



Aspen's five capitals

All organisations depend on various forms of capital for their value creation. In the International Integrated Reporting <IR> Framework, these capitals are defined as financial, intellectual and manufactured, human, social and relationship and natural capital.

The business model on pages 8 and 9 details Aspen's integration of its five capitals into the business. The icons below serve as an identifiable visual reference to these five capitals within this report.



Financial capital



Manufactured & intellectual capital



Human capital



Social & relationship capital



Natural capital

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.



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About Aspen

Aspen is a global supplier and manufacturer of branded and generic pharmaceutical products as well as infant nutritionals and consumer healthcare products in selected territories.

Aspen manufactures approximately

24 billion
tablets annually



has

26 manufacturing
facilities at **18 sites** on
6 continents



and has more than

10 000 employees

How we have performed



Financial capital

- ▶ Comparable normalised headline earnings per share **increased 15% to 1 222,0 cents**
- ▶ **A highly successful refinancing of long-term debt facilities was undertaken**, resulting in the Group's USD term debt facilities being repaid and replaced by EUR term debt facilities, which are more appropriately aligned to Aspen's underlying cash flows
- ▶ **CAGR in excess of 40%** in respect of both gross revenue and EBITA since listing in 1998
- ▶ **Capital expenditure for the year of R1,7 billion** to enhance manufacturing capacity and technologies



Manufactured & intellectual capital

- ▶ **92 products launched in 22 countries**, the majority of which were in line with Aspen's core therapeutic areas
- ▶ Various product and intellectual property acquisitions during the year and after year end have **enhanced Aspen's product offering in its focused therapeutic categories**
- ▶ Products which were distributed in South Africa and in Australia were disposed of to allow for **greater commercial focus** on the products where Aspen is able to add more value
- ▶ **Strategic manufacturing expansion projects** completed at the Notre Dame de Bondeville, Port Elizabeth and FCC sites



Human capital

- ▶ Introduction of a **talent management process** throughout the South African business, aimed at identifying high-potential employees and building appropriate talent development plans
- ▶ **Several training initiatives in progress**, with a technical skills academy being established at the Port Elizabeth site and 46 employees from AGI and South Africa graduating from the Aspen Management Development Programme
- ▶ Aspen's manufacturing sites in Melbourne, Vitória and Notre Dame de Bondeville obtained **OSHAS 18001 certifications** for the first time



Social & relationship capital

- ▶ Employees across the Group participated in **96 Mandela International Day ("Mandela Day") projects reaching almost 60 000 beneficiaries** across six continents
- ▶ Aspen supported approximately **200 Socio-Economic Development ("SED") projects during the year**, with a total investment of R16,3 million
- ▶ Aspen maintained its **Level 4 Broad-Based Black Economic Empowerment ("BBBEE") accreditation** in South Africa
- ▶ The Group's ethics management programme was independently **assessed by the Ethics Institute** of South Africa and confirmed to be effective in all material respects



Natural capital

- ▶ Aspen's manufacturing sites in Melbourne, Vitória and Notre Dame de Bondeville obtained the **ISO 14001 Environmental Management System certification** for the first time
- ▶ The Group achieved a **"C – Awareness" performance rating** for the 2015 Carbon Disclosure Project, increasing its rating from 89% in 2014 to 96% in 2015
- ▶ Aspen's percentage of **waste recycled increased from 61% to 81%** as a result of continuous improvement of waste reduction, waste recycling and the identification of alternative waste treatment methods to prevent landfilling

Financial highlights

	Year ended 30 June 2016 R'billion	Year ended 30 June 2015 R'billion	Change	10-year CAGR# %
Financial performance highlights				
Revenue	35,6	36,1	(2)%	26
Comparable revenue†	35,4	31,6	12%	
Gross profit	17,9	17,3	4%	27
EBITA*	9,5	9,2	3%	25
Comparable EBITA*	9,4	8,6	9%	
Normalised headline earnings	5,8	5,2	10%	25
Comparable headline earnings	5,6	4,8	15%	
Cash generated from operating activities	3,2	4,8	(33)%	23
Financial performance indicators				
EBITA* margin (%)	25,0	24,1		
Comparable EBITA* margin	25,0	25,7		
Return on total assets (%)	10,4	12,0		
Gearing ratio (%)	43,5	47,1		
Return on ordinary shareholders' equity (%)	10,6	17,0		
Net interest cover (times)	6,1	6,2		
Performance per share				
Basic earnings per share (cents)	945,4	1 139,8	(17)%	18
Normalised headline earnings per share ("NHEPS") (cents)	1 263,7	1 145,8 [^]	10%	21
Comparable NHEPS (cents)	1 222,0	1 066,7	15%	
Operating cash flow per share (cents)	706,7	1 060,3	(33)%	20
Share performance indicators				
Price:earnings ratio (times)	28,7	29,5	(3)%	
Closing share price (cents)	36 228,0	36 000,0	1%	
Market capitalisation (R'billion)	165,3	164,3	1%	
⁺ Comparable revenue excludes the contribution from divestments and includes the results of Aspen's Venezuelan business translated at the DICOM (previously SIMADI) rate of VEF628,34 per USD for the prior reporting period. [*] EBITA represents operating profit from continuing operations before amortisation adjusted for specific non-trading items as set out in the segmental analysis on page 116 of Aspen's 2016 Integrated Report. [#] The compound annual growth rate ("CAGR") represents 10-year annual growth, calculated for the period 2006 to 2016. [^] The definition of NHEPS was amended in terms of a change in accounting policy. NHEPS for the year ended 30 June 2015 has been restated from the previously reported value of 1 219,1 cents.				

	Since listing	Last five years	Last three years
CAGR			
Gross revenue	42%	23%	22%
EBITA	44%	22%	19%
NHEPS	38%	18%	15%

The value Aspen has created...

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

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

R18,0 billion



Government



Providers of capital

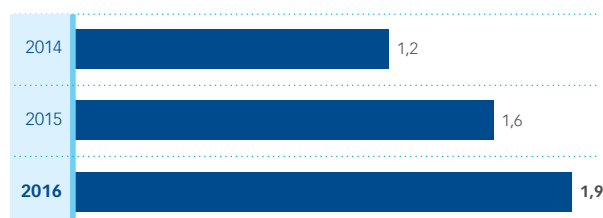


Reinvested

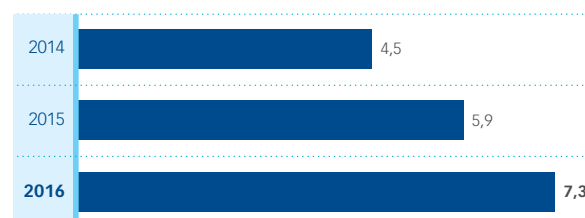


Employees

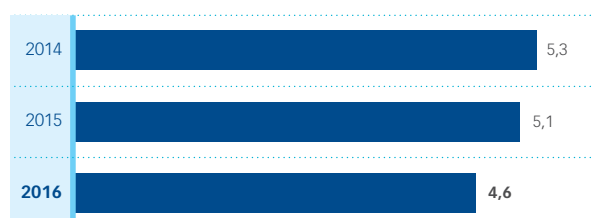
Government (R'billion)



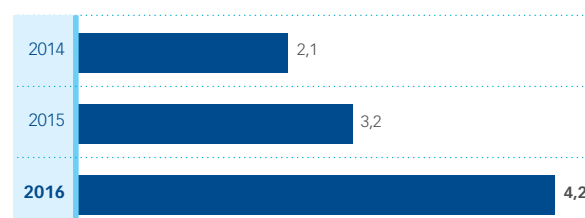
Employees (R'billion)



Reinvested in the Group (R'billion)



Providers of capital (R'billion)



Therapeutic focus

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.

