED lamps and/or fixtures	7 186	2 335
2	Upgrade of the HVAC control to a Supervisory Control and Data Acquisition (SCADA) system for more efficient control over HVAC temperatures, on/off timings and control parameters.	3 201	1 040
Total savings		10 387	3 375

Facilities Manager of Aspen Dandenong operating the new Supervisory Control and Data Acquisition (SCADA) system

The project was partially funded by a grant of AUD242 000 from the Australian Government's AusIndustry "Clean Technology Investment Programme".

Engineering Manager at Aspen's Dandenong site inspecting the newly installed LED light

The actual savings of 34% which were realised were approximately 15% greater than anticipated, with the lighting project contributing to approximately 70% of the results achieved.

Annual energy reduction		
Planned	10 387GJ	19%
Actual	18 436GJ	34%
Annual Scope 2 carbon emissions reduction		
Planned	3 375 tonnes	19%
Actual	5 989 tonnes	34%
Annual energy cost savings		
Planned	AUD239 500	
Actual	AUD425 000	

Note: *The new micro-biological and chemical laboratories were completed one month after the baseline power measurements were verified. The additional energy load of the two laboratories was independently measured at 15 786GJ per annum which was approximately 29% of the base load, but was not considered as part of the implementation of this project.*

The results of the improvement of the site's HVAC efficiency with the new SCADA system, the longer life expectancy of the LED fixtures, and operation of LED lamps at a lower temperature, will assist in ensuring future savings in energy and waste management at this site.

Abbreviations

Abbreviation	Full name
AA1000	The AA1000 Assurance Standard (Revised, 2008) (Type II Moderate level), is a standard for assessing and strengthening the credibility and quality of organisation's economic, social and environmental reporting
API	Active Pharmaceutical Ingredient
ARV	Anti-retroviral
Aspen and/or Group	Aspen Pharmacare Holdings Limited and/or its subsidiaries
Aspen API	Aspen API Incorporated, incorporated in the United States
Aspen Australia	Aspen Australia comprises Aspen Asia Pacific (Pty) Limited and its subsidiaries, including Aspen Pharmacare Australia (Pty) Limited, Aspen Pharma (Pty) Limited, Orphan Holdings (Pty) Limited, Orphan Australia (Pty) Limited, Aspen Lennon (Pty) Limited and Arrow Pharmaceuticals (Pty) Limited
Aspen Bad Oldesloe	Aspen Bad Oldesloe GmbH based in Germany
Aspen Brazil	Aspen Pharma – Indústria Farmacêutica Limitada
Aspen Global	Aspen Global Incorporated
Aspen NDB	Aspen Notre Dame de Bondeville SAS
Aspen Oss	Aspen Oss B.V.
Aspen Mexico	Aspen Mexico comprises Aspen Labs S.A. de C.V. (Mexico), Aspen Pharma Mexicana S de R.L.C.V., Wyeth Ilachari S. de R.L. de C.V., Wyeth S.d R.L. de C.V., Marcas WN S.A. de C.V.
AUD	Australian Dollar
BBBEE	Broad-Based Black Economic Empowerment
BBBEE Codes	The Department of Trade and Industry's BBBEE Codes of Good Practice
CAGR	Compound Annual Growth Rate
CDP	Carbon Disclosure Project
CIS	The Commonwealth of Independent States, comprising Russia and the former Soviet Republics
DIFR	Disabling incident frequency ratio
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
Empowerdex	An independent economic empowerment rating agency in South Africa
EUR	Euro
Euromonitor	Euromonitor International Limited is a privately-owned, London-based market intelligence firm, providing market research, business intelligence reports and data to industry
EvaluatePharma®	The leader in consensus forecasts of leading industry analysts and analysts of the pharmaceutical and biotechnology healthcare sectors providing exclusive and trusted market intelligence of global performance to 2020

Abbreviations continued

Abbreviation	Full name
ERM	Environmental Resources Management (Pty) Limited
FCC	Fine Chemicals Corporation (Pty) Limited
GDP	Gross domestic product
GJ	Gigajoules
Global brands	Branded products centrally owned by Aspen Global and distributed into multiple worldwide territories
GMP	Good Manufacturing Practice
GRI	Global Reporting Initiative
GSK	GlaxoSmithKline plc
HVAC	Heating, ventilation and airconditioning
Internal Audit	The Aspen Group Internal Audit function
IMS	IMS Health is a leading provider of healthcare and pharmaceutical market intelligence
ISO 14001	International standard for environmental management systems
ISO 50001	International standard for energy management systems
JSE	JSE Limited, licensed as an exchange under the Securities Act, No 36 of 2004
Kama	Kama Industries Limited
King III	A corporate governance compliance code applicable to listed companies on the JSE Securities Exchange in South Africa
KPA	Key performance area
KPI	Key performance indicator
kℓ	Kilolitres
LED	Light-emitting diode lamp
LWDFR	Lost work day frequency ratio
Mandela Day	The Nelson Mandela International Day
MENA	Middle East and North Africa
NHEPS	Normalised headline earnings per share
NZ New Milk	New Zealand New Milk Limited
MSD	Merck Sharpe & Dohme

Abbreviation	Full name
OHSAS 18001	International standard for occupational health and safety management
Pharmerging	Emerging pharmaceutical
PHEF	The South African Public Healthcare Enhancement Fund
PwC	PricewaterhouseCoopers Inc.
SED	Socio-economic development
SHE	Safety, Health and Environment
Shelys	Shelys comprises Shelys Africa Limited, Shelys Pharmaceuticals Limited, Shelys Pharmaceuticals International Limited, Beta Healthcare Kenya Limited and Beta Healthcare (Uganda) Limited
SKU	Stock keeping units
SRI	The JSE's Socially Responsible Investment index
SSA	Sub-Saharan Africa
The Collaboration	The GSK Aspen Healthcare for Africa Collaboration
tCO_2e	Tonnes of carbon dioxide equivalent
UN Global Compact	United Nations Global Compact Principles
USD	US Dollar
ZAR/Rand	South African Rand

Calculation of ratios supporting material sustainability KPIs

Average staff turnover (%)

Total number of employee departures
Average number of permanent employees

Average training spend per employee (Rand)

(Total investment in employee training during the year) + value of bursaries granted
Average number of permanent employees

DIFR (ratio)

Sum of qualifying disabling incident cases x 200 000
Number of employee hours worked over rolling 12 months

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

Gross revenue

Gross revenue includes an adjustment for the profit share from the Collaboration

Growth in NHEPS (%)

NHEPS from continuing operations (current year) – NHEPS from continuing operations (prior year)
NHEPS from continuing operations (prior year)

LWDFR (ratio)

Sum of qualifying lost work day incident cases x 200 000
Number of employee hours worked over rolling 12 months

Net interest cover (times)

Operating profit
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 charges or credits arising from the resolution of prior year matters

Operating cash flow per share (cents)

Cash generated from operating activities
Weighted average number of shares in issue

Return on ordinary shareholders' equity (%)

Profit attributable to equity holders of the parent from continuing operations
Weighted average ordinary shareholders' equity

Return on total assets (%)

EBITA
Total weighted average assets (excluding cash and cash equivalents)

Growth in gross revenue (%)

Gross revenue from continuing operations (current year) – Gross revenue from continuing operations (prior year)
Gross revenue from continuing operations (prior year)

Value added per employee (R'000)

Value added from operations
Weighted number of permanent employees at year end

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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