ASPEN PHARMACARE HOLDINGS LIMITED AND ITS SUBSIDIARIES ("ASPEN")
(Registration number 1985/002935/06)
Share code: APN
ISIN: ZAE000066692

Reviewed provisional Group financial results for the year ended 30 June 2016

COMMENTARY

GROUP PERFORMANCE

As reported in the interim results, the factors set out below have significantly affected comparability with the results of the prior year and need to be considered when assessing performance for the 2016 financial year:

1. The completion on 31 August 2015 of the divestment of the generics business conducted in Australia as well as certain branded products distributed in Australia to Strides group companies, the related termination of licence arrangements in Australia and the completion on 1 October 2015 of the divestment of a portfolio of products distributed in South Africa to Litha Pharma (collectively "the Divestments"). The Divestments gave rise to a pre-tax profit on disposal of R1,6 billion. However, as a consequence of the timing of these transactions, the contribution to the trading results by the Divestments is substantially reduced in the 2016 financial year. In the period from 1 July 2015 until the effective date of divestment, revenue from the Divestments was R0,2 billion whereas revenue from the Divestments for the year ended 30 June 2015 was R1,8 billion.

2. The economic situation in Venezuela deteriorated over the year to 30 June 2016 and the Venezuelan authorities have increasingly limited authorisations to pay for pharmaceutical imports using the official DIPRO rate during this period of between Venezuelan Bolivar ("VEF") 6,30 and 10,00 per US Dollar ("USD"). As a consequence of the limited payment approvals and the uncertain economic and political situation in Venezuela, before reporting the interim results for the six months ended 31 December 2015, the Group has concluded that it would be more appropriate to apply the DICOM exchange rate (VEF628,34 per USD at 30 June 2016) to report the Venezuelan business' financial position, results of its operations and cash flows for the year ended 30 June 2016. This has resulted in a one-off currency devaluation loss on foreign denominated liabilities of R870 million.

The profit arising from the Divestments, the currency devaluation loss and the hyperinflationary adjustments relating to Venezuela are excluded, in addition to other specific non-trading items, in determining normalised performance. In order to provide meaningful comparability of the financial performance of the ongoing underlying business, a comparable measure has been determined by removing the contribution from the Divestments and including the results of Aspen's business in Venezuela translated at VEF628,34 per USD in the prior reporting period.

The key performance measures for the Group for the year ended 30 June 2016 and the percentage change from the prior year are summarised as follows:

	Revenue R'billion	%	Operating profit before amortisation R'billion	%	HEPS** cents	%
Comparable normalised***	35,4	12	9,4*	9	1 222,0	15
Normalised	35,6	(2)	9,5*	3	1 263,7	10
Unadjusted	35,6	(2)	9,6	7	889,0	(23)

* Operating profit before amortisation, adjusted for specific non-trading items.
**Headline earnings per share.
***The comparable information has been derived from the reviewed financial information and has not been reported on by Aspen's auditors. This information has been prepared for illustrative purposes only and is the responsibility of the Board of Directors of Aspen.

INTERNATIONAL BUSINESS

The International Business increased comparable revenue 19% to R18,9 billion and grew comparable operating profit before amortisation, adjusted for specific non-trading items ("EBITA"), 15% to R5,9 billion.

Commercial revenue from pharmaceutical product sales to healthcare providers in Europe and the Commonwealth of Independent States ("Europe CIS") improved 22% to R8,4 billion. The acquisition of Mono-Embolex, a thrombolytic product with almost all of its sales in Germany, in the second half of the previous year further strengthened Aspen's portfolio in this therapeutic area.

In Latin America (excluding Venezuela), revenue to customers increased 3% to R3,5 billion. Nutritional sales was the growth driver, increasing 18% and Infacare was successfully launched in Mexico, securing an important government tender. Aspen has suspended trade in Venezuela pending an improvement in economic conditions.

Sales to customers in the North America and the Middle East North Africa territories increased strongly off relatively low bases, growing by 42% and 51% respectively.

Manufacturing revenue continued to advance with particularly strong growth in active pharmaceutical ingredient ("API") sales of 19% to R4,0 billion.

The installation of a new high speed pre-filled syringe filling line at Aspen Notre Dame de Bondeville was completed during the period and commercial production is underway. At Aspen Oss the capital expenditure projects include adding new production capabilities and maintaining the sustainability of the site.