In line with the Group's commercial, production and territorial strategies, Aspen has identified four therapeutic categories which will get the highest focus based on materiality and future potential. These therapeutic categories, being Thrombosis, Anaesthetics, High Potency & Cytotoxics and Infant Nutritionals, will be explained in further detail through this report.

Thrombosis



Anaesthetics



High Potency
& Cytotoxics



Infant
Nutritionals





Thrombosis occurs as a result of the body's hemostatic pathway being activated inappropriately, leading to the formation of blood clots.

There are a number of drugs that are used to treat patients who are at risk either to treat or prevent clotting which can be divided into three broad categories:

- Anti-platelet;
- Anticoagulant; and
- Thrombosis products.

A common example of an anti-platelet agent is Aspirin (COX-inhibitor) low-dose, which works to prevent blood stickiness by irreversibly acetylating the red blood cell. Other classes within this category are ADP receptor pathway inhibitors, GPIIb-IIIa antagonists and phosphodiesterase inhibitors.

Thrombosis agents are molecules used to break up already formed clots to restore function to a vessel and prevent peripheral tissue damage. This form of therapy is performed in emergency situations using tissue plasminogen activators (t-PA).

Aspen's global basket of thrombosis products fits into the anticoagulant category, aimed at the prevention and treatment of thrombotic disease, including deep vein thrombosis, pulmonary embolism and acute coronary syndrome.

This category is made up of oral and injectable agents, typically divided into the following categories:

- Vitamin K antagonists such as Warfarin;
- Heparin and derivatives such as low molecular weight heparins and heparinoids;
- Indirect Xa inhibitors such as Arixtra;
- Direct factor Xa inhibitors such as Rivaroxaban; and
- Direct Thrombin inhibitors such as Dabigatran.

Aspen's presence in respect of this therapeutic category is in the low molecular weight heparins (Fraxiparin and Certoparin), Xa inhibitors (Arixtra) and heparin derivatives (Orgaran) referred to as a Heparinoid, which are indicated for the treatment of Heparin-induced thrombocytopenia and also as an anticoagulant.

The Group is positioned as one of the leading worldwide providers in this therapeutic category. Aspen is currently the second largest provider to the European injectable anticoagulant sector (with 15% of the sector share) and the third largest participant in the total European anticoagulant sector (with 10% of the sector share). The IMS forecasts growth for the global demand for injectable anticoagulant products at a CAGR of 4,5% during the period 2016 to 2020.

Thrombosis portfolio





Business model



Aspen's vision

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

Aspen's values

- Commitment
- Excellence
- Innovation
- Integrity
- Teamwork

Aspen's capitals

- Financial capital
- Manufactured & intellectual capital
- Human capital
- Social & relationship capital
- Natural capital

1. Through understanding our key stakeholders' needs, identifying opportunities and managing risks

▶ Key stakeholder expectations

▶ Identified opportunities and risks

2. Strategy is developed and aligned to our values and vision



To create sustainable economic value for all our stakeholders



To enhance access to high quality, affordable medicines

3. Enabled through our unique value drivers

- Access to capital
- Cash flow generation capabilities
- Business acquisition and integration expertise
- Vertical integration advantages
- Globally competitive, scalable and widely accredited manufacturing facilities

4. Implemented through our globally integrated value chain

Product pipeline development

Manufacturing and



5. Providing high quality, affordable medicines and products to more than 150 countries focusing



Thrombosis
Arixtra
Fraxiparine
Fraxodi
Mono-Embolex
Orgaran



Anaesthetics
Anectine
Carbocaine
Citanest
Diprivan
EMLA
Marcaine
Mivacron
Naropin
Nimbex
Tracrium
Ultiva
Xylocaine

▶ External factors influencing Aspen's business



To achieve strategic advantage through our integrated supply chain



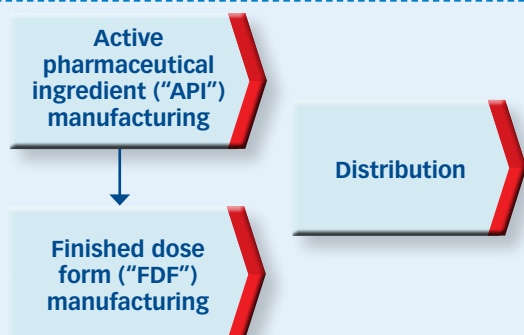
To provide a safe, challenging and rewarding environment for our employees



To practise good corporate citizenship

- Trusted Aspen brand
- High-performance and innovative culture
- Centres of excellence for product development, regulatory, supply chain and procurement resources
- Strong stakeholder relationships and corporate reputation
- Committed responsible corporate citizen

supply chain operations



Commercialisation



on niche therapeutic areas



High Potency & Cytotoxic
 Alkeran
 Benztropine
 Eltroxin
 Florinef
 Hydroxyprogesterone
 Caproate ("HPC")
 Imuran
 Ovestin
 Purinethol
 Thyrax



Infant Nutritionals
 Infacare
 S-26
 SMA

Why invest in Aspen?

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

1

Strong market position

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

2

Diversified geographies and product offering

- ▶ Well positioned in both developing and developed territories with products distributed in more than 150 countries and an established presence in approximately 50 of these countries
- ▶ Approximately 80% of revenues and EBITA are generated from territories outside of South Africa
- ▶ A broad product portfolio including branded medicines, biologicals, generics, infant nutritionals and other consumer healthcare products
- ▶ Targeted acquisitions of product portfolios in niche therapeutic areas which have a broad geographical footprint and which present value creation opportunities for the Group
- ▶ Diverse manufacturing capabilities across 26 manufacturing facilities covering a wide variety of product types including oral solid dose, liquids, semi-solids, steriles, biologicals, APIs and infant nutritionals
- ▶ Diversification of geopolitical and currency risk

3

Proven track record

- ▶ Delivered NHEPS CAGR of 38% since listing through acquisitive and organic growth
- ▶ CAGR since listing in excess of 40% for gross revenue and EBITA
- ▶ Skilled and experienced management teams to execute Aspen's strategy across multiple territories

4

Leverages on local knowledge and expertise

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

Aspen is the largest pharmaceutical company listed on the South African securities exchange, JSE Limited ("JSE"), and is one of the top 20 companies listed on this exchange. Aspen's market capitalisation at 30 June 2016 was R165 billion (approximately USD11 billion). The Group has 26 manufacturing facilities at 18 sites on six continents and more than 10 000 employees.

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, 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 such as the United States of America ("USA") and Canada.

5	Centralised Group activities facilitate synergies and mitigate pricing pressures	<ul style="list-style-type: none"> ▶ Globally competitive manufacturing facilities that are aligned to commercial objectives and provide economies of scale ▶ Centralised regulatory, supply chain and procurement resources provide competitive advantages for the Group ▶ An ongoing focus on continuous improvement of efficiencies and performance
6	Positive growth drivers	<ul style="list-style-type: none"> ▶ Provider of high quality, affordable medicines and products to historically under-served markets ▶ Exposure to faster growing developing markets ▶ Expanding footprint in targeted strategic growth territories ▶ Ongoing consolidation of production volumes and procurement efficiencies at strategic manufacturing sites will deliver competitive advantages to the Group ▶ Capital investment in production technologies and capacities to harness synergies from recent acquisitions in the medium term ▶ Strong cash generation enables reinvestment into the business
7	Responsible corporate citizen	<ul style="list-style-type: none"> ▶ Committed to pursuing the Group's strategic objectives in a responsible and sustainable manner ▶ Operates on an established foundation of strong corporate governance ▶ Active participant in the United Nations Global Compact ("UN Global Compact") initiative, applying the 10 Principles ▶ Participant in the annual Carbon Disclosure and Water Disclosure Projects ▶ Focused investment for the development of our human capital and empowerment of future leaders ▶ A constituent of the FTSE/JSE Responsible Investment Index
8	Other considerations	<ul style="list-style-type: none"> ▶ Aspen's shares have good trading liquidity, with an average daily trading volume of approximately 1,3 million shares for the 2016 financial year ▶ Aspen's executive directors are founders and material shareholders of the Group, ensuring alignment of shareholders' and executives' interests ▶ Aspen operates in the pharmaceutical industry which is considered to be defensive in nature



Anaesthetic products are categorised into two classes, namely general anaesthetics, which cause a reversible loss of consciousness; and local or regional anaesthetics, which cause a reversible loss of sensation locally (eg for local surgical procedures) or for a limited region of the body such as epidural anaesthesia, while maintaining consciousness.

