Aspen Pharmacare Holdings Limited

Integrated Report 2013

Overview

Business Unit Reviews

Governance

Summarised Financial Statements

Eleven-year review

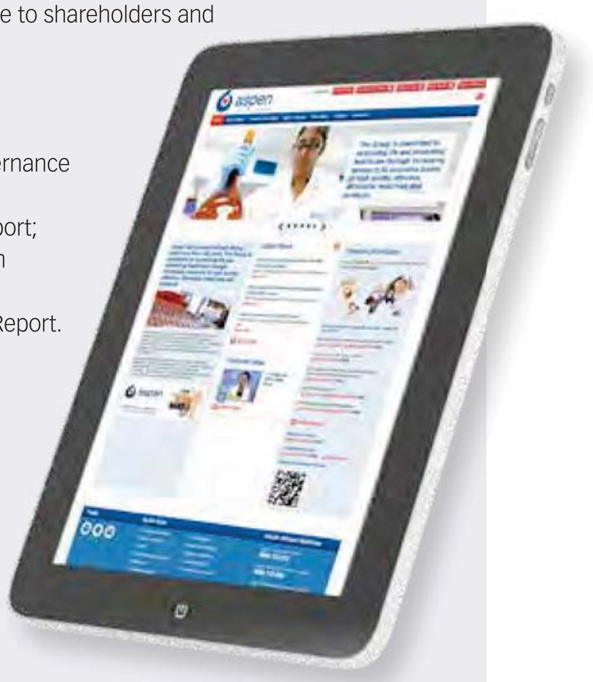
Shareholders' information

aspen
HOLDINGS

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

Aspen 2013 Reports include:

- Integrated Report;
- Annual General Meeting Notice to shareholders and Proxy Form;
- Annual Financial Statements;
- Supplementary Documents:
  - Sustainability Report;
  - Unabridged Corporate Governance Statement;
  - Audit & Risk Committee Report;
  - Remuneration & Nomination Committee Report; and
  - Social & Ethics Committee Report.



Reading this Integrated Report

For an electronic version of the Integrated Report, Annual Financial Statements and Supplementary Documents, please visit:

www.aspenpharma.com

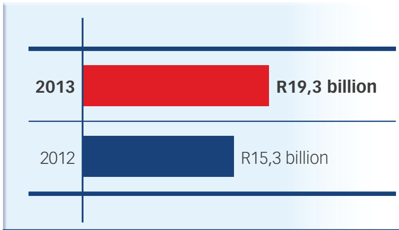
Reference to information in the Annual Financial Statements

Reference to information in the Supplementary Documents

Download QR code reader for your smartphone or tablet and scan the QR code for quick access to the website

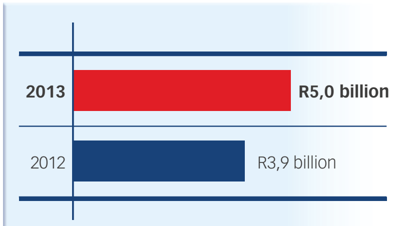
Company names and currencies have been abbreviated throughout the Integrated Report. Full names can be referenced from the abbreviations bookmark.

Highlights for the year



Revenue from continuing operations increased by 27% to **R19,3 billion**

- Significant acquisitions announced with Merck Shape & Dohme ("MSD"), Glaxo Group Limited ("GSK") and Nestlé



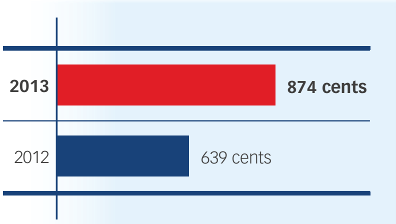
Operating profit increased by 28% to **R5,0 billion**

- Leading supplier of generic medicines in South Africa and Australia

- Aspen Malaysia and Aspen Nigeria commenced trade

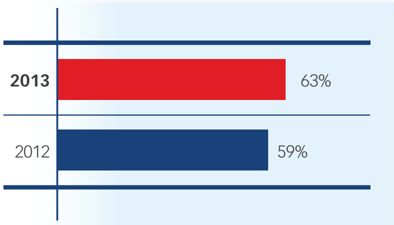
- Aspen played a leading role in the formation of the Public Healthcare Enhancement Fund in South Africa

- Compound Annual Growth Rate ("CAGR") in revenue, operating profit and normalised diluted headline earnings has exceeded 40% over 15 years



Diluted operating cash flow per share from continuing operations increased by 37% to **874 cents**

- Asia Pacific became the biggest contributor to Group revenue for the first time

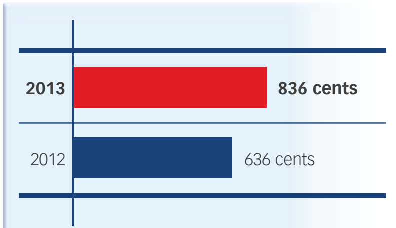


Offshore contribution increased to **63%** of Group operating profit

- Aspen's Sustainability Report was assured for the first time

- Market capitalisation, at 30 June 2013, increased to **R103,5 billion,** placing Aspen 17th on the JSE Top 40 Index

- The South African sites in Port Elizabeth, East London and Johannesburg achieved certification in accordance with international standards for occupational health, safety and environment management for the first time in July 2013



Normalised diluted headline earnings per share from continuing operations increased by 31% to **836 cents**

- Nelson Mandela International Day ("Mandela Day"), celebrated across the Group's businesses, reached approximately **9 400** beneficiaries

- Aspen became an active participant of the United Nations Global Compact with effect from July 2013

About this report

Content and scope of the report

This is the third Integrated Report Aspen has prepared and is aimed at providing Aspen's stakeholders with an enhanced understanding of:

- the Group's strategic objectives and the progress made in pursuit of these;
- information which is relevant and material to the Group's business;
- how the Group operates;
- challenges and risks to which Aspen is exposed;
- the Group's key performance indicators which measure the Group's financial and non-financial performance; and
- the governance framework which regulates the conduct of the business.

All these aspects, interwoven, represent the fabric of the business that is Aspen.

The Integrated Report of Aspen Pharmacare Holdings Limited ("the Company") and its subsidiaries (collectively "the Group") has been prepared in accordance with the integrated reporting principles as set out in the King Report on Corporate Governance for South Africa 2009 ("King III") and covers the Group's operations except where the scope is specifically stated as limited. This report has been structured to provide stakeholders with relevant financial and non-financial information and includes the Summarised Group Annual Financial Statements as approved by the Board of Aspen. The Summarised Group Annual Financial Statements are, however, not the Group's statutory accounts – the detailed audited Company and Group Annual Financial Statements for the financial year ended 30 June 2013 ("Annual Financial Statements") are available online or from the Company Secretary at rverster@aspenpharma.com, along with the Supplementary Documents referred to below.

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

Supplementary Documents

Accompanying this report is the annual general meeting notice and related proxy form.

These documents are available online, along with the following reports:

- unabridged corporate governance statement and reports of the Aspen Audit & Risk-, Remuneration & Nomination- and Social & Ethics Committees for the 2013 financial year ("Unabridged Corporate Governance Statement");
- the Aspen Group's Sustainability Report for the 2013 financial year ("Sustainability Report"); and
- the Annual Financial Statements.

(collectively the "Supplementary Documents").

Directors' responsibility and assurance

At its meeting held on 21 October 2013 the Audit & Risk Committee reviewed and recommended the Integrated Report and the Supplementary Documents for approval by the directors. The directors acknowledge that they are responsible for the content of the Aspen Integrated Report and the Supplementary Documents. The Board has applied its mind to this report and believes that, read with the Supplementary Documents made available online, it addresses all material issues and fairly represents the financial, operational and sustainability performance of the Group.

Aspen's external auditors PricewaterhouseCoopers Incorporated have provided an opinion on the financial statements and assurance over the Summarised Group Financial Statements included in the Integrated Report. This opinion can be found on page 81 of this report.

The Aspen Group Internal Audit function ("Internal Audit"), assisted by suitable external expert service providers, where appropriate, has provided assurance on the following material aspects of this report:

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

External assurance providers and the Group's Internal Audit function have been engaged to provide limited assurance on the key sustainability aspects as referenced on the Material Sustainability Issues and Key Performance Indicators on page 22 of this report.

About Aspen

ASPEN'S VISION

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

Delivering value to stakeholders

Aspen has numerous stakeholders and aims to have a symbiotic relationship with each of its stakeholders.

These include shareholders, customers, employees, suppliers, regulating authorities, government, communities, trade unions, business partners and bankers. We engage our stakeholders by means of a mutually beneficial structured system.

Responsible corporate citizen

Aspen believes in the importance of conducting its business in a way that is sustainable, which considers the future and which is accountable to stakeholders. In practising good corporate citizenship we consider ethics, human capital, transformation, human rights, safety and health, corporate social responsibility as well as the environment.

Providing high quality affordable products

Aspen has long been committed to providing high quality, affordable medicines and products. The quality of our products is paramount and our goal is to provide these high quality products at prices which are competitive and represent value to our customers. It is this combination of high quality and affordability for which the Aspen brand is renowned. Our products are used in approximately 150 countries, a truly global business.

ASPEN'S VALUES

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.

About Aspen continued

WHO WE ARE

Aspen is a global supplier of branded and generic pharmaceutical products as well as consumer and nutritional products in selected territories.

The Group has a proud heritage dating back more than 160 years and today its products reach approximately 150 countries.

Aspen is the largest pharmaceutical company listed on the JSE Limited ("JSE"), South Africa's stock exchange. Aspen had a market capitalisation of R103,5 billion (approximately USD10 billion) as at 30 June 2013. It is ranked amongst the top 10 generic pharmaceutical producers globally.

The Group has delivered sustained growth for 15 consecutive years with a CAGR in revenue, operating profit and normalised diluted headline earnings exceeding 40% for this period.

Aspen has a strong and growing footprint in emerging markets. The largest pharmaceutical company in Africa, Aspen has an expanding presence in Latin America and South East Asia. Recently announced acquisitions will extend the Group's emerging market presence to the Commonwealth of Independent States ("CIS"), comprising Russia and the former Soviet Republics as well as to Central and Eastern Europe ("CEE").

Aspen is one of the leading pharmaceutical companies in Australia, and is beginning to establish a presence in other developed markets.

Following the acquisition of the active pharmaceutical ingredient ("API") manufacturing sites in the Netherlands and the United States on 1 October 2013, the Group now has 22 manufacturing facilities at 16 pharmaceutical manufacturing sites on six continents and approximately 8 200 employees.

ASPEN'S STRATEGIC PRIORITIES

The Group's strategic direction is determined by our vision under the guidance of our values.

Delivering value to shareholders	Responsible corporate citizen	Providing high quality, affordable products
To deliver sustainable growth in earnings from a diversified portfolio of products and geographies	To provide a safe, challenging and rewarding environment for our employees	To supply customers and patients with high quality medicines at competitive prices
To achieve a strategic advantage through our production capabilities	To practise good corporate citizenship	To increase the direct promotion of Aspen products worldwide
To achieve superior returns on investment for our shareholders over the long term		To continuously increase and improve our offering to healthcare professionals and patients through a prolific product pipeline
To be alert to opportunities to enhance the value of the Group for its stakeholders		

Commitment, Excellence, Innovation, Integrity and Teamwork

WHAT WE DO

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

Aspen provides an extensive basket of products which enable the treatment of a broad spectrum of acute and chronic conditions experienced throughout all stages of life.

The Group is committed to increasing access to healthcare by delivering on our vision.

Key enablers	Value enhancing processes	Resulting value
Diverse, niche and innovative intellectual property that is relevant to the regions we operate in – acquired, developed and licensed	Sales and marketing representation wherever there is sufficient critical mass in product portfolio	Access to high quality, affordable medicines and products providing improved healthcare
Robust product pipeline for targeted strategic regions	Effective supply chain to distribute our products to healthcare professionals and patients	Diverse product portfolio and geographies leading to risk mitigation
Significant presence in emerging markets	Regulatory and technical expertise with deep understanding of the regions we operate in	Superior returns for shareholders
Accredited strategic and regional manufacturing facilities that are flexible and scalable to demand. In-house as well as third party manufacturing network	Centralised procurement leading to benefits in sourcing raw materials and products	A record of sustained growth
Committed employees living the Aspen values	Empowerment of accountable in-market management encouraging entrepreneurial and flexible decision-making	Mutually beneficial relationships with stakeholders

ASPEN'S BUSINESS MODEL

Aspen's strength lies in its understanding of the dynamic markets in which the Group operates and identifying and pursuing opportunities that align with the Group's vision and strategy.

The Aspen business model creates value for stakeholders by the application of high levels of expertise and advanced processes under the framework of the Group's values to optimise the returns on its unique assets, tangible, intangible and human.

Aspen's timeline

Aspen has a proud heritage dating back more than

160 years

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

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

R2,36*

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

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


Aspen bids for SA Druggists' shareholdings

R5,10*

2000
Aspen commenced construction of an Oral Contraceptive facility at its East London site.

R5,75*

2001
- Aspen Australia commenced trade as a start-up operation.
- Nelson Mandela officiated at the opening of a clinic constructed for the disadvantaged citizens of Engobo, South Africa, the first of the community clinics established under Aspen's Corporate Social Investment ("CSI") programme.

R5,95*

2002
- Aspen concluded a Broad-Based Black Economic Empowerment ("BBBEE") deal with CEPPWAWU Investments (Pty) Limited, the investment arm of the trade union representing the majority of Aspen's labour force in South Africa.
- Aspen's new corporate identity was launched symbolising energy, innovation and nurturing.

R7,45*

2003
- Aspen 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 antiretroviral ("ARV").

R7,75*

2004
- Aspen acquired FCC, the only South African manufacturer of APIs.
- Aspen acquired Infacare, the infant nutritional brand, from Dutch-based Royal Numico.
- Aspen's multi-million Rand Port Elizabeth-based Unit 1 facility became operational.

R12,70*

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

R227,07*

2005

- Aspen extended its BBBEE ownership through the conclusion of an empowerment transaction with Imithi Investments (Pty) Limited.
- Aspen's Unit 1 facility in Port Elizabeth became the world's first manufacturing site to receive tentative United States Food and Drug Administration ("FDA") approval for the production of certain generic ARVs.

R23,80*

2006

R36,50*

Aspen secured distribution rights for a number of important ARVs from MSD, Bristol Myers Squibb, Roche and Tibotec as the Group extended its portfolio as the biggest supplier of ARVs in Africa.

2007

R37,00*

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

2008

R31,80*

- Aspen entered the Latin American market through an investment with Strides in businesses established in Brazil, Mexico and Venezuela.
- Aspen acquired 60% of the share capital of Shelys with businesses in Kenya, Tanzania and Uganda.
- Aspen Global acquired the intellectual property rights to four GSK branded products for R2,7 billion, enabling Aspen to distribute these global brands, namely Eltroxin, Imuran, Lanoxin and Zyloric, to more than 100 countries.

2009

R54,75*

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

2010

R76,10*

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

2011

R84,00*

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

2012

R125,85*

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

2013

R227,07*

- The Group acquired a portfolio of 25 established prescription branded products from GSK ("classic brands") with distribution rights in Australia effective December 2012.
- In May 2013 Aspen Australia commenced the distribution of the leading infant nutritional products in that country following the acquisition of the rights to certain intellectual property licences and the related business by the Group.

Global presence

South African Business

Gross revenue

R7,4 billion

+20%

35% of Group gross revenue

Key business units

Aspen Pharmacare
FCC

Asia Pacific Business

Gross revenue

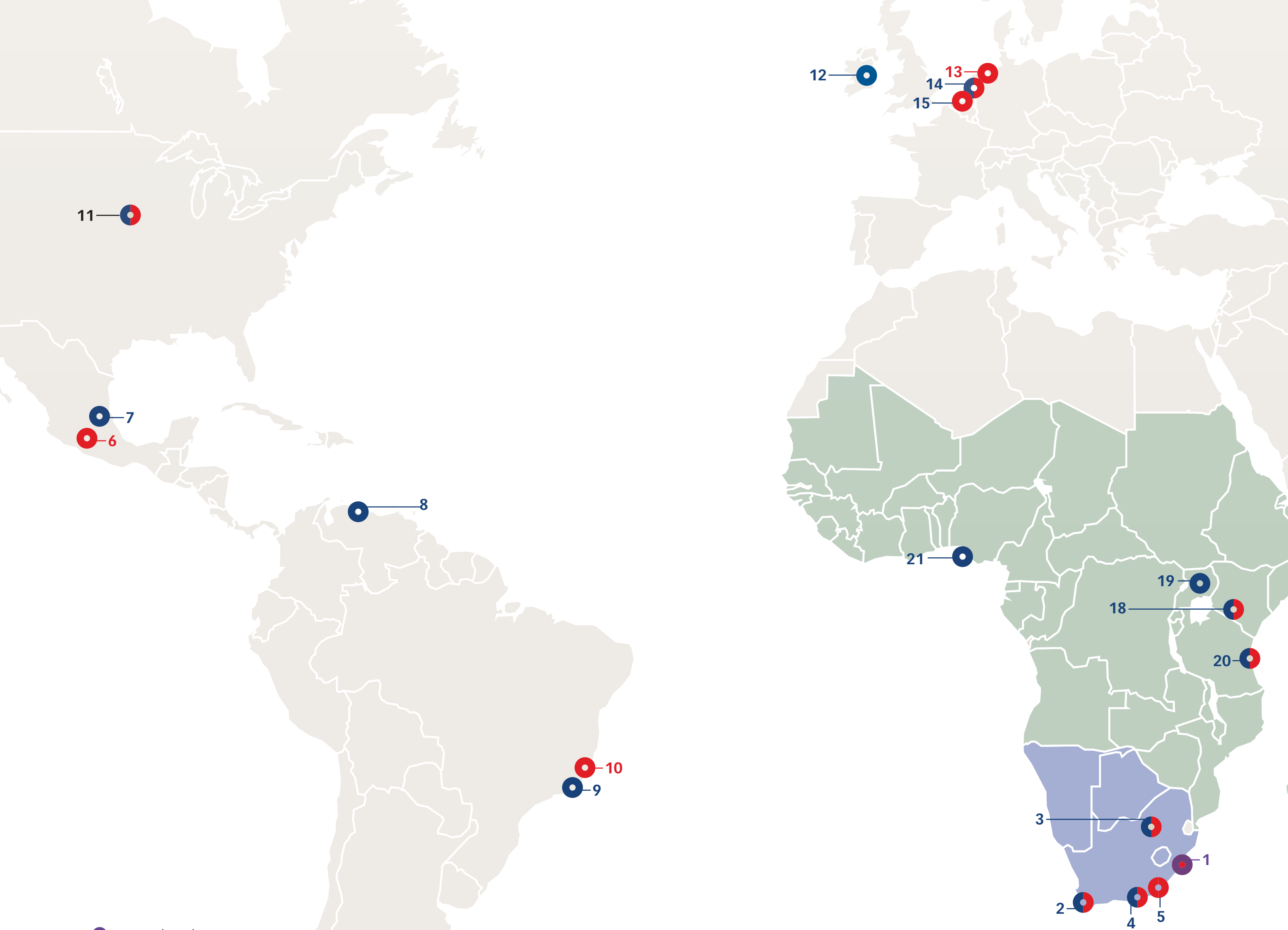
R7,6 billion

+26%

37% of Group gross revenue

Key business units

Aspen Australia
Aspen Hong Kong
Aspen Malaysia
Aspen Philippines
Aspen Taiwan



- Group headquarters
- Combined sales, marketing, distribution and manufacturing centres
- Sales, marketing and distribution centres
- Manufacturing sites

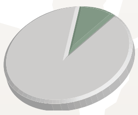
1	Durban, South Africa
2	Cape Town, South Africa
3	Johannesburg, South Africa
4	Port Elizabeth, South Africa
5	East London, South Africa
6	Toluca, Mexico
7	Mexico City, Mexico
8	Caracas, Venezuela
9	Rio de Janeiro, Brazil
10	Vitória, Brazil
11	Sioux City, United States
12	Dublin, Ireland
13	Bad Oldesloe, Germany
14	Oss, the Netherlands

Sub-Saharan Africa Business

Gross revenue

R2,1 billion

+26%



10% of Group gross revenue

Key business units

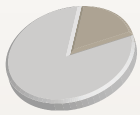
Aspen Nigeria
Shelys
The Collaboration

International Business

Gross revenue

R3,7 billion

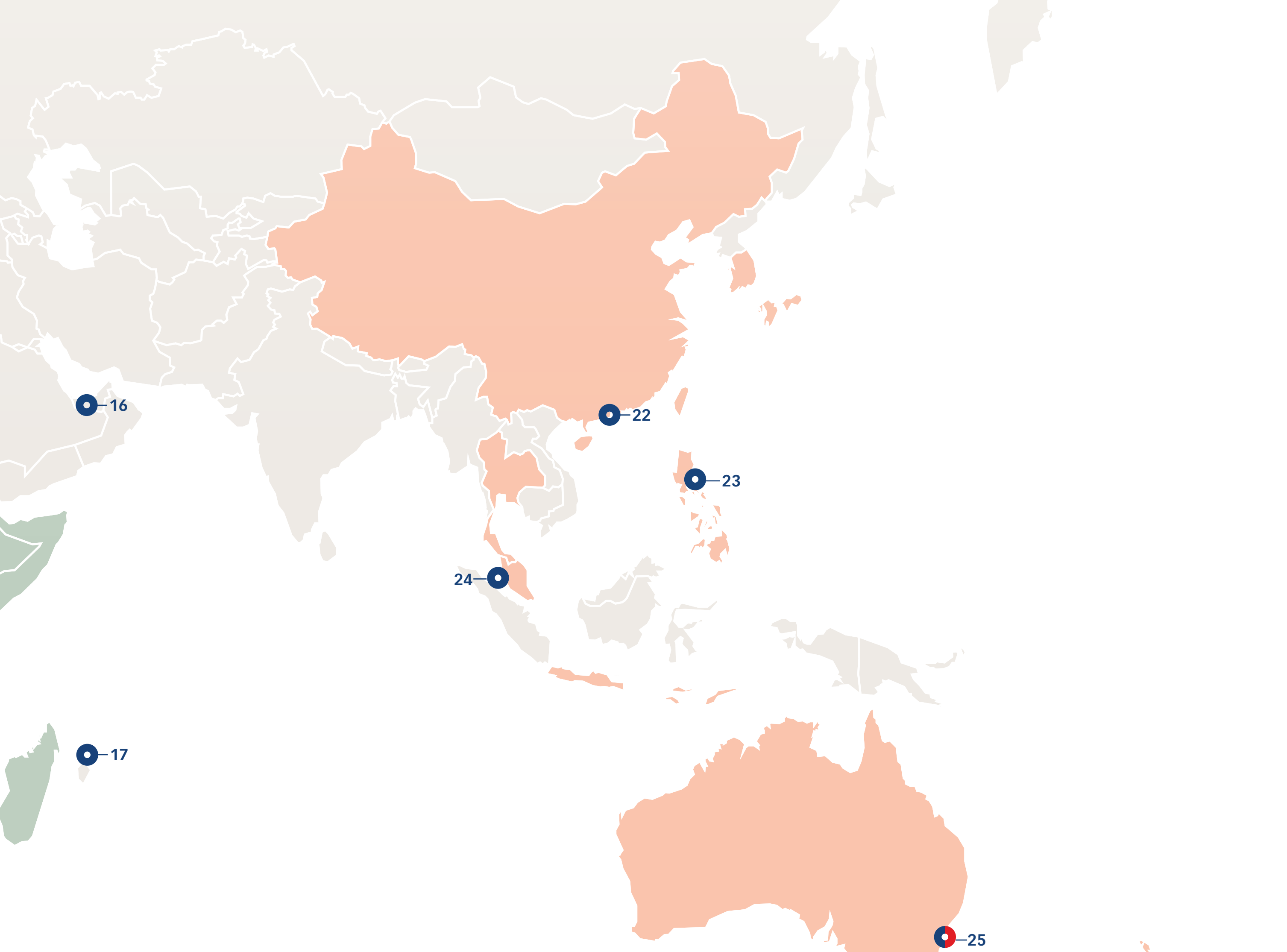
+48%



18% of Group gross revenue

Key business units

Aspen API
Aspen Bad Oldesloe
Aspen Brazil
Aspen Dubai
Aspen Global
Aspen Ireland
Aspen Mexico
Aspen Oss
Aspen Venezuela



15		Boxtel, the Netherlands
16		Dubai, United Arab Emirates
17		Grand Bay, Mauritius
18		Nairobi, Kenya
19		Kampala, Uganda
20		Dar es Salaam, Tanzania
21		Lagos, Nigeria
22		Quarry Bay, Hong Kong
23		Manila, Philippines
24		Sengalor, Malaysia
25		Sydney, Australia
26		Melbourne, Australia

Manufacturing capabilities

Site	Product category	Capability
South African Business		
Port Elizabeth: Units 1 and 2		Unit 1: High volume solids manufacturing and packing for domestic and export markets Unit 2: Small to medium volume solids manufacturing for domestic and export markets
Port Elizabeth: Unit 3		End state packing for domestic market. Liquid manufacturing and packing until end 2014
Port Elizabeth: Sterile facility multi-product suite		Eye drops and liquid lyophilised vials for domestic and export markets
Port Elizabeth: Sterile facility hormonal suite		High potency injectables (including hormonal) for domestic and export markets
East London: Multi-product facility		Solids, semi-solids and liquids manufacturing and packing for domestic market
East London: Oral contraceptive facility		High volume solid oral contraceptives manufacturing and packing for the domestic market
Johannesburg: Aspen Nutritionals		Infant milk formula (“IMF”) and ultra heat treated (“UHT”) infant milks liquids manufacturing and packing for domestic and export markets
Cape Town: FCC		Specialised API manufacturing for domestic and export markets
Asia Pacific Business		
Melbourne, Australia: Dandenong		High volume solids, liquids and semi-solids
Melbourne, Australia: Noble Park		Low volume toxic products. Solids, liquids and semi-solid manufacturing areas have been closed during 2013. The remaining toxic manufacturing area is expected to close by December 2014
Sydney, Australia: Baulkham Hills		Low volume solids. Facility expected to be closed by December 2014
Sub-Saharan Africa Business		
Dar es Salaam, Tanzania: Shelys		Small to medium volume solids, semi-solids and high volume liquids
Nairobi, Kenya: Beta		Small to medium volume solids and liquids
International Business		
Bad Oldesloe, Germany		Solids, topical liquids, oral liquids and blow-fill seals manufacturing and packing for export markets
Oss, the Netherlands* De Geer: IPT 1 Moleneind: IPT 2 & IPT 3 Boxtel		Specialised chemical APIs – high active hormones and peptides Specialised biochemical APIs – heparin and gonadotrophins
Sioux City*, United States of America		Specialised biochemical APIs – heparin intermediate
Vitória, Brazil		Small to medium volume solids and semi-solids
Toluca, Mexico		Small to medium volume solids

* *Acquired as part of the transaction with MSD effective 1 October 2013*

Capacity	Accreditation
Unit 1: 6 billion tablets Unit 2: 4 billion tablets	MCC, PIC/S, MHRA, US FDA, WHO, ANVISA, GCC, MCAZ, ICHA, PMPB, PPB, NDA, TGA
30 million packed units of liquids	MCC, PIC/S
43,3 million units of eye drops 1,4 million units of liquid filled vials 2,9 million units of lyophilised vials	MCC, PIC/S, US FDA, WHO, ANVISA (Inspected awaiting certification),PPB, TGA, Medicines Sans Frontier
19,6 million units of ampoules 50 million units of vials	MCC, PIC/S, PPB, TGA, Medicines Sans Frontier
0,8 billion tablets 76 million packed units of liquids 23 million packed units of semi-solids	MCC, PIC/S
1 billion tablets	MCC, PIC/S
6 555 metric tons of IMF 9 million packed units of liquid UHT	HACCP (SANS 10330), ISO 22000
351 KVA reactor capacity	MCC, PIC/S, US FDA, PMDA
2,5 billion tablets 1,2 tons semi-solids 1 721 kl liquids	TGA, Republic of Yemen and United Arab Emirates regulatory authorities
0,1 billion tablets	TGA, PMDA
0,8 billion tablets	TGA, APVMA, Republic of Yemen regulatory authority
1,7 billion tablets 10 tons of semi-solids 1 500 kilolitres of liquids	TFDA, PPB, GFDB, PMPB, PRA, MOH – DRC, MOH – IC, PIC/S, NDA, DACA/FMHACA
0,4 billion tablets 759 kilolitres of liquids	PPB, NDA, PMPB, TFDA (report pending),
2,5 billion tablets 5 429 tons of liquids 36 million units of blow-fill seals	German regulatory authority, ANVISA, Israeli, Libyan, Saudi Arabian regulatory authorities, ISO 9001
Chemical APIs: 500 KvH Biologicals: dependent on product mix	IGZ, US FDA, Korean FDA, ANVISA, PMDA
Biologicals: capacity is measured on demand – dependent on product mix	US FDA
0,2 billion tablets 60 tons of semi-solids	ANVISA, GMP Certificate
0,4 billion tablets	COFEPRIS

Definitions of regulatory authorities

APVMA	Australian Pesticides and Veterinary Medicines Authority
ANVISA	Brazilian National Health Surveillance Agency
COFEPRIS	Mexican Federal Commission for Protection against Health Risk
DACA	Ethiopian Drug Administration and Control Authority
FMHACA	Ethiopian Food, Medicine and Healthcare Administration Control Authority
GCC	Middle East and North African Gulf Cooperation Council
GFDB	Ghana Food and Drugs Board
GMP	Good Manufacturing Practice
HACCP (SANS 10330)	South African Hazardous Analysis and Critical Control Points
ICHA	Ivory Coast Health Authority
IGZ	Dutch Health Authority
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
NDA	Ugandan National Drug Authority
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
TGA	Australian Therapeutic Goods Administration
TFDA	Tanzania Food and Drug Authority
US FDA	United States Food and Drug Administration
WHO	World Health Organisation

Nebules Ointments Powders Sachets Solutions Suppositories Suspensions Syrups Tablets Vials

Strategic objectives

Prompted by the expansion of the Group, Aspen's Board undertook a re-assesment of the Group's strategic objectives during the course of the past year. The strategic objectives which were agreed upon following this exercise as well as the performance of the Group over the past year, the challenges and risks, and the outlook for each strategic objective is set out below. The material sustainability issues and key performance indicators supporting each strategic objective are also noted. An analysis of these material sustainability issues and key performance indicators are set out on pages 23 to 29 of this Integrated Report. Additional information in respect of the mitigants to the risks identified against each of the strategic objectives is also provided in the Key Risk Mitigation Activities Report available online. R

STRATEGIC OBJECTIVES	PERFORMANCE OF THE PAST YEAR
To deliver sustainable growth in earnings from a diversified portfolio of products and geographies ***Relevant KPIs:*** • *Growth in gross revenue from continuing operations (page 24)* • *Growth in EBITA* (page 24)* • *Growth in normalised diluted headline earnings per share from continuing operations (page 24)*	Aspen delivered a 15th successive year of earnings growth with positive contributions from all regions. The Group's primary indicator of financial performance, normalised diluted headline earnings per share, grew 31% to 836 cents. Territories that have been targeted as future growth drivers performed extremely well with revenue from customers increasing 53% in Latin America and 77% in Asia.
To supply customers and patients with high quality medicines at competitive prices ***Relevant KPI:*** • *Number of product recalls (page 22)*	In South Africa, Aspen ranks first in terms of the number of script lines dispensed and in Australia, Aspen ranks first in terms of pharmaceutical prescriptions written. These indicators reflect customer satisfaction as well as customer confidence in the Aspen brand. A Group supply chain head has been appointed to review and manage the efficiency and integrity of the global supply chain required to meet Aspen's growth aspirations. The Group supply chain portal has been commissioned to ensure enhanced communication across the supply chain and this project will be completed early in the new financial year. The Group's manufacturing sites have maintained their GMP accreditations without any major findings from reviews undertaken by various regulatory authorities. The Quality Systems Management Review process is fully matured in all South African operations, and has been implemented in the Aspen Bad Oldesloe, Aspen Australia and Aspen Brazil operations. Aspen's South African manufacturing sites continue to successfully contain product cost increases despite inflationary pressures and rising energy costs. This is achieved through continuous improvement projects generating production efficiency enhancements, with associated reductions in operating expenses, as well as through innovative material sourcing initiatives. The Group third-party manufacturing sites are monitored for quality compliance by means of a central Group regulatory audit matrix. As a result of internal product realignments a number of products have been optimised and upgraded. A Group Quality Department established at Aspen Ireland is in the process of increasing its capacity to ensure that the Group's increasing portfolio of products and third-party manufacturing sites are appropriately monitored and managed. Once this process is complete, this department will monitor and manage quality risk across all Aspen businesses and third-party manufacturing sites. During the year there were four product recalls. Remediation plans have been implemented to prevent a recurrence of these issues. A further three products were withdrawn from the market due to discontinuation of supply.
To increase the direct promotion of Aspen products worldwide ***Relevant KPIs:*** • *IMS value of product pipeline for the next five years (page 22)* • *Growth in gross revenue from continuing operations (page 24)*	New subsidiaries were established in Malaysia, Taiwan and Nigeria. Direct promotion of Aspen's products was increased in the Philippines, Venezuela, Mexico and in the Middle East North Africa ("MENA") territory.