SOUTH AFRICAN BUSINESS

Comparable revenue in South Africa was down 1% at R8,1 billion. Nutritionals products maintained their growth momentum, adding 11% to revenue and there were impressive increases in manufacturing revenue for both APIs (+52%) and finished dose forms (+69%). The pharmaceutical business was however constrained by supply problems which were compounded by sub-optimal prioritisation of available capacity, leading to a weak second half performance. Private sector comparable pharmaceutical revenue was 7% lower. Margins came under pressure from a weakening local currency which raised the cost of imports and from operating expense growing faster than sales. This was the primary cause of the comparable EBITA for the South African business dropping 15% to R1,5 billion.

The new high volume, high potency multipurpose API facility at Fine Chemicals has commenced production. The high containment facility in Port Elizabeth has been completed and manufacturing trials are in progress. Construction of the additional specialist sterile manufacturing facility in Port Elizabeth is progressing and a number of capacity enhancement projects are also underway at this site. These capital projects will provide an important strategic advantage to the Group by enabling it to add value to its expanding portfolio of products that require complex manufacture.

ASIA PACIFIC BUSINESS

In the Asia Pacific region, comparable revenue was up 11% to R7,4 billion and comparable EBITA was 10% higher at R1,6 billion. In Australasia, sales of pharmaceuticals to customers increased 2% to R4,4 billion with a strong performance from core pharmaceutical products in a challenging trading environment being offset by a reduced contribution from licensed products in the process of being phased out. Revenue from the nutritionals range was 6% higher at R1,0 billion. Sales to customers in Asia continued to grow positively, climbing 29% with Japan leading the way.

SUB-SAHARAN BUSINESS

Gross revenue in sub-Saharan Africa increased 18% to R3,3 billion. Currency weakness across the region and unfavourable new VAT legislation in Tanzania squeezed margins, but a compensation payment in the Collaboration assisted the region to raise EBITA 31% to R0,4 billion.

FUNDING

The Group undertook an extremely successful restructuring of its debt arrangements during the year which became effective from 30 June 2016. The Group's USD term debt facilities were repaid under the restructure and replaced by EUR term debt facilities which are better aligned with Aspen's underlying trading cash flows. There was strong interest from debt providers in supporting Aspen's new debt package and the EUR facility was significantly oversubscribed.

Borrowings, net of cash, increased by R2,7 billion to R32,7 billion as a result of unfavourable currency translation effects together with the devaluation of the cash held in Venezuela exceeding net positive cash generated.

Group operating cash flows were negatively affected by a R3,4 billion increase in working capital. The unfavourable currency translation effect on foreign currency denominated working capital balances accounted for R1,4 billion of this increase and planned stock builds relating to transition of manufacturing arrangements were the other major contributing factor.

Gearing improved to 43% from 47% in the previous year while net interest paid was covered 6 times by operating profit before amortisation. Net foreign exchange losses reduced from R480 million in the 2015 financial year to a gain of R36 million in the current year.

POST YEAR END CORPORATE ACTIVITY

In August 2016, Aspen Global Incorporated ("AGI") signed an agreement with AstraZeneca AB and AstraZeneca UK ("AstraZeneca") whereby AGI agreed to acquire the exclusive rights to commercialise AstraZeneca's global (excluding the USA) anaesthetics portfolio ("the AZ Transaction"). AstraZeneca's anaesthetics portfolio comprises seven established medicines, namely Diprivan (general anaesthesia), EMLA (topical anaesthetic) and five local anaesthetics (Xylocaine/Xylocard/Xyloproct, Marcaine, Naropin, Carbocaine and Citanest) ("the AZ Portfolio"). The products in the AZ Portfolio are sold in more than 100 countries worldwide including China, Japan, Australia and Brazil. These products generated revenue of US$592 million in the year ended 31 December 2015. In terms of the concluded agreement, as consideration for the commercialisation rights, AGI will pay US$520 million and double-digit percentage royalties on sales of the AZ Portfolio. Additionally, AGI will make sales related payments of up to US$250 million based on sales in the 24 months following completion. AGI and AstraZeneca have also signed a supply agreement whereby AstraZeneca will supply the AZ Portfolio to AGI. This supply agreement has an initial period of 10 years. This transaction became effective on 1 September 2016. Based on the terms of the agreements and Aspen's current cost of funding, Aspen's interest in the AZ Portfolio would have generated a contribution to profit before tax of approximately US$100 million in the year ended 31 December 2015.