Aspen's acquisition of the rights to six local or regional and one general AstraZeneca anaesthetic products globally (except the USA), and five GSK anaesthetic products for general anaesthesia use globally (with the exception of certain territories, primarily North America) will position it as one of the leading providers of anaesthetic products worldwide as it will hold a 20% share in this therapeutic category globally (outside the USA), a sector IMS values at USD3 billion, and will be the leading supplier of these products in multiple countries, including China, Japan, Brazil, South Africa, Australia and certain Nordic countries. As a consequence of these transactions four of the top 10 anaesthetic products globally (excluding the USA) will be Aspen products.

A variety of products is used in general anaesthesia for induction, maintenance and recovery. The classes of products where Aspen has acquired the rights in general anaesthesia are related to:

- induction and maintenance (Diprivan – acquired from AstraZeneca);
- opioids used during induction, maintenance and recovery (Ultiva – acquired from GSK); and
- neuro-muscular, blocking drugs used to facilitate intubation and to relax the muscles for surgical procedures (Nimbex, Tracrium, Mivacron and Anectine – acquired from GSK).

Local/regional anaesthetics include topical agents, in which class Aspen has acquired ointments, creams, gels, patches and sprays (Emla – acquired from AstraZeneca).



Anaesthetics portfolio



The Aspen timeline



1850

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

1997

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

1998

Listed on the JSE through reverse listing into Medhold Limited.

1999

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

2000

Commenced construction of an oral contraceptive facility at its East London site.

2001

Aspen Australia commenced trade as a start-up operation.

Nelson Mandela officiated at the opening of a clinic constructed for the disadvantaged citizens of Engcobo, South Africa, the first of the community clinics established under Aspen's SED programme.



2003

Entered into a fostering arrangement with GSK for the marketing and distribution of 40 branded products into the South African private sector.

Aspen Stavudine was launched – Africa's first generic ARV.

2004

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

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

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



2005

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

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

2006

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



2007

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



Gross revenue (R'billion)

2005

R2,8

2006

R3,4

2007

R4,0

2008

R4,7

2009

R8,4

2010

R10,1

2002

Concluded a BBBEE deal with CEPWAWU Investments (Pty) Limited, the investment arm of the trade union representing the majority of Aspen's labour force in South Africa.

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



2008

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

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

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



2009

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



2010

Took full control of the Latin American businesses acquired in 2008.



2011

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



2011
R13,2

2012
R16,4

2012

Established its first subsidiary in South East Asia in the Philippines. Aspen acquired a portfolio of established GSK over-the-counter ("OTC") products in selected territories for R2,1 billion.



2013

Acquired a portfolio of 25 established prescription-branded products from GSK ("classic brands") with distribution rights in Australia effective in the 2013 financial year.



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

2013

R20,8

2014

Acquired an API business and a portfolio of branded FDF molecules from MSD as well as two branded injectable anticoagulants and a specialised sterile production site from GSK.

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

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



2015

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



2016

R37,7 billion*

2016

2015

R33,5*

2014

R31,4

2016

Reached agreement with AstraZeneca AB and AstraZeneca UK ("AstraZeneca") to acquire the exclusive rights to commercialise AstraZeneca's global anaesthetics portfolio in 100 countries worldwide, including China but excluding the USA.

Anaesthetics have been identified as a key therapeutic category for the Group's strategic development plans which will further strengthen Aspen's presence in the hospital sector.

* Comparable revenue excludes the contribution from divestments and includes the results of Aspen's Venezuelan business translated at the DICOM (previously SIMADI) rate of VEF628,34 per USD for the prior reporting period.

Where we are

Global presence

International business

R18,9 billion*



Contribution to comparable gross revenue



Key

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

- 1 ● Toluca, Mexico
- 2 ● Mexico City, Mexico
- 3 ● Vallejo, Mexico
- 4 ● San José, Costa Rica
- 5 ● Panama City, Panama
- 6 ● Bogotá, Colombia
- 7 ● Quito, Ecuador
- 8 ● Lima, Peru
- 9 ● Santiago, Chile
- 10 ● Buenos Aires, Argentina
- 11 ● Rio de Janeiro, Brazil

- 12 ● Vitória, Brazil
- 13 ● Sioux City, IL USA
- 14 ● Des Plaines, IA USA
- 15 ● Bridgewater, NJ USA
- 16 ● Montreal, Canada
- 17 ● Dublin, Ireland
- 18 ● London, United Kingdom
- 19 ● Bad Oldesloe, Germany
- 20 ● Munich, Germany
- 21 ● Oss, the Netherlands
- 22 ● Amsterdam, the Netherlands

- 23 ● Brussels, Belgium
- 24 ● Notre Dame de Bondeville, France
- 25 ● Paris, France
- 26 ● Baar, Switzerland
- 27 ● Verona, Italy
- 28 ● Prague, Czech Republic
- 29 ● Ljubljana, Slovenia
- 30 ● Baloži, Latvia
- 31 ● Warsaw, Poland
- 32 ● Bratislava, Slovakia
- 33 ● Budapest, Hungary

Aspen has a strong presence in both emerging and developed countries with more than 60 established business operations in approximately 50 countries. The Group supplies medicines and products to more than 150 countries.

Asia Pacific business

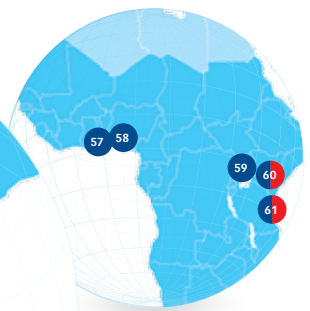
R7,4 billion*

South African business

R8,1 billion*

SSA business

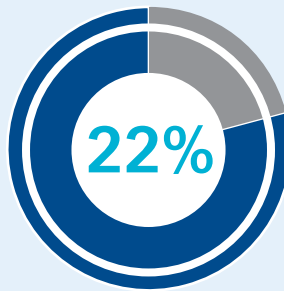
R3,3 billion*



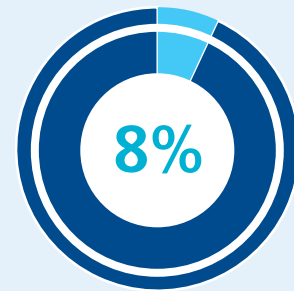
Contribution to comparable gross revenue



Contribution to comparable gross revenue



Contribution to comparable gross revenue



- 34 ● Belgrade, Serbia
- 35 ● Athens, Greece
- 36 ● Moscow, Russia
- 37 ● Kiev, Ukraine
- 38 ● Bucharest, Romania
- 39 ● Sofia, Bulgaria
- 40 ● Hyderabad, India
- 41 ● Dubai, United Arab Emirates
- 42 ● Grand Bay, Mauritius
- 43 ● Kuala Lumpur, Malaysia
- 44 ● Quarry Bay, Hong Kong

- 45 ● Guangzhou, China
- 46 ● Tokyo, Japan
- 47 ● Taipei, Taiwan
- 48 ● Manila, the Philippines
- 49 ● Sydney, Australia
- 50 ● Melbourne, Australia
- 51 ● Auckland, New Zealand
- 52 ● Durban, South Africa
- 53 ● Cape Town, South Africa
- 54 ● Johannesburg, South Africa
- 55 ● Port Elizabeth, South Africa

- 56 ● East London, South Africa
- 57 ● Accra, Ghana
- 58 ● Lagos, Nigeria
- 59 ● Kampala, Uganda
- 60 ● Nairobi, Kenya
- 61 ● Dar es Salaam, Tanzania

* Comparable revenue excludes the contribution from divestments and includes the results of Aspen's Venezuelan business translated at the DICOM (previously SIMADI) rate of VEF628,34 per USD for the prior reporting period.