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

CHALLENGES AND RISKS	OUTLOOK
Competition in the global pharmaceutical market is intense. A number of major multinational pharmaceutical companies are struggling to replace patent-expired molecules with new innovative products, leading to product lifecycle extension initiatives. Low-cost Asian pharmaceutical businesses are active in all major territories. There is increasingly stringent regulation and application of quality standards raising the costs of compliance. R	Aspen is at an advanced stage of completion of various transactions which will further increase the Group's product offering and geographic coverage. It is expected that these transactions will be earnings accretive from the outset. The existing Aspen businesses are each well positioned and provide a sound foundation for the Group's planned expansion. Aspen will continue to strive to develop its standards ahead of global requirements in the pursuit of the delivery of high quality medicines at affordable prices.
Market diversity across approximately 150 countries increases the variability of customer expectations and intensifies supply chain complexities. Demand from the South African public health sector is often erratic. Delayed approval of API source changes for South African tender products has proved challenging in terms of ongoing continuity of supply. Regulatory requirements and product regulations continue to evolve, placing increased focus on maintaining and upgrading the Group's intellectual property. Certain older products require extensive technical rework to meet current and future regulatory requirements. The advent of the Falsified Medicines Directive in Europe will introduce a number of compliance requirements for API suppliers situated outside of Europe. Aspen has developed a plan to ensure compliance with these measures by its existing non-European suppliers. In addition, the recent publication of the European Union distribution guidelines will require that all European Union distributors be re-assessed in order to ensure compliance – Aspen is actively managing its distribution processes to meet these compliance requirements. The volume outlook remains positive for operations, facilitating cost-effective volume-driven production and competitive material pricing. However, movements in exchange rates may impact on material pricing and are closely monitored. R	Aspen has established a platform of domestic and international distribution networks to serve its customer requirements across its territories both in the developed and emerging pharmaceutical markets ("pharmerging markets"). The supply chain automation project will continue to improve supply chain efficiencies as it progresses. The newly appointed Group supply chain head will work to further enhance the Group's existing supply chain networks to ensure a solid foundation which can be leveraged for Aspen's future growth. The focus on intellectual property upgrades and regulatory processes will continue into the new year. A development centre has been established in India by Aspen and focuses on aspects such as API comparisons, analytical validation, stability and regulatory compliance to enhance the capacity required to maintain intellectual property cost effectively. The Group Quality Department will expand its auditing capability to ensure ongoing compliance of the third-party manufacturing sites. Quality management systems will be implemented across Aspen's businesses to ensure appropriate quality management of in-country activities. Aspen will continue to seek transparent engagement and to build constructive and interactive relationships with the respective in-country regulators. Strategic operational implementation plans are well established with realignment of international and outsourced manufacture tracking to plan especially in respect of a number of technical transfers to the Group's Port Elizabeth manufacturing site. The experience gained over the past few years in this respect gives a high degree of assurance that these will complete successfully. A strong focus on proactive material sourcing will continue.
It is Aspen's preferred approach to support its products with direct promotion. Direct promotion is put behind the Aspen portfolio in those markets where there is sufficient critical mass in the product offering and revenue potential is sufficient to justify the investment. Until this point is reached, Aspen relies upon third-party distributors to take its products to the market. For the year ended 30 June 2013, more than 85% of gross revenue was from countries where Aspen has direct representation in the market. R	In terms of the proposed transaction with GSK for the acquisition of Arixtra and Fraxiparine, it is expected that approximately 400 specialist sales personnel will transfer to Aspen allowing direct promotion of Aspen products in at least eight Western European countries and at least 10 countries in CEE and the CIS territories. Over 300 new commercial employees will support Aspen's acquired infant nutritional business in Latin America on completion of this transaction at the end of October 2013. Sales teams in Brazil, Mexico and Venezuela are due to be increased in anticipation of an expanded product offering.

Strategic objectives continued

STRATEGIC OBJECTIVES	PERFORMANCE OF THE PAST YEAR
To achieve superior returns on investment for our shareholders over the long term ***Relevant KPIs:*** • *Return on ordinary shareholders' equity (page 22)* • *Growth in normalised diluted headline earnings per share from continuing operations (page 24)* • *Return on total assets (page 24)* • *Value added per employee (page 24)* • *Diluted operating cash flow per share (page 24)*	For the fifteenth consecutive year, Aspen has delivered double-digit earnings growth to its shareholders. Aspen's CAGR since listing exceeds 40% for revenue, operating profit and normalised diluted headline earnings per share. An investment in Aspen shares has yielded the following annual compound returns over the stated periods to 30 June 2013: Since listing = 32% Five years = 49% Three years = 42%
To continuously increase and improve our offering to healthcare professionals and patients through a prolific product pipeline ***Relevant KPI:*** • *IMS value of product pipeline for the next five years (page 22)*	During the past year, the Group launched a total of 70 products in 19 countries, increasing access to high quality, affordable medicines.
To achieve a strategic advantage through our production capabilities ***Relevant KPI:*** • *EBITA margin % (page 24)*	The South African production facilities have established site specific centres of production excellence and a process to concentrate large volume tablet manufacture in South Africa to obtain the greatest benefit from the existing large-scale manufacturing capacities has been successfully established. The homogenisation of production within the South African operations continues to make excellent progress and the construction of the last phase of the low volume/general liquids facility has been completed. The transfer of international volumes, especially from Australia, into the Port Elizabeth site continues to deliver competitive advantages to the Group. FCC has been strategically repositioned as a vertically integrated model. The construction of the high potency facility at FCC is nearing completion. The systems and controls within the South African manufacturing operations have been extended to FCC. At Aspen Australia, the projects to consolidate the manufacturing sites are proceeding in accordance with plan. The transfer of selected non-core Australian manufacture to other production sites in Aspen's manufacturing and sourcing network is progressing to schedule. The accreditations of the solid dose and sterile facilities at Port Elizabeth were confirmed following inspections by, *inter alia*, the US FDA, MHRA and WHO. The FCC facility was also inspected by the US FDA and had its accreditation extended. The Bad Oldesloe manufacturing site continued to perform a valuable role in the production of a number of the global brands.

CHALLENGES AND RISKS	OUTLOOK
Worldwide pressure on medicine prices, ongoing reform of healthcare legislation, intense competition, currency volatility and market specific risks add to the task of delivering superior returns. R	Strategic initiatives taken to diversify market risks, currency risks and product risks support sustainable growth prospects, particularly in pharmerging markets where Aspen has a high level of focus. The Group's globally competitive production capabilities and economies of scale help to mitigate pricing pressure. Aspen's global distribution platform can be leveraged for the launch of its product pipeline and for innovative distribution partnerships with leading global pharmaceutical companies. Furthermore, completion of the material transactions announced recently are expected to enhance shareholder returns in the short and longer term.
Product registration time lines are long in certain key countries, notably South Africa and Brazil. Registration times are unpredictable, which affects the supply chain readiness to launch products rapidly following registration. Changes in market conditions, delays in bringing product to market and a review of future promotional focus has resulted in the trimming of the product pipeline for Latin America. R	The IMS value of products currently in Aspen's five-year product pipeline is valued at USD8,9 billion. Launch timing is dependent upon the speed of processing of the necessary registrations by the regulatory agencies in each country. The product pipeline covers a wide range of therapeutic categories for each region.
A considerable number of projects are in progress within Aspen's manufacturing operations. Dedicated project teams and experienced project leaders have been put in place to manage the complexity and the scale of projects. Wage and electricity costs are material contributors to conversion costs at the South African manufacturing sites. Consequently, rising wage inflation and electricity rates have a negative impact on product costs. Significant gains have been made in energy conservation/reduction projects across all facilities and have mitigated price increases. In addition, material fluctuations in offtake volumes from the South African public sector have an adverse effect on optimising production planning at the facilities, thereby compromising manufacturing efficiencies. Communication systems and controls have been successfully implemented and this has resulted in improved forecasting. The weakening of the Rand has raised imported raw material prices and product costs, but will increase earnings from products exported from the South African sites. R	The manufacturing facilities in the Group are well positioned to produce high quality products at competitive costs. There are no capacity constraints despite increased volumes. The plan for the consolidation of manufacture in Aspen Australia will continue to be implemented. Capital expansion projects will continue at the East London, FCC and Aspen Bad Oldesloe sites. Strategic capital expansion projects have been initiated, specifically the construction of a high containment suite in Port Elizabeth, a specialised hormonal cream suite at Aspen Bad Oldesloe and three specialised API manufacturing suites at FCC. Product realignment projects will increase production efficiency and result in improved cost of goods.

Strategic objectives continued

STRATEGIC OBJECTIVES	PERFORMANCE OF THE PAST YEAR
To provide a safe, challenging and rewarding environment for our employees ***Relevant KPIs:*** • *Value added per employee (page 26)* • *Disabling incident frequency ratio ("DIFR") (page 26)* • *Lost work day frequency rate ("LWDFR") (page 26)* • *Average staff turnover (page 26)* • *Training spend per employee (page 26)*	The progress made in improving safety, health and environment ("SHE") standards in the South African operations was evidenced by very successful external legal compliance audits – the manufacturing sites in Port Elizabeth, East London and Johannesburg received ISO 14001 and OHSAS 18001 certification for the first time in 2013. The Aspen Bad Oldesloe site maintained its ISO 14001 and OHSAS 18001 certification. A Group SHE structure was established during the year to provide support to all business units in respect of SHE legal compliance and with development, implementation and monitoring of SHE management systems. Significant progress has been made in the automated Human Resources Management system implementation in South Africa. New uniform employment policies have been finalised and are in the process of being implemented throughout the South African operations. Customised management development programmes have been introduced, providing improved focus to this level of training. Employee reward systems were reviewed in Brazil, Ireland and the Middle East to achieve greater consistency of remuneration practices across the Group. New recruitment tools have been introduced to broaden the reach of talent identification.
To practise good corporate citizenship ***Relevant KPIs:*** • *BBBEE accreditation in South Africa (page 26)* • *Volume of carbon emissions (page 26)* • *Volume of waste recycled (page 26)* • *Electricity consumed (page 26)* • *Volume of water used (page 26)* • *Number of incidents of legislative infringements (page 26)*	The Social & Ethics Committee has taken an active role in assisting the Board to ensure focus on Aspen's profile as a responsible corporate citizen and the Group's efforts aimed at enhancing this profile. In pursuance of these goals Aspen has become a participant of the United Nations Global Compact and has embraced the 10 principles associated with the Compact. Aspen operates on an established foundation of strong corporate governance. The Group has applied King III and an unabridged Corporate Governance Report and application register can be viewed online. During the year under review, further incremental enhancements were made to the Group's governance processes, including the appointment of Regional Ethics Officers to oversee the full implementation of the Group's ethics management programme in all businesses across the Group. Aspen has retained its Level 3 contributor BBBEE status this year and continues to consider measures aimed at maintaining and improving its standing in terms of BBBEE and transformation in South Africa.
To be alert to opportunities to enhance the value of the Group for its stakeholders ***Relevant KPI:*** • *Return on ordinary shareholders equity (page 24)* • *Growth in normalised diluted headline earnings per share from continuing operations (page 24)* • *Return on total assets (page 24)* • *Value added per employee (page 24)* • *Diluted operating cash flow per share (page 24)* • *Net interest cover (page 24)*	The Group continued to add to its product portfolio during the year. The most notable acquisitions were: • Effective December 2012, the Group acquired the Classic Brands with distribution rights in Australia, broadening Aspen's branded product offering in that country. • 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. Further material proposed transactions were announced for completion in the year ahead, being: • the acquisition of an API business and a portfolio of related branded finished dose form products from MSD; • the acquisition of two branded injectable anti-coagulants and the specialist sterile production site at which they are manufactured from GSK; and • the acquisition of further intellectual property rights and the related infant nutritional businesses in Latin America and South Africa from Nestlé.

CHALLENGES AND RISKS	OUTLOOK
Aspen is in the process of addressing divergent Human Resource practices and SHE standards throughout the Group to ensure greater consistency on these aspects. Lack of an integrated Human Resources Management System within the Group results in significant manual processing of employee data. Acquired businesses come with their own organisational cultures which requires alignment with the Aspen culture. R	An assessment of differences in Human Resource practices between the various territories has been undertaken with a view to identifying areas where consistent application will be beneficial and areas where local practice should prevail. This is envisaged to be a long-term process as the Group continues to grow organically and acquisitively. The Aspen business culture continues to challenge all employees with the maxim "To be the best we can be." Change management programmes will be undertaken to assist in the integration of acquired businesses into the Aspen culture.
Reporting and disclosure requirements in respect of Aspen's corporate citizenship and the application of international best practice are becoming considerably onerous and are increasingly requiring management focus and attention – Aspen will continue to meet these reporting requirements in a balanced and responsible manner. The Board and management remain aware of the importance of practising good corporate governance while retaining Aspen's entrepreneurial corporate culture and the associated agility of decision-making. This balance has been best achieved by embedding principles of good corporate governance in business practices at an operational level wherever practicable. On 11 October 2013 the revised Department of Trade & Industry's BBBEE Codes of Good Practice ("BBBEE Codes") were gazetted in South Africa. The impact of the revision is being assessed in detail, but indications are this may lead to a less favourable BBBEE rating for Aspen in the 2015 financial year. R	Aspen will continually seek to achieve its strategic objectives in a manner which reflects its commitment to being a responsible corporate citizen. Aspen's corporate governance practices extend beyond legislative and regulatory compliance – good governance standards are upheld throughout the Group. Governance structures, practices and processes will continue to be monitored and revised from time-to-time, taking into account best practice as well as practicable and cost-effective implementation. The Mandela Day initiative, introduced in 2011, has been retained as an annual event. Aspen business units worldwide adopt community upliftment projects and employees contribute time and resources to the projects.
Completion of the proposed transactions remains, in some instances, subject to conditions precedent, which includes approval of various competition authorities. Execution of the proposed transactions will be complex due to the necessary disentanglement of the businesses from the vendors and the significant number of product transfers across multiple markets. This is mitigated by the Group's extensive experience in the successful execution of transitions of this nature. R	Aspen is building infrastructure and resources ahead of completion of the proposed transactions in anticipation of the needs of the expanded Group. The necessary development of resources in the take-on of the proposed acquisitions and the initial funding burden arising from these transactions is likely to limit further material acquisitions in the short term. The Group will however continue to actively assess opportunities and where appropriate, the timing and structure which will allow successful completion. Divestiture of non-core products/businesses will be considered based upon strategic focus areas and value propositions.

Chairman's statement

Dr Judy Dlamini
Chairman

Developing into a multinational group

CONSISTENT DELIVERY

The Group's performance for the 2013 financial year again reflects Aspen's proven ability to leverage its product portfolio, to drive operational efficiencies and to harness manufacturing excellence to achieve impressive organic growth. This growth was complemented by carefully planned and well executed acquisitions aligned to the Group strategy. This achievement has cemented Aspen's reputation for consistently delivering on the expectations of its investors. The Group's continued success in bedding down large acquisitions must be viewed against the exciting backdrop of the impending transactions with GSK, MSD and Nestlé as announced to the market. These transactions are set to transform the Group and catapult it into the ranks of the select few South African companies which have developed into multinational companies to be reckoned with on the global stage.

GLOBAL PHARMACEUTICAL MARKET DYNAMICS

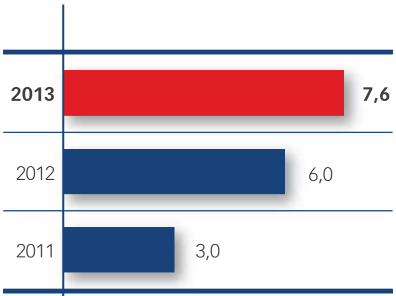
While the global pharmaceutical industry has doubled in value since 2000, this market only grew by 2,4% in 2012 with established or developed markets growing by 1,5% and pharmerging markets growing by 11,1%. The stagnation in respect of the developed markets has mainly been as a result of increased pricing regulation, patent expiries and the growth of these economies generally being under pressure. Although some of these factors are also being experienced in varying degrees in the emerging markets, it is projected that these markets will continue to experience double-digit growth until 2016. Aspen continues to grow its footprint in emerging markets but will also, with the impending business acquisitions in Europe, be in a position to benefit from any economic recovery in the European markets. The continued volatility of markets and the fragility of the economic recovery in the developed world remains a cause for concern. While the pharmaceutical market has been relatively shielded from this volatility, mainly as a result of the defensive nature of the industry underpinned by the enduring demand for high quality pharmaceutical products, the Board will continue to be vigilant and monitor developments in this regard to ensure the appropriate response to events which may materially affect the Group.

It is clear that greater regulatory constraints and intensifying pricing pressures will require the pharmaceutical industry to work with governments to ensure a sustainable model for the production and distribution of good quality medicines at prices that allow public access while continuing to attract investment to the industry without which new drug treatments, wider product offerings and

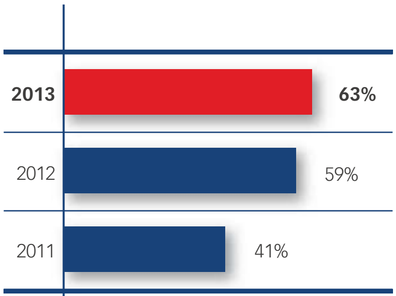
This growth was complemented by carefully planned and well executed

acquisitions

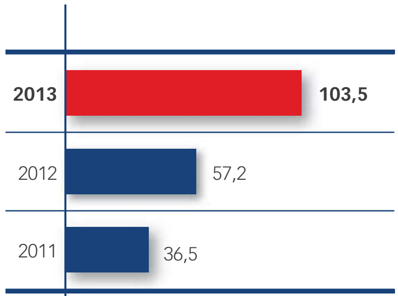
aligned to the Group strategy



Revenue – Asia Pacific
(R'billion)



Offshore contribution to Group operating profit



Market capitalisation
(R'billion)

maintenance of production standards will not be possible. Aspen's ability to recognise the impact of these pressures on the pharmaceutical industry and to model its business around providing solutions has been one of the Group's strengths.

PLEASING PERFORMANCE

The Group results for the year showed growth in all geographies resulting in increases in revenue, operating profit and normalised headline earnings all in excess of 25%. The Asia Pacific business continued its record of uninterrupted growth since 2001, becoming the biggest contributor to the Group's revenue for the first time at 37%. The Latin American business has also started delivering on the growth potential Aspen sees in this region and has posted the highest growth in sales to customers at 53%. The global brands portfolio remains an important contributor to the growth achieved by the International business and this performance will be supplemented by the impending acquisitions of products from GSK and MSD. The South African business remains the anchor for the Group and delivered positive results in both the Pharmaceutical and Consumer divisions. The Group plays a key role in healthcare in South Africa as the leading pharmaceutical company in both the private and public sectors. Of note has been Aspen's ability to continue to meet the growing demand for ARVs and has thereby assisted the South African government in meeting one of its five goals in its National Strategic Plan.

Expansion and enhancement of manufacturing capabilities in South Africa continued according to plan at the Group's Port Elizabeth, East London, Cape Town and Johannesburg sites. The launch of the ready-to-feed infant milk and growing-up-milk assisted in the expansion of Aspen's offering in the nutritional sector.

DEVELOPMENT OF OUR PEOPLE

During the past year Aspen has scaled new heights through visionary leadership, teamwork and continued investment in the talent pipeline fostered by the Group. In keeping with Aspen's commitment to human capacity development, a women's forum was recently launched in South Africa. This forum seeks to fast track the development of our women's leadership capability and is being led from the highest level in the organisation.

It is with immense sadness that I report the passing of one of our Venezuelan employees in the course of the performance of his work for the Group – Hector Nava was tragically killed in a car accident while travelling between business meetings on 5 November 2012. Aspen provided support to his loved ones subsequent to the accident and our thoughts and condolences remain with them and his colleagues.

The Group results for the year showed growth in all geographies resulting in increases in revenue, operating profit and normalised headline earnings all

in excess of 25%

Chairman's statement continued

GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY – INTEGRAL TO THE ASPEN WAY

Aspen played a leading role in the formation of the South African Public Healthcare Enhancement Fund in August 2012, with the South African Department of Health and other South African healthcare companies. The establishment of this fund is a significant milestone towards the consolidation of CSI funds and collaboration of public-private initiatives in South Africa and is a source of great pride. The initiative is aimed at addressing critical community healthcare projects in South Africa, including the acceleration of access to primary healthcare and educational facilities in South Africa as well as reinforcing the national campaign against HIV/AIDS, TB and other non-communicable diseases. Although a significant portion of Aspen's social investment spend will be directed at this initiative going forward, support to Aspen's existing CSI initiatives will continue.

This is also the third year that Aspen has participated in Mandela Day which is held on 18 July of every year. The Group's initiatives this year again saw a multitude of Aspen employees worldwide rolling up their sleeves and getting involved in a number of worthy causes that assisted thousands of beneficiaries. I am pleased to say that this is a characteristic that Aspen will retain and nurture with its transformation into a multinational company.

Aspen's active efforts to establish itself as a respected and responsible corporate citizen have been evidenced by its admission to the United Nations Global Compact. By becoming a participant Aspen has confirmed its commitment to the United Nations Global Compact's principles in the areas of human rights, labour, environment and anti-corruption. The Group's participation in the United Nations Global Compact enjoys the Board's full support and the co-operation between Aspen, the other participants and the United Nations to enhance the focus on these critical issues will be closely monitored and reported upon.

Aspen's third consecutive inclusion into the JSE's Socially Responsible Investment ("SRI") Index bears testimony to the Group's commitment towards enhancing SHE management. The South African facilities in Port Elizabeth, East London and Johannesburg achieved OHSAS 18001 and ISO 14001 certification for the first time through the commendable efforts of the South African Operations management team. The focus will now be weighted towards the improvement and enhancement of safety and environmental compliance in alignment to global standards across the international facilities. A three-year plan is in place to improve safety management systems and enhance safety and environmental legal compliance at Aspen's manufacturing sites in Cape Town, Australia, East Africa and Latin America. To this end, a Group SHE structure was established during the year to provide the necessary support to all business units.

I again extend my heartfelt thanks to my fellow non-executive directors – their guidance has been instrumental in the Group's success and I look forward to their continued support and contributions to Aspen's development, growth and advancement. A special word of thanks must also be extended to Stephen and Gus – their visionary leadership of the Group and its executive management team has undoubtedly been a mainstay of the Group's extraordinary success.

AN EXCITING YEAR AHEAD

The impending transactions previously mentioned will impact a wide spectrum of business areas, require the addition and incorporation of new skills into the Group and need robust management focus to bed down – I have the fullest confidence that Stephen and his management team will again rise to the challenge and ensure the successful integration of these acquired businesses into the Group. This will result in further cementing the sustainability of Aspen's strategy to provide a wide range of trusted high quality products to customers in multiple territories worldwide. It promises to be an exciting year ahead for all Aspen's stakeholders.

Dr Judy Dlamini
Chairman

21 October 2013

Accolades and achievements

Aspen was one of five South African companies named on the Boston Consulting Group's list of **"100 Global Challengers"** companies from emerging markets that are "growing so quickly overseas that they are reshaping industries and surpassing many traditional multinational companies".

Aspen Pharmacare was ranked 10th in the **Sunday Times' Business Times 2012 Top 100** South African Companies, while Group Chief Executive Stephen Saad received the Sunday Times "Business Leader of the Year" award.

In November 2012, Aspen qualified for inclusion in the **JSE's SRI Index** for the third consecutive year.

As at 30 June 2013 **Aspen was ranked 17th in the JSE's Top 40 index**, improving from 25th position at 30 June 2012 and 29th position at 30 June 2011. For the period 30 June 2012 to 30 June 2013 the Aspen share price increased from R125,85 to R227,07 per share (a rise of 80%).

Aspen retained its Level 3, value-added BBBEE contributor status for the third consecutive year as verified by Empowerdex in 2013.

Aspen's 2012 Annual Report was ranked as "Excellent" in Ernst & Young's ***Excellence in Integrated Reporting Awards*** 2012. In November 2012 Nkonki ranked Aspen's 2011 Annual Report as 4th overall in its top 100 integrated reports awards, achieving the highest scores for the healthcare sector.

The Aspen Group legal function has been shortlisted for the 2013 African Legal Awards in the category **"Legal Department of the Year – Large team"**.

Aspen South Africa is ranked as the **number one pharmaceutical company** in the South African private sector by IMS.

Aspen Ireland was included into the inaugural group of Ireland INC Foreign Direct Investment 100 honorees at its January 2013 awards.

Close to one in every four scripts dispensed by South African pharmacists is for an Aspen product, as recorded by ImpactRx.

Aspen Tanzania was awarded the ***"2012 President's Manufacturer of the Year"*** award in the Pharmaceuticals and Medical Equipment category.

Aspen South Africa was voted the **best generics manufacturer** in terms of the 2012/2013 Soweto General Practitioner Confidence Predictor survey.

Aspen's Group Operating Officer Lorraine Hill was a finalist in the Businesswoman of the Year category of the Topco 10th Top South African Women Awards.

Aspen Australia is the **leading generics company**. One in five scripts written in Australia is for a product distributed by Aspen.

Aspen Australia was awarded the ***"Generic Supplier of the Year"*** award at the Inaugural Sigma Supplier Awards in November 2012 .

The *"Supplier of the Year 2013 Award"* for the Medicines Category by Australia's Discount Drug Store was awarded to Aspen Australia.

Aspen South Africa was awarded the ***"Supplier of the Year"*** award by pharmacy retail group Dis-Chem for the second consecutive year.

Aspen Australia's recently acquired infant nutrition product S-26 won the *"Kidspot Best Baby Formula"* award as voted for by Australian parents.

PMR.africa awarded Aspen South Africa a Golden Arrow Award in its National Survey on Corporate Social Responsibility in the Pharmaceutical Sector.

The Campbell Belman Confidence Predictor Survey ranked Aspen as the **number one pharmaceutical company in South Africa**, as voted for by managed healthcare professionals and funders in 2013.

Aspen SSA CEO Sanjay Advani was selected as one of Kenya's "CEOs with a Golden Touch" by the Kenyan Media Group Nation.

Aspen Mexico received the ***Aspid Award for the Best Corporate Web Page*** – these awards recognise achievement in advertising in the Mexican pharmaceutical industry.

Material sustainability issues and key performance indicators

Aspen continues to focus on improving its sustainability reporting process to measure and report on the Group's material sustainability issues and has, during the year under review, further embedded this process to enhance reporting on the key sustainability performance indicators of its material operations in accordance with stakeholder expectations. The Sustainability Report, which is available online, has been prepared in accordance with the Global Reporting Initiative's ("GRI") B+ application level. Aspen's Sustainability Report has been externally assured for the first time in 2013 by Environmental Resources Management. A combined assurance approach was followed on a selection of key performance indicators as well as of the Group's 2013 Carbon Disclosure Project ("CDP") submission. Environmental Resource Management and PricewaterhouseCoopers Inc. have provided moderate/limited external assurance reports on selected key performance indicators. Internal audit also provided limited assurance on selected key performance indicators and, based on the audit work performed, the assurance reports from Environment Resources Management and PricewaterhouseCoopers Inc. available online, concluded that the tested key performance indicators have been prepared in accordance with defined reporting criteria and are free from material misstatement.

Sustainability theme and key performance indicator	Relevance of indicator to business	2013 combined assurance providers	
Sustaining life and health through high quality and affordable medicines			
Number of product recalls	Product recalls represent those products which the regulatory authorities determine to be potentially harmful to patients and consequently require to be recalled from all customers to which they were supplied. Product recalls are an indicator of the extent to which quality systems are effective.	Internal Audit	
IMS value of total product pipeline for the next five years	A leading indicator of the Group's potential organic revenue growth over the next five-year period. References the latest available IMS sales values for currently patented originator molecules which the Group is in the process of developing into generic equivalents of the originator product.	Internal Audit	
Adding economic value to stakeholders			
Return on ordinary shareholders' equity	Provides a measure of the productivity of ordinary shareholders' equity which can be benchmarked against other potential investments by shareholders.	PricewaterhouseCoopers Inc.#	

(a) In the 2012 financial year, Aspen reported five quality related product recalls. A further three product recalls had taken place in 2012 as a result of incorrect packaging which, in retrospect, meets the product recalls definition which was revised during 2013. For this reason, the 2012 comparative has been restated to eight product recalls.

 # PricewaterhouseCoopers Inc. have conducted two limited assurance engagements in accordance with ISAE 3000.

Economic, environmental, social and governance aspects, which are considered to be relevant to the Group's strategic objectives, have been presented in the Sustainability Report under sustainability themes which represent the Group's material issues. The management of these material issues is formally monitored by the Board on a quarterly basis with reference to appropriate key performance indicators. The Group's material sustainability issues are approved by the Audit & Risk Committee on an annual basis, with reference to:

- the Group's strategic objectives;
- external factors impacting the Group's business model and pursuit of strategic objectives;
- key business risks impacting the Group's sustainability;
- the Group's responsibility to stakeholders in accordance with GRI, King III, Companies Act of South Africa, BBBEE Codes in South Africa, SRI, CDP and United Nations Global Compact; and
- the value and/or opportunity cost of the applied financial, intellectual, technical, human capital and environmental resources to the business and responsible management of these.

For queries regarding the Sustainability Report, contact Aspen's Group Risk & Sustainability Manager at rgajjar@aspenpharma.com. Aspen's 2013 GRI Standard Disclosure table can be found online.

	Achievement				
	2013	2012	2011	2010	Implications of performance to the business
	4	8[(a)]	3	Zero	Four products were recalled for quality related issues. No adverse effects to patients have been reported. Remedial action is being taken to address the causes of these recalls. Aspen strives to prevent product recalls through ongoing focus on continuous improvement in quality controls and systems, continued enhancement of regulatory compliance processes across new markets and new products and continually enhancing regulatory intelligence and systems across the Group.
	USD8,9 billion	USD9,1 billion	USD8,9 billion	USD6,7 billion	The value of the product pipeline has diminished since the prior year due to a reassessment of products in planning for launch in Latin America in line with a more focused approach to therapeutic targeting. The Group continues to sustain the value of the product pipeline in support of organic growth objectives through new product launches across key geographies and targeted therapeutic categories.
	18%	17%	18%	23%	The Group continues to provide a feasible investment case. Aspen's return on equity has been positively impacted by the effective integration of recent acquisitive transactions including the Sigma business in Australia as well as acquisition of the GSK and Novartis global brands. In addition, the benefits of new product launches, improved capacity of the Group's supply chain and continuous improvement processes have supported optimisation of returns. The improvement in return on shareholders' equity in 2013 reflects the strong performance of the Group during the year. Aspen has demonstrated sustained returns at levels which demonstrate effective utilisation of equity.

Material sustainability issues and key performance indicators continued

Sustainability theme and key performance indicator	Relevance of indicator to business	2013 combined assurance providers	
Growth in gross revenue from continuing operations	Revenue is the foundation of business performance. It is the product of the volume of products sold and the price at which they are sold. Change in revenue is a leading indicator of the growth or contraction of a business.	PricewaterhouseCoopers Inc.#	
Growth in EBITA	This is a leading indicator of operating profitability growth. In order to provide a more sustainable view of performance, once-off items of income or expense, which are not expected to recur in future, are eliminated.	PricewaterhouseCoopers Inc.#	
Growth in normalised diluted headline earnings per share from continuing operations	The Group strives to continually improve its performance. Growth in normalised diluted headline earnings per share measures earnings performance per share year-to-year in relative terms on a consistent and comparable basis. It is the leading indicator of overall improvement in earnings performance.	PricewaterhouseCoopers Inc.#	
Value added per employee	The leading indicator of the productivity of the Group's permanent employees in value creation.	PricewaterhouseCoopers Inc.#	
Maintenance of financial health			
Diluted operating cash flow per share	The value per share of cash flows indicates the Group's ability to generate cash which is key to meeting cash outflow commitments.	PricewaterhouseCoopers Inc.#	
Net interest cover	Represents the number of times by which the Group's operating profit exceeds its finance costs, net of interest received. This is the leading indicator of the headroom the Group has servicing its debt.	PricewaterhouseCoopers Inc.#	
Sustaining a cost competitive manufacturing base			
Return on total assets	Provides a measure of the productivity of the assets of the Group which can be benchmarked against other companies.	PricewaterhouseCoopers Inc.#	
EBITA margin %	Indicates the EBITA margin relative to sales achieved by the Group. The margin percentage is influenced by relative selling price, relative cost of goods and operating expenses. EBITA is the product of revenue and the EBITA percentage. It is a leading indicator of the efficiency of profit generation.	PricewaterhouseCoopers Inc.#	

 # PricewaterhouseCoopers Inc. have conducted two limited assurance engagements in accordance with ISAE 3000.

	Achievement				
	2013	2012	2011	2010	Implications of performance to the business
	+27%	+24%	+31%	+20%	The Group continues to deliver strong growth in gross revenue through organic and inorganic means. Despite increased competition, pricing pressures and other challenges facing business units across all geographies, each reporting region was able to deliver growth in gross revenue of at least 20%. Latin America, SSA and Asia are territories targeted for accelerated revenue growth.
	+27%	+27%	+28%	+19%	The Group has delivered consistent growth in operating profits off the base of the revenue growth achieved and through effective margin protection.
	+31%	+22%	+20%	+20%	Effective implementation of the Group's organic and inorganic growth strategies has resulted in sustained growth in normalised diluted headline earnings per share.
	R1 479 000	R1 258 000	R1 029 000	R934 000	The ongoing management and development of the Group's committed team of employees in alignment with business objectives has contributed positively to productivity.
	874 cents	639 cents	528 cents	443 cents	The Group's cash generation capability remains strong as a result of an effective business model and close monitoring of operating cash flows, thereby enabling the ongoing pursuit of growth opportunities and the maintenance of a distribution to shareholders in 2013.
	10 times	9 times	9 times	8 times	Earnings generated by the Group comfortably cover interest payment obligations and exceeds the Group's internal medium-term target of 5 times cover.
	16%	17%	17%	20%	Return on total assets has remained stable as a result of the continuing performance of the Group's existing asset base and the effective integration of acquired assets.
	27%	27%	26%	27%	The Group's margin percentage stability can be attributed to margin protection and enhancement initiatives such as continuous improvement projects aimed at sustaining competitive product costs, particularly on the global brands portfolio. A strong culture of commercial innovation and cost optimisation is also in place across the Group to uphold margins.