On 12 September 2016 Aspen announced that various Group subsidiaries had concluded three separate transactions with GlaxoSmithkline ("GSK") companies as follows:

- AGI signed an agreement with GSK whereby AGI will acquire a portfolio of anaesthetic products globally (with the exception of certain territories, primarily North America) ("the Anaesthetics Transaction"). GSK's anaesthetics portfolio comprises five established medicines, namely Ultiva (general anaesthesia) and four muscle relaxants (Nimbex, Mivacron, Tracrium and Anectine) ("the GSK Portfolio"). The products in the GSK Portfolio are sold in more than 100 countries worldwide including Japan, Brazil, Korea, Germany and Italy. In terms of the concluded agreement, as consideration for the Portfolio, AGI will pay an initial amount of £180 million and milestone payments of up to £100 million based on the results of the Portfolio in the 36 months following completion. AGI and GSK have also signed a supply agreement whereby GSK will supply the products to AGI for four years. The GSK Portfolio is expected to generate revenue of approximately £70 million in the year ended 31 December 2016. The Anaesthetics Transaction is subject to customary closing conditions and is anticipated to complete during the third quarter of Aspen's 2017 financial year.
- As part of its acquisition of the thrombolytic products Fraxiparine and Arixtra from GSK in 2014, AGI also acquired an option to acquire the same products in certain countries to which GSK retained the rights, most notably China. AGI has exercised its option to acquire Fraxiparine and Arixtra in these countries for a consideration of £45 million. Approximately £30 million of revenue is generated by the thrombolytic products in China. The completion of the acquisition of the thrombolytic products in the relevant territories is subject to customary closing conditions and is expected to occur during the third quarter of Aspen's 2017 financial year.
- Pharmacare Limited ("Pharmacare") and GSK have agreed to cancel the rights of Pharmacare to collaborate in the sub-Saharan business of GSK ("the SSA Collaboration"). These rights were acquired as part of a basket of transactions with GSK in 2009. GSK will pay Pharmacare £45 million as consideration for the cancellation. The SSA Collaboration generated approximately R2,6 billion of gross revenue in the 2016 financial year. The cancellation of the SSA Collaboration is expected to become effective in the third quarter of Aspen's 2017 financial year.

If the GSK Portfolio was owned for the entire 2017 financial year, it would be expected to add approximately 75 cents per share to the normalised headline earnings per share ("NHEPS") of the Group. The net impact on NHEPS of the acquisition of the thrombolytic products and the cancellation of the SSA Collaboration should not be material.

PROSPECTS

The transactions announced after the closing of the 2016 financial year represent further steps in Aspen's strategy to move towards sharpened focus on key therapy areas and to move away from areas where the Group is less able to add value. This intent is also reflected in the Divestments completed earlier in the year. A key element of Aspen's inorganic expansion strategy is to acquire products within therapeutic areas that are both niche in nature and complementary to its existing operations. Anaesthetics has been identified as a therapeutic category which is aligned with the Group's strategic development plans. The AZ Portfolio and the GSK Portfolio are complementary, providing Aspen with a leading range of anaesthetic products distributed globally. As a category of pharmaceuticals that primarily involves sterile manufacturing and that is dispensed largely in hospitals and clinics, anaesthetics present an opportunity to leverage both Aspen's existing hospital focused sales force that is currently promoting thrombolytic products and, potentially in due course, sterile manufacturing capabilities. Furthermore, the key territories in which the anaesthetics are sold represent an excellent fit with Aspen's existing operational geographic footprint and those territories where the Group has ambitions to establish a presence. The transactions also have initiated the establishment of a material business in China where the acquisition of the thrombolytic products from GSK creates synergistic opportunities with the acquired AZ Portfolio.

Significant work has been done in effectively consolidating the major acquisitions that were concluded in the 2015 financial year, including bringing three major manufacturing sites into the Aspen supply network and transferring more than 2 000 new employees to Aspen. The foundation has been well set for the business units to continue to build on the positive results delivered in the 2016 financial year. The South African private sector pharmaceutical division is expected to record growth in the forthcoming year although the first half will continue to suffer from supply issues.

Inventory carrying levels remain too high in certain business units and various projects are underway to rectify this position. Inevitably though, working capital will need to be built to sustain the recent acquisitions.

Aspen trades in a diversified mix of currencies which generally diminishes currency risk on a Group-wide basis. This risk has been further mitigated by the replacement of USD debt with EUR debt, achieving better matching between trading cash flows and borrowings.