High Potency & Cytotoxic products generally contain APIs which evoke the indicated response when administered at a low concentration. Due to their potency and toxicity these molecules require to be manufactured under specialised conditions, catering for both employee health and safety as well as product efficacy.

Most of these molecules have a narrow therapeutic index, allowing for a small window between the effective and toxic doses. These products are mainly used in life-saving chronic medical conditions. The leading class in this product segment, with a combined global value of USD3,4 billion and annual volume growth of 7% (as measured by IMS at 31 December 2015), are products designed to treat under-active thyroid conditions such as Aspen's Eltroxin, Eutroxsig, Oroxine and Thyrox. Another important product in this segment is Florinef, a specific high-potency mineral corticoid used in adrenal insufficiency, classified by the WHO as an essential medicine.

Aspen also actively promotes two anabolic steroid products in this product segment, namely Deca-Durabolin and Sustanon, as well as a basket of glucocorticoids, Meticorten/Oradexon/Decadron and Meticortelone in various dosage forms, mostly in the Latin American and Asian regions.

During the year under review Aspen acquired and launched the HPC FDF, which is indicated for the treatment of certain female cancers and hormonal imbalances, and Bzotropine, used primarily for the treatment of Parkinson's disease.

Cytotoxic products are mainly oncological molecules focused on haematology and immunosuppression. Aspen's products fall within the antimetabolites product class, which has a global IMS value of USD7,4 billion, and the alkylating agents class which has a global IMS value of USD2,7 billion. These brands are used in combination regimens with other oncological products, centred on research-based clinical trials aimed at ensuring improved survival and quality-of-life outcomes.

Female health has been identified as a potential growth segment for Aspen, considering that the Group manufactures the APIs for multiple female health products globally, including a number of oral contraceptive and hormonal replacement therapy products it acquired from MSD in the 2014 financial year. Aspen is well positioned to take advantage of its specialised manufacturing expertise to develop and commercialise its own branded portfolio in this growing segment.

High Potency & Cytotoxics portfolio



Manufacturing capabilities

Primary sites



Port Elizabeth, South Africa

Unit 1 facility

Capability: High-volume solids manufacturing and packing for domestic and export markets.

Capacity: 6 billion tablets.

Accreditation: ANVISA, FMHACA, GCC, ICHA, MCAZ, MCC, MHRA, NAFDA, NDA, PIC/S, PMPB, PPB, TFDA, TGA, US FDA, WHO.

Unit 2 facility

Capability: Small to medium-volume solids manufacturing for domestic and export markets.

Capacity: 4 billion tablets.

Accreditation: ANVISA, FMHACA, GCC, ICHA, MCAZ, MCC, MHRA, NAFDA, NDA, PIC/S, PMPB, PPB, TFDA, TGA, US FDA, WHO.

Unit 3 facility

Capability: End state packing for domestic market.

Capacity: 140 million packed units of tablets and capsules.

Accreditation: MCC and PIC/S.

Unit 4 facility

Capability: Hormonal and high potency solids manufacturing and packaging for the domestic and export markets.

Capacity: 3,2 billion tablets (hormonal); 395 million tablets (potency).

Accreditation: Facility has been commissioned. Initial trial batches are currently in process. The first regulatory body inspections will start in the first quarter of 2017.

API facilities



Cape Town, South Africa

FCC API facility

Capability: Specialised API manufacturing for domestic and export markets.

Capacity: 46 000kg

Accreditation: EDQM, MCC, PIC/S, PMDA, US FDA.



Notre Dame de Bondeville, France

Nadroparin facility

Capability: Specialised biochemical API – conversion of heparin to nadroparin.

Capacity: 200 batches of nadroparin.

Accreditation: ANSM, DQS.



Fondaparinux facility

Capability: Specialised chemical API – purification by chromatography of Fondaparinux.

Capacity: 34 batches of Fondaparinux sodium.

Accreditation: ANSM, ANVISA, DQS, KFDA, PMDA, TRA, US FDA.

Regional facilities

Johannesburg, South Africa

Capability: Infant nutritionals and UHT infant milk liquids manufacturing and packing for domestic and export markets.

Capacity: 6 800 metric tonnes of infant nutritionals; 9 million packed units of liquid UHT.

Accreditation: ISO 22000.

East London, South Africa

Capability: High-volume oral contraceptive manufacturing and packing for domestic market.

Capacity: 1 billion tablets.

Accreditation: MCC and PIC/S.

East London, South Africa

Capability: Solids, semi-solids and liquid manufacturing and packing for domestic market.

Capacity: 800 million tablets; 64 million packed units of liquids; 21 million packs of semi-solids.

Accreditation: MCC and PIC/S.

Melbourne, Australia

Capability: High-volume solids, liquids and semi-solids.

Capacity: 3 billion tablets; 90 million sachets; 1 167 tonnes semi-solids; 1 721 tonnes liquids.

Accreditation: TGA, UAERA, YRA.

Auckland, New Zealand

Capability: Infant nutritionals, dairy powder blending and packing for domestic and export markets.

Capacity: 24 000 tonnes of 900g cans (27 million cans); 70 million single serve sachets.

Accreditation: China GMP, CNCA, FSSC 22000, HACCP, Halaal, Organic, NZ RMP.



Notre Dame de Bondeville, France

Bad Oldesloe, Germany

Sterile facility SVP 1: multi-product suites A and B

Capability: Eye drops, ampoules, liquid and lyophilised vials for domestic and export markets.

Capacity: Suite A: 42 million units of eye drops; 2,9 million units of liquid vials; Suite B: 11,75 million units of ampoules; 23,5 million units of liquid vials.

Accreditation: ANVISA, BFARM*, MCC, PIC/S, PPB*, US FDA, WHO (pre-qualification) (* pending).

Sterile facility SVP 2: high-potency suite

Capability: Prefilled syringes for domestic and export markets.

Capacity: Phase 1: 110 million prefilled syringes per annum.

Accreditation: Regulatory inspections to take place (project phase).

Block 3: Etna and Stromboli lines

Capability: Aseptic prefilled and terminally sterilised syringe manufacturing and packing for domestic and export markets.

Capacity: 85 million syringes (Etna line); 130 million syringes (Stromboli line).

Accreditation: ANSM, ANVISA, ASN, DQS, HPB, PMDA, US FDA.

Multi-product suite

Capability: Solid dose forms, oral and topical liquids, semi-solids and blow-fill seals, manufacturing and packing for domestic and export markets.

Capacity: 3,3 billion tablets; 6 240 tonnes of liquids; 1 404 tonnes of topical liquids; 351 tonnes of semi-solids, 60 million units for blow-fill seals.

Accreditation: ANVISA, GRA, IRA, LRA, PPB, PMDA, TGA, US FDA.



Sioux City, USA

Oss, the Netherlands

Sioux City facility

Capability: Specialist biochemical API – heparin intermediates.

Capacity: Biologicals – capacity is measured on demand – dependent on product mix.

Accreditation: US FDA.

De Geer site

Capability: Specialised hormonal and chemical APIs.

Capacity: 150 000kVH.

Accreditation: ANVISA, IGZ, KFDA, PMDA, US FDA.

Moleneind site

Capability: Specialised biochemical, hormonal and chemical APIs.

Capacity: Dependent on product mix.

Accreditation: ANVISA, IGZ, KFDA, PMDA, US FDA.