Material sustainability issues and key performance indicators
continued

Sustainability theme and key performance indicator	Relevance of indicator to business	2013 combined assurance providers
Providing a safe working environment		
Disabling incident frequency ratio	The DIFR indicates the percentage of employees who suffered disabling injuries in the 12 months ended 30 June, irrespective of whether such incidents resulted in lost work days.	Environmental Resources Management
Lost work day frequency rate	The LWDFR indicates the percentage of employees who had to be booked off due to work-related disabling injuries or illnesses over the last 12 months.	Environmental Resources Management
Promoting equality		
BBBEE accreditation in South Africa	Measures Aspen's adherence to the BBBEE legislation in South Africa. Indicative of Aspen's success in contributing to transformation in South African society. Supports the credibility of the Group as a partner of choice in terms of South African preferential procurement criteria in the public and private sectors.	Empowerdex
Creating an environment in which our employees can thrive		
Average staff turnover	Aspen strives to retain the skills, experience and contribution of its employees in alignment with business objectives. This ratio indicates the percentage of Aspen's permanent employees who have left the Group in the year.	Internal Audit
Training spend per employee	To promote the contribution made by each employee, Aspen invests in the enhancement of employees' capabilities aligned to the short- and medium-term business objectives.	Internal Audit

	Achievement				
	2013	2012	2011	2010	Implications of performance to the business
	0,99	0,94	0,81	Not measured	The Group's DIFR is within the Group's internal tolerance of 1,00 and includes one fatality (2012: one) of an employee at Aspen Venezuela who died in a motor vehicle accident whilst travelling for business meetings. There was one permanent disabling injury recorded during the year (2012: four) in respect of an employee who suffered permanent impairment of speech and mobility due to a work-related incident .The employee received the necessary medical treatment and is currently in the process of recovery. The Group's internal tolerance level of LWDFR for the year exceeded 0,75 and indicates that more employees are being booked off than desired. Reasons supporting an increased trend of incidents are being evaluated at the facilities in Australia and corrective action to address identified causes of safety incidents at FCC. The South African sterile and non-sterile facilities attained OHSAS 18001 certification for the first time during 2013 and Aspen Bad Oldesloe was recertified. A formalised programme will be implemented to enhance health and safety management across the Group's facilities in Australia, East Africa, Latin America and at FCC.
	0,79	0,87	Not measured	Not measured	
	Level 3	Level 3	Level 3	Level 4	The Group remains committed to transformation objectives in South Africa and maintained its BBBEE status. Products supplied by Aspen therefore qualify for BBBEE preferential procurement spend and this enables Aspen's South African customers to claim 137,5% of the value of purchases in the determination of their BBBEE rating. The BBBEE regulations are currently under review and the implications of proposed amendments are being closely monitored by the Group.
	14%	18%	16%	16%	Staff turnover in the Group has been reduced through specific interventions aimed at retaining high-potential staff. The level of employee turnover will continue to be impacted by facility rationalisation projects in Australia until December 2014 and through natural attrition of employees. The integration of new staff transferring from acquired businesses will receive particular focus in the affected business units.
	R3 344	R 2 689	R 2 230	R 2 144	Investment in training supports employee development and contributes towards improved employee productivity in accordance with business needs. The increased investment reflects an increase in training interventions in South Africa, Europe and Brazil.

Material sustainability issues and key performance indicators
continued

Sustainability theme and key performance indicator	Relevance of indicator to business	2013 combined assurance providers	
Preserving the environment			
Volume of carbon emissions (tCO_2e*)	Aspen recognises that greenhouse gas emissions are required to be controlled in order to prevent environmental damage which could threaten global environmental sustainability. The Group therefore seeks to go beyond mere regulatory compliance in responsibly managing its carbon footprint.	Environmental Resources Management	
Volume of waste recycled (tons)	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 ecology, this is cost effective.	Environmental Resources Management	
Managing efficient utilisation of scarce resources			
Electricity consumed (gigajoules – GJ)	Electricity provides the primary source of power to the Group's manufacturing sites. It is an increasingly expensive commodity. In many markets there is a risk of supply interruptions at times of excess load on the source of supply. Efficient electricity utilisation supports lower costs of production and reduces demand, prolonging energy sources.	Environmental Resources Management	
Volume of water used (kilolitres – Kl)	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.	Environmental Resources Management	
Conducting our business in a responsible manner			
Number of material incidents of legislative infringements	Lawful compliance underpins an ordered and effective society. Aspen strives to conduct its business with due care and regard for all legislation relevant to the Group.	Internally reviewed through the quarterly Group Compliance Officer's internal assurance process	

* *Carbon dioxide equivalent*

(b) *Following the external verification of emissions and correction of emissions calculators, 2012 comparatives were restated for Scope 1 and Scope 2 emissions. Scope 1 emissions decreased from 18 896 CO_2e to 6 774 CO_2e and Scope 2 emissions from 158 035 CO_2e to 88 008 CO_2e.*

(c) *The 2012 electricity usage value was required to be restated and increased by 15 560 GJ from 438 797 GJ to 454 357 GJ due to discrepancies between actual and estimated readings which have been identified and corrected by management during 2013.*

(d) *The water consumption total reported for 2012 has been restated and increased from 523 611kl to 545 372kl following correction of comparative data recorded for the facilities in South Africa.*

	Achievement				
	2013	2012	2011	2010	Implications of performance to the business
	Scope 1: 10 744 Scope 2: 119 189	Scope 1: 6 774[(b)] Scope 2: 88 008[(b)]	Scope 1: 15 012 Scope 2: 97 855	Scope 1: 16 609 Scope 2: 37 278	2013 Scope 1 and Scope 2 emissions have been recorded and verified for South Africa, Australia and Germany. Recommended improvements arising from Environmental Resources Management's audit have been implemented to improve the quality of reported information. In addition, the measurement of emissions has been aligned to global best practice and, consequently, resulted in a restatement of comparative information. Based on the restated comparatives, Scope 1 and Scope 2 emissions have increased mainly as a result of the inclusion of data for the Australian facilities in 2013 for the first time. Steps will be taken during 2014 towards measuring and monitoring Scope 1 and 2 emissions at Aspen's sites in East Africa and Latin America.
	2 476	1 698	1 574	1 349	Good progress has been made to implement responsible waste disposal and recycling methods across all sites except in East Africa where recycling opportunities will be considered. Waste management initiatives will continue to be promoted across all sites.
	469 767	454 357[(c)]	440 784	276 673	Electricity usage has increased by 3%, mainly related to the increase in HVAC capacity installed at the Port Elizabeth site. Formalised conservation projects are in place at the South African sites and savings targets are currently being reviewed. Once environmental management systems have been embedded across the International businesses, the implementation of feasible conservation projects will be considered for implementation at these sites.
	499 715	545 372[(d)]	484 168	418 321	Water usage has been reduced by 8% as a result of planned reduction in production at FCC and benefits realised from water conservation initiatives at the Port Elizabeth site.
	Zero	Zero	Zero	Zero	Aspen strives to conduct its business as a responsible corporate citizen to uphold its credible reputation. To this end effective compliance management practices will be maintained across all territories in which the Group conducts its business.

Group Chief Executive's report

Stephen Saad
Group Chief Executive

Transforming Aspen

GROWTH RECORD CONTINUES

The results for the year ended 30 June 2013 extended Aspen's unbroken growth record to 15 years and 30 successive results announcements. During the past year the Group achieved revenue growth of 27% to R19,3 billion and raised operating profit by 28% to R5,0 billion. Aspen's primary indicator of financial performance, normalised diluted headline earnings per share, increased by 31% to 836,2 cents. The achievement of the past year and all of the advancements of the prior reporting periods has seen the Group achieve a CAGR over 15 years which exceeds 40% on each of the revenue, operating profit and normalised diluted headline earnings per share lines. This has been delivered through a careful blend of organic and acquisitive growth which has taken Aspen from a bit player in South Africa to an international pharmaceutical business distributing medicines to approximately 150 countries across the world. During this time the Group has established its reputation for high quality, affordable medicines and has developed world class capabilities in all aspects of the business.

TRANSFORMATIONAL TRANSACTIONS

It is from this foundation that Aspen is set to embark on what will probably prove to be the most transformational transactions undertaken by the Group to date.

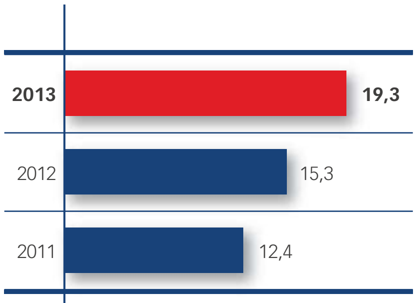
These transformational transactions (some of which still require shareholder and regulatory approval) comprise the following:

- the acquisition of an API manufacturing business, primarily in the Netherlands, from MSD for approximately EUR36 million plus the value of inventory which became effective 1 October 2013;
- in a related agreement with MSD, Aspen intends to exercise an option to acquire a portfolio of 11 branded finished dose form molecules covering a diverse range of therapeutic areas for approximately USD600 million. The most likely date for the acquisition of this portfolio through the exercise of the option is 31 December 2013; and
- the acquisition from GSK of the Arixtra and Fraxiparine/Fraxodi brands worldwide (excluding China, India and Pakistan) together with the specialised sterile production site which manufactures these brands for approximately GBP700 million. The date of acquisition of the brands is set for 31 December 2013 and the date of acquisition of the site is set for 30 April 2014.

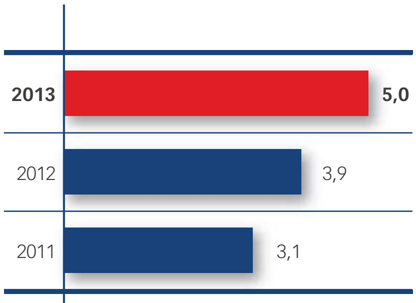
The Group achieved revenue growth of

27% to R19,3 billion

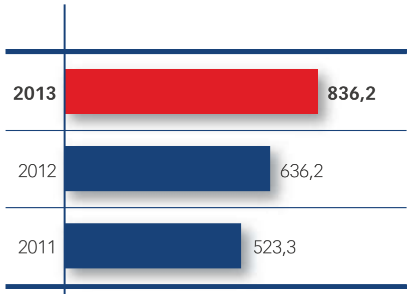
and raised operating profit by 28% to R5,0 billion



Revenue
(R'billion)



Operating profit
(R'billion)



Normalised diluted headline earnings per share from continuing operations
(cents)

These transactions significantly advance the Group's strategic objectives of extending territorial coverage and increasing the product portfolio. Through the execution of the transactions Aspen will establish more business units and add to the number of dedicated sales representatives it has around the world to promote Aspen's products. The additions to the product offering are well recognised brands with established patient and prescriber support. In addition, new skills and capabilities will come to the Group in API manufacturing, sterile production and specialist detailing which creates the potential for the realisation of new opportunities in the future.

The range of products to be acquired from MSD has limited or no molecular equivalents despite being post-patent for a number of years. Revenue from this product range should exceed R2 billion. Profit margins are attractive and these products are expected to respond favourably to the increase in promotional support Aspen intends to provide. There is a high correlation of revenue from this range with Aspen's target growth territories of Latin America and Asia as well as the business to be established in Russia and CEE.

The API manufacturing business has a 10-year supply contract with MSD which will account for the largest portion of the output from the facilities acquired. Annual revenue from the acquired API business is approximately R2 billion. The API production capabilities are in specialist areas of complex chemistry such as peptides, biochemicals, steroids and hormonals. This provides excellent material for the further development of the Group's finished dose pipeline. Of particular relevance is the market share which the API business has in heparin, a biochemical originated from the stomach lining of pigs which is a key raw material in the manufacture of a number of anti-coagulant pharmaceuticals.

Arixtra and Fraxiparine, the brands to be acquired from GSK, are both injectable anti-coagulants. Initial annual sales of these products is expected to be of the order of R5 billion. Demand for anti-coagulants, used to prevent blood clots, is expected to double globally over the next five years, driven particularly by the present under-utilisation of this treatment in emerging markets. Fraxiparine is a biological product which makes it resilient to competitive replication given the difficulties in registering biosimilars, the closest one can get to a generic of a biological. While margins on Fraxiparine are presently low, the primary raw material source used in this product is heparin and Aspen will be actively seeking to lower the cost of heparin. Arixtra is manufactured from a synthetic chemical. However, despite being post-patent for many years, to date only one generic has been launched for this molecule, in the United States. Added generic competition in Europe may put

Aspen has delivered unbroken CAGR for 15 years which

exceeds 40%

of the revenue, operating profit and normalised diluted headline earnings per share lines

Group Chief Executive's report continued

revenue and margins of Arixtra under pressure, but it is hoped this can be alleviated by introducing Arixtra more widely in emerging markets. There is also an injectable anti-coagulant within the MSD portfolio being acquired, Orgaran. Orgaran is presently limited by supply constraints, but there are promotional synergies by adding this to the anti-coagulant detailing teams and considerable potential upside if the supply constraints can be resolved.

Arixtra and Fraxiparine are made at the specialist sterile manufacturing site which Aspen will acquire in France. In order to provide back-up production capabilities for these important brands, it is planned to introduce equivalent capabilities in an expansion of the Sterile facility in Port Elizabeth.

MANUFACTURING AND SUPPLY CHAIN CAPABILITIES ARE KEY ENABLERS

Aspen's manufacturing and supply chain competence has been a key enabler in placing the Group in a position to undertake these transactions. This skill set is a critical advantage to Aspen. The Group's proven track record in executing transactions of this nature provides Aspen with the credibility which is appealing to major multinationals when they are the vendor. The efficiencies which the operational team are able to bring to such acquisitions is most often also an important value enhancement. Ongoing investment will ensure Aspen continues to deliver operational excellence and will underpin the Group's objective of achieving a strategic advantage from its production capabilities.

INTERNATIONAL BUSINESS THE LEADING PERFORMER

Performance improvement over the past year was led by the International business which increased revenue by almost 50% to R3,7 billion and widened margins. Latin America showed the biggest advance where sales to customers in this territory climbed 53% to R1,6 billion. A combination of organic and acquisitive growth propelled the Latin American performance despite the impact of the currency devaluation in Venezuela. The global brands portfolio was an important contributor to the growth achieved in the International business and the margin improvement projects for these products continued to yield favourable outcomes. The imminent closure of the acquisition from Nestlé of certain licence rights to infant nutritional intellectual property in several countries in Latin America as well as an infant nutritional manufacturing facility in Mexico will diversify the Latin America business further. It also builds on the Group's growing infant nutritional business and makes Aspen a leader in this field in the southern hemisphere. The International business is expected to be the leading beneficiary of acquisitive activity over the forthcoming year and this will add further momentum to the impressive growth achieved by the region in the past year.

ASIA PACIFIC BIGGEST CONTRIBUTOR TO REVENUE

As predicted, the Asia Pacific business became the largest contributor to Group revenue for the first time in 2013, accounting for 37% of total gross revenue. The region increased revenue 26% to R7,6 billion and continued to widen margins. This was achieved despite the mandated price cuts in Australia imposed by existing legislation. Revenue growth was supported by acquired products and pleasing progress in the Asian territories. EBITA advances benefited from the continuation of the project to source more competitive product costs including the migration of production to the Port Elizabeth site in South Africa. The newly established subsidiary in Malaysia commenced trade in May 2013 and a further subsidiary has been established in Taiwan. Distribution in Australia of the classic brands portfolio acquired by the Group from GSK in December 2012 and the infant milk products acquired by the Group from Nestlé in May 2013, have been successfully taken on. In the year ahead growth in the Asia Pacific territory will be supported by newly acquired products and the development of Aspen's footprint in Asia.

ORGANIC GROWTH DRIVES SOUTH AFRICAN BUSINESS

The South African business delivered pleasing results, raising revenue 20% to R7,4 billion. Revenue in the Pharmaceutical division rose 20% to R6,2 billion. Organic growth was supplemented by a strong contribution from new product launches in the private sector. In the public sector expanding demand for ARVs added to growth momentum although the greater weighting of revenue from low margin ARVs was the largest factor in the contraction of margin percentages. The weakening of the Rand and rising inflation in administered costs also put pressure on margins although this was partially relieved by gains in production efficiency and procurement savings. The Consumer division delivered an 18% increase in revenue with Nutritionals the biggest growth driver. Innovative new products, growing-up-milk and ready-to-feed infant milk, were launched expanding Aspen's offering in the nutritional sector. As the market leader in the private and public pharmaceutical sectors in South Africa, Aspen is well positioned to extend the solid performance achieved in the past year through organic growth. An entire new management team has been installed in the Consumer division with further impetus pending the approval by the South African competition authorities of the infant nutritional transaction with Nestlé.

Aspen's manufacturing and supply chain skill set is a

critical advantage

to the Group

SECOND HALF TURNAROUND IN SSA

Gross revenue in SSA increased 26% to R2,1 billion driven by expanded promotional support. The negative growth in EBITA during the first six months was reversed over the full year by a strong second half performance. In the year ahead the focus will be on continuing this progress.

EXPANSION AND GROWTH

The completion of the impending MSD and GSK transactions will transform the Group, expanding the global brands portfolio with the addition of established products which have strong market acceptance and widening the geographic reach of Aspen. This will enable Aspen to establish its own business units in Russia, other former Soviet republics and across Europe as well as extending its influence in Latin America and Asia. Significant management attention is being devoted to the development and implementation of the plans necessary to successfully execute these acquisitions. It is expected that synergies will be realised between these two transactions in addition to the focus Aspen will place on pursuing opportunities to achieve greater market penetration with the brands and improving production efficiencies.

Provided there are no material changes in the prevailing macro-economic conditions in the forthcoming year, it is expected that the solid growth platform already established in all regions will be strongly supplemented by contributions to the International and Asia Pacific territories from the take-on of the impending transactions, particularly in the second half of the year. Debt levels in the Group will initially be close to Aspen's self-imposed limits, but this gearing is expected to reduce quite rapidly through strong operational cash flows.

Stephen Saad
Group Chief Executive

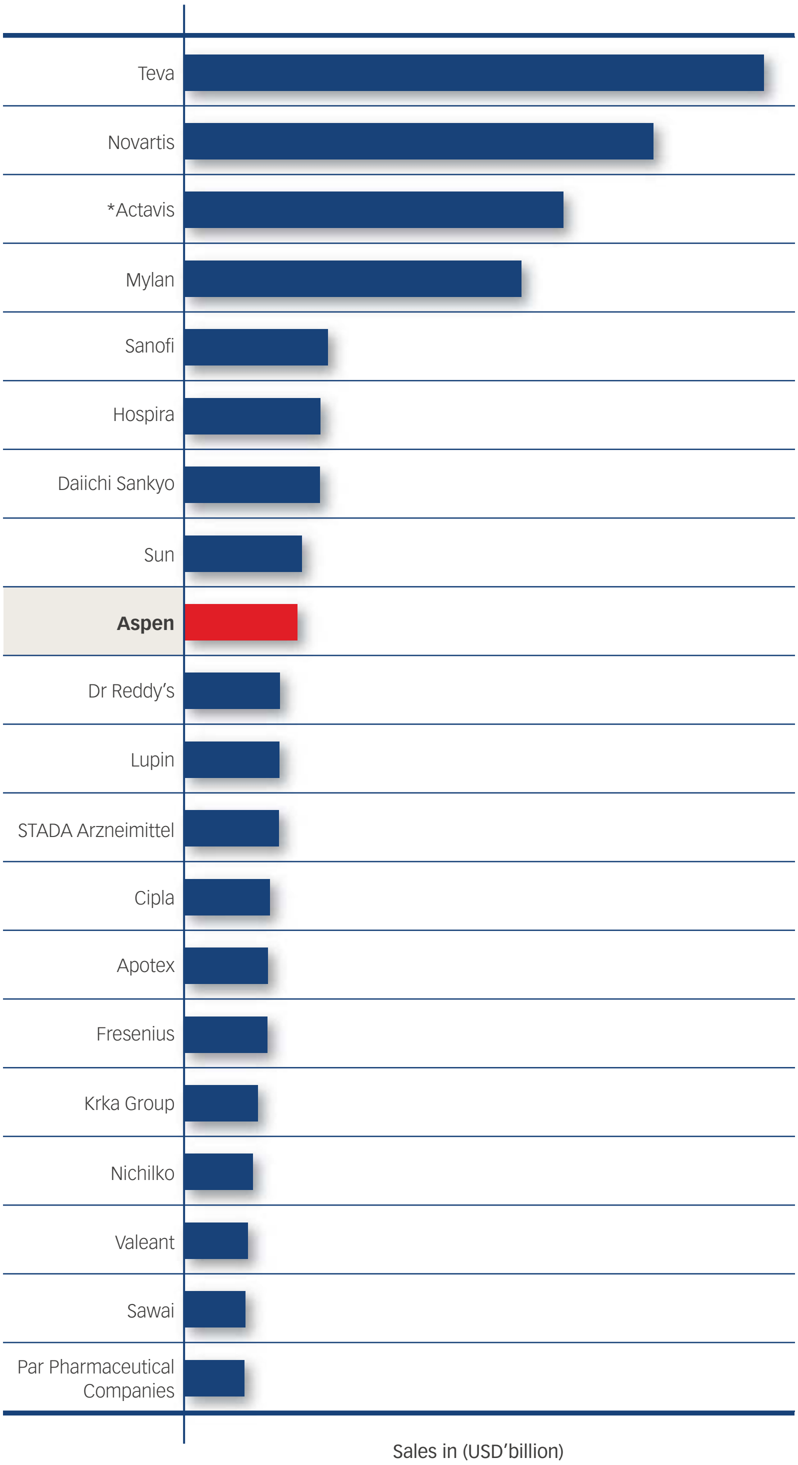
21 October 2013

Compound annual growth rates

	Since listing	Last five years	Last three years
Gross revenue	**46%**	35%	27%
EBITA	**49%**	35%	27%
Normalised diluted headline earnings per share from continuing operations	**43%**	30%	24%

Global competitiveness

Aspen is ranked as the **9th largest** generic pharmaceutical company in the world

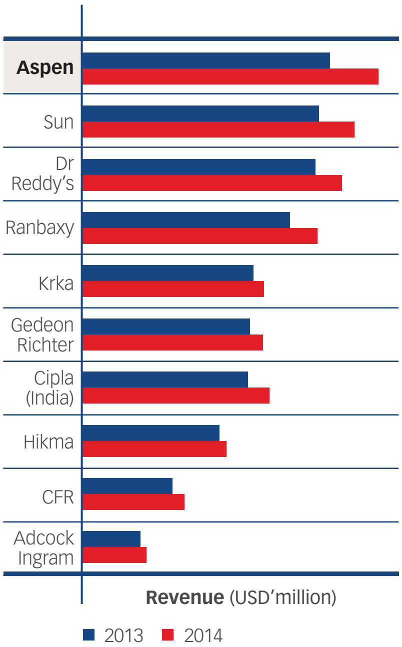


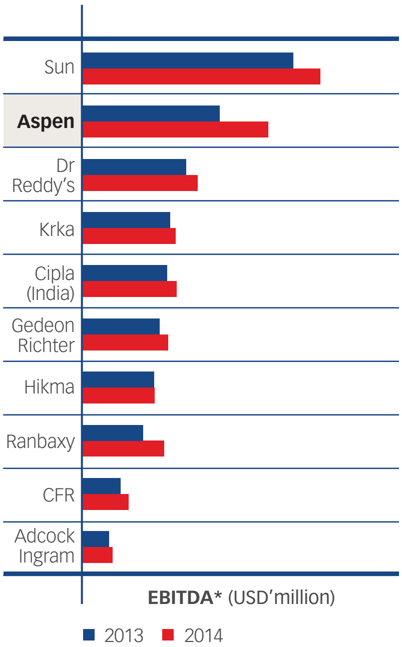
Source: EvaluatePharma® (23 June 2013)
Coverage: 60 generic companies

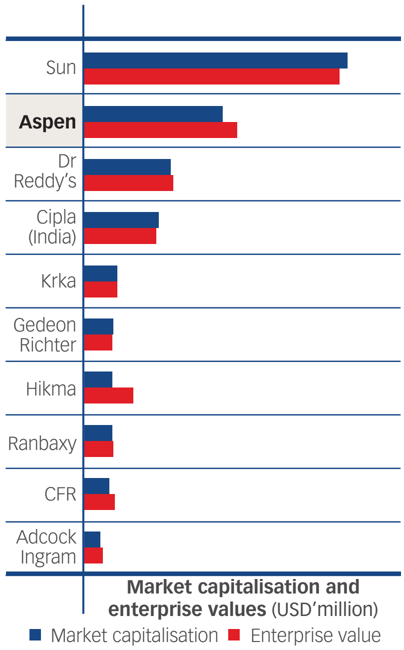
Note: Sales in 2012 based on company reported data (Sun, Aspen, Dr Reddy's, Lupin, Cipla, Apotex and Par Pharmaceutical based on forecast data for 2012).

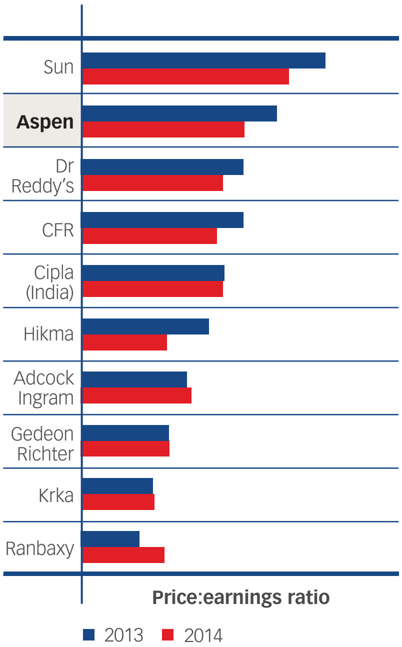
* Actavis sales consolidate both Actavis and Watson in 2011 and 2012.

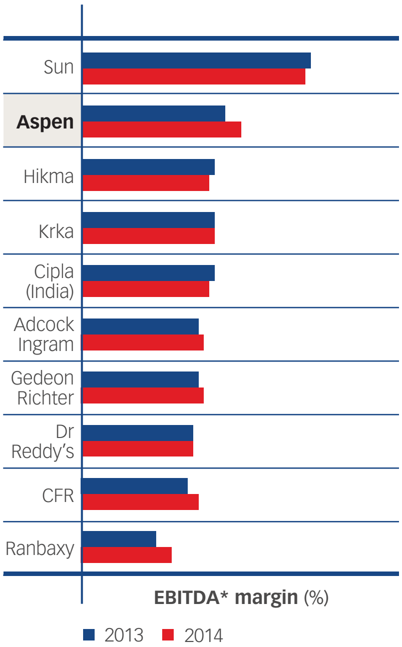
Emerging markets peer comparatives











Source: JP Morgan – All information for peer comparatives is as per Bloomberg annualised consensus estimates as at 30 June 2013. Aspen's actual results have been reflected for 2013 and Bloomberg's estimates have been used for FY14 forecast information.

Aspen is well positioned amongst its peers. Analysts' consensus forecasts suggest Aspen is a leading performer amongst this group of emerging market pharmaceutical companies.

* *Earnings before interest, tax, depreciation and amortisation.*

Overview
Business unit reviews
Governance
Summarised financial statements
Eleven-year review
Shareholders' information

Risk management

Aspen's reputation and credibility are based upon its commitment to conducting business as a responsible corporate citizen in pursuit of creating sustainable value for stakeholders. To this end, risk management is inherent to Aspen's corporate culture and underpins day-to-day management of the Group's business activities and decision-making processes.

Effective risk management considerations are embedded in the Group's system of internal controls, standard operating procedures, monitoring systems and relevant stakeholder engagement activities. Aspen's Board is responsible for the governance of risk across the Group, for setting the risk appetite and for ensuring the effective management of key risks which sustainably support the Group's strategic objectives as set out on pages 12 to 17. The Group's risk appetite and material risk evaluation parameters are reviewed and approved by the Board on an annual basis. The boards of Aspen's subsidiary companies are responsible for the governance of risk management processes implemented at business unit level and for monitoring the effectiveness of the implemented risk mitigation plans.

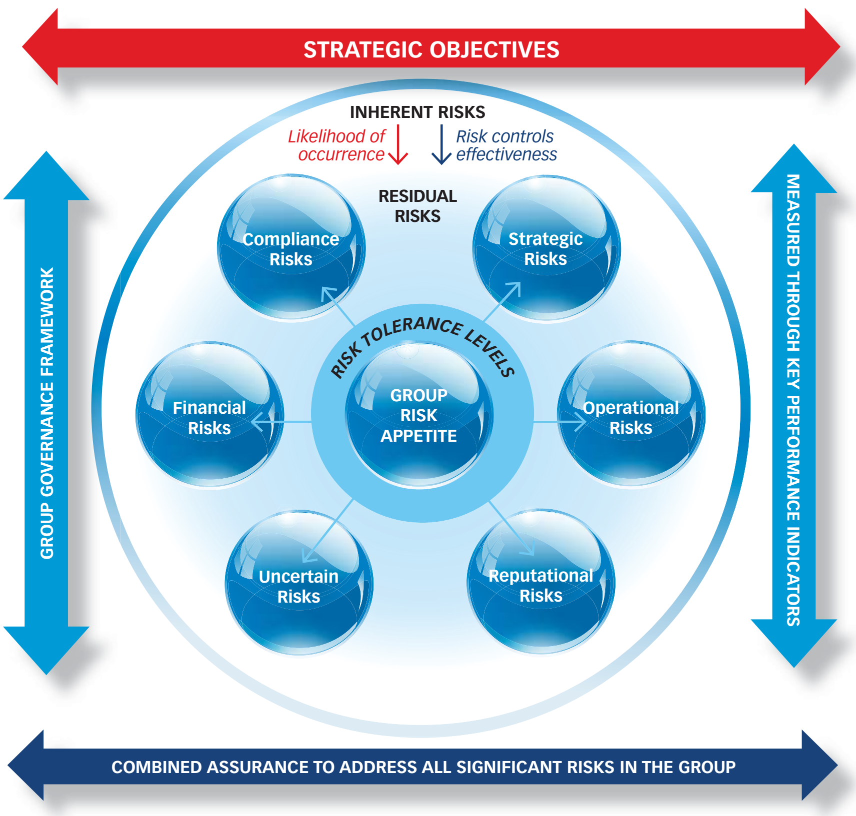
The Audit & Risk Committee conducts a formal annual evaluation of the risk management culture in the Group, the effectiveness of implemented risk management systems and the adequacy of risk mitigation plans for the Group's top inherent and residual risks and for its exposure to reputational risks. The committee formulates its overall conclusion with reference to the Report of the Executive Risk Forum and related information supporting the Executive Risk Forum's evaluation of Group risks and risk management systems. This conclusion is presented to and ratified by the Board. On a quarterly basis, the committee monitors the status of the Group's key risks and progress of related mitigation plans.

The Executive Risk Forum monitors the effective implementation of the Group's risk management policy across the Group and ensures that key business decisions are made with reference to the Group's risk appetite. Related mitigation controls are implemented in accordance with risk tolerance levels. The Executive Risk Forum is chaired by the Deputy Group Chief Executive and meets on a quarterly basis to formally assess the status of the Group's top risks and the impact of any material changes in the Group's risk landscape. The adequacy of the Group's insurance cover is also monitored. In addition, the adequacy of organisational structures to implement key risk mitigation plans effectively is considered by the Executive Risk Forum.

Risks are categorised into strategic, operational, financial and compliance risks. Economic, social, environmental, governance and reputational risks are all addressed through a structured risk reporting process which is applied across all business units.

At year-end, Aspen's Board was satisfied with the status and effectiveness of risk governance in the Group and the adequacy of mitigation plans for material risks. Internal Audit performed an audit of the risk management process during July 2013 and concluded that the Group's risk management process, risk management systems and risk governance structures were effective. Other sources of assurance supporting the Group's assessment of relevant mitigation controls were corroborated through published external audit reports relating to systems, legislative and regulatory compliance, regulatory accreditation of manufacturing facilities and independently published information benchmarking Aspen's performance against peers.

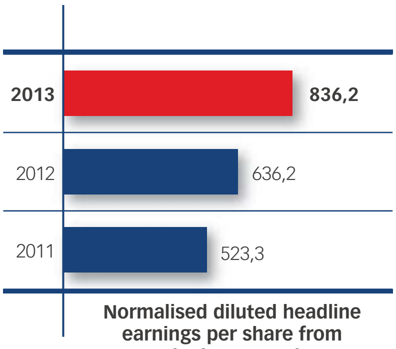
Aspen's Group Risk Management Policy and Risk governance structure are available online in the Key Risk Mitigation Activities Report.



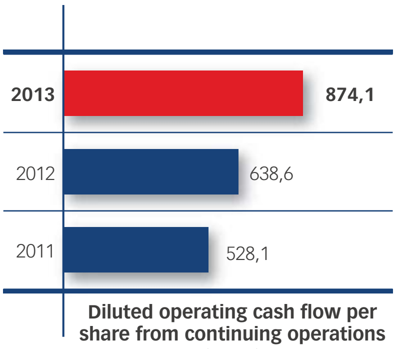
Financial highlights

	Year ended 30 June 2013 R'million	Year ended 30 June 2012 R'million	Change	CAGR#
FINANCIAL PERFORMANCE HIGHLIGHTS				
Revenue from continuing operations	**19 308,0**	15 255,8	27%	26%
Gross profit	**9 230,7**	7 276,3	27%	27%
Operating profit	**5 043,3**	3 940,6	28%	27%
EBITA	**5 600,3**	4 415,0	27%	27%
Normalised headline earnings from continuing operations	**3 813,2**	2 876,9	33%	30%
Cash generated from operating activities	**3 986,1**	2 908,4	37%	26%
FINANCIAL PERFORMANCE INDICATORS				
EBITA margin	**27,0%**	27,0%		
Return on total assets	**16,4%**	16,5%		
Gearing ratio	**32,7%**	28,9%		
Return on ordinary shareholders' equity	**17,7%**	17,3%		
Working capital as a % of turnover	**27,0%**	27,2%		
Net interest cover (times)	**9,4**	8,7		
PERFORMANCE PER SHARE	**cents**	cents		
Basic earnings per share from continuing operations	**773,0**	609,3	27%	26%
Normalised headline earnings per share from continuing operations	**837,3**	659,4	27%	27%
Normalised diluted headline earnings per share from continuing operations	**836,2**	636,2	31%	27%
Diluted operating cash flow per share from continuing operations	**874,1**	638,6	37%	23%
SHARE PERFORMANCE INDICATORS				
Price earnings ratio (times)	**27,1**	19,2	42%	
Closing share price (cents)	**22 707,0**	12 585,0	80%	
Market capitalisation (R'billion)	**103,5**	57,2	81%	

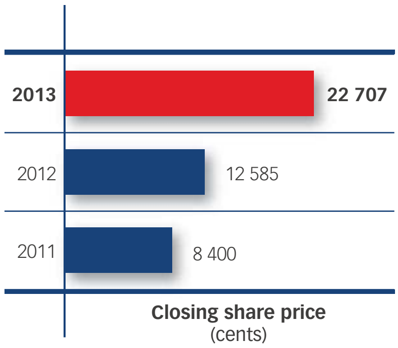
Compound growth represents 10-year annual growth, calculated for the period 2003 to 2013 covered in the 11-year review.



Normalised diluted headline earnings per share from continuing operations
(cents)



Diluted operating cash flow per share from continuing operations
(cents)



Closing share price
(cents)

Financial review

Gus Attridge
Deputy Group Chief Executive

Performance enables investment

PERFORMANCE CHARACTERISTICS FOR THE YEAR

Aspen's financial results for the year ended 30 June 2013 were characterised by:

- revenue growth in all business segments of 20% or more;
- stable profit margin percentages; and
- strong operating cash flows.

This has allowed the Group to deliver a pleasing 31% growth in its primary indicator of financial performance, normalised diluted headline earnings per share, at 836 cents. It has furthermore enabled the Group to continue to invest in future growth opportunities and to maintain the distribution paid to shareholders.

EARNINGS PER SHARE MEASURES

Aspen measures earnings per share on a number of levels. Set out alongside is a reconciliation providing insight into the factors which dictate the various outcomes.

	Year ended 30 June 2013 Cents	Year ended 30 June 2012 Cents	Change
Basic earnings per share (EPS)	**773,0**	645,8	+20%
Discontinued operations	**–**	(36,5)	
Basic EPS from continuing operations	**773,0**	609,3	+27%
Impairments	**15,0**	40,4	
Headline EPS from continuing operations	**788,0**	649,7	+21%
Restructuring costs	**23,3**	11,9	
Transaction costs	**18,0**	5,7	
Foreign exchange gain on transaction funding	**–**	(7,9)	
Settlement of product litigation	**8,0**	–	
Normalised HEPS from continuing operations	**837,3**	659,4	+27%
Dilution	**(1,1)**	(23,2)	
Normalised diluted HEPS from continuing operations	**836,2**	636,2	+31%

Aspen has delivered a pleasing

31% growth

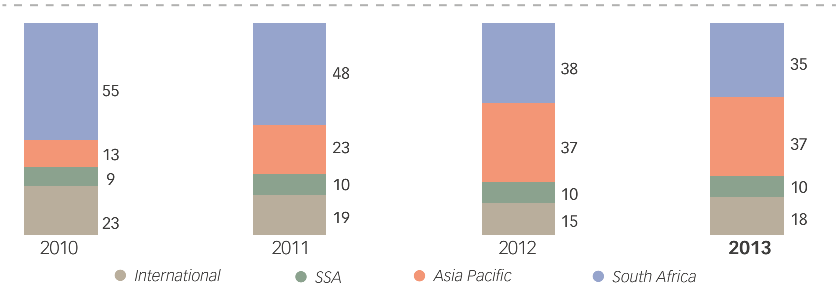
in normalised diluted headline earnings per share at 836 cents

SEGMENTAL CONTRIBUTIONS

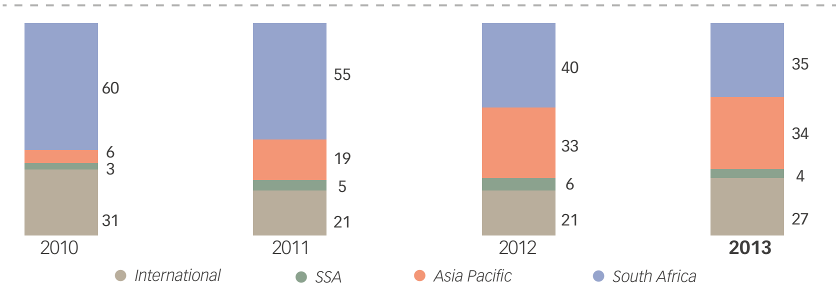
Asia Pacific and South Africa collectively contributed a little more than two thirds of both revenue and EBITA of the Group with similar contributions coming from each of these regions. As projected, Asia Pacific became the largest contributor to revenue for the first time, a position this region is expected to retain in the year ahead.

Gross revenue increased 27% to R20,8 billion through a good balance of organic and acquisitive growth. The International business segment recorded the greatest rise in revenue, bolstered by a 53% improvement in customer revenue in Latin America and a strong showing from the global brands portfolio.

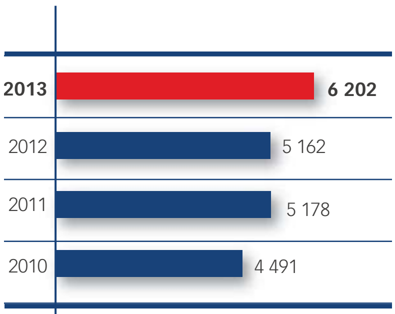
Gross revenue by region
(%)



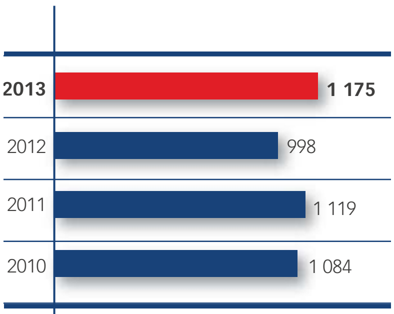
EBITA by region
(%)



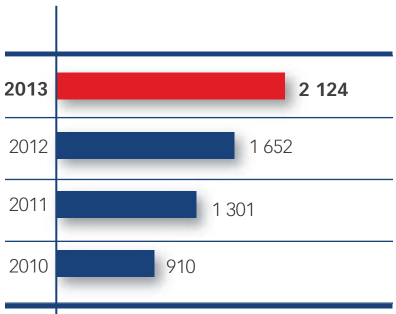
Gross revenue by customer geography



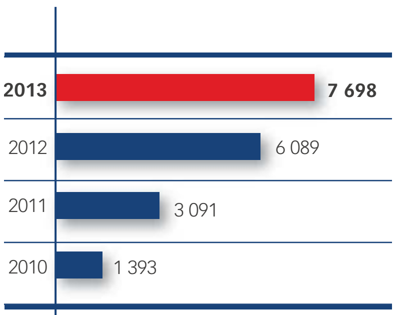
SA Pharmaceutical +20%
(R'million)



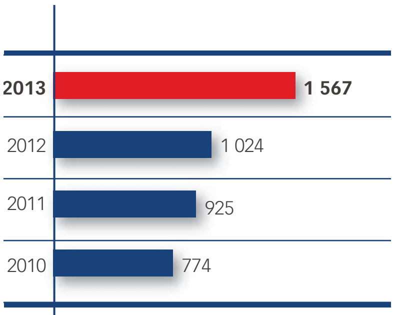
SA Consumer +18%
(R'million)



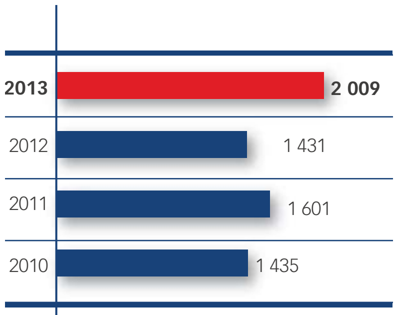
SSA +29%
(R'million)



Asia Pacific +26%
(R'million)



Latin America +53%
(R'million)

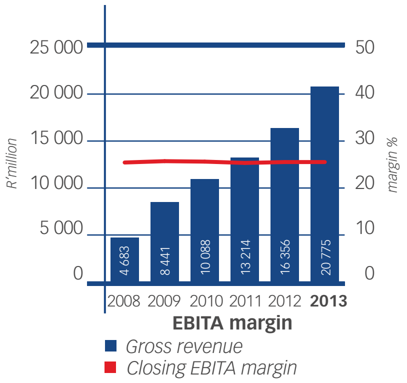


Rest of world +40%
(R'million)

Financial review continued

EBITA MARGIN STABILITY

The Group EBITA margin percentage remained stable at 27%. Success achieved through margin improvement projects for the global brands portfolio and in the products previously acquired from Sigma in Australia as well as gains in production efficiency and procurement savings were counter-balanced by regulated price cuts in Australia, currency weakness and inflationary pressures in South Africa plus rising expenses in SSA. The capabilities of Aspen to counteract downward pricing pressure and inflationary effects is demonstrated by the remarkable stability of the EBITA margin percentage over the past six years. This has been achieved by ongoing reductions in cost of goods through the manufacturing and procurement network as well as the supplementation of the product portfolio with higher margin products.



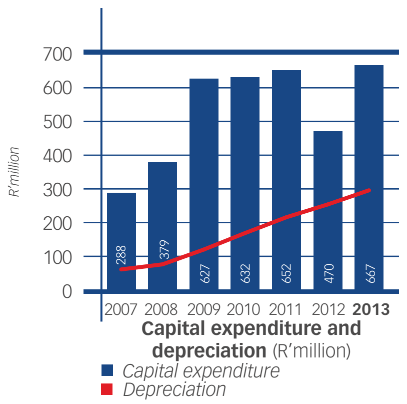
BUSINESS MODEL IS STRONG CASH GENERATOR

The Group business model generates strong operating cash flows. The internal target is for cash generated from operations to at least match earnings. In the past year this was exceeded with the achievement of a 109% conversion of earnings to cash flows. Effective working capital management is a key feature in the achievement of positive cash flow outcomes. The additional investment made in working capital was reduced from R870 million in the prior year to R590 million. Working capital as a percentage of revenue remained below the median of the internal target rate of 25% – 30% at 27%.

	Year ended 30 June 2013 R'million	Year ended 30 June 2012 R'million	Change
Cash operating profit	**5 960**	4 746	+26%
Changes in working capital	**(590)**	(870)	
Cash generated from operations	**5 370**	3 876	+39%
Net finance costs paid	**(585)**	(514)	
Tax paid	**(799)**	(454)	
Cash generated from operating activities	**3 986**	2 908	+37%
Discontinued operations	**–**	(2)	
Cash generated from continuing operations	**3 986**	2 906	+37%
Diluted operating cash flow per share from continuing operations (cents)	**874,1**	638,6	+37%
Normalised headline earnings to cash flow conversion rate	**109%**	102%	
Working capital as a % of revenue	**27,0%**	27,2%	

INVESTING IN THE FUTURE

The strong cash flows generated by the Aspen business model have allowed for enduring investment in the future growth of the Group, either directly or by the ability to raise, service and retire debt. Aspen has invested R3,7 billion in property, plant and equipment over the last seven years. Investment in each year has exceeded the depreciation charge, demonstrating the extent of expansion capital expenditure.



In addition to the R0,7 billion invested in property, plant and equipment in 2013, Aspen also spent R5,6 billion on the acquisition of businesses and products. The most material of these acquisitions were the purchase by the Group of:

- 25 established pharmaceutical products from GSK for distribution in the Australian market; and
- certain rights to infant nutritional intellectual property licences and the shares in an infant nutritional business distributing a portfolio of infant nutritional products in Australia.

EFFECTIVE TAX RATE

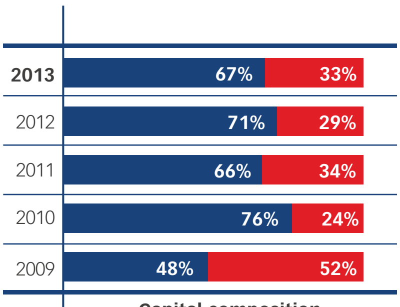
The effective tax rate declined from 22,5% to 21,7% on a more beneficial weighting towards lower tax rate jurisdictions.

BORROWINGS MOVEMENTS

Borrowings net of cash increased by R4,0 billion over the year to R11,1 billion. The primary movements in net borrowings over the year were:

	R'billion
Balance as at 1 July 2012	7,1
Cash generated from operating activities	(4,0)
Acquisition of businesses and products	5,6
Property, plant and equipment acquired	0,7
Capital distribution	0,7
Translation of foreign borrowings	0,9
Other	0,1
Balance as at 30 June 2013	11,1

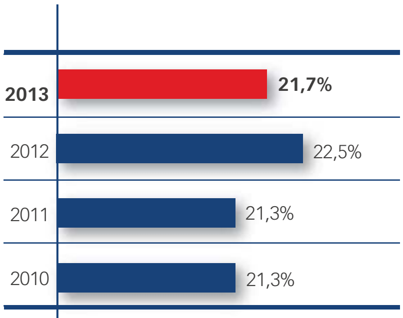
Gearing moved up to 33% at year-end from 29% a year prior.



Capital composition as at 30 June

Equity
Debt

Net funding costs rose only slightly from R501 million to R554 million despite the higher net borrowings as new debt raised was at lower rates and due to greater net benefits from fair value gains on financial instruments and foreign exchange impacts.



Effective tax rate

FUTURE FUNDING

Funding of the transactions completed since the financial year-end and the transactions due for completion over the balance of the year ending 30 June 2014 are to be funded from existing cash resources and with bank debt. Aspen has taken the opportunity to also restructure a substantial portion of pre-existing debt.

This funding has been successfully raised by the Group as follows:

Borrowing Company	Million
Aspen, Aspen Pharmacare & FCC	R7 330[1]
Aspen Global	USD1 985[2]
Aspen Asia Pacific	USD150[3]
Aspen Asia Pacific	AUD55[3]

[1] *Tenor of 2 to 5 years; margin of 1,7% to 2,1% over JIBAR.*
[2] *Tenor of 3 to 5 years; margin of 2,4% to 2,5% over LIBOR.*
[3] *Tenor of 4 years; margin of 2,45% over LIBOR/BBSY.*

All lenders in the syndication have signed into facility agreements which govern the funding arrangements.

Net borrowings are expected to reach USD3,4 billion at the completion of the impending transactions. At 30 June 2014 gearing is anticipated to be over 50% although the strong operating cash flows of the Group should lower this level quite rapidly.

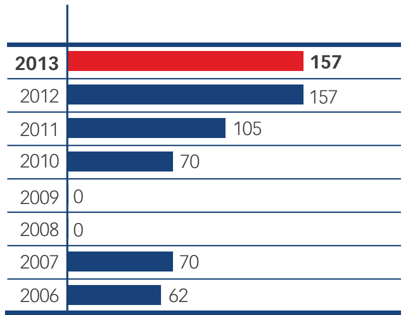
Aspen has the following internal medium-term debt management thresholds:

- interest cover (EBITDA/Net interest paid) > 5 times; and
- leverage ratio (Net debt/EBITDA) < 3 times

At 30 June 2014 it is anticipated that the leverage ratio will breach the three times target before receding while the interest cover should remain below the target level. Covenants negotiations with bankers have been set to take account of these levels.

TOTAL DISTRIBUTION MAINTAINED

Having taken consideration of the earnings and cash flow performance for the year ended 30 June 2013 as well as the existing and considerable future funding demands of the Group, the Board was very pleased to be able to maintain the total distribution to shareholders at 157 cents per share, an indication of the confidence in the prospects and cash generation capabilities of Aspen.



Historical distributions to shareholders (cents)

Gus Attridge
Deputy Group Chief Executive

21 October 2013

Overview
Business unit reviews
Governance
Summarised financial statements
Eleven-year review
Shareholders' information

South Africa

Sales and Marketing

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

Key business units	Aspen Pharmacare FCC
Key territories supplied to	Botswana Lesotho Namibia South Africa Swaziland
Number of products launched from pipeline	22 (2012: 33)
Number of permanent employees	3 071 (2012: 2 908)
Number of product recalls	1 (2012: 2)
Average staff turnover	9% (2012:13%)
Number of work-related fatalities	1 (2012: 1)
Market statistics and recognition	• The South African private pharmaceutical market was valued by IMS at R28 billion for the year ended 30 June 2013. • Aspen is ranked as the number one pharmaceutical company in the private sector, as measured by IMS, with a 16,2% share. • Aspen is now ranked 2nd in the branded market. • Close to one in every four scripts dispensed by South African pharmacists is for an Aspen product, as recorded by ImpactRx. • Approximately one in four tablets and capsules dispensed in the public sector is an Aspen product. • More than one million HIV/AIDS patients in South Africa use an Aspen ARV every day. • For the year ended 30 June 2013, three of the top ten largest products in the South African private sector and four of the top five generic products supplied in the country were Aspen promoted products. • The Campbell Belman Confidence Predictor Survey ranked Aspen as the number one pharmaceutical company in South Africa, as voted for by managed healthcare professionals and funders in 2013.

Altosec, a proton pump inhibitor indicated to treat gastric and duodenal ulcers and gastric reflux, is the market leader in unit sales which exceeded 1 million units in 2013 (IMS). It is also the most dispensed oral formulation proton pump inhibitor in the South African market (ImpactRx).

Proton pump inhibitors, used for the treatment of

gastrointestinal

disorders, are valued at R942 million and growing at 10,5% annually. Aspen's unit market share is 20,25% (IMS)

South Africa
Sales and Marketing continued

PERFORMANCE HIGHLIGHTS

- A strong performance from the Pharmaceutical division was delivered, with a 13% growth in the base business, i.e. excluding ARVs sold in the public sector.
- Aspen was awarded a third of the new once-a-day fixed dose, triple combination ARV public sector tender in late November 2012. The sales of ARVs sold to the State boosted the Pharmaceutical division's revenue growth to 20% for the financial year.
- Leading brands, such as Tribuss, Foxair and Aspen Meropenem continued to grow, while newly launched products such as Aspen Teicoplanin performed well.
- Integration of the acquired GSK OTC portfolio was completed.
- Aspen was the first company in South Africa to launch a ready-to-feed IMF range.

Financial performance	2013 R'million	2012 R'million	Change
Revenue	**7 377**	6 160	+20%
Pharmaceutical division	**6 202**	5 162	+20%
Consumer division	**1 175**	998	+18%
EBITA	**1 965**	1 768	+11%
EBITA margin	**26,6%**	28,7%	

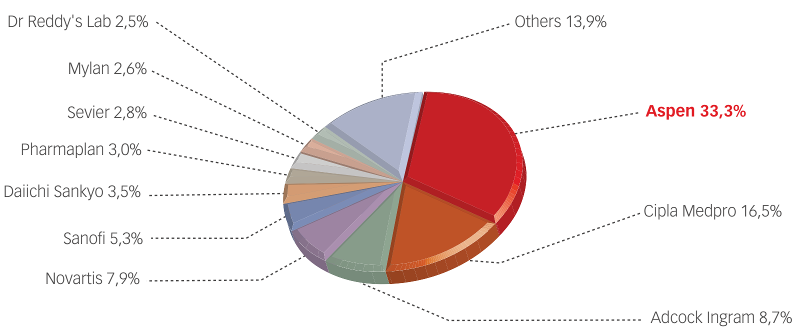
BUSINESS REVIEW

Market conditions

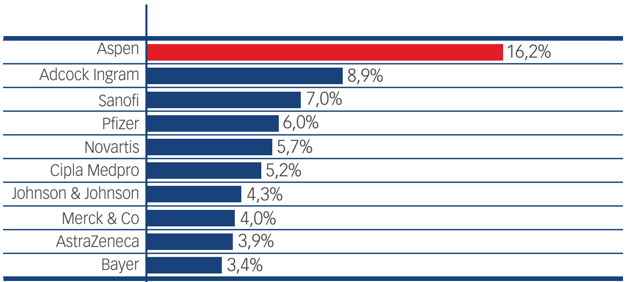
The South African private pharmaceutical sector, valued at R28,1 billion by IMS as at 30 June 2013, grew by 6,3% in value (2012: 9,6%) and 4,4% in volume (2012: 7,8%) for the year. The generics segment valued at R6,6 billion grew ahead of the sector at 14,5% in value.

The legislative environment remained fairly unchanged and the proposed legislation in respect of logistics fee capping and international benchmark pricing remains unresolved. The Pharmaceutical Industry Task Group continued its discussions with healthcare regulators in evaluating draft proposals from the Department of Health on both matters. The potential impact of international benchmark pricing to Aspen is limited, although the capping of logistics fees may be of more material consequence. There is a risk that existing pharmaceuticals supply chain structures in the country could be negatively impacted if the promulgated logistics fee diminishes the feasibility of business models for smaller wholesalers. This, in turn, may result in the unintended consequence of reducing access to medicines.

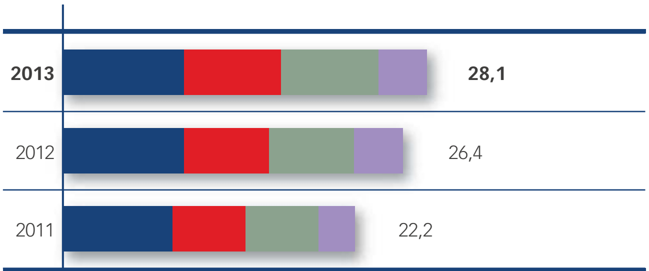
Generics sector valued at R6,64 billion
for the year ended 30 June 2013



Source: IMS as at 30 June 2013



Top 10 companies in the South African private sector valued at R28,1 billion for year ended 30 June 2013



IMS value of the South African private market (R'billion)

Branded *Generics* *OTC* *Other*

Segment	Aspen sector share	Sector growth in value	Aspen's growth in value	Ranking
Total private sector	**16%** (2012: 16%)	6,3%	10,4%	1
– Branded	**10%** (2012: 9%)	1,4%	7,4%	2
– Generic	**33%** (2012: 31%)	14,5%	17,4%	1
– OTC	**13%** (2012: 13%)	7,0%	3,0%	2

Source: IMS as at 30 June 2013

The South African business experienced inflationary pressures impacting operating margins as a result of rising labour costs, increases in electricity tariffs and currency weakness. The Rand devalued against major currencies during the year leading to rising prices of imported items and consequently negatively impacted operating margins.

In the private sector, the single exit price increase granted of 5,8% for implementation in March 2013 was lower than anticipated and was not sufficient to cover rising costs.

Performance

Despite tough trading conditions during the year, the South African business has retained its leading position in South Africa and improved its position in the branded segment from fourth to second place by 30 June 2013. Aspen's value growth in the generics and branded segments surpassed the industry growth rate at 17,4% and 7,4% respectively, leading to overall growth of 10,4% for the 12-month period.

Full year revenue grew by 20% to R7,4 billion. Revenue growth was driven by both the Pharmaceutical and Consumer divisions which increased by 20% and 18% respectively. EBITA grew by less than revenue at 11% to reach R2 billion as a result of price increases not being adequate to offset cost pressures as well as a greater weighting to the supply of public sector ARV tenders. The Pharmaceutical division reported strong organic growth. This was driven largely by good advances from existing brands supplemented by new product launches and the single exit price increase.

The return to growth of the Pharmaceutical division, after the genericisation of Seretide and Truvada had given rise to a flat revenue performance in the prior year, is a result of focused efforts by the relevant sales

Aspen's value growth in the generics and branded segments surpassed that of the industry at

17,4% and 7,4%

respectively

South Africa
Sales and Marketing continued

teams to drive volume growth in both the branded and generics segments. This growth achievement is also evidenced by IMS statistics – 17 of the top 20 Aspen products in the private sector are growing faster than competitor products, two are in line with the market growth rates and only one product, Aspen Lamzid, an ARV, was in decline as at 30 June 2013. This decline is as a result of a demand shift from single towards triple combination ARV treatment.

Foxair and Augmentin continued their strong performance due to continuous detailing efforts and innovative marketing. Altosec again showed positive results despite competition in the proton pump inhibitors category. The launch of the new packaging campaign for Mybulen was also successful and delivered favourable results, consolidating Aspen's share in this category at year-end.

The substantial growth of Aspen's ARV portfolio is largely attributable to Tribuss (the generic of Atripla), which continues to perform exceptionally well and is now the fourth largest product in the country by IMS value. The phenomenal growth achieved by Tribuss during the 2013 fiscal year is likely to be challenged by new competitors entering the market. Two of Aspen's competitors have registered equivalents and more entrants are expected in the near future. A slowdown in growth of Tribuss observed towards the end of the year under review is likely to continue into the next period as this product has captured a significant share of total demand. Aspen Meropenem, which was launched in 2012, continued to grow as a result of increased focus by the sales team and was the second largest contributor in value among recent product launches. Products launched during the year were led by Aspen Teicoplanin, an anti-bacterial injectable. Strong performers among the established portfolio included Eltroxin and Stilpane.

In late 2012 Aspen secured a third of the fixed dose combination portion of the new ARV tender. Aspen was also awarded increased portions of the most recent semi-solids, biological and liquids tenders, as well as almost a quarter of the latest solid dosage tender. State tender volumes from the prior awarded tender, mostly for Tenofovir and Efavirenz, continued to drive top line sales, albeit at very low margins. Aspen was also able to respond to increased demand from government, due to supply issues from competitors, with the single molecule products in the ARV treatment programme, as well as substantially ramping up the delivery of the once-a-day triple combination, Tribuss. Aspen is committed to working closely with government to address the expansion of the ARV programme and is well positioned to respond to increased demand for the fixed dose combination ARVs expected in the 2014 financial year.

ARV tender revenue grew by 66% and contributed R1,2 billion towards revenue. Its impact on margins was, however, negative as a result of generally low margins and an approximate 12% deterioration of the Rand against the US Dollar since the ARV tender bid was awarded in November 2012 raising the cost of imported raw materials used in the production of these products. While there are processes in place to compensate for currency movements on tenders there is a lag between the purchase of input materials and when these adjustments are made.

The Consumer division benefited from strong growth on products such as Hyospasmol, Lenapain, Ulsanic and Woodwards, coupled with the recent acquisition of the OTC brands from GSK. The fourth quarter which is traditionally driven by the colds and flu campaign, performed better than expected. A highlight for the quarter was also the performance of Flora-Balance, a pro-biotic, which achieved better than expected results despite entering a saturated market. New OTC products launched during the financial year included Throflam and Enze-Lact.

During recent months the Consumer division has been restructured, resulting in a new focused and innovative marketing campaign being launched. Continued focus will be given to this division to ensure that these initiatives contribute to increasing the momentum of growth in key established brands supported by the launch of new products.

Efforts to strengthen the IMF business continue and Aspen was first in South Africa to launch a ready-to-feed range. The Infacare Gold brand has been repositioned with improved packaging and with a formulation which better reflects the product's premium status. The pending approval by the competition authorities of Aspen's agreement to acquire the Nestlé IMF business will add significant strength to the Aspen infant milk range offering to customers.

The South African business' ongoing efforts to remain competitive are reflected in the recent Campbell Belman Confidence Predictor Survey. Aspen was ranked as the number one provider by both managed healthcare professionals and managed healthcare funders and its position improved from 11 to number two in respect of the ranking by general practitioners. Almost one in every four script lines dispensed in South Africa continues to be for an Aspen product as per ImpactRx data and illustrates Aspen's reach, dedication and continued effort to make high quality medicines accessible.

FUTURE OUTLOOK

- Given Aspen's strong base business, supported by key new product launches scheduled for the next financial year and strong operational efficiencies, the outlook for this business is favourable. Potential alliance opportunities are also being explored with multinationals for the distribution of second generic brands which would add further impetus to growth.
- The OTC and Consumer portfolios have been restructured and strengthened with new leadership. A focused promotional strategy is being adopted to target the key growth drivers for the coming financial year.
- Continued focus on the infant nutritionals business is expected to further leverage the Infacare and Nutrikids brands in South Africa. The proposed acquisition of Nestlé's IMF business, subject to the approval of the South African competition authorities, will further strengthen Aspen's premium offering in IMFs.

LEADING BRANDS IN THE SOUTH AFRICAN BUSINESS

Brand	Classification	Therapeutic category	Therapeutic application
Altosec	Pharmaceutical	Gastrointestinal	For the treatment of gastric ulcers and reflux
Aspen Meropenem	Pharmaceutical	Antibiotic	For the treatment of bacterial infections
Augmentin	Pharmaceutical	Antimicrobial	For the treatment of bacterial infections
Avamys	Pharmaceutical	Respiratory	For the treatment of allergic rhinitis
Dutch Medicines	Consumer	Vitamin, herbal and complementary	For the treatment of assorted ailments
Eltroxin	Pharmaceutical	Endocrine	For the treatment of thyroid conditions
Foxair	Pharmaceutical	Respiratory	For the treatment of asthma
Infacare	Consumer	IMF	For the nourishment of infants
Mybulen	Pharmaceutical	Analgesic	For the treatment of pain, inflammation and fever
Stilpane	Pharmaceutical	Analgesic	For the treatment of pain
Tribuss	Pharmaceutical	Antiretroviral	For the treatment of HIV/AIDS

Aspen was ranked as the
number one
pharmaceutical company by both managed healthcare professionals and healthcare funders

South African Operations

Aspen's manufacturing centre is based in South Africa and sites in Port Elizabeth and East London produce a high volume of tablets and capsules as well as liquids, semi-solids, eye drops, lyophilised vials and sterile injectables. IMFs and a portfolio of APIs are manufactured at specialist sites in Johannesburg and Cape Town respectively.

INNOVATION AND TECHNOLOGY FORM THE BACKBONE OF SOUTH AFRICAN OPERATIONS

The 2013 financial year saw the first introduction of bi-layer tableting technology into the Port Elizabeth site. This technology is used in the manufacture of fixed dose triple combination ARVs such as Tribuss. In order to manufacture the tablets, a double sided press, the only one of its kind in South Africa, was installed, and the site performed the technology transfer. This enabled Aspen to meet the needs of the ARV tender under tight timelines.