Boxtel site

Capability: Specialised biochemical API – gonadotrophin intermediates.

Capacity: Measured on demand.

Accreditation: IGZ, PMDA, US FDA.

Vitória, Brazil

Capability: Small to medium-volume solids and liquids.

Capacity: 220 million tablets and capsules; 96kℓ of liquids.

Accreditation: ANVISA, GMP, ISO 14001, OHSAS 18001.

Toluca, Mexico

Capability: Small to medium-volume solids.

Capacity: 38 million tablets; 50 million capsules.

Accreditation: COFEPRIS.

Vallejo, Mexico

Capability: Infant nutritionals manufactured and packed for the domestic and export markets. Small to medium-volume solids, semi-solids and liquids.

Capacity: 20 000 tonnes of infant nutritionals. 225 million tablets and capsules; 1 300 tonnes semi-solids; 2 000 tonnes liquids.

Accreditation: COFEPRIS, FSSC 22000, ISO 9001, ISO 14001, OHSAS 18001.

Dar es Salaam, Tanzania

Capability: Small to medium-volume semi-solids, large-volume solids and liquids.

Capacity: 1,2 billion tablets; 15 tonnes of semi-solids; 1 500kℓ of liquids.

Accreditation: DACA, FMHACA*, GFDB*, MOH – DRC, MOH – IC, NDA*, PIC/S, PMPD**, PPB, PRA, TFDA, ZAMRA.

* To be re-inspected

** Routine renewal inspection applied for

Nairobi, Kenya

Capability: Small to medium-volume solids, liquids and fast-moving consumer goods.

Capacity: 500 million tablets; 488kℓ of liquid.

Accreditation: FMHACA, MCAZ, MOH – DRC, NDA, PMPB, PPB, PRA, TFDA, ZAMRA.

Accra, Ghana

Capability: Small to medium-volume liquids.

Capacity: 567kℓ of liquids.

Accreditation: GFDB.



Aspen supplies a wide range of infant nutritional and growing-up milk products across both the premium and value segments for these products. Infant nutritionals are used for infants under 12 months of age who are unable to be breastfed while growing-up milk formulas are used to supplement the diet of children older than 12 months. These products are usually prepared for bottle-feeding or cup-feeding from powder (mixed with water) or liquid (with or without additional water).

The most commonly used infant nutritionals contain purified cow's milk whey and casein as a protein source, a blend of vegetable oils as a fat source, lactose as a carbohydrate source, a vitamin-mineral mix and a variety of other ingredients depending on the manufacturer. Paediatric nutritionals are dietary supplements intended to provide nutrients to children between the ages of one and three that may otherwise not be consumed in sufficient quantities.

Despite the global economic downturn and slow recovery, the worldwide demand for nutritional products continues to grow. Research indicates that it is one of the fastest-growing packed food categories, with an estimated global demand in excess of USD46 billion in 2016 and with a predicted CAGR in excess of 9% over the period 2015 to 2020 (source: Euromonitor). The strong growth in this category is bolstered by emerging markets, where there is an

increasing standard of living, participation of women in the workplace and higher birth rates. The main growth regions are Asia (led by China, the world's largest consumer of infant nutritionals), the Middle East, Africa and to a lesser extent, South America.

Aspen has the rights to manufacture and market the S-26 and SMA brands in southern Africa, Australia and Latin America. This, combined with the strong position of the Infacare brand in Africa, gives Aspen a strong infant nutritionals presence on four continents and positions it as the 15th largest infant nutritionals business globally with an estimated 0,70% of worldwide market share (source: Euromonitor). In addition, Aspen is one of only two companies in the top 15 that is also a pharmaceutical company, providing additional credibility due to Aspen's rigorous safety and quality standards.

Infant Nutritionals portfolio



Business unit reviews

International

Aspen's International business comprises operating subsidiaries in Europe CIS, Latin America, Middle East and North Africa ("MENA"), Canada as well as Mauritian-based AGI, the international commercial business and intellectual property holding company which is also a primary Group trading operation and supply chain hub. Globally branded pharmaceutical products are distributed into multiple territories as well as local brands into selected regions. The API site at Oss, supported by its satellite operation at Sioux City, supplies APIs worldwide. The Notre Dame de Bondeville site primarily services Group supply needs and the Bad Oldesloe site is also an important producer for the Group.

Financial performance

	2016 R' billion	2015 R' billion	Change
Comparable business			
Revenue	18,9	15,8	19%
EBITA	5,9	5,1	15%
EBITA margin (%)	31,2	32,2	
<i>Comparable business measures exclude the contribution from Divestments and includes the results of Aspen's Venezuelan business translated at the DICOM (previously SIMADI) rate of VEF628,34 per USD for the prior reporting period.</i>			
Entity-wide disclosure – revenue			
Commercial – pharmaceutical	12,2	10,3	19%
Europe CIS	8,5	7,0	22%
Latin America (excluding hyperinflationary economy)	2,0	2,1	(5%)
MENA	0,9	0,6	51%
USA and Canada	0,8	0,6	42%
Commercial – infant nutritionals	1,5	1,3	18%
Latin America (excluding hyperinflationary economy)	1,5	1,3	18%
Manufacturing – API and FDF	4,7	3,8	24%
Europe CIS	4,7	3,8	24%
Comparable revenue	18,4	15,4	20%
Venezuela	–	2,7	
Total gross revenue	18,4	18,1	2%

Pharmaceutical and infant nutritionals revenue has been classified by customer geography and manufacturing revenue has been classified by point of manufacture.

Highlights for the year

- ▶ Aspen's International business contributed 49% towards total Group comparable gross revenue in the 2016 financial year, with the Europe CIS business contributing 36% of total Group gross revenue.
- ▶ Mono-Embolex, an injectable and weight independent anticoagulant, acquired from Novartis in the prior financial year, has been successfully integrated in Germany and posted its first full year of sales in the 2016 financial year. Mono-Embolex presents a strong complementary fit to Aspen's thrombosis portfolio and is now promoted as a first-line product to key stakeholders.
- ▶ In a transaction which became effective on 1 October 2016, Aspen acquired the exclusive rights to commercialise AstraZeneca's global (excluding the USA) anaesthetics portfolio for a consideration of USD520 million in June 2016. The products in the portfolio are sold in more than 100 countries worldwide including China, Japan, Australia and Brazil and generated revenue of USD592 million in the year ended 31 December 2015.
- ▶ The acquisition of a global portfolio (excluding North America) of GSK anaesthetic products for a consideration of GBP180 million was announced by Aspen after its year end close. These products are sold in more than 100 countries worldwide including China, Japan, Brazil, Korea, Germany and Italy.
- ▶ In the Caribbean and Central America ("Caricam") territory, third-party distributors were replaced by Aspen's own operations, thereby reducing complexity in the supply chain.
- ▶ The Vallejo site received the "Environmental Excellence Recognition Award" for the second year in a row for demonstrating continuous improvement in production processes, clean and effective sustainable practices and its community commitment.
- ▶ In December 2015, AGI acquired the intellectual property and the approved ANDA in the USA in respect of the FDF of HPC, which is indicated for the treatment of certain female cancers and hormonal imbalances. It was officially launched on 28 June 2016 in the USA.