In another first, the Aspen Nutritionals site launched a range of ready-to-feed IMFs under the Infacare Classic, Infacare Gold and the Nutrikids brands. The ready-to-feed formula range is packed in sterile packaging, and offers parents continued confidence in Aspen's quality, safety and convenience. Construction of the R54 million UHT plant started in October 2012, and was completed in March 2013. The products were launched commercially in April 2013.

Product transfers and new product developments remain a focus area for the Sterile facility. While these projects are longer term, the team has made good progress, with eight products being successfully commercialised, one product being registered and awaiting commercialisation, 11 products awaiting registration, and 12 products at the development and validation stage. Expansion plans for the Sterile facility are currently under review; the expansion will introduce new technologies and expand Aspen's sterile manufacturing capability and capacity significantly.

To enhance the South African Operations' capability, Aspen is investing approximately R700 million in a high containment facility which will employ technologies that support the requirements for high levels of containment and operator protection. The facility consists of two dedicated and completely separate suites, namely the Hormonal suite and the Oncolytic suite.

The civil construction work started in February 2013, the commissioning of utilities and equipment is scheduled for late 2014, and the targeted completion date is in the first half of 2015.

STRONG FOCUS ON QUALITY AND EXCELLENCE

South African Operations has a strong focus on quality and excellence. The Quality Systems Management Review process ensures that the responsibility for quality is owned by each member of the management team.

The facilities at the Port Elizabeth site underwent a number of successful GMP audits from international and local auditors including, *inter alia*, the Brazilian regulator ANVISA, the Australian regulator TGA, the United Kingdom regulator MHRA, the United States regulator FDA, the South African regulator the MCC, the WHO and Medicines Sans Frontiers.

The Aspen Nutritionals site obtained ISO 22000, HACCP, E-mark certification, and State Vet approval. The facility is Kosher and Halaal compliant.

The Port Elizabeth, East London and Johannesburg sites received international ISO 14001 and OHSAS 18001 Health, Safety and Environmental accreditation.

COMMITMENT TO WORLD CLASS MANUFACTURING AND SUPPLY TO INTERNATIONAL MARKETS

The East London site achieved a number of milestones which have brought the site closer to the goal of becoming a centre of excellence for liquids and semi-solids manufacture. The general liquids facility and the dedicated Nystacid manufacturing and packing facilities were completed, and the facilities are operational; 70% of the technical evaluations required in preparation for the realignment of liquids from the Port Elizabeth site to East London have also been completed.

As part of the process to vertically integrate FCC within Aspen, significant investment has been made at FCC, with the plant and support services being upgraded and expanded.

Construction of the new high volume, high potency multipurpose API site is nearing completion, while the construction of a new high potency hormone manufacturing facility, upgrades to existing production facilities to improve GMP and efficiencies, and a new general manufacturing facility are all in progress. The net effect of these expansions and upgrades will be a 117% increase in reactor

Aspen's manufacturing sites in Port Elizabeth, East London and Johannesburg respectively.

capacity from current installed capacity of 119 000 litres to 258 260 litres.

There has been ongoing focus on the upgrades to existing manufacturing plants and the design of the new manufacturing facilities. The installation and use of high efficiency, high containment (50 Nano g/m^3 – 1 ug/m^3) process technologies, and equipment with selective automation control to improve process safety, GMP compliance, and ensuring sustainable efficiencies and cost competitive manufacturing is also receiving attention.

Once complete, the FCC facility will have world class niche API manufacturing capability able to cost-effectively produce and supply niche APIs internationally.

The South African Operations' team has demonstrated their ability to successfully manage product transfers and the supply of high quality, affordable products to international markets.

In 2011, a project was initiated to transfer products from facilities in Australia to Aspen's Port Elizabeth site which will act as contract manufacturer. To date, the Pravachol, Lipostat, Solavert, Sotacor, Lexam and Simvar Tablet ranges, a total of 18 finished product stock keeping units ("SKUs"), have been successfully transferred and commercialised. A further six molecules are being actively progressed towards the completion of Phase 1 before the end of 2013, and Phase 2 is currently in the technical planning stages.

The realignments from Aspen Bad Oldesloe to the Port Elizabeth site, which will act as contract manufacturer, are also progressing according to plan. The commercial launches of the Zyloric tablets into the European Union, Malaysia, Singapore, South Africa and Chile have been completed (a total of 38 finished product SKUs), with launches into Latin America, MENA and French West Africa in progress. Preparation for the commercial supply of Septrin Adult and Forte tablets is ongoing. A number of other realignments are also in the advanced technical planning stages.

Continuous Improvement is critical to South African Operations' success and a requirement for maintaining world class manufacturing. Focused initiatives are in place with respect to resource conservation, improved production efficiencies and effective equipment operation. Targets are set and monitored on a monthly basis.

Projects are in place to convert more products from oven drying to fluidised bed drying, which is a more efficient technology, with changes to 30 products awaiting approval from the MCC. A project was conducted to install multi-tip compression tooling at the Port Elizabeth site, with the site working closely together with the tooling supplier to modify the existing equipment so that multi-tipped tooling could be installed to optimise production. Significant benefits in reduced compression time, and hence additional capacity and reduced cost, have been realised.

A number of continuous improvement projects that utilise information technology to improve operational efficiencies and control are underway and include the following:
- automated dispensing systems;
- canister scanning in the compression area;
- barcode inventory management system in the dispensary, the packing area and the warehouses; and
- electronic batch manufacturing and packing records.

The projects are well progressed and are expected to be completed during 2014.

The laboratory has started development work on non-invasive identity testing. This technology allows for direct testing on material receipt and offers the following benefits:
- reduced sampling and labelling;
- reduced handling – at point of receipt; and
- reduced laboratory testing – immediate identification versus laboratory tests.

The commercial benefits of this initiative will be realised in the 2014 financial year.

Through these achievements and actions, South African Operations continue to excel in its supply of high quality, affordable products into the domestic and, as a contract manufacturer, to international markets.

Asia Pacific

Aspen's business in Asia Pacific comprises Aspen Australia and the more recently established businesses in Hong Kong, the Philippines, Malaysia and Taiwan. These operations supply a diversified portfolio of branded, generic, OTC and consumer products. Some of the tablets, liquids and semi-solids are manufactured at the Group's manufacturing sites in Melbourne and Sydney while a growing portion of products are sourced from Aspen's global manufacturing sites and accredited third-party manufacturers.

Key business units	Aspen Australia Aspen Hong Kong Aspen Malaysia Aspen Philippines Aspen Taiwan
Key territories supplied to	Australia, China, Hong Kong, Indonesia, Japan, Korea, Malaysia, New Zealand, Philippines, Singapore, Taiwan, Thailand
Number of products launched from pipeline	9 (2012: 16)
Number of permanent employees	917 (2012: 894)
Number of product recalls	1 (2012: 1)
Average staff turnover	21% (2012: 17%)
Number of work-related fatalities	Zero (2012: Zero)
Market statistics and recognition	• The Australian pharmaceutical market is valued at AUD13,9 billion and Aspen is currently ranked fifth in the industry, as measured by IMS, with a 5% share. • The Asian pharmaceutical industry was valued at almost USD200 billion by IMS in 2012. Japan being the largest at USD100 billion followed by China at USD50 billion. • Aspen is the leading generic company by value with a 16% share of the Australian market. • One in five scripts written in Australia is for a product distributed by Aspen. • Aspen was awarded the '*Supplier of the Year 2013 Award*' for the Medicines Category by Australia's Discount Drug Store. • Price Line, a national pharmacy chain in Australia awarded Bio-Oil the '*Best Selling Skin Care product for 2013*'. Bio-Oil is and consistently remains the number one selling skin and scar care product in Australia. • Aspen Australia received the '*Generic Supplier of the Year Award*' at the Inaugural Sigma Supplier Awards in November 2012. • Recently acquired infant nutrition product S-26 won the '*Kidspot Best Baby Formula*' award as voted for by Australian parents.

S-26 is the leading infant nutritional brand in Australia, with a 38% share of this sector (Brands Used Most Often). S-26 is widely recognised by healthcare professionals and consumers and is one of Australia's top 10 consumer brands (IMS).

The total Australian

infant nutritional

market is valued at AUD368 million, with 71% being for infant formula and 29% for growing up milks

Asia Pacific continued

PERFORMANCE HIGHLIGHTS

- The Asia Pacific region became the largest contributor to the Group's revenue in 2013, representing 37% of total revenue.
- Aspen Australia continued its record of growth despite continued Price Benefits Scheme ("PBS") price cuts which negatively affected value growth.
- EBITA margins improved to 25% as a result of various margin improvement projects.
- Growth in the South East Asian business added to the strong performance from this region, with Aspen Philippines doubling its revenue within its first full year of operation.
- Prescription brands from GSK and Novartis, and IMFs from Nestlé acquired during the year further broadened the product offering and strengthened Aspen's portfolio position as a one-stop shop in this region.

Financial performance	2013 R'million	2012 R'million	Change
Revenue	**7 591**	6 021	+26%
Australia and New Zealand	**7 106**	5 727	+24%
Asia	**485**	294	+65%
EBITA	**1 894**	1 460	+30%
EBITA margin	**25,0%**	24,3%	

BUSINESS REVIEW

Market conditions

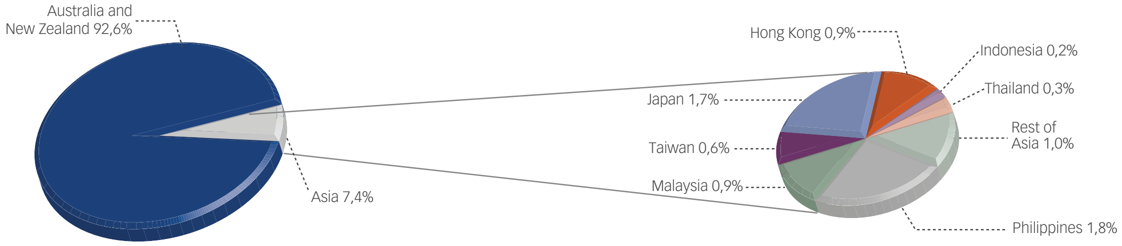
Aspen's Asia Pacific business currently comprises, and is largely driven by Aspen Australia and the Australian market. Aspen Australia contributes up to 94% of revenue to customers in this region with Asian countries making up the rest.

As expected, the PBS price disclosure programme continued to present a challenge in the Australian pharmaceutical market. Price cuts as a result of this scheme affected both branded and generic medicines. Since the initial disclosure period, price reductions are now being applied three times a year, each time affecting a different parcel of products. The scheme is designed to make all affected products subject to price cuts on a yearly basis until widespread discounting is eliminated. Attempts to capture market share by a number of pharmaceutical companies have led to extensive discounting on certain products, exacerbating the magnitude of the prescribed price cuts. The implementation of price disclosure has had a substantial impact on pharmaceutical companies in Australia and, as the Australian government continues to seek savings, it is expected that these market conditions will prevail well into 2014 and beyond. PBS price cuts combined with major patent expiries resulted in the Australian market shrinking by almost 2% to AUD13,9 billion in value.

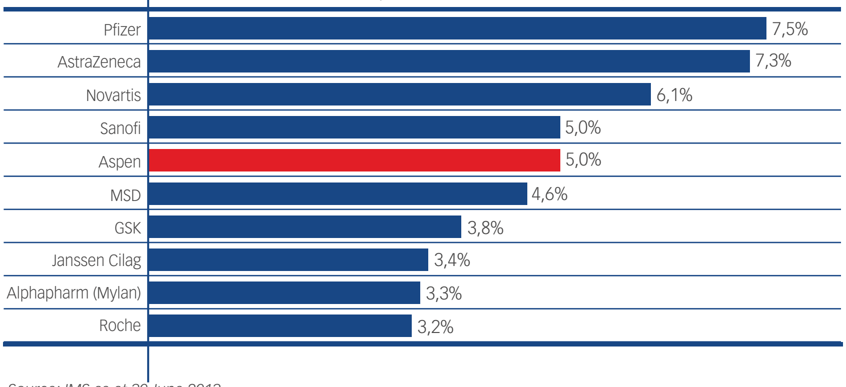
There was increased competition in the consumer segment during the year, especially in respect of the pharmacy and retail in-house brands. Older established products are also increasingly being challenged by newer therapies in both the pharmaceutical and consumer segments in Australia.

The pharmaceutical sector in Asia, with a pharmaceutical value of approximately USD200 billion and historical CAGR of 8% per annum, continued to grow robustly. The penetration of generic medicine in

Asia Pacific revenue split by customer geography
for the year ended 30 June 2013



Top 10 pharmaceutical companies in Australia valued at AUD13,9 billion for the year ended 30 June 2013 (includes products under licence)



Source: IMS as at 30 June 2013

the territories where Aspen is represented continues to increase, in accordance with government initiatives to reduce the overall cost of healthcare. Growth in this region is also expected to be driven by the ongoing efforts by healthcare authorities to provide improved access to affordable medication and stronger demand for OTC products as there is a trend towards self-medication. Authorities across this region continue to focus on in-market prices with various pricing mechanisms being implemented across the various territories.

Performance

During the year, the Asia Pacific business became the largest contributor to Group revenue. Revenue in Asia Pacific grew by 26%, driven by products added to the portfolio through recent acquisitions underpinned by a good performance by the Aspen Australia team under difficult trading conditions. There were also benefits from adding more representation in South East Asia.

Despite a challenging trading environment in Australia, Aspen performed well and improved its ranking to the fifth largest pharmaceutical company (2012: 7th). This was supported by the acquisition of the classic brands in December 2012 and the addition of acquired Nestlé IMFs to the portfolio in May 2013.

Aspen Australia's revenue grew by 24% with growth driven by a combination of additional licensing agreements, new product launches, volume increases in generics, product and business acquisitions as well as favourable exchange rates. As part of the Group's global acquisitions Aspen Australia broadened its portfolio with certain OTC brands which have already responded pleasingly to promotional activities. Brands such as Cartia and Benocase have already shown growth since the acquisition in April 2012.

The business also benefited from closure of the GSK classic brands transaction. These products integrated into the Australian business and contributed seven months' worth of revenue. Leading brands from this transaction include Valtrex, Lamictal, Zofran and Mesasal.

Aspen's acquisition of the IMF business from Nestlé has enabled it to provide a new offering in Australia to complement and further diversify the already broad offering in this territory. The Group acquired the rights to intellectual property licences and related businesses in infant nutrition which, up to May 2013, were conducted by Pfizer. This business formed part of Nestlé's forced divestitures in certain territories under anti-trust legislation when it acquired the global Pfizer IMF business in December 2012.

Aspen has been licensed the right to use the S-26, S-26 Gold and SMA umbrella brands for 10 years in Australia. This portfolio covers all age stages (infant, toddlers and early childhood) and consists of premium, speciality and standard ranges. At the end of the 10-year period, Aspen is expected to have transitioned these into its own brands and for a consecutive 10-year period, Nestlé may not compete with these brands. This effectively provides the Group with a 20-year lockout period during which it can benefit from the use of the brand, have time to transition to an Aspen chosen brand and position its infant milk products in Australia.

This acquisition has also resulted in Aspen Australia inheriting 67 employees with experience in the IMF business and who are expected to add further expertise to the existing Aspen Australia workforce. The transaction became effective in May 2013 and consequently the products were only distributed in Australia for the final two months of the year. While use of these brands is restricted to Australia, this transaction provides Aspen with a unique and enhanced platform from which to extend the global footprint of its infant milk business into Asia.

EBITA grew by 30% at improved margins despite pricing pressures during the period. This was led by ongoing gains from the Aspen procurement network which lead to savings in the cost of goods. Contracts for third-party manufacturing were pulled back and brands with no or

Asia Pacific continued

limited returns were rationalised as part of margin improvement initiatives. This impacted both the top and bottom line and is set to continue into the next year as focus is placed on more profitable business and ways to counter ongoing pricing pressures in this market. Pricing pressures resulted in an estimated revenue and earnings loss of AUD10 million during the year.

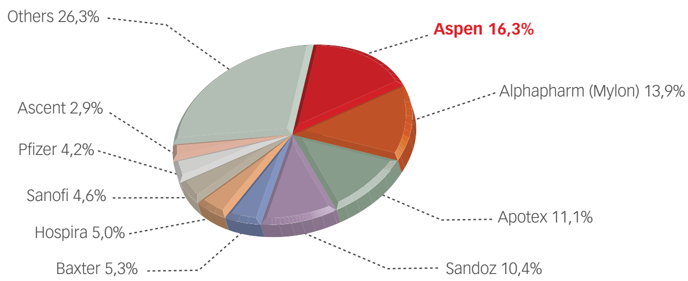
Aspen's operations in South East Asian countries also performed pleasingly as more representation was established in these countries and as exports from Australia into these countries increased. Aspen Philippines delivered on its goal of doubling its revenue in the first full year of trading, improving its ranking per IMS from 34th to 32nd. A distribution deal with MSD for a portfolio of diverse brands which was concluded in January 2013 further contributed to the performance of this operation. Aspen Philippines' business continues to grow under a competent team, with local headcount at 111 staff comprising of 88 sales representatives.

Aspen Malaysia began trading in May 2013 with 10 representatives and a portfolio of Aspen's global brands. The pharmaceutical private sector in Malaysia is worth approximately USD1,5 billion and is growing at around 7% per annum. Following the opening of the Malaysian subsidiary, a Taiwanese office began trading in July 2013. The Taiwanese pharmaceutical industry is worth approximately USD4,3 billion.

The consolidation and rationalisation of manufacturing sites continued in Australia. The Croydon site was closed during 2013, while a phased closure of the Noble Park and Baulkham Hills sites is aimed to be completed during 2014. As the Dandenong site will be the remaining manufacturing site, its laboratory capabilities are being upscaled to deal with all testing responsibilities in this region. As part of the rationalisation process and parallel to it, phased product realignment contract manufacturing to other Aspen sites and third-party manufacturers continue and a further 14 products are being assessed for realignment into the Port Elizabeth manufacturing site. Benefits from cost savings are expected as a result.

Generics net market valued at AUD1,47 billion

for the year ended 30 June 2013



Source: IMS DDD & AHI MAT as at 30 June 2013

Classic brands, including leading brands

Valtrex, Lamictal, Zofran and Mesasal,

integrated successfully into the Australian business

FUTURE OUTLOOK

- Future growth in this region is set to emanate from growing the size of the Asian businesses. Price disclosure cuts have to date limited organic growth prospects in Australia and, as these are set to continue, a decline in revenue from existing products is expected. Plans to stimulate organic growth include new product launches from Aspen's product pipeline and building on relationships with independent pharmacy channels. Acquired products will also add to the growth in the region in the next year.
- Further synergies from manufacturing efficiencies as a result of shifting products into the global Aspen network are expected and will contribute towards limiting the impact of price reductions.
- The addition of the infant milk business to the Aspen Australia basket is a good commercial and strategic fit for Aspen Australia and will augment this operation's presence in the consumer segment.
- Expansion into Asia continues with additional operations being set up to increase Aspen's representation into this territory. Japan will receive increased focus in the next year and infant milk opportunities into China will be considered. The establishment of local operating presence in other countries in this region continues to be assessed, with possible operations in Indonesia, Thailand and South Korea under consideration.
- The acquisition of niche products in terms of the impending MSD and GSK transactions will add further traction to this region in line with the roll out of Aspen's representation into Asia.

LEADING BRANDS IN THE ASIA PACIFIC BUSINESS

Brand	Classification	Therapeutic category	Therapeutic application
Bio-Oil	OTC/Consumer	Dermatological	For the treatment of scars and skin care
Cartia	OTC	Cardiovascular	For the treatment of platelet aggregation inhibition
Chemist's Own	OTC	Cold and Flu	For the treatment of coughs
Coumadin	Pharmaceutical	Cardiovascular	For the treatment of pulmonary embolism and venous thrombosis
Coloxyl	OTC/Consumer	Gastrointestinal	For the treatment of constipation
Cymbalta	Pharmaceutical	Central nervous system	For the treatment of depression
Eutroxsig	Pharmaceutical	Endocrine	For the treatment of thyroid hormone deficiency
S-26	Consumer	IMF	For the nourishment of infants
Salofalk	Pharmaceutical	Gastrointestinal	For the treatment of colitis, maintaining remission
Ursofalk	Pharmaceutical	Gastrointestinal	For the treatment of chronic cholestatic liver disease
Valtrex	Pharmaceutical	Antivirals	For the treatment of herpes
Zyprexa	Pharmaceutical	Central nervous system	For the treatment of schizophrenia and bipolar disorder

Sub-Saharan Africa

Aspen's presence in SSA is through its wholly owned subsidiaries Shelys and Aspen Nigeria, the Collaboration and the export of products from South Africa. Aspen Nigeria commenced operations in April 2013. Aspen supplies a range of pharmaceutical products that addresses the disease profiles prevalent in SSA and which are made accessible through a strong sales and distribution network across the region. The Group has local manufacturing sites in Tanzania and Kenya.

Key business units	Aspen Nigeria Exports division Shelys The Collaboration
Key territories supplied to	Ivory Coast, Kenya, Namibia, Nigeria, Tanzania, Uganda, Zimbabwe, Zambia
Number of products launched from pipeline	35 (2012: 19)
Number of permanent employees	363 (2012: 361)
Number of product recalls	2 (2012: 1)
Average staff turnover	16% (2012: 35%)
Number of work-related fatalities	Zero (2012: Zero)
Market statistics and recognition	• SSA comprises a number of countries, each governed by an independent regulatory authority. This creates a fragmented region with Nigeria, French West Africa and East Africa being the largest pharmaceutical markets which are, consequently, the primary focus of Aspen's attention. • In the absence of reliable private sector IMS information for SSA, the Group's ranking in this region cannot be established with reference to independently published information. However, Aspen is a significant pharmaceutical provider in the territories where it has presence. • Aspen is well represented throughout the region with approximately 700 sales representatives and 200 distributors in 48 countries. Aspen is focused on a private sector strategy with branded products to address medicinal requirements relevant to disease profiles in each territory. • Shelys was awarded the '*President's Manufacturer of the Year Award for 2012*' for the Pharmaceutical and Medical equipment category in Tanzania. • In East Africa, Shelys is a market leader in the analgesic segment with its leading brands comprising Mara Moja, Diclopar, Sheladol, Action and Hedex.

Mucolyn is Shelys' leading cough and cold treatment in Tanzania with a 11,34% market share. Goodmorning cough syrup and cough tablets presently has a 21,16% market share in Kenya. These products are also distributed widely across other SSA territories.

The Kenyan respiratory market, which includes

cough and cold

medications, bronchodilators, mucolytics and anti-asthmatics, is expected to increase by 11% to USD62,9 million by 2016*

*Source: Frost & Sullivan

Sub-Saharan Africa continued

PERFORMANCE HIGHLIGHTS

- SSA achieved 26% year-on-year sales growth despite political instability in key markets.
- The region had strong organic growth and further investments were made towards increasing sales representation. New product launches further assisted growth.
- Aspen Nigeria was registered during the year and operations commenced in April 2013.

BUSINESS REVIEW

Market conditions

The Collaboration provides a range of medicines to 46 countries in SSA. The countries fall under regional structures namely southern Africa (12 countries), East Africa (9 countries), West/Central Africa (25 countries). Political instability in the north of Nigeria and elections held in Kenya affected the business negatively during the financial year. Both these countries are significant contributors to the overall SSA business. While the lack of basic infrastructure remains an operating challenge in the region, there were no major changes in the legislative and regulatory areas which impacted on the general business environment.

Performance

Gross revenue increased to R2,1 billion from R1,7 billion driven by strong double-digit growth in all segments of SSA. East and West Africa contributed most to this performance with 30% and 26% growth rates respectively. The Collaboration, remains the largest contributor in the region with more than 80% of the gross revenue emanating from it.

Financial performance	2013 R'million	2012 R'million	Change
Gross revenue	**2 082**	1 652	+26%
EBITA	**252**	248	+2%
EBITA margin	**12,1%**	15,0%	

EBITA grew by 2% year-on-year. The strong second half performance in the region reversed the 10% decline in EBITA that was experienced in the first half of the year. The EBITA margin as a percentage of revenue was at 12% for the year, a 3% decrease from the previous year mainly as a result of additional investment in sales representation in the region.

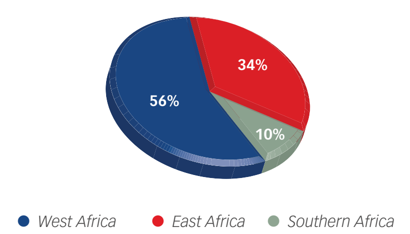
The realisation of benefits from the additional sales representatives and product launches drove revenue growth in the Collaboration. Increased sales were mostly from Anglo West Africa and East Africa. The first products from the Aspen pipeline launched during the previous financial year performed well and eight more products were launched by the Collaboration during the financial year under review. Topilept and Isolift, both central nervous system products, were launched in Nigeria, Roscucrest, a cardiovascular product was launched in Kenya and Glipiryl, an endocrine product, was launched in Nigeria, Ghana and Gabon. Other products launched in Gabon were Rampil, a cardiovascular product and Lanprox, an antimicrobial product.

In total 35 new products were launched in the region during the year. This is almost twice the number of products launched in 2012. Other countries where products were also launched are Zimbabwe, Zambia, Malawi, Mozambique and Mauritius.

Shelys performance was pleasing and the private sector focus is paying off. Sales to the public sector were further reduced in 2013 and now only comprise approximately 5% of revenue in this business. The product rationalisation strategy that was implemented during 2012 continued in 2013 as part of this business' margin improvement initiatives. This impacted revenue as a significant number of non-core, low-margin products were discontinued. In spite of this and the impact of the slowdown in economic activity in Kenya due to elections, Shelys delivered positive growth.

Revenue from exports to this region was relatively flat during the year. Infacare IMF remains a strong performer in this division.

Gross revenue per territory
for the year ended 30 June 2013



Gross revenue increased by

26% to R2,1 billion

As part of Aspen's ongoing assessment of growth opportunities in the region, a subsidiary was established in Nigeria and began trading in April 2013. Its current offering is in OTCs with three products to date. Its mandate includes introducing Aspen's IMF and pipeline products into this and neighbouring markets. Revenue contribution for the three months amounted to approximately R10 million.

With increased representation and a broad presence in over 40 countries, many of which are experiencing double-digit growth, Aspen is in a good position to benefit from the growth prospects in this region. Aspen products are expected to contribute a greater percentage of total revenue as more of the pipeline is registered and launched into various countries in this region.

FUTURE OUTLOOK

- The region has been identified as having long-term growth prospects driven by growing populations and increasing access to medicines. The Group's investment in SSA is expected to position Aspen well to benefit from regional growth.
- Political instability remains a risk factor in this region due to differing socio-economic and political influences over many countries and regions. This diversity similarly offers the opportunity in the region and has been a driver of growth in recent years.
- The Collaboration's strong performance should continue and recent investment in additional representation is expected to boost sales in West Africa. Aspen products are set to make an increased contribution to total sales as more products are launched from the Aspen portfolio.
- Shelys' private sector focus coupled with further margin improvement and new business initiatives is set to sustain growth in this division.
- Aspen Nigeria has recently commenced trading. With a population of approximately 160 million people, Nigeria presents a substantial growth opportunity for Aspen in SSA.

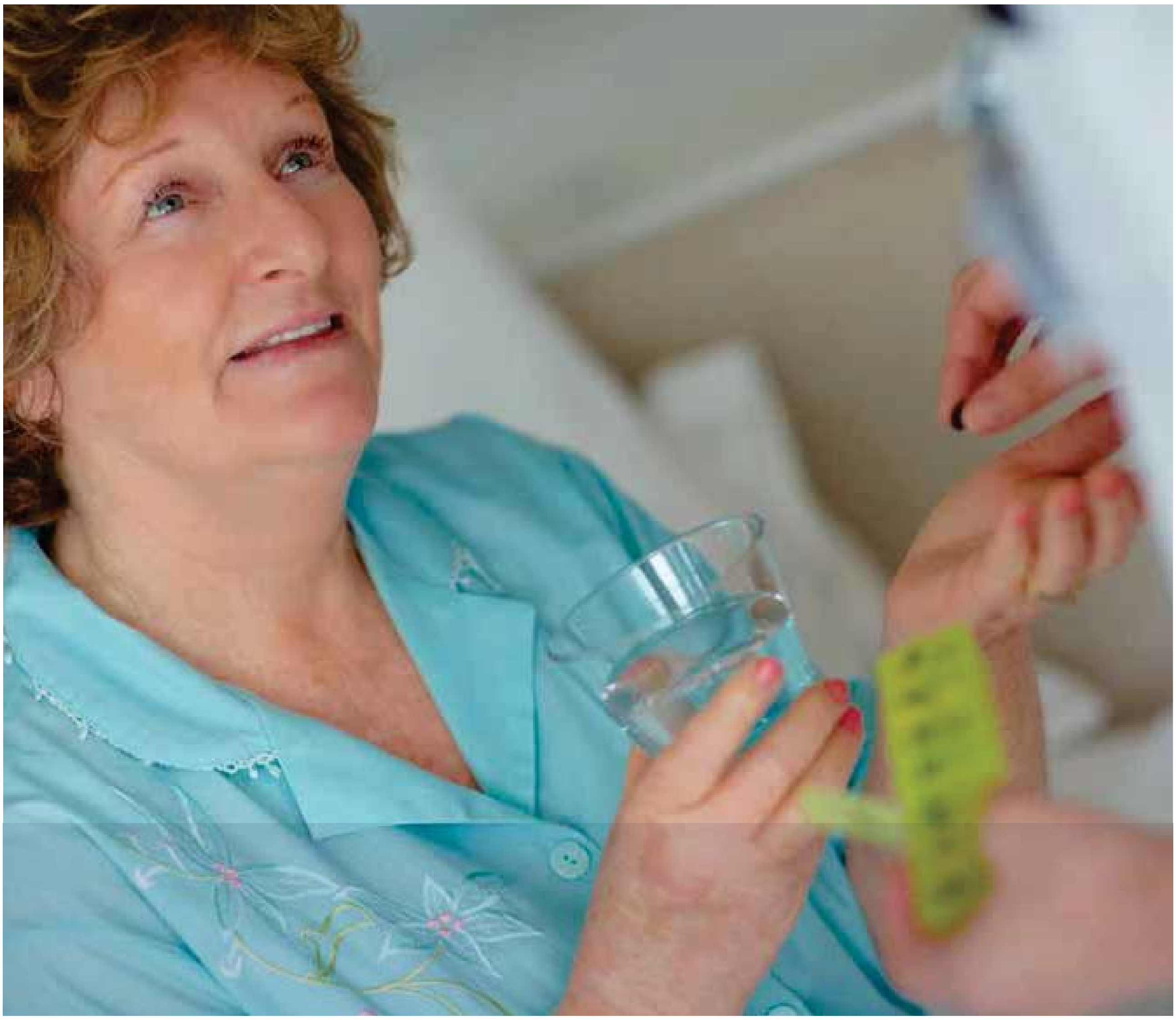
LEADING BRANDS IN THE SSA BUSINESS

Brand	Classification	Therapeutic category	Therapeutic application
Action	OTC	Analgesic	For the treatment of pain
Augmentin	Pharmaceutical	Antimicrobial	For the treatment of bacterial infections
Amoxil	Pharmaceutical	Antimicrobial	For the treatment of bacterial infections
Diclopar	Pharmaceutical	Analgesic/Anti-inflammatory	For the treatment of pain and fever
Hedex	OTC	Analgesic	For the treatment of pain and fever
Hemovit	OTC	Vitamins and herbal	For the treatment of anaemia and iron deficiency
Infacare	Consumer	IMF	For the nourishment of infants
Malafin	OTC	Antimalarial	For the treatment of malaria
Mara Moja	OTC	Analgesic	For the treatment of pain
Mucolyn	OTC	Respiratory	For the treatment of coughs and colds
Sheladol	OTC	Analgesic	For the treatment of pain
Zinnat	Pharmaceutical	Antimicrobial	For the treatment of bacterial infections

International

Aspen's International businesses comprise Mauritian-based Aspen Global, the international commercial business and intellectual property holding company, which also serves as trading operation and supply chain hub, as well as operating subsidiaries in Latin America, the Middle East and Europe. Branded pharmaceutical products are distributed into multiple territories. The Group's manufacturing sites in Germany, Brazil and Mexico produce small to medium volume solids and semi-solids. The site in Germany also produces liquids and high-potency products. The recent acquisition of specialist API capabilities centred in the Netherlands and the impending purchase of sterile capabilities in France will significantly transform the Group's product offering, manufacturing and skills base.

Key business units	Aspen Bad Oldesloe Aspen Brazil Aspen Dubai Aspen Europe Aspen Global Aspen Ireland Aspen Mexico Aspen Venezuela
Key territories supplied to	**Latin America:** Argentina Brazil Columbia Mexico Venezuela **Rest of World:** Canada Europe Middle East North Africa
Number of products launched from pipeline	Latin America: 4 (2012: 13) Rest of World: 0 (2012: 2)
Number of permanent employees	1 147 (2012: 1 047)
Number of product recalls	Zero (2012: 4)
Average staff turnover	21% (2012: 25%)
Number of work-related fatalities	1 (2012: Zero)
Market statistics and recognition	• The Brazilian private pharmaceutical sector is valued at USD26,2 billion and Aspen is ranked 64th as at 30 June 2013. • The Mexican private pharmaceutical sector is valued at USD9,7 billion and Aspen is ranked 51st as at 30 June 2013. • The Venezuelan private pharmaceutical sector is valued at USD6,2 billion and Aspen is ranked 68th as at 30 June 2013. • The Middle Eastern and North African pharmaceutical sector is valued at USD105 billion. • Aspen products are distributed to most countries in Western and Eastern Europe.



Enablex, a selective antimuscarinic used in the treatment of overactive bladder, provides powerful and sustained efficacy, with favourable tolerability and a superior safety profile. Enablex offers a product solution for an ailment which has a significant need for medical treatment.

The overactive bladder market in Mexico is valued at USD15,2 million with some 16% of the population suffering from this condition. Presently, only 1% of patients receive treatment, which presents Aspen with an excellent opportunity to meet this need

International continued

PERFORMANCE HIGHLIGHTS

- Revenue grew at an exceptional rate of 53% in Latin America and at 44% in the Rest of the World business, organically and acquisitively.
- Acquisitions bolstered the performance in the International business. Sales from OTC brands acquired from GSK the previous year exceeded expectations.
- The outstanding global brands transitioned successfully in Latin America.
- Margin improvement initiatives contributed towards the increase in margins of nearly 3%.

Financial performance	2013 R'million	2012 R'million	Change
Revenue	**3 726**	2 523	+48%
EBITA	**1 489**	939	+59%
EBITA margin	**40,0%**	37,2%	

BUSINESS REVIEW

Market conditions

Latin American markets are largely fragmented and highly competitive with local companies holding the largest share of the pharmaceutical industry in Brazil and Argentina. Mexico, Venezuela and Colombia are dominated by multinational and regional companies. A few multinational companies have, however, strengthened their position through the acquisition of major local companies in Brazil and Argentina in recent years. The Brazilian and Mexican economies remained stable during the year and growth of generics far exceeded that of the total industry in Mexico. Venezuela continues to have a complex trading and regulatory environment – the local currency was devalued by 46% against the US Dollar during the year.

Increasing regulatory requirements are a general and increasing trend in Latin American countries. New and additional regulatory requirements and manufacturing standards in Brazil and Mexico negatively impacted submission of new products, registrations and amendments to registrations for all pharmaceutical companies in these countries.

The Rest of the World business is largely represented by Aspen's businesses in Europe and MENA. Products are also distributed in the United States and Canada by third parties. Tough market conditions mainly as a result of pricing pressures emanating from national governments' ongoing quest for savings, continued to prevail in Europe. While these pressures continue to dilute future value growth opportunities in Western Europe, good future growth opportunities exist in certain Eastern European countries such as Poland and also in the CIS. MENA is characterised by independently regulated territories, each at varying levels of healthcare development stages. The most attractive are those countries with a high demand for branded pharmaceutical products, such as Saudi Arabia which has the largest value at USD18,5 billion and Egypt, which is valued at USD9,5 billion. Other significant territories include Iran, Algeria, United Arab Emirates, Morocco and Kuwait. The region remains politically volatile, with a number of countries under sanctions and this is not expected to change in the near future. Despite political unrest, economic, social and demographic developments make the pharmaceutical markets in the MENA regions attractive.

Performance

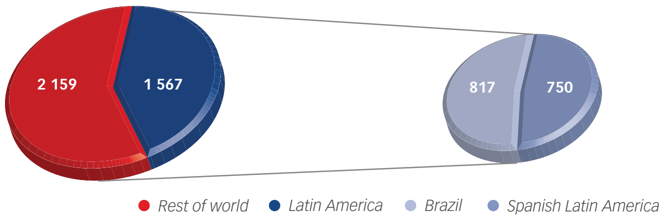
Revenue and EBITA grew exponentially at 48% and 59% respectively. Revenue growth was driven by strong performance of global brands in both the Latin American and the Rest of the World businesses. Acquisitions further boosted revenue growth. Profit margins benefited from ongoing margin improvement projects as well as acquisitions during the year.

Latin America performed exceptionally in 2013, delivering revenue growth of 53%. Brazil as well as Spanish Latin

Latin America delivered an exceptional performance with

revenue growth of 53%

International revenue by customer geography in 2013
(Rmillion)



America both contributed towards this performance with revenue growth of 42% and 67% respectively.

Aspen Brazil grew its revenue from R576 million to R817 million. This growth was achieved through organic and inorganic means. Revenue from base products grew by 18%, mostly as a result of sales volume increases, while acquired products contributed an additional R142 million towards revenue. Aspen sales teams in Brazil made progress in establishing and fostering relationships with healthcare practitioners, healthcare bodies and distributors and also invested significantly in product promotion campaigns. Efforts by the commercial team to embed the Aspen brand in Brazil are starting to come to fruition as increased demand drove growth in sales during the year. Commercial and supply teams were also able to respond to higher volume demands and thereby harness higher sales where competitors were unable to supply. The Brazilian portfolio and Aspen brand have been given a further boost by the acquisition of two prescription brands Enablex, for the treatment of an overactive bladder and Tofranil, a central nervous system product, from Novartis in August 2012. This followed the GSK OTC brands acquisition in April 2012 which also performed well during the year. Demand volumes for these products exceeded expectations and for some products was constrained by supply limitations. Strong performing brands in Brazil during the year included Insunorm, Clarithromycin, Calman, Imuran, Alcachofra and Milk of Magnesia.

Aspen in Spanish Latin America consists of Mexico, Venezuela and the rest of Spanish speaking countries. Revenue grew by 37% to R578 million for the base business before taking acquisitions into account. Acquired OTC brands were successfully transitioned in the major Spanish speaking Latin American markets during the year. Promotion and line extensions of these brands boosted sales and coupled with the acquired Novartis brands, Enablex and Tofranil, bolstered revenue growth to 68% for these territories. Investments in specialised as well as general sales representation teams were made during the year in Mexico and Venezuela. Similarly to Brazil, increased promotion activities lead to growth in demand. Regulatory resources were also enhanced to deal with increasing product transitions in the region.

Global products and domestic products performed well in Mexico and Venezuela while growth in other Spanish Latin American markets was also due to further transitioning of global brands into the region during 2013. Four products were launched in Venezuela, namely Tenaspen, a cardiovascular product, two endocrine products Asglipen and Meglipen, as well as Mirtazpen, a central nervous system product. Strong performing brands in Spanish Latin America during the year included Imuran, Zyloric, Aldomet and Rosucrest. Further investments will be made on promotional sales representation in order to sustain performance and extend Aspen's footprint into Spanish Latin America. Registration of a local trading entity in Argentina is in progress and Colombia has been targeted for the establishment of local pharmaceutical commercial structures.

The Rest of the World business had a successful year driven by the global brands and margin improvement projects. The oncology portfolio was the stand-out performer.

Aspen's global supply chain network continued to expand as more global brands were added to the portfolio. Acquisitions concluded during the year are in the process of being transitioned into the Aspen network. The transitioning of Enablex and Tofranil commenced in 2013 – these brands were in the early stages of the transitioning process at year-end. Focus continues to be placed on cost saving projects. Investment is being made in additional resources to scale up for impending acquisitions.

The International business segment will transform over the next year as more local operating companies are established. This expansion will be facilitated by the announced

International continued

acquisitions, IMFs in Latin America from Nestlé, the Merck API site and 11 molecules as well as two anti-coagulant brands and a sterile site from GSK. These acquisitions will accelerate Aspen's goal of increasing its own representation in Latin America, the CIS region, CEE and Western Europe. In light of these transactions, commercial structures are being put in place and resources are being deployed to gear up for the anticipated growth of these territories.

The IMF transaction will provide a launch platform for Aspen to enhance its brand and extend its footprint into the rest of the Latin American countries where Aspen products are distributed by third parties. This transaction also provides for approximately 158 commercial employees from Colombia, Ecuador, Peru, Chile, the Caribbean and Central America to be transferred and incorporated into Aspen. Some 250 manufacturing employees based in Vallejo, Mexico City will also be taken over and further boost Aspen's manufacturing skill base and capabilities in the region.

FUTURE OUTLOOK

- Impending acquisitions are set to impact this region the most, significantly adding to its revenue contribution to the Group, elevating the Aspen brand in Latin America while simultaneously improving the Group's product offering, manufacturing capabilities, skills base and pipeline.
- More Aspen representation will be rolled out in targeted growth areas in Latin America and the CIS.
- Margin improvement projects will continue.

The IMF transaction will provide a launch platform for Aspen to enhance its brand and extend its footprint into the rest of the Latin American countries where Aspen products are distributed by third parties

LEADING BRANDS IN THE INTERNATIONAL BUSINESS

Brand	Classification	Therapeutic category	Therapeutic application
Aldomet	Pharmaceutical	Cardiovascular	For the treatment of mild to moderate hypertension especially during pregnancy
Alkeran	Pharmaceutical	Oncology	For the treatment of certain types of cancer
Calman	Consumer	Central nervous system	For the treatment of nervous tension and mild depression
Imuran	Pharmaceutical	Immunosuppressant	For the prevention of organ transplant rejection, as well as for the treatment of certain auto-immune diseases
Insunorm	Pharmaceutical/ Consumer	Endocrine	For the treatment of diabetes mellitus
Lanoxin	Pharmaceutical	Cardiovascular	For the treatment of certain heart conditions including heart failure
Leukeran	Pharmaceutical	Oncology	For the treatment of cancer
Milk of Magnesia	Consumer	Gastrointestinal	For the treatment of occasional constipation, to relieve heartburn, indigestion and excess stomach acid
Nytol	Consumer	Central nervous system	For the treatment of sleeping difficulties
Purinethol	Pharmaceutical	Oncology	For the treatment of cancer
Roscurest	Pharmaceutical	Cardiovascular	For the treatment of cholesterol
Septrin	Pharmaceutical	Antimicrobial	For the treatment of broad-spectrum infections
Trandate	Pharmaceutical	Cardiovascular	For the treatment of hypertension
Zyloric	Pharmaceutical/ Consumer	Musculoskeletal	For the treatment of gout

Board of directors

EXECUTIVE DIRECTORS

Stephen Bradley **Saad** (49) CA(SA)

Appointed: January 1999 **Classification:** Executive director; Group Chief Executive

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

Michael Guy (Gus) **Attridge** (52) CA(SA)

Appointed: January 1999 **Classification:** Executive director; Deputy Group Chief Executive

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

NON-EXECUTIVE DIRECTORS

Nobuhle Judith (Judy) **Dlamini** (53) MBChB, DOH, MBA (Wits)

Appointed: July 2005 **Classification:** Non-Executive; Chairman of the Board

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

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

Judy has provided superlative leadership and guidance to the Group since her appointment as Chairman of the Board in November 2007 and Aspen has benefited from her extensive experience in areas such as corporate social responsibility and the healthcare industry. She is a member of the Remuneration & Nomination and Social & Ethics Committees.

Roy Cecil **Andersen** (65) CA(SA), CPA (Texas), CD (SA)

Appointed: August 2008 **Classification:** Lead Independent Non-Executive

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

Roy serves as Lead Independent Non-Executive Director and is the Chairman of the Remuneration & Nomination Committee and a member of the Audit & Risk Committee.

Mogammed Rafique **Bagus** (48)

BA, BA (Hons) (Economics), MA

Appointed: March 2003 **Classification:** Independent Non-Executive

A skilled executive in both the private and public sectors in South Africa, Rafique has considerable experience in areas such as risk management, transformation and corporate social responsibility.

Rafique is currently the non-executive Chairman of Alexkor Limited, a state owned enterprise under the Ministry of Public Enterprises and is the Chief Executive of Morning-tide Investments Limited. He was previously the Chief Executive of Trade and Investment South Africa, a division of the Department of Trade and Industry, Deputy Director General of the Department of Trade and Industry, and Special Adviser to the Minister of Public Enterprises.

Rafique is a member of the Social & Ethics Committee.

John Frederick **Buchanan** (69)

CA(SA), BTh (Hons), EDP (Columbia)

Appointed: May 2002 **Classification:** Independent Non-Executive

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

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

NON-EXECUTIVE DIRECTORS continued

Douglas (Kuseni) **Dlamini** (45) MPhil (Oxon); BSocSci (Hons), (Natal)

Appointed: April 2012 **Classification:** Independent Non-Executive

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

Kuseni is a member of the Remuneration & Nomination Committee.

Christopher (Chris) Nattle **Mortimer** (52)

BA, LLB

Appointed: January 1999 **Classification:** Non-Executive

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

Sindiswa (Sindi) Victoria **Zilwa** (45)

CA(SA), BCompt (Hons), CTA, Advanced Taxation Certificate, Advanced Diploma in Financial Planning and Advanced Diploma in Banking

Appointed: September 2006 **Classification:** Independent Non-Executive

Sindi, a chartered accountant by profession, is an expert in the areas of accounting, auditing and business management. She is currently the Chief Executive Officer of Nkonki Chartered Accountants. Sindi has had vast experience as a director in the public and private sectors and currently serves as a non-executive director of Discovery Holdings Limited, Alexkor Limited, Metrofile Limited, Rebosis Limited, Gijima Limited and ATNS SOC Limited. She is a member of the South African Institute of Chartered Accountants and Independent Regulatory Board for Auditors. Sindi was previously Non-Executive Chairman of Airports Company South Africa and a non-executive director of the Woolworths Limited, Primedia Limited, Wiphold Limited, Ethos Private Equity, Institute of Directors, and previously chaired the BUSA Standing Committee on Transformation.

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

Shah Abbas **Hussain** (48)*

BSc (Hons)

Appointed: December 2009 **Classification:** Non-Executive

Abbas has worked extensively in the global pharmaceutical industry holding a number of senior executive positions in companies internationally. He is currently the President: Europe, Japan, Emerging Markets & Asia Pacific of GSK. Abbas is also a board member of Viiv Healthcare (UK), a global specialist HIV company. Abbas was appointed to the Board of Aspen following the series of transactions concluded with GSK in December 2009 and brings his wealth of knowledge and experience of the pharmaceutical industry to bear during the Board's deliberations.

**British*

COMPANY SECRETARY

Riaan **Verster** (37)

BProc, LLB, LLM (Labour Law), ACIS

Appointed: December 2011

Abbreviated corporate governance statement

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

GOVERNANCE PHILOSOPHY

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

CORPORATE GOVERNANCE AND APPLICATION OF KING III

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

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

ROLE AND FUNCTION OF THE BOARD

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

- approve and review the strategic direction of the Group and monitor the execution of strategic plans;
- monitor the financial performance of the Group and to approve annual and interim financial reports and capital distributions or dividends;
- identify and monitor key risk areas and review risk management strategies;
- ensure that the Company's Audit & Risk Committee is independent and that it has an effective, risk-based internal audit function;
- approve the appointment and replacement, where necessary, of the Group Chief Executive, the Deputy Group Chief Executive and certain other senior executives and to oversee succession planning in respect of these positions;
- approve the nomination of directors and to monitor the performance of all the directors, including the Chairman and the Group Chief Executive;
- oversee the governance of information technology;
- make decisions on key issues or matters at levels deemed material to the Group and to delegate authority for the day-to-day running of the business of the Group to management; and
- identify and oversee the Group's communication with key stakeholders.

BOARD LEADERSHIP

The Board is currently led by Judy Dlamini, a non-executive director. In line with the recommendations of King III and in view of the fact that she is not classified as an independent non-executive director in terms of these recommendations, the Board has appointed Roy Andersen as the Lead Independent Director. He also acts as Chairman in instances where the Chairman may have a conflict of interest. Both the Chairman and the Lead Independent Director have formally mandated roles and responsibilities, are appointed annually by the Board after each annual general meeting and are subject to an annual evaluation of their performance.

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

COMPOSITION OF THE BOARD

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

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

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

BOARD APPOINTMENT AND RETIREMENT PROCESSES

The appointment of any new director is considered by the Board as a whole on the recommendation of the Remuneration & Nomination Committee and in terms of a formally adopted policy, following rigorous and transparent appointment processes which include conducting the appropriate background confirmations. The terms and conditions of appointment of each of the non-executive directors are contained in a letter of appointment which, together with the Board Charter, forms the basis of the director's appointment. The Remuneration & Nomination Committee, consisting exclusively of independent non-executive directors and chaired by the Lead Independent Director, is responsible for making recommendations to the Board for the identification and removal of underperforming or unsuitable directors, should this prove necessary.

In terms of the Company's Memorandum of Incorporation, one-third of the non-executive directors retire by rotation at each annual general meeting. Directors who retire may, if eligible, offer themselves for re-election. The re-election of retiring directors by shareholders is subject to a recommendation by the Remuneration & Nomination Committee, following an evaluation of those directors' performance. Directors who may be appointed during a reporting period must have their appointments ratified at the next annual general meeting.

Non-executive directors have no fixed term of appointment, however, the Board Charter provides for the automatic retirement of a director at the age of 70. At the Board's discretion, the retiring director may thereafter be invited to serve as a non-executive director on a year-to-year basis. John Buchanan, who turns 70 during the ensuing year, has been invited by the Board to serve as a director for the year.

BOARD COMMITTEES

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

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

All of the Board committees are constituted in accordance with the recommendations of King III and are chaired by an independent non-executive director.

The terms of reference of each of the Board committees are reviewed as necessary and specify the relevant committee's constitution, mandate, relationship and accountability to the Board. Detailed reports on the constitution, role and performance of each of the Board committees can be accessed online as follows:

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

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

BOARD AND COMMITTEE MEETINGS

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

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

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

EVALUATION OF BOARD PERFORMANCE

An evaluation of the performance of the Board, the Board committees, the Chairman, the Group Chief Executive, the Company Secretary and of each of the individual directors is conducted annually. Evaluations are designed to gain an insight into how each of the directors of the Board believes the Board is meeting its objectives.

INDEPENDENCE OF NON-EXECUTIVE DIRECTORS AND CONFLICTS OF INTEREST

The independence of the non-executive directors is tested on a regular basis to ensure that there are no business or other relationships which could materially interfere with a director's capacity to act independently. At least once annually, Aspen actively solicits details of its directors' interests in the Group, their external shareholdings and

Abbreviated corporate governance statement continued

other directorships so as to determine whether there are any actual or potential conflicts of interest. Directors are expected to consider whether any shareholding in the Company affects their independence and discuss the matter, if appropriate, with the Chairman. A register containing the directors' declarations of interest is kept by the Company Secretary, circulated to all directors at least once per year and is available for inspection by any of the directors on request. In addition, the agenda at each scheduled Board meeting allows the Board to consider any conflicts arising from changes to the directors' declarations of interests. The Board has satisfied itself that no relationships exist which could adversely affect the classification of its independent non-executive directors, and accordingly that the classification of each of the directors is appropriate. The independence of non-executive directors who have served on the Board for longer than nine years is assessed annually.

SUCCESSION PLANNING

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

STANDARDS OF DIRECTORS' CONDUCT

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

COMPANY SECRETARY

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

All directors have access to the advice and services of the Company Secretary. The Company Secretary is appointed by and is accountable to the Board as a whole.

DIRECTOR DEVELOPMENT

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

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

LEGISLATIVE COMPLIANCE

The Board is ultimately responsible for overseeing the Group's compliance with laws, rules, codes and standards in terms of King III. The Board has delegated to management the responsibility for the implementation of an effective legislative compliance framework and processes as envisaged by King III. The Board has considered the compliance framework that has been established by management and has satisfied itself that it is adequate for the requirements of King III. Aspen has appointed a Group Legal Officer who fulfils the function of Group Compliance Officer in providing the Board with assurance that the Group is compliant with applicable laws and regulations. This is an independent, objective assurance and consulting activity designed to give operational effect to the principles of King III.

STAKEHOLDER ENGAGEMENT AND DISPUTE RESOLUTION

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

CORPORATE CITIZENSHIP

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

RISK GOVERNANCE

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

IT GOVERNANCE

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

INTERNAL AUDIT

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

Remuneration report*

REMUNERATION PHILOSOPHY

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

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

Executive and management remuneration principles

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

Base salary

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

Annual incentive

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

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

A further discretionary bonus may be paid in cash to employees who are considered by the Remuneration & Nomination Committee to have rendered exceptional service in any given year. These discretionary bonuses have never exceeded 10% of any recipient's total remuneration and a limited number of these bonuses have been paid in respect of the year under review.

Medium-term incentive

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

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

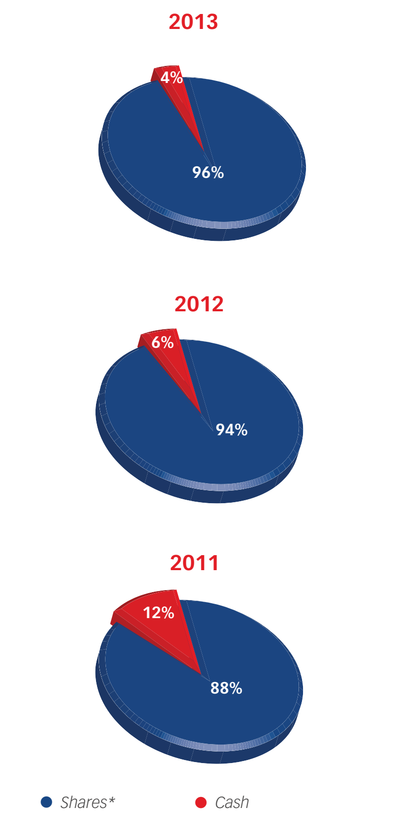
The Aspen South African Management Deferred Incentive Bonus Scheme

The scheme is designed to acknowledge performance and reward individuals for achievement of both the relevant Aspen business which employs the individual and individual's performance for the trading period immediately preceding the date that the award is made. This scheme is also aimed at ensuring critical executive and professional skills retention and enhancing congruence between the interests of senior and executive employees and shareholders. The eligible employee is given the choice at the date of the award to receive the

** The full report of the Remuneration & Nomination Committee is available online.*

deferred incentive bonus either in cash or Aspen shares. These awards vest three years after the date of the award. An enhancement of 10% is given to employees who elect to receive the award in shares. Alignment between shareholder and employee interests has been successful as most eligible employees have historically elected to receive the value of the award in Aspen shares as graphically reflected below.

Incentive awards



* Includes incentive awards taken in shares by executive directors.

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

The Aspen International Phantom Share Scheme

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

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

Legacy share schemes

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

- Aspen Share Incentive Scheme
  The scheme was adopted by shareholders in January 1999. In terms of the scheme adopted, and subsequent amendments, share options were granted to management and key employees. Participants in the scheme are entitled to take release of the options granted in five equal annual tranches, commencing on the second anniversary of the date granted and expiring on the eighth anniversary of the grant date. To the extent that outstanding share options are exercised on or after vesting date, the appropriate number of shares will be listed and awarded to the participant.

- Aspen Share Appreciation Plan
  The plan was adopted by shareholders in October 2005. In terms of the plan, share appreciation rights are awarded to key management. Participants are awarded rights to receive shares in the Company equivalent to an amount calculated by reference to the increase in value of the rights between the date of the grant and the date of exercise of the rights. The rights vest on the third anniversary of the award date and expire on the fifth anniversary of that date. To the extent that outstanding share appreciation rights are exercised on or after vesting date, the appropriate number of shares will be listed and awarded to the participant.

Remuneration report continued

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

At the December 2012 annual general meeting the Company's shareholders approved amendments to the terms of these legacy share schemes operated by the Group thereby limiting the maximum number of shares that can be issued in terms of these schemes to 45 477 945 or 10% of the Company's issued share capital (down from 64 741 611 or 14% of the Company's issued share capital), and the maximum number of shares issued to any single employee is limited to 4 800 000 (down from 6 474 161 shares). Since this amendment was approved, 959 382 shares have been issued in terms of these legacy schemes, representing 0,2% of the Company's issued share capital. From the date of inception of these schemes in 2001, 38 434 077 shares have been issued under the schemes comprising 8,43% of issued share capital. This constitutes an average dilution rate of less than 1% per year.

A detailed indication of the maximum number of shares that may result from awards granted in terms of the Share Incentive Scheme is contained in note 14.1 of the Group Annual Financial Statements. The number of shares that may result from awards made under the Share Appreciation Plan can only be determined at the date of exercise. Refer to note 14.2 of the Group Annual Financial Statements.

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

Benefits

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

Retirement fund contributions – South African operations

The Group's policy is to contribute to retirement funds by payment to separate funds which are statutorily independent from the Group.

In South Africa, employees, other than those required by legislation to be members of various industry-related funds, are covered by way of defined contribution provident funds governed by the Pension Funds Act, 1956, with varying contributions. Benefits are determined in proportion to each member's equitable share of the total assets of the funds on termination of membership.

Retirement fund contributions – International businesses

Australian law controls the requirements for Aspen Australia to contribute a minimum payment to superannuation funds of the employee's choice. Aspen Australia complies with its legal obligations in this regard.

In Mauritius, it is a prerequisite of an employee's employment contract that the employee independently procures adequate retirement assurance. The employee must cover the costs and expenses in relation to his/her retirement requirements.

In Brazil, employees are covered by the Brazilian Social Security Scheme in terms whereof they receive a retirement, retrenchment or disability benefit depending on their age and period of contribution. Aspen Brazil contributes 28,8% of the employee's salary while the employee contributes between 8% and 11%, limited to BRL430,78 per month, of his or her salary depending on the employee's remuneration level.

In Uganda, there is a statutory requirement that all permanent employees must belong to a provident fund. The employee contributes 5% and the employer 10% of the employee's gross salary.

In Kenya, a statutory requirement provides that all employees must contribute KES200 to the National Social Security Fund on a monthly basis, with the employer matching this contribution. A retirement benefit scheme is also in place for all permanent employees in terms whereof these employees contribute 5% of their gross monthly salary and the employer contributes 8% of the employees' gross monthly salary to this scheme.

In Tanzania, retirement benefits are generally covered by the Employment and Labour Relations Act, 2004. Contribution to a selection fund is 20% of either basic or gross salary depending on the Pension Funds Act. Employers are obliged to register their employees with a pension fund. Further, legislation allows additional, separate industrial arrangements between employers and employees, provided such arrangements do not contravene the governing laws.

In Mexico, the Salary and Labour Benefit Scheme in place does not yet include a private pension plan or retirement funding. However, companies are subject to the mandatory occupational pension programme ("*Sistema de Ahorro para el Retiro*") for which the employer absorbs 100% of the contribution, calculated on 2% of each employee's salary.

In Venezuela, the Salary and Labour Benefit Scheme in place does not yet include a private pension plan or retirement funding. However, companies are subject to a mandatory contribution to a social security plan which includes an employee contribution of 2% of the employee's salary. When employees attain 55 years of age in the case of female and 60 years of age in the case of male employees they receive a monthly pension that is currently equal to the statutory minimum salary. To be eligible for this benefit, employees must have completed 650 weeks of combined employment.

In Germany, a compulsory state pension fund affords the employee a pension equivalent to approximately 80% of the employee's last salary prior to retirement. The Company pension fund serves as a top-up for the shortfall in earnings after retirement. As part of existing terms of employment, Aspen Bad Oldesloe also contributes an average of 2,5% of the income of the employee with a corresponding contribution by the employee not being required. The return on the fund is based on the AAA Euro Bonds yield. In terms of the scheme rules, surpluses are reviewed every 10 years and credited to the employee's pension fund. As both these funds are defined benefit funds they are subject to an annual actuarial review with all pension fund liabilities being fully accounted for.

Executive directors

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

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

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

In respect of the year to 30 June 2013 the targets were:

- the three-year CAGR of the Group's fully diluted headline earnings per share from continuing operations. The maximum target is the three-year compound annual South African Consumer Price Index +8% and the minimum threshold for the achievement of the incentive is the three-year annual compound Consumer Price Index +1%. The weighting of this portion of the incentive is 40% of the total incentive;
- the three-year CAGR of the Group's earnings before interest, tax, depreciation and amortisation per share. The maximum target is the three-year annual compound South African Consumer Price Index +8% and the minimum threshold for the achievement of the incentive is the three-year compounded Consumer Price Index +1%. The weighting of this portion of the incentive is 30% of the total incentive; and
- a weighting of 30% on their key performance indicators.

The targets in respect of the year to 30 June 2014 have remained unchanged.

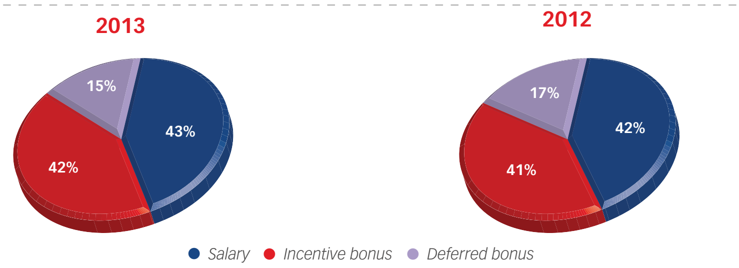
In addition to the annual incentive, executive directors are, subject to the approval of the Remuneration & Nomination Committee, awarded a medium-term incentive bonus under the terms and conditions of the South African Management Deferred Incentive Bonus Scheme referred to above, capped at a maximum of 41,25% of their total remuneration cost (excluding incentives). For purposes of the executive directors the extent of this award is determined with reference to the achievement of the Group's performance targets (with the budgeted operating profit for the Group for the relevant financial year being used as a performance measure) and the achievement of certain pre-determined key performance indicators in respect of each of the executive directors as agreed with them and approved by the Remuneration & Nomination Committee.

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

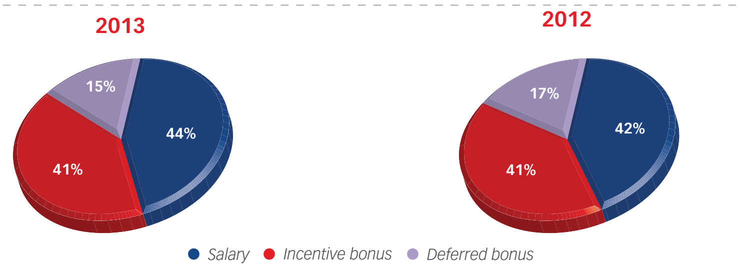
Remuneration report continued

Total remuneration breakdown of executive directors

Stephen Saad
(%)

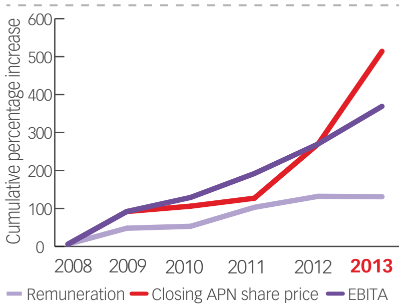


Gus Attridge
(%)

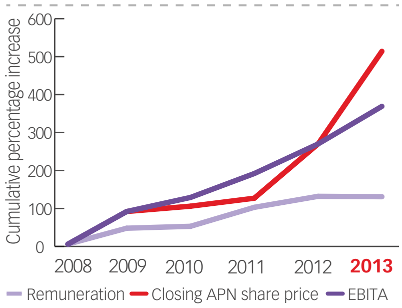


Cumulative executive director remuneration increase as compared to cumulative increases in EBITA and the Aspen share price

Stephen Saad
(%)



Gus Attridge
(%)



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

Non-executive directors

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

After review of such proposals, the Remuneration & Nomination Committee makes appropriate recommendations, other than for fees for services rendered to the Remuneration & Nomination Committee, to the Board. The proposal endorsed by the Board is tabled for approval by shareholders at the annual general meeting. In line with the requirements of the Companies Act, the fees payable to the non-executive directors for the 2013 financial year were approved by a special resolution of Aspen's shareholders at the Company's annual general meeting held in December 2012. The fees payable to these directors through to the annual general meeting in 2014 will be submitted for approval at the Company's annual general meeting to be held on 2 December 2013.

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

Consistency of application and approval

The remuneration philosophy is consistently applied across all companies forming part of the Group. In line with the recommendation of King III, the Group will table this Remuneration Policy at its 2013 annual general meeting for a non-binding advisory vote by shareholders.