Key business units

Europe CIS



Aspen Bad Oldesloe
Aspen Europe
Aspen France
Aspen Germany
Aspen Ireland
Aspen Italy
ANDB
Aspen Netherlands
Aspen Oss
Aspen Polska
Aspen Russia
Aspen Switzerland

Latin America



Aspen Argentina
Aspen Brazil
Aspen Caricom
Aspen Chile
Aspen Colombia
Aspen Ecuador
Aspen Mexico
Aspen Panama
Aspen Peru

Rest of the World



Aspen API
Aspen Canada
Aspen Dubai
AGI

Key territories and/or countries supplied to in this region

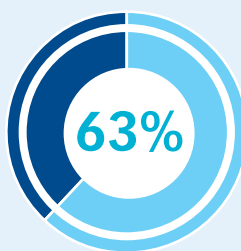
Argentina, Brazil, Canada, Caricom, Chile, CIS, Colombia, Ecuador, Europe, Mexico, MENA, Panama, Peru, USA

Contribution to Group comparable gross revenue



International

Contribution to Group comparable EBITA



International

Market statistics and recognition

- ▶ The European and CIS thrombosis pharmaceutical market was valued at EUR2,7 billion, growing 1,2% in volume and declining marginally by 0,3% in value, for the year to 30 June 2016.
- ▶ Aspen is the second largest manufacturer of injectable anticoagulants in Europe CIS and is the sector leader for these products in Bulgaria, Czech Republic, the Netherlands and Romania.
- ▶ The Spanish Latin American private pharmaceutical sector was valued by IMS at USD32,1 billion for the year to 30 June 2016.
- ▶ The Brazilian private pharmaceutical sector was valued by IMS at USD22,5 billion for the year to 30 June 2016 and Aspen is ranked 53rd in this sector.
- ▶ The MENA pharmaceutical sector was estimated at approximately USD28,5 billion for the year to 31 December 2015.
- ▶ Aspen's major markets in the MENA region include Saudi Arabia, Egypt, Algeria, Kuwait and Morocco.

Number of products launched from pipeline:
Europe CIS: Nil (2015: Nil)
Latin America: 4 (2015: 43)
Rest of the World: 9 (2015: Nil)

IMS value of pipeline as at 30 June 2016 anticipated to be launched in:
0 – 2 years
USD0,85 billion
3 – 5 years
USD2,20 billion

Number of permanent employees:
Europe CIS:
2 611 (2015: 2 608)
Latin America:
1 245 (2015: 1 360)
Rest of the World:
247 (2015: 235)

Average staff turnover:
Europe CIS: 8% (2015: 5%)
Latin America: 33% (2015: 33%)
Rest of the World: 20% (2015: 17%)

Number of product recalls:
6 (2015: 1)

Number of work-related fatalities:
Nil (2015: Nil)

Carbon emissions:
Scope 1: 32 415 tCO₂e
(2015: 34 858 tCO₂e)
Scope 2: 32 744 tCO₂e
(2015: 31 340 tCO₂e)

Business unit reviews continued

Asia Pacific

Aspen's Asia Pacific business comprises operations in Australia, New Zealand, the Philippines, Malaysia, Taiwan and Japan. Efforts are underway to establish an operation in China, following Aspen's recent acquisition of anaesthetic and thrombosis products from AstraZeneca and GSK in this country. These operations supply a diversified portfolio of branded prescription, generic, OTC, consumer and infant nutritional products into Australia and New Zealand and the majority of countries in Asia. Certain tablets, liquids and semi-solids are produced at the Group's manufacturing site in Melbourne, while other products for customers of this business are sourced from Aspen's global manufacturing sites and accredited third-party manufacturers.

Financial performance

	2016 R' billion	2015 R' billion	Change
Comparable business			
Revenue	7,4	6,7	11%
EBITA	1,6	1,4	10%
EBITA margin (%)	21,5	21,6	
<i>Comparable business measures exclude the contribution from Divestments and includes the results of Aspen's Venezuelan business translated at the DICOM (previously SIMADI) rate of VEF628,34 per USD for the prior reporting period.</i>			
Entity-wide disclosure – revenue			
Commercial – pharmaceutical	6,1	5,6	8%
Australasia	4,5	4,4	2%
Asia	1,6	1,2	29%
Commercial – infant nutritionals	1,0	1,0	6%
Manufacturing – FDF	0,5	0,5	–
Comparable revenue	7,6	7,1	7%
Divestments	0,2	1,4	
Total gross revenue	7,8	8,5	(8%)

Pharmaceutical and infant nutritionals revenue has been classified by customer geography and manufacturing revenue has been classified by point of manufacture.

Highlights for the year

- ▶ On 1 September 2015, Aspen Australia successfully completed the divestment of a portfolio of products, consisting mainly of generics, to Strides Arcolab. The final payment for this transaction was received during November 2015.
- ▶ In August 2015, NZNM, the infant nutritionals site in Auckland, New Zealand in which Aspen has a 50% joint venture stake, commenced supply of S-26 infant nutritionals into Aspen Australia's infant nutritionals division. A new facility was commissioned at this site in December 2015, which increased capacity to 24 tonnes.
- ▶ Aspen's Asian businesses (those Asia Pacific businesses outside of Australasia) delivered a combined revenue growth of 29%, with Aspen Japan successfully completing its first full year of trading.
- ▶ Following the acquisition of a global anaesthetics portfolio from AstraZeneca and the rights to the Arixtra and Fraxiparine products from GSK, the process of establishing Aspen's Chinese business has commenced to ensure that Aspen is in a position to trade in this territory in the 2017 financial year.

Key business units

Asia Pacific



Aspen Australia
Aspen Asia
Aspen Japan
Aspen Malaysia
Aspen Philippines
Aspen Taiwan

Key countries supplied to in this region

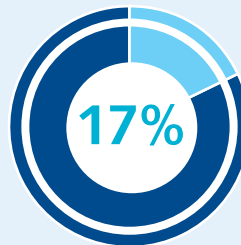
Australia, China, Hong Kong, Indonesia, Japan, Korea, Malaysia, New Zealand, Philippines, Singapore, Taiwan, Thailand and Vietnam

Contribution to Group comparable gross revenue



■ Asia Pacific

Contribution to comparable EBITA



■ Asia Pacific

Number of products launched from pipeline:

24 (2015: 34)

IMS value of pipeline as at 30 June 2016 anticipated to be launched in:

0 – 2 years

USD1,35 billion

3 – 5 years

USD0,05 billion

Number of permanent employees:

772 (2015: 844)

Average staff turnover:

23% (2015: 24%)

Number of product recalls:

1 (2015: 1)

Number of work-related fatalities:

Nil (2015: Nil)

Carbon emissions:

Scope 1: 1 986 tCO₂e

(2015: 2 907 tCO₂e)

Scope 2: 16 427 tCO₂e

(2015: 22 091 tCO₂e)

Market statistics

- ▶ IMS values the Australian pharmaceutical sector at AUD16,7 billion, with Aspen currently being ranked second by volume and ninth by value in this sector. Almost one in six scripts written in Australia is for a product distributed by Aspen.
- ▶ The combined Asian pharmaceutical sector is valued at almost USD203,5 billion by IMS in 2016. China has overtaken Japan as the largest market in Asia at USD78,9 billion, with Japan now valued at USD73,1 billion. The total IMS value of the countries where Aspen will have local operations in Asia will reach USD197,3 billion, following the launch of Aspen's Chinese operation in the 2017 financial year.
- ▶ Aspen Nutritionals Australia was awarded the "Readers Digest Most Trusted Brand Award" in the Baby Formula category for S-26.
- ▶ Bio-Oil won the prestigious Australia "Priceline Cult Product of the Year".
- ▶ Valda was awarded the "2016 Best Consumer Health Brand" within the throat drops category by the well-renowned Taiwan Management Magazine.
- ▶ Cortal was awarded the "Health, Wellness & Beauty Award" in Hong Kong by Watson's, the largest healthcare and beauty care chain in Asia.

Business unit reviews continued

South Africa

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

Financial performance

	2016 R' billion	2015 R' billion	Change
Comparable business			
Revenue	8,1	8,2	(1%)
EBITA	1,5	1,8	(15%)
EBITA margin (%)	18,5	21,6	
<i>Comparable business measures exclude the contribution from Divestments and includes the results of Aspen's Venezuelan business translated at the DICOM (previously SIMADI) rate of VEF628,34 per USD for the prior reporting period.</i>			
Entity-wide disclosure – revenue			
Commercial – pharmaceutical	6,2	6,6	(6%)
Commercial – infant nutritionals	0,9	0,7	11%
Manufacturing – API and FDF	1,3	0,8	63%
Comparable revenue	8,4	8,1	2%
Divestments	–	0,4	
Total gross revenue	8,4	8,5	(3%)

Pharmaceutical and infant nutritionals revenue has been classified by customer geography and manufacturing revenue has been classified by point of manufacture.

Highlights for the year

- ▶ In September 2015, the South African subsidiary of Norgine BV was acquired as part of Aspen's commercial strategy to increase its focus on therapeutic areas that present the highest growth opportunities to the Group.
- ▶ Aspen disposed of a product portfolio to Litha for R1,7 billion as part of its strategic intent to reduce complexity and focus attention in areas where most value can be added. The transition of these products to Litha has been managed effectively with minimal disruption to the remaining business.
- ▶ Tribuss has maintained its position as the largest product by value in the private pharmaceutical sector.
- ▶ Nutritionals revenue continued its double-digit growth and reflected a profit improvement due to the strong execution of targeted initiatives during the year. Aspen also launched the first box format for S-26 Classic and a Ready-to-Drink (UHT) format for S-26 Gold in the 2016 financial year.
- ▶ Aspen was awarded 32,4% value share of the oral solid dosage tender with key products including Pharmapress, Ridaq Phenytoin Sodium and Degranol. The tender is for a two-year period and represents a notable increase from the 26,7% value share held previously.

Key business units

South Africa

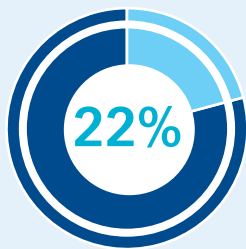


FCC
Pharmacare

Key countries supplied to in this region

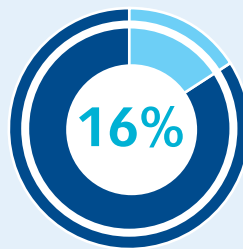
Botswana, Lesotho, Namibia
South Africa and Swaziland

Contribution to Group comparable gross revenue



■ South Africa

Contribution to Group comparable EBITA



■ South Africa

Market statistics

- ▶ The South African private pharmaceutical sector was valued at R35,5 billion by IMS as at 30 June 2016.
- ▶ Aspen is ranked as the number one pharmaceutical company in the private sector, as measured by IMS, with a 14,5% share.
- ▶ About one in every five scripts dispensed by South African pharmacists is for an Aspen product, as recorded by ImpactRx.
- ▶ In the private sector, five out of the top 20 products by value, as measured by IMS for the year ended 30 June 2016, was an Aspen product.
- ▶ Three out of the top five generic products supplied in the private sector were Aspen products.
- ▶ In November 2015, Aspen was awarded the "Fastest Growing Distribution Supplier" from UPD for the third consecutive year.
- ▶ Aspen was recognised as one of the top 100 South African exporters for the first time.

Number of products launched from pipeline 11 (2015: 9)

IMS value of pipeline as at
30 June 2016 anticipated
to be launched in:
0 – 2 years
USD0,21 billion
3 – 5 years
USD0,18 billion

Number of permanent employees:
3 882 (2015: 3 634)

Average staff turnover:
9% (2015: 10%)

Number of product recalls:
4 (2015: 4)

Number of work-related fatalities:
Nil (2015: Nil)

Carbon emissions:
Scope 1: 6 838 tCO₂e
(2015: 4 672 tCO₂e)
Scope 2: 106 763 tCO₂e
(2015: 95 452 tCO₂e)

Business unit reviews continued

Sub-Saharan Africa

Aspen's presence in SSA is through its wholly owned subsidiaries, Shelys (Tanzania), Beta Healthcare International (Kenya), Beta Healthcare (Uganda) and Aspen Nigeria. Aspen also has a 65% shareholding in Kama (Ghana) and exports products from South Africa into selected territories. While it was agreed to terminate the SSA Collaboration between Aspen and GSK after the 2016 year end close, the SSA Collaboration was an important contributor to the revenue of this region for the 2016 financial year. Aspen uses its own sales representation and distribution infrastructure across the region to supply a range of high quality pharmaceutical products. Aspen has its own operations in Nigeria, Ghana, Kenya, Tanzania, and Uganda, with the rest of the region being serviced through long-standing relationships with local distributors supported by sales representatives. Aspen supplies a range of branded, generic, OTC, consumer health and infant nutritional products into SSA.

Financial performance

	2016 R' billion	2015 R' billion	Change
Comparable business			
Revenue	3,3	2,8	18%
EBITA	0,4	0,3	31%
EBITA margin (%)	12,5	11,3	
<i>Comparable business measures exclude the contribution from Divestments and includes the results of Aspen's Venezuelan business translated at the DICOM (previously SIMADI) rate of VEF628,34 per USD for the prior reporting period.</i>			
Entity-wide disclosure – revenue			
Commercial – pharmaceutical	3,2	2,8	15%
Commercial – infant nutritionals	0,1	0,1	51%
Total gross revenue	3,3	2,9	16%

Pharmaceutical and infant nutritionals revenue has been classified by customer geography and manufacturing revenue has been classified by point of manufacture.

Highlights of the year

- ▶ Revenue from Aspen-owned brands improved 25%.
- ▶ Strong working capital management resulting in dividends being declared by all business units, except Kama.
- ▶ Strong financial performance from Kama in the first full year of control.

Key business units

Sub-Saharan Africa



Aspen Nigeria
Beta Kenya
Beta Uganda
Exports division
Kama
Shelys
The SSA Collaboration

Key countries supplied to in this region

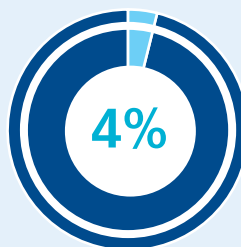
Angola, Botswana, Ethiopia, Ghana, Ivory Coast, Kenya, Mauritius, Namibia
Nigeria, Tanzania, Uganda, Zambia and Zimbabwe

Contribution to Group comparable gross revenue



■ SSA

Contribution to Group comparable EBITA



■ SSA

Market statistics

- ▶ Aspen enjoys representation in most SSA countries through its own sales force and a network of more than 200 distributors.
- ▶ Aspen is among the leading companies in antibiotics, respiratory, pain, cough and cold segments throughout SSA.
- ▶ Shelys received the "Presidential Manufacturer of the Year" Award for 2015 under the pharmaceutical and medical equipment, large-scale category

Number of products launched from pipeline
44 (2015: 19)

IMS value of pipeline as at 30 June 2016 anticipated to be launched in:
Not covered by IMS

Number of permanent employees:
427 (2015: 408)

Average staff turnover:
21% (2015: 11%)

Number of product recalls:
Nil (2015: Nil)

Number of work-related fatalities:
Nil (2015: Nil)

Carbon emissions:
Scope 1: 2 349 tCO₂e
(2015: 2 431 tCO₂e)
Scope 2: 2 326 tCO₂e
(2015: 2 300 tCO₂e)

Accolades and achievements

Received the **funding deal of the year accolade** by Bank of America Merrill Lynch

Forbes ranked Aspen as the **74th most innovative company** in the world in its Most Innovative Growth Companies 2016 list

The Boston Consulting Group included Aspen as one of only **five** South African companies in its **2016 Global Challengers List** which recognises companies from emerging markets that “are reshaping industries and surpassing many traditional multinational companies”

Aspen was a recipient of the **2016 Africa Best Employer Brand Awards** which recognises African companies which have excelled in establishing themselves as “an employer of choice”

Aspen’s Group Chief Executive, Stephen Saad, was awarded the **Entrepreneur of the Year Award** at the 2016 CNBC All Africa Leadership Awards

Adjudged the **Best Large Cap Presentation** by the Investment Analyst Society of South Africa in 2016