Directors' remuneration and shareholding

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

Non-executive directors	**2013 R'000**	2012 R'000
Roy Andersen	**508**	437
Rafique Bagus	**308**	356
John Buchanan	**633**	578
Judy Dlamini	**817**	770
Kuseni Dlamini	**233**	70
Abbas Hussain	**185**	216
Chris Mortimer	**213**	216
David Nurek*	**–**	85
Sindi Zilwa	**498**	406
	3 395	3 134

**David Nurek retired as a non-executive director on 1 December 2011. The payment reflected above includes payments made until this date.*

Executive directors	Remuneration R'000	Retirement and medical aid benefits R'000	Performance bonus R'000	Share-based payment expenses R'000	Total R'000
2013					
Gus Attridge	**4 816**	**487**	**4 943**	**1 794**	**12 040**
Stephen Saad	**5 609**	**586**	**6 195**	**2 173**	**14 563**
	10 425	**1 073**	**11 138**	**3 967**	**26 603**
2012					
Gus Attridge	4 340	517	4 852	2 434	12 143
Stephen Saad	5 234	616	5 869	3 260	14 979
	9 574	1 133	10 721	5 694	27 122

Remuneration report continued

Directors' interests in Aspen shares

The table below reflects the status of rights in existence at the beginning of the year which were issued to executive directors in terms of the Aspen Share Appreciation Scheme in the past and which of those rights were exercised during the year:

	Grant price (R)	Expiry date	Rights outstanding on 30 June 2012 ('000)	Exercised ('000)	**Rights outstanding on 30 June 2013 ('000)**	Vested ('000)
Gus Attridge	35,53	Sept 2012	157	157	**–**	–
	41,03	Sept 2013	150	150	**–**	–
			307	307	**–**	–
Stephen Saad	41,03	Sept 2013	181	–	**181**	181
			488	307	**181**	181

No share appreciation rights lapsed or were cancelled during the year.

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

	Grant price (R)	Expiry date	Shares outstanding on 30 June 2012 ('000)	Awarded during the year ('000)	Released during the year ('000)	**Shares outstanding on 30 June 2013 ('000)**
Gus Attridge	64,70	Oct 2012	24	–	24	**–**
	86,88	Nov 2013	19	–	–	**19**
	89,68	Oct 2014	20	–	–	**20**
	156,00	Oct 2015	–	13	–	**13**
			63	13	24	**52**
Stephen Saad	64,70	Oct 2012	29	–	29	**–**
	86,88	Nov 2013	24	–	–	**24**
	89,68	Oct 2014	25	–	–	**25**
	156,00	Oct 2015	–	16	–	**16**
			78	16	29	**65**
			141	29	53	**117**

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

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

	Direct ('000)		Indirect ('000)	
Director	**2013**	2012	**2013**	2012
Roy Andersen	**40**	40	**–**	–
Gus Attridge	**3 668**	3 654	**15 169**	15 169
Rafique Bagus	**6**	–	**30**	–
John Buchanan	**–**	–	**30**	30
Judy Dlamini	**–**	–	**2 627**	2 627
Kuseni Dlamini	**–**	–	**–**	–
Abbas Hussain	**–**	–	**–**	–
Chris Mortimer	**78**	78	**–**	–
Stephen Saad	**3 830**	3 801	**51 303**	51 303
Sindi Zilwa	**–**	–	**–**	–
	7 622	7 573	**69 159**	67 839

None of the directors held any non-beneficial shares in the Company at 30 June 2013.

Statement of responsibility by the Board of Directors

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

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

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

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

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

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

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

The Summarised Group Annual Financial Statements were prepared under the supervision of the Deputy Group Chief Executive, MG Attridge, CA(SA) and approved by the Board of Directors on 21 October 2013 and signed on its behalf.

Judy Dlamini
Chairman

Gus Attridge
Deputy Group Chief Executive

Johannesburg
21 October 2013

Report of the independent auditor on the summarised Group financial statements to the shareholders of Aspen Pharmacare Holdings Limited

The summarised Group financial statements, which comprise the summarised Group statement of financial position as at 30 June 2013, and the summarised Group statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, as set out on pages 82 to 91, are derived from the audited Group financial statements of Aspen Pharmacare Holdings Limited for the year ended 30 June 2013. We expressed an unmodified audit opinion on those Group financial statements in our report dated 21 October 2013. Our auditor's report on the audited Group financial statements contained an Other Matter paragraph (refer below).

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

DIRECTORS' RESPONSIBILITY FOR THE SUMMARISED GROUP FINANCIAL STATEMENTS

The Company's directors are responsible for the preparation of a summary of the audited Group financial statements in accordance with the JSE requirements for summarised financial statements, set out in the Basis of Preparation and Accounting Policies to the summarised Group financial statements, and the requirements of the Companies Act as applicable to summarised financial statements.

AUDITORS' RESPONSIBILITY

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

OPINION

In our opinion, the summarised Group financial statements derived from the audited Group financial statements of Aspen Pharmacare Holdings Limited for the year ended 30 June 2013 are consistent, in all material respects, with those Group financial statements, in accordance with the JSE's requirements for summarised financial statements, set out in the Basis of Preparation and Accounting Policies to the summarised Group financial statements, and the requirements of the Companies Act as applicable to summarised financial statements.

The Other Matter paragraph in our audit report dated 21 October 2013 states that as part of our audit of the Group financial statements for the year ended 30 June 2013, we have read the Directors' Report, the Audit & Risk Committee's Report and the Certificate of the Company Secretary for the purpose of identifying whether there are material inconsistencies between these reports and the audited Group financial statements. These reports are the responsibility of the respective preparers. The Other Matter paragraph states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited Group financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The Other Matter paragraph does not have an effect on the summarised Group financial statements or our opinion thereon.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Incorporated
Director: Tanya Rae
Registered auditor

Johannesburg
21 October 2013

Basis of presentation and accounting policies

These Summarised Group Annual Financial Statements for the year ended 30 June 2013 have been prepared in terms of the recognition and measurement requirements of the IFRS, the AC 500 series pronouncements as issued by the Accounting Practices Board, the JSE Listings Requirements, the requirements of the South African Companies Act, No 71 of 2008, and the presentation and disclosure requirements of IAS 34 – *Interim reporting*. Accounting policies used are consistent with those applied in the previous annual financial statements and IFRS. These results have been audited by the Company's auditors, PricewaterhouseCoopers Incorporated.

Summarised Group statement of financial position

at 30 June 2013

	Notes	2013 R'million	2012 R'million
ASSETS			
Non-current assets			
Property, plant and equipment		**4 342,6**	3 807,0
Goodwill	G#	**5 973,2**	5 343,9
Intangible assets	H#	**18 933,0**	11 869,8
Other non-current assets		**26,7**	31,5
Deferred tax assets		**369,2**	234,4
Total non-current assets		**29 644,7**	21 286,6
Current assets			
Inventories		**4 100,9**	3 292,0
Receivables, prepayments and other current assets		**5 657,5**	3 826,4
Cash and cash equivalents		**6 018,6**	3 313,5
Total current assets		**15 777,0**	10 431,9
Total assets		**45 421,7**	31 718,5
SHAREHOLDERS' EQUITY			
Share capital and share premium (including treasury shares)		**3 989,2**	4 703,1
Reserves		**18 804,6**	12 686,3
Ordinary shareholders' equity		**22 793,8**	17 389,4
Non-controlling interests		**5,1**	8,7
Total shareholders' equity		**22 798,9**	17 398,1
LIABILITIES			
Non-current liabilities			
Borrowings		**8 923,5**	6 254,1
Deferred revenue		**139,5**	143,6
Deferred tax liabilities		**600,5**	536,0
Retirement benefit obligations		**94,0**	66,4
Total non-current liabilities		**9 757,5**	7 000,1
Current liabilities			
Trade and other payables		**4 174,6**	2 929,2
Borrowings*		**8 152,7**	4 127,1
Other current liabilities		**533,8**	241,9
Derivative financial instruments		**4,2**	22,1
Total current liabilities		**12 865,3**	7 320,3
Total liabilities		**22 622,8**	14 320,4
Total equity and liabilities		**45 421,7**	31 718,5
Number of shares in issue (net of treasury shares) ('000)		**455 208**	454 186
Net asset value per share (cents)		**5 007,3**	3 828,7

See notes on summarised Supplementary information.
* *Bank overdrafts are included within borrowings under current liabilities.*

Summarised Group statement of comprehensive income

for the year ended 30 June 2013

	Notes	Change	2013 R'million	2012 R'million
CONTINUING OPERATIONS				
Revenue		27%	**19 308,0**	15 255,8
Cost of sales			**(10 077,3)**	(7 979,5)
Gross profit		27%	**9 230,7**	7 276,3
Selling and distribution expenses			**(2 343,5)**	(1 967,4)
Administrative expenses			**(1 366,0)**	(1 101,8)
Other operating income			**104,2**	218,9
Other operating expenses			**(582,1)**	(485,4)
Operating profit	B#	28%	**5 043,3**	3 940,6
Investment income	C#		**298,8**	275,4
Financing costs	D#		**(852,7)**	(776,0)
Profit before tax		31%	**4 489,4**	3 440,0
Tax			**(975,3)**	(772,3)
Profit after tax from continuing operations			**3 514,1**	2 667,7
DISCONTINUED OPERATIONS				
Profit after tax for the year from discontinued operations	E#		**–**	159,2
Profit for the year		24%	**3 514,1**	2 826,9
OTHER COMPREHENSIVE INCOME, NET OF TAX*				
Currency losses on net investment in Aspen Asia Pacific			**(133,3)**	(53,3)
Net investment hedge profit in Aspen Asia Pacific			**–**	6,8
Currency translation gains			**2 675,7**	1 494,4
Cash flow hedges recognised			**20,3**	32,6
Remeasurement of retirement benefit obligations			**(4,7)**	–
Total comprehensive income			**6 072,1**	4 307,4
Profit for the year attributable to				
Equity holders of the parent			**3 520,1**	2 817,8
Non-controlling interests			**(6,0)**	9,1
			3 514,1	2 826,9
Total comprehensive income attributable to				
Equity holders of the parent			**6 078,2**	4 295,4
Non-controlling interests			**(6,1)**	12,0
			6 072,1	4 307,4
Weighted average number of shares in issue ('000)			**455 397**	436 303
Diluted weighted average number of shares in issue ('000)			**456 027**	455 161
EARNINGS PER SHARE				
Basic earnings per share (cents)				
From continuing operations		27%	**773,0**	609,3
From discontinued operations			**–**	36,5
		20%	**773,0**	645,8
Diluted earnings per share (cents)				
From continuing operations		31%	**771,9**	588,2
From discontinued operations			**–**	35,0
		24%	**771,9**	623,2
CAPITAL DISTRIBUTION				
Capital distribution per share (cents)		50%	**157,0**	105,0

The capital distribution of 157,0 cents relates to the distribution declared on 12 September 2012 and paid on 15 October 2012. (The capital distribution of 105,0 cents relates to the distribution declared on 13 September 2011 and paid on 17 October 2011).

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

[#] *See notes on summarised Supplementary information.*

Summarised Group statement of headline earnings

for the year ended 30 June 2013

	Change	2013 R'million	2012 R'million
HEADLINE EARNINGS			
Reconciliation of headline earnings			
Profit attributable to equity holders of the parent	25%	**3 520,1**	2 817,8
Adjusted for:			
Continuing operations			
– Impairment of goodwill (net of tax)		**–**	43,6
– Net impairment of property, plant and equipment (net of tax)		**9,5**	25,2
– Net impairment of intangible assets (net of tax)		**60,4**	107,9
– Profit on the sale of tangible and intangible assets (net of tax)		**(1,6)**	(0,7)
Discontinued operations			
– Profit on the sale of the personal care products in South Africa (net of tax)		**–**	(35,6)
– Profit on the sale of the Campos facility and related products in Brazil (net of tax)		**–**	(121,9)
	27%	**3 588,4**	2 836,3
Headline earnings			
From continuing operations	27%	**3 588,4**	2 834,6
From discontinued operations		**–**	1,7
	27%	**3 588,4**	2 836,3
Headline earnings per share (cents)			
From continuing operations	21%	**788,0**	649,7
From discontinued operations		**–**	0,4
	21%	**788,0**	650,1
Diluted headline earnings per share (cents)			
From continuing operations	26%	**786,9**	626,9
From discontinued operations		**–**	0,4
	25%	**786,9**	627,3
NORMALISED HEADLINE EARNINGS			
Reconciliation of normalised headline earnings			
Headline earnings	27%	**3 588,4**	2 836,3
Adjusted for:			
Continuing operations			
– Restructuring costs (net of tax)		**106,2**	52,0
– Transaction costs (net of tax)		**82,0**	24,8
– Settlement of product litigation (net of tax)		**36,6**	–
– Foreign exchange gain on transaction funding (net of tax)		**–**	(34,5)
	32%	**3 813,2**	2 878,6
Normalised headline earnings			
From continuing operations	33%	**3 813,2**	2 876,9
From discontinued operations		**–**	1,7
	32%	**3 813,2**	2 878,6
Normalised headline earnings per share (cents)			
From continuing operations	27%	**837,3**	659,4
From discontinued operations		**–**	0,4
	27%	**837,3**	659,8
Normalised diluted headline earnings per share (cents)			
From continuing operations	31%	**836,2**	636,2
From discontinued operations		**–**	0,4
	31%	**836,2**	636,6

Summarised Group statement of changes in equity

for the year ended 30 June 2013

	Share capital and share premium (including treasury shares) R'million	Reserves R'million	Preference shares – equity component R'million	Total attributable to equity holders of the parent R'million	Non-controlling interests R'million	Total R'million
BALANCE AT 1 JULY 2011	4 776,2	8 288,0	162,0	13 226,2	61,1	13 287,3
Total comprehensive income	–	4 295,4	–	4 295,4	12,0	4 307,4
Profit for the year	–	2 817,8	–	2 817,8	9,1	2 826,9
Other comprehensive income	–	1 477,6	–	1 477,6	2,9	1 480,5
Capital distribution	(457,6)	–	–	(457,6)	–	(457,6)
Subsidiary capital reduction	–	1,0	–	1,0	–	1,0
Acquisition of non-controlling interests in subsidiaries	–	(117,3)	–	(117,3)	(64,3)	(181,6)
Capital funding from non-controlling interests	–	–	–	–	0,9	0,9
Dividends paid	–	–	–	–	(2,0)	(2,0)
Issue of ordinary share capital	401,9	–	–	401,9	–	401,9
Issue of ordinary share capital – share schemes	25,1	–	–	25,1	–	25,1
Issue of ordinary share capital – preference shares	376,8	–	–	376,8	–	376,8
Treasury shares purchased	(19,3)	–	–	(19,3)	–	(19,3)
Deferred incentive bonus shares exercised	1,9	(1,9)	–	–	–	–
Share options and appreciation rights expensed (including deferred incentive bonus)	–	24,5	–	24,5	–	24,5
Equity portion of tax claims in respect of share schemes	–	30,6	–	30,6	–	30,6
Conversion of preference shares	–	162,0	(162,0)	–	–	–
Hyperinflationary adjustment – Venezuela	–	4,0	–	4,0	1,0	5,0
BALANCE AT 30 JUNE 2012	**4 703,1**	**12 686,3**	**–**	**17 389,4**	**8,7**	**17 398,1**
Total comprehensive income	**–**	**6 078,2**	**–**	**6 078,2**	**(6,1)**	**6 072,1**
Profit for the year	**–**	**3 520,1**	**–**	**3 520,1**	**(6,0)**	**3 514,1**
Other comprehensive income	**–**	**2 558,1**	**–**	**2 558,1**	**(0,1)**	**2 558,0**
Capital distribution	**(714,9)**	**–**	**–**	**(714,9)**	**–**	**(714,9)**
Stamp duty on acquisitions	**–**	**(2,1)**	**–**	**(2,1)**	**–**	**(2,1)**
Dividends paid	**–**	**–**	**–**	**–**	**(0,2)**	**(0,2)**
Issue of ordinary share capital – share schemes	**9,6**	**–**	**–**	**9,6**	**–**	**9,6**
Treasury shares purchased	**(21,1)**	**–**	**–**	**(21,1)**	**–**	**(21,1)**
Deferred incentive bonus shares exercised	**12,5**	**(12,5)**	**–**	**–**	**–**	**–**
Share options and appreciation rights expensed (including deferred incentive bonus)	**–**	**20,0**	**–**	**20,0**	**–**	**20,0**
Equity portion of tax claims in respect of share schemes	**–**	**23,8**	**–**	**23,8**	**–**	**23,8**
Hyperinflationary adjustment – Venezuela	**–**	**10,9**	**–**	**10,9**	**2,7**	**13,6**
BALANCE AT 30 JUNE 2013	**3 989,2**	**18 804,6**	**–**	**22 793,8**	**5,1**	**22 798,9**

Summarised Group statement of cash flows

for the year ended 30 June 2013

	Notes	2013 R'million	2012 R'million
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash operating profit		**5 960,1**	4 746,0
Changes in working capital		**(590,1)**	(869,6)
Cash generated from operations		**5 370,0**	3 876,4
Net financing costs paid		**(584,6)**	(513,9)
Tax paid		**(799,3)**	(454,1)
Cash generated from operating activities		**3 986,1**	2 908,4
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure – property, plant and equipment		**(667,1)**	(469,6)
Replacement		**(161,7)**	(102,9)
Expansion		**(505,4)**	(366,7)
Proceeds on the sale of property, plant and equipment		**10,7**	36,5
Capital expenditure – intangible assets		**(3 654,9)**	(2 148,8)
Proceeds on the sale of intangible assets		**3,5**	2,8
Acquisition of subsidiaries and businesses	L#	**(1 578,6)**	(315,6)
Increase in other non-current financial receivables		**–**	(19,7)
Proceeds on the sale of assets held-for-sale	M#	**–**	250,4
Prepayment in anticipation of acquisition	N#	**(394,7)**	–
Stamp duty on acquisitions		**(2,1)**	–
Net investment hedge profit in Aspen Asia Pacific		**–**	6,8
Capital funding from non-controlling interests		**–**	0,9
Cash used in investing activities		**(6 283,2)**	(2 656,3)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from borrowings		**4 336,0**	138,3
Dividends paid		**(0,2)**	(2,0)
Proceeds from issue of ordinary share capital		**9,6**	25,1
Treasury shares purchased		**(21,1)**	(19,3)
Capital distribution		**(714,9)**	(457,6)
Decrease in cash restricted for use as security for borrowings		**1,3**	27,2
Cash generated from/(used in) financing activities		**3 610,7**	(288,3)
Movement in cash and cash equivalents before translation effects of foreign operations		**1 313,6**	(36,2)
Translation effects on cash and cash equivalents of foreign operations		**112,8**	273,2
CASH AND CASH EQUIVALENTS			
Movement in cash and cash equivalents		**1 426,4**	237,0
Cash and cash equivalents at the beginning of the year		**1 989,8**	1 752,8
Cash and cash equivalents at the end of the year		**3 416,2**	1 989,8

	Change		
Diluted operating cash flow per share (cents)			
From continuing operations	37%	**874,1**	638,6
From discontinued operations		**–**	0,4
	37%	**874,1**	639,0
THE ABOVE INCLUDES DISCONTINUED OPERATIONS OF			
Cash generated from operating activities		**–**	1,7
Cash and cash equivalents per the statement of cash flows		**–**	1,7
RECONCILIATION OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents per the statement of financial position		**6 018,6**	3 313,5
Less: Bank overdrafts		**(2 602,4)**	(1 323,7)
		3 416,2	1 989,8

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

See notes on Supplementary information.

Summarised Group segmental analysis

for the year ended 30 June 2013

	2013 R'million	2013 % of total	2012 R'million	2012 % of total	Change
REVENUE FROM CONTINUING OPERATIONS					
South Africa^	**7 376,8**	**35**	6 159,9	38	20%
Asia Pacific	**7 590,5**	**37**	6 021,0	37	26%
International@	**3 726,1**	**18**	2 522,9	15	48%
Sub-Saharan Africa	**2 081,5**	**10**	1 651,7	10	26%
Total gross revenue	**20 774,9**	**100**	16 355,5	100	27%
Adjustment*	**(1 466,9)**		(1 099,7)		
Total revenue	**19 308,0**		15 255,8		27%
OPERATING PROFIT BEFORE AMORTISATION FROM CONTINUING OPERATIONS					
Adjusted for specific non-trading items ("EBITA")					
South Africa	**1 965,3**	**35**	1 768,4	40	11%
Operating profit#	**1 867,5**		1 616,2		16%
Amortisation of intangible assets	**60,5**		66,8		
Transaction costs	**31,3**		–		
Restructuring costs	**–**		3,4		
Impairment of assets	**6,0**		82,0		
Asia Pacific	**1 894,0**	**34**	1 460,2	33	30%
Operating profit#	**1 608,2**		1 291,6		25%
Amortisation of intangible assets	**128,0**		100,2		
Transaction costs	**6,0**		–		
Restructuring costs	**151,8**		68,4		
International	**1 488,7**	**27**	938,5	21	59%
Operating profit#	**1 321,7**		790,9		67%
Amortisation of intangible assets	**60,8**		41,1		
Settlement of product litigation	**43,0**		–		
Impairment of assets	**63,2**		106,5		
Sub-Saharan Africa	**252,3**	**4**	247,9	6	2%
Operating profit#	**245,9**		241,9		2%
Amortisation of intangible assets	**6,4**		4,2		
Restructuring costs	**–**		1,7		
Impairment of assets	**–**		0,1		
Total EBITA	**5 600,3**	**100**	4 415,0	100	27%
ENTITY-WIDE DISCLOSURE – REVENUE FROM CONTINUING OPERATIONS					
Analysis of revenue in accordance with customer geography					
South Africa – pharmaceutical	**6 201,9**	**30**	5 161,7	32	20%
South Africa – consumer	**1 175,0**	**6**	998,2	6	18%
Asia Pacific	**7 697,6**	**37**	6 088,8	37	26%
Sub-Saharan Africa	**2 123,7**	**10**	1 651,7	10	29%
Latin America	**1 567,3**	**7**	1 023,7	6	53%
Rest of the world	**2 009,4**	**10**	1 431,4	9	40%
Total gross revenue	**20 774,9**	**100**	16 355,5	100	27%
Adjustment *	**(1 466,9)**		(1 099,7)		
Total revenue	**19 308,0**		15 255,8		27%

^ *Excludes intersegment revenue of R43,0 million (2012: R29,6 million).*
@ *Excludes intersegment revenue of R1201,5 million (2012: R432,3 million).*
* *The profit share from The Collaboration has been disclosed as revenue in the statement of comprehensive income. For segmental purposes the total revenue for The Collaboration has been included to provide enhanced revenue visibility in this territory.*
# *The aggregate segmental operating profit total of R5 043,3 million (2012: R3 940,6 million) agrees to the statement of comprehensive income.*

Summarised Group supplementary information

for the year ended 30 June 2013

	2013 R'million	2012 R'million
A. CAPITAL EXPENDITURE		
Incurred	**4 322,0**	2 618,4
Tangible assets	**667,1**	469,6
Intangible assets	**3 654,9**	2 148,8
Contracted	**651,8**	171,5
Tangible assets	**525,5**	158,8
Intangible assets	**126,3**	12,7
Authorised but not contracted for	**1 242,2**	3 713,6
Tangible assets	**1 052,0**	456,4
Intangible assets	**190,2**	3 257,2
B. OPERATING PROFIT HAS BEEN ARRIVED AT AFTER CHARGING/(CREDITING)		
Depreciation of property, plant and equipment	**294,5**	252,7
Amortisation of intangible assets	**255,7**	212,3
Net impairment of property, plant and equipment	**9,6**	32,3
Net impairment of intangible assets	**59,6**	112,7
Impairment of goodwill	**–**	43,6
Share-based payment expenses – employees	**31,2**	31,5
Transaction costs	**37,3**	–
Restructuring costs	**151,8**	73,5
Insurance compensation	**–**	(63,0)
Settlement of product litigation	**43,0**	–
C. INVESTMENT INCOME		
Interest received	**298,8**	275,4
D. FINANCING COSTS		
Interest paid	**842,3**	754,7
Capital raising fees	**51,9**	26,8
Transactions	**49,5**	26,8
Trading	**2,4**	–
Net foreign exchange losses/(gains)	**34,3**	(2,5)
Fair value gains on financial instruments	**(77,5)**	(24,0)
Notional interest on financial instruments	**1,7**	(2,1)
Preference share dividends paid	**–**	23,1
	852,7	776,0
E. PROFIT AFTER TAX FOR THE YEAR FROM DISCONTINUED OPERATIONS		
Profit after tax for the year from discontinued operations	**–**	1,7
Profit on the sale of the Campos facility and related products in Brazil	**–**	121,9
Profit on the sale of the personal care products in South Africa	**–**	35,6
	–	159,2

F. CURRENCY TRANSLATION MOVEMENTS

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

	2013 R'million	2012 R'million
G. GOODWILL MOVEMENT		
Opening balance	**5 343,9**	4 626,6
Acquisition of subsidiaries and businesses	**176,5**	104,3
Impairment of goodwill	**–**	(43,6)
Translation of foreign operations	**452,8**	656,6
	5 973,2	5 343,9
H. INTANGIBLE ASSETS MOVEMENT		
Opening balance	**11 869,8**	8 916,7
Additions	**3 654,9**	2 148,8
Classic brands	**2 196,6**	–
Novartis pharmaceutical products#	**459,5**	–
GSK OTC products^	**586,1**	1 589,2
Other	**412,7**	559,6
Disposals	**(0,5)**	(2,8)
Amortisation	**(255,7)**	(212,3)
Acquisition of subsidiary	**1 246,1**	4,2
Software projects implemented	**14,0**	22,2
Impairment	**(94,5)**	(112,7)
Impairment losses reversed	**34,9**	–
Hyperinflationary adjustment – Venezuela	**0,8**	0,4
Translation of foreign operations	**2 463,2**	1 105,3
	18 933,0	11 869,8
I. CONTINGENT LIABILITIES		
There are contingent liabilities in respect of:		
Additional payments in respect of the Quit worldwide intellectual property rights	**–**	8,1
Contingency relating to product litigation	**25,9**	21,3
Contingencies arising from labour cases	**4,3**	4,2
Import duty contingency	**10,4**	10,8
Other contingent liabilities	**2,0**	3,3

J. TAX CONTINGENCY

Following an audit, the South African Revenue Service has issued tax assessments on various South African companies relating to prior years. Aspen has objected to these assessments and has filed a review application to have the assessments set aside. Aspen is confident that it will succeed in this dispute based on the outcome of recent court cases dealing with similar matters. Due to the uncertainties inherent in the process, the timing of resolution of the dispute and the outcome thereof cannot be determined.

The selected territory agreement with Novartis for the acquisition of two pharmaceutical products, Enablex and Tofranil became effective on 31 July 2012.

^ *A multi-territory agreement was concluded with GSK in April 2012 for the acquisition of a portfolio of established OTC products in selected territories including South Africa, Australia and Brazil. The leading products include recognised household brands such as Phillips Milk of Magnesia, Dequadin, Solpadeine, Cartia, Zantac and Borstol. The deal was effective 1 May 2012 except for certain markets which required competition authority approval: South Africa, Swaziland, Namibia, Kenya, Tanzania and the product, Zantac, in Australia. Competition authority approval was granted in Australia, South Africa and Swaziland during July and August 2012. Namibia, Kenya and Tanzania received competition authority approval in September 2012, October 2012 and February 2013 respectively.*

Summarised Group supplementary information continued

for the year ended 30 June 2013

	2013 R'million	2012 R'million
K. GUARANTEES TO FINANCIAL INSTITUTIONS		
Material guarantees given by Group companies for indebtedness of subsidiaries to financial institutions	**5 600,6**	5 003,0

L. ACQUISITION OF SUBSIDIARIES AND BUSINESSES

2013

Aspen Global and Aspen Asia Pacific concluded agreements with Nestlé on 29 April 2013 in respect of the acquisition of certain rights to intellectual property licences and 100% of the shares in the infant nutritionals business previously conducted by Pfizer which distributes a portfolio of infant nutritional products in Australia.

	Total R'million
Fair value of assets and liabilities acquired in subsidiary	
Property, plant and equipment	**1,7**
Intangible assets	**1 246,1**
Deferred tax	**9,9**
Inventories	**74,2**
Trade and other receivables	**294,5**
Trade and other payables	**(274,3)**
Fair value of net assets acquired	**1 352,1**
Goodwill acquired	**176,5**
Purchase consideration	**1 528,6**
Deferred receivable	**50,0**
Cash outflow on acquisition	**1 578,6**

The initial accounting for this business combination has been reported on a provisional basis and will only be finalised in the year ending 30 June 2014.

Post-acquisition revenue included in the statement of comprehensive income was R137,3 million. The estimation of post-acquisition operating profits is impracticable and not reasonably determinable as the operations of the infant nutritionals business have not yet fully transitioned to Aspen. The determination and disclosure of historical audited revenue and operating profits for the 12 months preceding the effective date is not possible as the information for the full period is not available.

Goodwill

The goodwill arising on the acquisition of the infant nutritionals business recognises:
– the future benefits of rebranding rights on the existing and future infant milk product range; and
– the synergies from the consolidation of the infant milk business with Aspen's existing Australian consumer business including cost savings and increased sales force coverage benefits.

The total amount of goodwill recognised is not tax deductible.

L. ACQUISITION OF SUBSIDIARIES AND BUSINESSES continued

2012

Aspen acquired the remaining 40% minority shareholding in Shelys effective from 14 April 2012. This increased the ownership in Shelys to 100%.

Aspen acquired a further 42,5% shareholding in Brimpharm SA effective from 31 May 2012. This increased the ownership in Brimpharm SA to 92,5%.

	Total R'million
Shelys purchase consideration	141,8
Brimpharm SA purchase consideration	39,8
AHN Pharma purchase consideration	45,4
Final payment for the Sigma business	88,6
As per the statement of cash flows	315,6

	2013 R'million	2012 R'million
M. PROCEEDS FROM SALE OF ASSETS HELD-FOR-SALE		
Campos facility and related products in Brazil	–	175,0
Personal care products in South Africa	–	75,4
	–	250,4

N. PREPAYMENT IN ANTICIPATION OF ACQUISITION

Aspen concluded agreements with Nestlé in respect of the acquisition of certain rights to intellectual property licences and net assets and shares in the infant nutritionals businesses previously conducted by Pfizer which distributes a portfolio of infant nutritional products in Australia and certain Southern African territories (South Africa, Botswana, Namibia, Lesotho, Swaziland and Zambia). The consideration for all territories was paid following approval by the Australian competition authorities on 29 April 2013. The approval from the South African competition authority remains pending and consequently the purchase consideration payment relating to the Southern African territories has been classified as a prepayment.

	10-year CAGR	**IFRS Year ended 30 June 2013 R'million**	IFRS Year ended 30 June 2012 R'million	IFRS Year ended 30 June 2011 R'million	IFRS Year ended 30 June 2010 R'million
GROUP INCOME STATEMENTS					
Continuing operations					
Revenue	26%	**19 308,0**	15 255,8	12 383,2	9 619,2
Gross profit	27%	**9 230,7**	7 276,3	5 613,5	4 476,5
EBITA	27%	**5 600,3**	4 415,0	3 488,6	2 734,6
Total amortisation and non-trading adjustments	26%	**(557,1)**	(474,4)	(339,6)	(210,2)
Operating profit	27%	**5 043,3**	3 940,6	3 149,0	2 524,4
Net financing costs	26%	**(553,9)**	(500,6)	(412,1)	(365,3)
Profit before tax	28%	**4 489,4**	3 440,0	2 736,9	2 157,4
Profit after tax	29%	**3 514,1**	2 667,7	2 154,9	1 698,9
GROUP STATEMENTS OF FINANCIAL POSITION					
ASSETS					
Non-current assets					
Property, plant and equipment		**4 342,6**	3 807,0	3 651,5	3 012,4
Goodwill		**5 973,2**	5 343,9	4 626,6	456,1
Intangible assets		**18 933,0**	11 869,8	8 916,7	8 609,9
Preference share investment		**–**	–	–	–
Other non-current assets		**26,7**	31,5	11,8	34,4
Deferred tax assets		**369,2**	234,4	216,5	65,5
Total non-current assets		**29 644,7**	21 286,6	17 423,1	12 178,3
Current assets					
Inventories		**4 100,9**	3 292,0	2 628,1	2 041,4
Trade and other receivables		**5 657,5**	3 825,2	3 263,8	2 359,5
Cash restricted for use		**–**	1,2	28,7	21,8
Cash and cash equivalents		**6 018,6**	3 313,5	3 039,2	2 939,8
Total operating current assets		**15 777,0**	10 431,9	8 959,8	7 362,5
Assets classified as held-for-sale		**–**	–	414,5	260,1
Total current assets		**15 777,0**	10 431,9	9 374,3	7 622,6
Total assets		**45 421,7**	31 718,5	26 797,4	19 800,9
EQUITY AND LIABILITIES					
Ordinary shareholders' equity		**22 793,8**	17 389,4	13 064,2	10 669,0
Equity component of preference shares		**–**	–	162,0	162,0
Non-controlling interests		**5,1**	8,7	61,1	55,2
Total shareholders' equity		**22 798,9**	17 398,1	13 287,3	10 886,2
Non-current liabilities					
Preference shares – liability component		**–**	–	381,3	386,6
Borrowings		**8 923,5**	6 254,1	4 249,0	2 260,2
Other non-current financial liabilities		**233,5**	210,0	167,0	174,8
Deferred tax liabilities		**600,5**	536,0	504,9	263,2
Total non-current liabilities		**9 757,5**	7 000,1	5 302,2	3 084,8
Current liabilities					
Trade and other payables		**4 174,6**	2 929,2	2 830,8	1 913,9
Borrowings		**8 152,7**	4 127,1	5 138,0	3 720,8
Other current financial liabilities		**538,0**	264,0	208,1	195,2
Total operating current liabilities		**12 865,3**	7 320,3	8 176,9	5 829,9
Liabilities associated with assets held-for-sale		**–**	–	30,9	–
Total current liabilities		**12 865,3**	7 320,3	8 207,9	5 829,9
Total equity and liabilities		**45 421,7**	31 718,5	26 797,4	19 800,9

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

(1) Excludes once-off cost of the BBBEE transaction amounting to R282,4 million.