Aspen’s 2015 Integrated Report was ranked **35th best annual report globally** by Report Watch, achieving an **A-score** and improving its ranking from 42nd in the prior year. It was one of only three South African companies to be in the top 100

Aspen’s 2015 Integrated Report was ranked in the **Excellent category** of **Ernst & Young’s Excellence in Integrated Reporting Awards 2016**

Aspen received the **Best Corporate Governance – Pharmaceuticals – Africa** award at the Ethical Boardroom Magazine 2016 Awards for the second year in a row

Aspen’s Group Legal function was a finalist in **Legal Week Magazine’s Legal Department of the Year Awards 2016**

Aspen has again been included in the **FTSE/JSE Responsible Investment Index** launched in 2015 and has had its absolute and relative scores increased in respect of this index after an analysis of the information contained in the 2015 Integrated Report

The Public Health Enhancement Fund in which Aspen is an active participant, was the winner of the **Titanium Awards for Excellence in Corporate Social Investment** at the Board of Healthcare Funders Conference held in July 2016

Shareholder statistics

Analysis of shareholders at 30 June 2016

Ordinary shares	Number of shareholders	% of shareholders	Number of shares	% of total shareholding
Size of holding				
1 – 2 500	51 536	93	19 738 120	4,3
2 501 – 12 500	2 910	5	15 213 795	3,3
12 501 – 25 000	415	1	7 357 608	1,6
25 001 – 50 000	260	0	9 169 828	2,0
50 001 and over	423	1	404 871 986	88,8
	55 544	100	456 351 337	100,0

Major shareholders

Institutional shareholders

According to the register of shareholders at 30 June 2016, the following are the top 10 registered institutional shareholders:

Institutional shareholder	Number of shares	% of total shareholding
Public Investment Corporation	45 521 514	10,0
Foord Asset Management	19 384 498	4,2
Government of Singapore Investment Corporation	13 664 491	3,0
Genesis Investment Management	13 501 195	3,0
STANLIB Asset Management	12 436 727	2,7
Vanguard	10 642 698	2,3
BlackRock	10 446 942	2,3
JP Morgan Asset Management	9 346 620	2,1
T. Rowe Price Associates Inc	8 247 990	1,8
Harding Loevner Management	8 232 952	1,8
	151 425 627	33,2

Top 10 beneficial shareholders

According to the register of shareholders at 30 June 2016, the following are the top 10 registered beneficial shareholders. The shareholdings of all directors are disclosed on page 107 of the Remuneration Report:

Shareholder	Number of shares	% of total shareholding
Saad, SB	55 349 036	12,1
Government Employees Pension Fund	50 938 348	11,2
Glaxo Group Limited	28 234 379	6,2
Attridge, MG	18 875 422	4,1
Government of Singapore Investment Corporation	10 828 957	2,4
CEPPWAWU Investments (Pty) Limited	10 053 368	2,2
Vanguard	9 724 077	2,1
Genesis Investment Management	9 572 831	2,1
Liberty Group	9 404 901	2,1
Foord Asset Management	9 137 082	2,0
	212 118 401	36,5

Shareholders' spread

As required by paragraph 8.63 and terms of paragraph of 4.25 of the JSE's Listings Requirements, the spread of the ordinary shareholding at close of business on 30 June 2016 was as follows:

	Number of shareholders	Number of shares	% of total shareholding
Non-public shareholders	13	103 134 901	22,6
Directors of the Company and directors of material subsidiaries	11	74 400 776	16,3
Glaxo Group Limited	1	28 234 379	6,2
Employee share trusts – Treasury shares	1	499 746	0,1
Public shareholders	55 531	353 216 436	77,4
Total shareholding	55 544	456 351 337	100

Abbreviations

AGI	Aspen Global Incorporated, a subsidiary incorporated in Mauritius
ANDA	Abbreviated New Drug Application
ANDB	Aspen Notre Dame de Bondeville S.A.S., a wholly owned subsidiary incorporated in France
API	Active pharmaceutical ingredient
ARV	Anti-retroviral
Aspen and/or Group	Aspen Pharmacare Holdings Limited and/or its subsidiaries as set out in note 24 to the Company financial statements, as the context demands
Aspen Holdings or the Company	Aspen Pharmacare Holdings Limited
Aspen API	Aspen API Incorporated, a wholly owned subsidiary of AGI, incorporated in the USA
Aspen Australia	Aspen Australia comprises Aspen Asia Pacific Pty Limited (a wholly owned subsidiary of AGI) 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 Aspen Products Pty Limited
Aspen Bad Oldesloe	Aspen Bad Oldesloe GmbH, a wholly owned subsidiary incorporated in Germany
Aspen Brazil	Aspen Pharma – Indústria Farmacêutica Limitada, a wholly owned subsidiary of PharmaLatina Holdings incorporated in Brazil
Aspen Europe	Aspen Europe GmbH, incorporated in Germany, a wholly owned subsidiary of AGI
Aspen Japan	Aspen Japan KK, incorporated in Japan, a wholly owned subsidiary of AGI
Aspen Mexico	Aspen Mexico comprises Aspen Labs S.A. de C.V., Aspen Pharma Mexicana S. de R.L. C.V., Solara S.A. de C.V., Aspen Servicios S. de R.L. de C.V., PN North America S. de R.L. de C.V., Wyeth Ilaclari S. de R.L. de C.V., Wyeth S. de R.L. de C.V., Marcas WN S.A. de C.V.
Aspen Oss	Aspen Oss B.V., a subsidiary incorporated in the Netherlands
Aspen Venezuela	Aspen Venezuela C.A. and Aspen Venezuela S.A.
AstraZeneca	AstraZeneca AB and AstraZeneca UK
BBBEE	Broad-Based Black Economic Empowerment
CAGR	Compound annual growth rate
CariCam	Caribbean and Central America
CIS	The Commonwealth of Independent States, comprising Russia and the former Soviet Republics
Classic brands	A portfolio of 25 established prescription- branded products acquired from GSK
EBITA	Operating profit before amortisation adjusted for specific non-trading items as set out in the segmental analysis contained in the Annual Financial Statements
FCC	Fine Chemicals Corporation (Pty) Limited
FDF	Finished dosage form

Global brands	Branded products owned by Aspen Global and distributed into multiple territories
GMP	Good Manufacturing Practice
GSK	GlaxoSmithKline Plc
HPC	Hydroxyprogesterone Caproate
IMS	IMS Health (Pty) Limited, a leading provider of healthcare and pharmaceutical market intelligence
JSE	JSE Limited, licensed as an exchange under the Security Services Act, No 36 of 2004
Kama	Kama Industries Limited, a subsidiary incorporated in Ghana
Litha	Litha Pharma (Pty) Limited
Mandela Day	Nelson Mandela International Day
MENA	Middle East and North Africa
MSD	Merck Sharpe & Dohme
NHEPS	Normalised headline earnings per share
Norgine	Norgine (Pty) Limited
NZNM	New Zealand New Milk Limited
OTC	Over-the-counter
Pharmacare	Pharmacare Limited
SED	Socio-economic development
Shelys	Shelys Pharmaceuticals Limited, incorporated in Tanzania
Shelys Africa	Comprises Shelys Africa Limited, Shelys Pharmaceuticals Limited, Shelys Pharmaceuticals International Limited, Beta Healthcare Kenya Limited and Beta Healthcare (Uganda) Limited
SSA	Sub-Saharan Africa
The SSA Collaboration	The GSK Aspen Healthcare for Africa Collaboration
UN Global Compact	United Nations Global Compact
USA	United States of America
AUD	Australian Dollar
EUR	Euro
GBP	British Pound
R/ZAR	South African Rand
USD	United States Dollar
VEF	Venezuelan Bolivar

Abbreviations of pharmaceutical regulatory authorities and acronyms (manufacturing capabilities)

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

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



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