(2) Includes R8,1 million amortisation of goodwill.

(3) Includes R13,8 million amortisation of goodwill.

IFRS Year ended 30 June 2009 R'million	IFRS Year ended 30 June 2008 R'million	IFRS Year ended 30 June 2007 R'million	IFRS Year ended 30 June 2006 R'million	IFRS Year ended 30 June 2005 R'million	SA GAAP Year ended 30 June 2004 R'million	SA GAAP Year ended 30 June 2003 R'million
8 441,4	4 682,5	4 025,9	3 449,3	2 814,6	2 201,7	1 890,2
3 877,3	2 171,3	1 941,7	1 660,3	1 390,6	1 058,1	860,8
2 294,5	1 260,0	1 194,3	1 009,8	837,4[1]	631,8	501,3
(124,2)	(63,7)	(117,7)	(115,1)	(99,2)	(78,0)[2]	(54,1)[3]
2 174,7	1 196,3	1 076,6	894,7	738,2	553,8	447,2
(475,0)	(17,3)	(67,2)	(40,8)	(61,9)	(25,3)	(56,9)
1 696,4	1 177,9	1 009,4	853,9	676,4	528,5	390,3
1 337,5	844,8	717,7	637,5	468,8	355,6	274,8
2 261,1[6]	1 623,0[4]	855,1	613,1	481,7	312,8	180,1
398,4	603,0	295,0	270,4	195,6	86,2	67,5
4 103,6	3 631,8[4]	844,7	803,4	665,8	441,9	437,0
–	–	376,8	376,8	376,8	–	–
27,6	30,5	6,0	11,9	0,1	124,5	19,4
17,9	1,0	15,1	34,4	57,6	7,5	149,7
6 808,6	5 889,3	2 392,7	2 110,0	1 777,6	972,9	853,7
1 434,5[6]	1 369,1[4]	936,8	798,3	428,2	245,6	213,5
2 040,2[6]	1 789,1[4]	871,2	727,2	512,7	425,6	414,1
–	–	–	–	–	–	–
2 065,0[6]	1 521,2[4]	3 331,2	625,2	439,6	465,5	200,4
5 539,7	4 679,4	5 139,2	2 150,7	1 380,5	1 136,7	828,0
–	–	–	–	–	–	–
5 539,7	4 679,4	5 139,2	2 150,7	1 380,5	1 136,7	828,0
12 348,3	10 568,7	7 531,9	4 260,7	3 158,1	2 109,6	1 681,7
3 867,4[6]	2 908,7[4]	2 220,4	1 551,0	954,3	1 066,5	787,6
162,0	162,0	162,0	162,0	162,0	–	–
75,9	61,1	7,0	6,7	–	–	7,4
4 105,3	3 131,8	2 389,4	1 719,7	1 116,3	1 066,5	795,0
392,2	402,1	403,5	403,3	406,6	–	–
3 433,8	75,9	25,9	49,0	62,7	156,2	144,7
9,4	11,9	17,8	35,9	37,4	50,5	92,4
200,4[6]	133,0[4]	65,3	99,1	71,6	61,6	42,3
4 035,8	622,9	512,5	587,3	578,3	268,3	279,4
1 287,5[6]	995,7[4]	648,1	712,7	571,9	353,4	338,6
2 670,3	5 695,3[4, 5]	3 801,8	1 173,8	761,7	290,0	151,5
249,4	123,0	180,1	67,2	129,9	131,4	117,2
4 207,2	6 814,0	4 630,0	1 953,7	1 463,5	774,8	607,3
–	–	–	–	–	–	–
4 207,2	6 814,0	4 630,0	1 953,7	1 463,5	774,8	607,3
12 348,3	10 568,7	7 531,9	4 260,7	3 158,1	2 109,6	1 681,7

(4) The 2008 statement of financial position excludes the Astrix Laboratories Limited balances as this is regarded as a discontinued operation.
(5) This amount includes the financial liability at amortised cost of R2,7 billion.
(6) The 2009 statement of financial position excludes the Oncology business balances as this is regarded as a discontinued operation.

		10-year CAGR	**IFRS Year ended 30 June 2013 R'million**	IFRS Year ended 30 June 2012 R'million	IFRS Year ended 30 June 2011 R'million	IFRS Year ended 30 June 2010 R'million
GROUP STATEMENTS OF CASH FLOWS						
Cash operating profit		28%	**5 960,1**	4 746,0	3 845,0	3 269,5
Working capital movements			**(590,1)**	(869,6)	(463,2)	(344,4)
Cash generated from operations		27%	**5 370,0**	3 876,4	3 381,8	2 925,1
Net financing costs paid			**(584,6)**	(513,9)	(401,3)	(427,1)
Tax paid			**(799,3)**	(454,1)	(534,6)	(465,0)
Cash generated from operating activities		26%	**3 986,1**	2 908,4	2 445,9	2 033,0
Cash used in investing activities			**(6 283,2)**	(2 656,3)	(5 645,5)	(1 020,7)
Cash generated from/(used in) financing activities			**3 610,7**	(288,3)	3 247,0	(498,7)
Translation effects on cash and cash equivalents of foreign operations			**112,8**	273,2	(107,3)	(23,8)
Movement in cash and cash equivalents			**1 426,4**	237,0	(59,9)	489,8
Cash and cash equivalents at the beginning of the year			**1 989,8**	1 752,8	1 812,7	1 322,9
Cash and cash equivalents at the end of the year			**3 416,2**	1 989,8	1 752,8	1 812,7
PERFORMANCE PER SHARE						
Earnings per share – basic	cents		**773,0**	645,8	595,5	494,9
From continuing operations	cents	26%	**773,0**	609,3	495,2	425,4
From discontinued operations	cents		**–**	36,5	100,3	69,5
Earnings per share – diluted	cents		**771,9**	623,2	572,0	474,7
From continuing operations	cents	26%	**771,9**	588,2	476,5	409,1
From discontinued operations	cents		**–**	35,0	95,5	65,6
Headline earnings per share	cents		**788,0**	650,1	520,3	482,9
From continuing operations	cents	26%	**788,0**	649,7	510,9	451,8
From discontinued operations	cents		**–**	0,4	9,4	31,1
Headline earnings per share – diluted	cents		**786,9**	627,3	500,3	463,4
From continuing operations	cents	26%	**786,9**	626,9	491,4	434,1
From discontinued operations	cents		**–**	0,4	8,9	29,3
Normalised headline earnings per share	cents		**837,3**	659,8	554,5	486,8
From continuing operations	cents	27%	**837,3**	659,4	544,3	455,7
From discontinued operations	cents		**–**	0,4	10,2	31,1
Normalised headline earnings per share – diluted	cents		**836,2**	636,6	533,0	467,0
From continuing operations	cents	27%	**836,2**	636,2	523,3	437,7
From discontinued operations	cents		**–**	0,4	9,7	29,3
Capital distribution/dividend per share(7)	cents		**157,0**	105,0	70,0	–
Net asset value per share	cents	37%	**5 007,3**	3 828,7	3 013,9	2 473,1
Diluted operating cash flow per share	cents		**874,1**	639,0	538,3	477,0
From continuing operations	cents	23%	**874,1**	638,6	528,1	442,5
From discontinued operations	cents		**–**	0,4	10,2	34,5
SHARE INFORMATION						
Number of shares in issue – at the end of the year	million		**455,7**	454,8	434,3	431,6
Number of shares in issue (net of treasury shares) – at the end of the year	million		**455,2**	454,2	433,5	431,4
Weighted number of shares in issue	million		**455,4**	436,3	432,9	402,0
Diluted weighted number of shares in issue	million		**456,0**	455,2	454,4	426,2
Market capitalisation at the end of the year	R'million	43%	**103 484,6**	57 234,0	36 480,8	32 845,6

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

(1) Excludes once-off cost of the BBBEE transaction amounting to R282,4 million.

(7) The capital distribution paid in 2013 relates to profits earned in the 2012 financial year. The distributions for the years 2003 to 2012 relates to capital distributions/dividends declared after the preceding year-end.

IFRS Year ended 30 June 2009 R'million	IFRS Year ended 30 June 2008 R'million	IFRS Year ended 30 June 2007 R'million	IFRS Year ended 30 June 2006 R'million	IFRS Year ended 30 June 2005 R'million	SA GAAP Year ended 30 June 2004 R'million	SA GAAP Year ended 30 June 2003 R'million
2 668,3	1 494,0	1 322,0	1 127,5	929,3	670,5	508,6
(507,7)	(435,9)	(353,0)	(487,5)	(52,9)	(44,2)	(11,6)
2 160,6	1 058,1	969,0	640,0	876,4	626,3	497,0
(535,1)	(84,1)	(54,0)	(55,8)	(47,0)	(25,3)	(56,9)
(333,4)	(321,6)	(206,4)	(182,2)	(176,6)	(102,3)	(54,1)
1 292,1	652,4	708,6	402,0	652,8	498,7	386,0
(3 556,7)	(1 456,3)	(431,6)	(442,0)	(799,8)	(282,6)	(351,3)
3 129,0	1 210,7	(50,8)	(152,1)	115,6	54,3	20,9
(486,4)	40,6	9,0	14,8	5,5	(5,2)	(39,4)
378,0	447,4	235,2	(177,3)	(25,9)	265,2	16,2
944,9	497,5	262,3	439,6	465,5	200,3	184,1
1 322,9	944,9	497,5	262,3	439,6	465,5	200,3
374,6	245,3	205,6	185,3	137,6	99,8	76,6
370,1	239,7	205,6	185,3	137,6[1]	99,8	77,0
4,5	5,6	–	–	–	–	(0,4)
362,9	240,1	201,8	179,2	133,9	97,2	74,8
358,7	234,8	201,8	179,2	133,9[1]	97,2	75,2
4,2	5,3	–	–	–	–	(0,4)
389,4	231,3	210,1	185,4	138,3	103,7	79,1
378,1	225,7	210,1	185,4	138,3[1]	103,7	79,1
11,3	5,6	–	–	–	–	–
376,7	227,0	206,1	179,3	134,3	101,0	77,1
366,1	221,7	206,1	179,3	134,3[1]	101,0	77,1
10,6	5,3	–	–	–	–	–
389,4	231,3	210,1	185,4	138,3	103,7	79,1
378,1	225,7	210,1	185,4	138,3	103,7	79,1
11,3	5,6	–	–	–	–	–
376,7	227,0	206,1	179,3	134,3	101,0	77,1
366,1	221,7	206,1	179,3	134,3	101,0	77,1
10,6	5,3	–	–	–	–	–
–	70,0	62,0	48,0	30,0	20,0	11,0
1 072,3	825,4	633,3	446,4	281,1	297,7	222,1
337,6	174,1	190,7	108,6	186,4	136,4	106,7
339,9	176,2	190,7	108,6	186,4	136,4	107,2
(2,3)	(2,2)	–	–	–	–	(0,4)
361,3	391,3	389,6	386,4	378,4	377,0	373,5
360,7	352,4	350,6	347,4	339,4	358,2	354,6
357,9	351,8	348,9	344,1	340,6	356,2	353,1
382,7	374,7	371,6	369,8	350,2	365,8	361,8
19 783,7	12 444,7	14 413,9	14 102,9	9 005,3	4 788,1	2 894,3

		IFRS Year ended 30 June 2013	IFRS Year ended 30 June 2012	IFRS Year ended 30 June 2011	IFRS Year ended 30 June 2010
JSE STATISTICS					
Number of shares traded	million	**243,8**	197,8	249,0	328,1
Number of shares traded as % of weighted average number of shares	%	**53,5**	45,3	57,5	81,6
Market price per share					
year-end	cents	**22 707**	12 585	8 400	7 610
highest	cents	**22 707**	12 761	9 785	8 505
lowest	cents	**12 300**	7 774	7 330	5 375
KEY MARKET PERFORMANCE RATIOS					
Earnings yield	%	**3,7**	5,2	6,5	6,0
Price:earnings ratio	times	**27,1**	19,2	15,4	16,7
BUSINESS PERFORMANCE					
Profitability – measures financial performance of the Group					
Return on ordinary shareholders' equity	%	**17,7**	17,3	18,4	23,1
Return on total assets	%	**16,4**	16,5	17,3	19,7
Return on net assets	%	**22,3**	22,4	22,6	28,8
Revenue growth from continuing operations	%	**26,6**	23,2	28,7	14,0
Gross margin	%	**47,8**	47,7	45,3	46,5
EBITA margin	%	**27,0**	27,0	26,4	27,1
South African EBITA margin	%	**26,6**	28,7	30,7	29,4
Asia Pacific EBITA margin	%	**25,0**	24,3	21,4	14,0
International EBITA margin	%	**40,0**	37,2	28,1	36,3
Sub-Saharan Africa EBITA margin	%	**12,1**	15,0	13,6	7,9
Effective tax rate	%	**21,7**	22,5	21,3	21,3
Liquidity – measures the Group's ability to meet its maturing obligations and unexpected cash needs in the short term					
Current ratio	times	**1,2**	1,4	1,1	1,3
Quick ratio	times	**0,9**	1,0	0,8	0,9
Cash ratio	times	**0,6**	0,5	0,4	0,6
Working capital as % of revenue	%	**27,0**	27,2	22,5[8]	25,3
Debt indicators – measures the Group's ability to meet capital and interest payments over the long term					
Net debt	R'million	**11 057,6**	7 067,7	6 729,1	3 427,8
Net borrowings	R'million	**11 057,6**	7 067,7	6 347,8	3 041,2
Net debt to EBITA cover	times	**2,0**	1,6	1,9	1,3
Net interest cover	times	**9,4**	8,7	8,5	7,5
Gearing ratio	%	**32,7**	28,9	33,7	24,0

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

(1) Excludes once-off cost of the BBBEE transaction amounting to R282,4 million.

(8) The Sigma business revenue has been annualised in calculating this ratio.

	IFRS Year ended 30 June 2009	IFRS Year ended 30 June 2008	IFRS Year ended 30 June 2007	IFRS Year ended 30 June 2006	IFRS Year ended 30 June 2005	SA GAAP Year ended 30 June 2004	SA GAAP Year ended 30 June 2003
	335,5	271,0	359,2	268,8	103,4	82,7	128,9
	93,8	77,0	103,0	78,1	30,3	23,2	36,5
	5 475	3 180	3 700	3 650	2 380	1 270	775
	5 748	3 239	4 016	4 450	2 500	1 410	800
	2 720	2 915	3 055	2 365	1 270	775	640
	6,9	7,1	5,7	5,1	5,8[1]	8,2	10,2
	14,5	14,1	17,6	19,7	17,2	12,2	9,8
	39,1	32,9	38,0	50,9	46,4	38,4	39,2
	23,7	19,0	30,5	31,8	38,4	40,4	36,6
	46,9	42,7	49,1	60,2	62,0	56,8	55,3
	80,3	16,3	16,7	22,6	27,8	16,5	21,1
	45,9	46,4	48,2	48,1	49,4	48,1	45,5
	27,2	26,9	29,7	29,3	29,8	28,7	26,5
	25,6	29,7	32,5	32,5	32,9	31,9	31,3
	12,4	13,9	14,6	14,0	14,9	16,8	20,1
	39,4	43,8	28,2	24,2	20,4	18,9	7,4
	19,2	12,7	26,8	16,7	2,9	(26,3)	(6,1)
	21,2	28,3	28,9	25,3	30,7	32,7	29,6
	1,3	1,1	1,1	1,1	0,9	1,5	1,4
	1,0	0,8	0,9	0,7	0,7	1,2	1,0
	0,6	0,2	1,9	0,4	0,3	0,6	0,3
	25,8	36,8	28,8	23,4	13,0	14,4	15,3
	4 431,9	2 011,0	967,6	1 032,2	866,8	75,6	243,1
	4 039,1	1 597,2	496,5	597,6	384,7	(19,3)	95,8
	1,9	1,6	0,8	1,0	1,0	0,1	0,5
	5,9	14,0	18,8	21,6	21,0	65,1	18,2
	52,4	39,6	28,9	37,6	43,7	6,6	23,6

DEFINITIONS AND FORMULAE

ASIA PACIFIC EBITA MARGIN (%)

EBITA for Asia Pacific from continuing operations
/ Gross revenue for Asia Pacific from continuing operations

CASH RATIO

Cash and cash equivalents
/ Current liabilities (excluding liabilities associated with assets held-for-sale) – bank overdrafts

CURRENT RATIO

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

DILUTED OPERATING CASH FLOW PER SHARE (CENTS)

Cash generated from operating activities
/ Diluted weighted average number of shares (net of treasury shares)

EARNINGS YIELD (%)

Normalised headline earnings per share from continuing operations
/ Market price per share at year-end

EBITA

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

EBITA GROWTH (%)

EBITA (current year) – EBITA (prior year)
/ EBITA (prior year)

EBITA MARGIN (%)

EBITA
/ Gross revenue from continuing operations

EFFECTIVE TAX RATE (%)

Tax from continuing operations
/ Profit before tax from continuing operations

GEARING RATIO (%)

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

GROSS MARGIN (%)

Gross profit from continuing operations
/ Revenue from continuing operations

GROSS REVENUE

Revenue from continuing operations as set out on the segmental analysis on page 87

INTERNATIONAL EBITA MARGIN (%)

EBITA for International from continuing operations
/ Gross revenue for International from continuing operations

MARKET CAPITALISATION

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

NET ASSET VALUE PER SHARE (CENTS)

Ordinary shareholders' equity
/ Number of shares in issue (net of treasury shares)

NET BORROWINGS

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

NET INTEREST COVER (TIMES)

EBITA
/ Interest paid from continuing operations – interest received from continuing operations

NORMALISED DILUTED HEADLINE EARNINGS PER SHARE FROM CONTINUING OPERATIONS GROWTH (%)

Normalised diluted headline earnings per share (current year) – Normalised diluted headline earnings per share (prior year)
/ Normalised diluted headline earnings per share (prior year)

NORMALISED HEADLINE EARNINGS

Headline earnings adjusted for specific non-trading items being transaction costs relating to acquisitions, restructuring costs, settlement of product-related litigation costs and significant one-off tax provision or credits arising from the resolution of prior year tax matters

PRICE: EARNINGS RATIO

$$\frac{\text{Market price per share at year-end}}{\text{Normalised headline earnings per share from continuing operations}}$$

QUICK RATIO

$$\frac{\text{Current assets (excluding assets classified as held-for-sale) – inventories}}{\text{Current liabilities (excluding liabilities associated with assets held-for-sale)}}$$

RETURN ON NET ASSETS (%)

$$\frac{\text{Profit before tax from continuing operations}}{\text{Total average assets – total average liabilities}}$$

RETURN ON ORDINARY SHAREHOLDERS’ EQUITY (%)

$$\frac{\text{Profit attributable to equity holders of the parent from continuing operations}}{\text{Weighted average ordinary shareholders’ equity}}$$

RETURN ON TOTAL ASSETS (%)

$$\frac{\text{EBITA}}{\text{Total weighted average assets (excluding cash and cash equivalents)}}$$

REVENUE

Revenue from continuing operations as set out on the segmental analysis on page 87

REVENUE GROWTH FROM CONTINUING OPERATIONS (%)

$$\frac{\text{Revenue from continuing operations (current year) – revenue from continuing operations (prior year)}}{\text{Revenue from continuing operations (prior year)}}$$

SOUTH AFRICAN EBITA MARGIN (%)

$$\frac{\text{EBITA for South Africa from continuing operations}}{\text{Gross revenue for South Africa from continuing operations}}$$

SSA EBITA MARGIN (%)

$$\frac{\text{EBITA for SSA from continuing operations}}{\text{Gross revenue for SSA from continuing operations}}$$

NET DEBT

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

NET DEBT TO EBITA COVER (TIMES)

$$\frac{\text{Total debt (net of cash)}}{\text{EBITA}}$$

WEIGHTED AVERAGE

This represents a 13-month average beginning from 30 June of the preceding financial year and ending on 30 June of the current financial year

WORKING CAPITAL AS % OF REVENUE

$$\frac{\text{Inventories + trade and other receivables – trade and other payables}}{\text{Annualised net revenue from continuing operations}}$$

CURRENCY OF FINANCIAL STATEMENTS

The Annual Financial Statements are expressed in Rand.

SELECTED GROUP FINANCIAL DATA TRANSLATED INTO US DOLLAR

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

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

Statement of comprehensive income and statement of cash flows information were translated at an average rate of R8,93 (2012: R7,78).

The statement of financial position information was translated at a closing rate of R9,94 (2012: R8,19).

	Change	**Pro forma 2013 USD'million**	Pro forma 2012 USD'million
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013			
CONTINUING OPERATIONS			
Revenue	10%	**2 161,6**	1 961,9
Cost of sales		**(1 128,2)**	(1 026,2)
Gross profit	10%	**1 033,4**	935,7
Net operating expenses		**(440,2)**	(401,7)
Operating profit before amortisation	11%	**593,2**	534,0
Amortisation of intangible assets		**(28,6)**	(27,3)
Operating profit	11%	**564,6**	506,7
Investment income		**33,5**	35,4
Financing costs		**(95,5)**	(99,8)
Profit before tax	14%	**502,6**	442,3
Tax		**(109,2)**	(99,3)
Profit after tax from continuing operations	15%	**393,4**	343,0
DISCONTINUED OPERATIONS			
Profit after tax for the year from discontinued operations		**–**	20,5
Profit for the year	8%	**393,4**	363,5
OTHER COMPREHENSIVE INCOME			
Other comprehensive income, net of tax		**286,4**	190,4
Total comprehensive income		**679,8**	553,9
Profit for the year attributable to			
Equity holders of the parent		**394,1**	362,4
Non-controlling interests		**(0,7)**	1,1
		393,4	363,5
Total comprehensive income attributable to			
Equity holders of the parent		**680,5**	552,4
Non-controlling interests		**(0,7)**	1,5
		679,8	553,9
SELECTED PERFORMANCE INDICATORS FROM CONTINUING OPERATIONS			
Earnings per share (cents)	10%	**86,5**	78,4
Headline earnings per share (cents)	6%	**88,2**	83,5
Normalised headline earnings per share (cents)	10%	**93,7**	84,8
Normalised diluted headline earnings per share (cents)	14%	**93,6**	81,8

	Change	2013 USD'million	2012 USD'million
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2013			
ASSETS			
Non-current assets			
Property, plant and equipment		**436,7**	464,9
Intangible assets		**2 504,5**	2 102,3
Other non-current financial assets		**39,8**	32,5
Total non-current assets	15%	**2 981,0**	2 599,7
Current assets			
Inventories		**412,4**	402,0
Receivables, prepayments and other current assets		**568,9**	467,3
Cash and cash equivalents		**605,2**	404,7
Total current assets	25%	**1 586,5**	1 274,0
Total assets	18%	**4 567,5**	3 873,7
SHAREHOLDERS' EQUITY			
Ordinary shareholders' equity	8%	**2 292,1**	2 123,8
Non-controlling interests		**0,5**	1,1
Total shareholders' equity	8%	**2 292,6**	2 124,9
LIABILITIES			
Non-current liabilities			
Borrowings		**897,3**	763,8
Other non-current financial liabilities		**23,5**	25,6
Deferred tax liabilities		**60,4**	65,5
Total non-current liabilities	15%	**981,2**	854,9
Current liabilities			
Trade and other payables		**419,8**	357,7
Borrowings		**819,8**	504,0
Other current financial liabilities		**54,1**	32,2
Total current liabilities	45%	**1 293,7**	893,9
Total liabilities	30%	**2 274,9**	1 748,8
Total equity and liabilities	18%	**4 567,5**	3 873,7
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013			
Cash generated from operating activities	19%	**446,2**	374,0
Cash used in investing activities		**(703,4)**	(341,6)
Cash generated from/(used in) financing activities		**404,2**	(37,1)
Translation effects on cash and cash equivalents of foreign operations		**(20,4)**	2,1
Movement in cash and cash equivalents		**126,6**	(2,6)
Cash and cash equivalents at the beginning of the year		**255,9**	258,5
Cash and cash equivalents at the end of the year		**382,5**	255,9
Diluted operating cash flow per share from continuing operations (cents)		**97,9**	82,1

Shareholder statistics

ANALYSIS OF SHAREHOLDERS AT 30 JUNE 2013

Ordinary shares	Number of shareholders	% of total shareholders	Number of shares	% of total shareholding
Size of holding				
1 – 2 500	23 589	86,0	30 487 519	6,7
2 501 – 12 500	2 939	10,7	6 461 861	1,4
12 501 – 25 000	382	1,4	4 929 310	1,1
25 001 – 50 000	197	0,6	1 394 290	0,3
50 001 and over	343	1,3	412 465 805	90,5
	27 450	100,0	455 738 785	100,0

Major shareholders

Institutional shareholders

According to the register of shareholders at 30 June 2013, the following are the top 10 registered institutional shareholders.

Institutional shareholder	Number of shares	% of total shareholding
Public Investment Corporation	51 848 438	11,4
Foord Asset Management	14 899 361	3,3
First State Investments	13 126 094	2,7
Vanguard	8 878 690	2,0
BlackRock	8 625 637	1,9
STANLIB Asset Management	7 247 608	1,6
Sanlam Investment Management	6 341 426	1,4
Momentum Investments	4 694 155	1,0
Coronation Fund Managers	4 024 028	0,9
Norges Bank Investment Management	3 891 773	0,9
	123 577 210	27,1

Top 10 beneficial shareholders

According to the register of shareholders at 30 June 2013, the following are the top 10 registered beneficial shareholders. The shareholdings of all directors are disclosed on page 79 of the Remuneration Report.

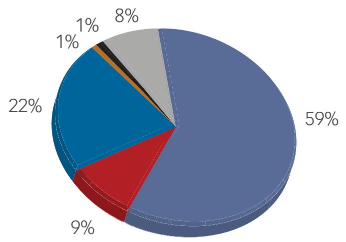
Shareholder	Number of shares	% of total shareholding
Glaxo Group Limited	84 703 136	18,6
Government Employees Pension Fund	57 919 118	12,7
Saad, SB	55 132 421	12,1
Imithi Investments (Pty) Limited	21 160 724	4,6
Attridge, MG	18 837 286	4,1
First State Investments	8 927 662	2,0
Vanguard	8 123 421	1,8
BlackRock	7 761 888	1,7
Foord Asset Management	6 258 186	1,4
Liberty Group	5 458 979	1,2
	274 282 821	60,2

SHAREHOLDERS' SPREAD

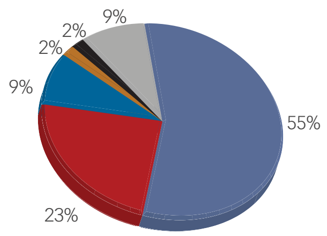
As required by paragraph 8.63 and terms of paragraph of 4.25 of the JSE's Listings Requirements, the spread of the ordinary shareholding at close of business 30 June 2013 was as follows:

	Number of shareholders	Number of shares	% of total shareholding
Non-public shareholders	11	159 504 094	35,0
Directors and directors of major subsidiaries	8	74 270 029	16,3
Glaxo Group	2	84 703 136	18,6
Employee share trusts – treasury shares	1	530 929	0,1
Public shareholders	27 439	296 234 691	65,0
Total shareholding	27 450	455 738 785	100,0

Geographical split of shareholders
Beneficial shareholders 2013

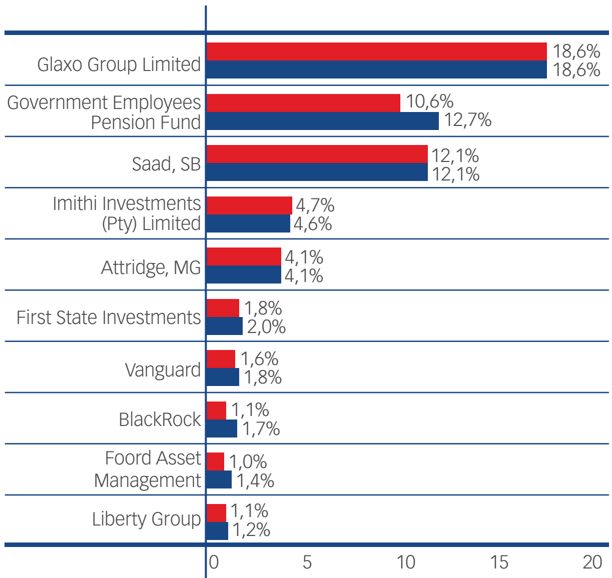


Geographical split of shareholders
Institutional shareholders 2013

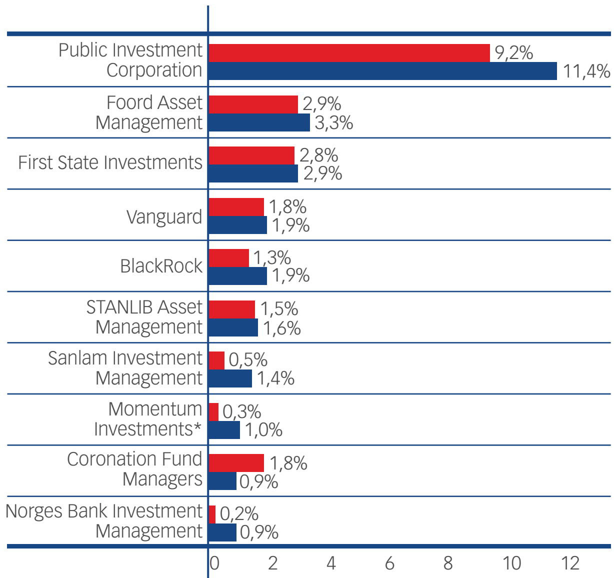


South Africa · United States · United Kingdom · Singapore · Norway · Various other

The analysis of the geographical split of institutional shareholders is based on shareholders of 50 000 or more Aspen shares.



Top 10 beneficial shareholders
Percentage shareholding
2013 2012



Top 10 institutional shareholders
Percentage shareholding
2013 2012

* *Momentum Investments was formed following a merger of RMB Asset Management and Metropolitan Asset Managers. The shareholdings were listed separately in Aspen's 2012 analysis but have been combined for comparative purposes.*

Shareholders' diary

Financial year-end	30 June 2013
Capital distribution and dividend paid to shareholders	14 October 2013
Annual general meeting	3 December 2013

REPORTS AND GROUP RESULTS ANNOUNCEMENT FOR THE 2014 FINANCIAL YEAR	
Interim report	March 2014
Profit announcement for the year	September 2014
Integrated Report and Annual financial statements	November 2014

Administration

COMPANY SECRETARY AND GROUP COMPLIANCE OFFICER
Riaan Verster
BProc, LLB, LLM (Labour Law)
Telephone 031 580 6824
Telefax 031 580 8640
Email rverster@aspenpharma.com
Aspen Park, 98 Armstrong Avenue,
La Lucia Ridge, KwaZulu-Natal
PO Box 25125, Gateway, 4321

REGISTERED OFFICE AND POSTAL ADDRESS
Building Number 8, Healthcare Park, Woodlands Drive,
Woodmead
PO Box 1587, Gallo Manor, 2052
Telephone 011 239 6100
Telefax 011 239 6144

REGISTRATION NUMBER
1985/002935/06

SHARE CODE
APN ISIN: ZAE 000066692

ATTORNEYS
South Africa
Chris Mortimer & Associates
Edward Nathan Sonnenbergs Inc.
Werksmans Inc. Attorneys
Australia
Herbert Smith Freehills
King Wood Mallesons

AUDITORS
PricewaterhouseCoopers Inc.

BANKERS
Absa Bank Limited
Bank of America, N.A.
Commonwealth Bank of Australia
First National Bank, a division of FirstRand Bank Limited
Investec Bank Limited
National Australia Bank Limited
Nedbank Limited
Old Mutual Specialised Finance
Rand Merchant Bank, a division of FirstRand Bank Limited
The Standard Bank of South Africa Limited

SPONSORS
Investec Bank Limited

TRANSFER SECRETARIES
Computershare Investor Services (Pty) Limited
Transfer office: 70 Marshall Street, Johannesburg
PO Box 61051, Marshalltown, 2107
Telephone 011 370 5000
Telefax 011 688 5218

WEBSITE ADDRESS
www.aspenpharma.com

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. All profit forecasts published in this report are unaudited.

BASTION GRAPHICS

Building Number 8, Healthcare Park, Woodlands Drive, Woodmead
PO Box 1587, Gallo Manor, 2052
Telephone 011 239 6100
Telefax 011 239 6144

www.aspenpharma.com