In the 2015 final results announcement, Aspen identified a number of projects aimed at delivering synergies from recent acquisitions, targeting an additional R2,5 billion in EBITA from these synergies by the 2019 financial year. These projects include lowering the cost of goods for the thrombolytic products portfolio, improving margins in the infant nutritionals business, bringing new manufacturing capacity and technologies on-line, building the third-party API business and leveraging acquired intellectual property. Particular opportunities have been identified to build a niche business based on supply of specialised APIs and finished dose forms to the United States. Significant progress has been made over the last year in regard to the realisation of these synergies. Aspen is confident that this target will be achieved and exceeded. Benefits of approximately R300 million came through during the past year. It is anticipated that between R500 million and R1 billion in further synergies will be achieved in the 2017 financial year. The realisation of these synergies, ongoing organic growth from the base business and the added contribution from the recently announced anaesthesia acquisitions are expected to result in a strong increase in earnings in the 2017 financial year.

DIVIDEND TO SHAREHOLDERS

Taking into account the earnings and cash flow performance for the year ended 30 June 2016, existing debt service commitments, future proposed investments and funding options, notice is hereby given that the Board has declared a gross dividend of 248 cents per ordinary share to shareholders (or 210.8 cents net of dividend withholding tax) recorded in the share register of the Company at the close of business on 7 October 2016 (2015: capital distribution of 216 cents per share). A dividend withholding tax will be applicable to shareholders who are not exempt. The company income tax number is 9325178714. The issued share capital of the company is 456 351 337. The dividend is paid from income reserves.

Shareholders should seek their own advice on the tax consequences associated with the dividend. The directors are of the opinion that the Company will, subsequent to the payment of the dividend, satisfy the solvency and liquidity requirements in terms of sections 4 and 46 of the Companies Act, 2008.

Future distributions will continue to be decided on a year-to-year basis.

In compliance with IAS 10: *Events After Balance Sheet Date*, the dividend will only be accounted for in the financial statements in the year ending 30 June 2017.

Last day to trade cum dividend	Tuesday, 4 October 2016
Shares commence trading ex-dividend	Wednesday, 5 October 2016
Record date	Friday, 7 October 2016
Payment date	Monday, 10 October 2016

Share certificates may not be dematerialised or rematerialised between Wdenesday, 5 October 2016 and Friday, 7 October 2016.

By order of the Board

K D Dlamini
(Chairman)

S B Saad
(Group Chief Executive)

Woodmead
14 September 2016

GROUP STATEMENT OF FINANCIAL POSITION

at 30 June 2016

	Reviewed 2016 R'billion	Audited 2015 R'billion
ASSETS		
Non-current assets		
Intangible assets	**49,1**	40,5
Property, plant and equipment	**9,7**	7,9
Goodwill	**6,0**	5,0
Deferred tax assets	**1,1**	1,1
Contingent environmental indemnification assets	**0,8**	0,7
Other non-current assets	**0,4**	0,5
Total non-current assets	**67,1**	55,7
Current assets		
Inventories	**14,4**	10,8
Receivables and other current assets	**11,8**	10,3
Cash and cash equivalents	**10,9**	8,7
Total operating current assets	**37,1**	29,8
Assets classified as held-for-sale	**0,1**	2,9
Total current assets	**37,2**	32,7
Total assets	**104,3**	88,4
SHAREHOLDERS' EQUITY		
Reserves	**40,6**	31,1
Share capital (including treasury shares)	**1,9**	3,0
Total shareholders' equity	**42,5**	34,1
LIABILITIES		
Non-current liabilities		
Borrowings	**32,7**	25,5
Other non-current liabilities	**2,5**	2,1
Unfavourable and onerous contracts	**2,2**	2,1
Deferred tax liabilities	**1,8**	1,7
Contingent environmental liabilities	**0,8**	0,7
Retirement and other employee benefit obligations	**0,7**	0,4
Total non-current liabilities	**40,7**	32,5
Current liabilities		
Borrowings*	**10,9**	13,2
Trade and other payables	**8,3**	6,8
Other current liabilities	**1,5**	1,5
Unfavourable and onerous contracts	**0,4**	0,3
Total current liabilities	**21,1**	21,8
Total liabilities	**61,8**	54,3
Total equity and liabilities	**104,3**	88,4
Number of shares in issue (net of treasury shares) ('million)	**456,1**	456,1
Net asset value per share (cents)	**9 320,5**	7 485,7

* Includes bank overdrafts.

GROUP STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2016

	Notes	Change	Reviewed 2016 R'billion	Audited 2015 R'billion
Revenue		(2%)	**35,6**	36,1
Cost of sales			**(17,7)**	(18,8)
Gross profit		4%	**17,9**	17,3
Selling and distribution expenses			**(6,0)**	(5,6)
Administrative expenses			**(2,6)**	(2,9)
Other operating income			**1,9**	0,5
Other operating expenses			**(2,2)**	(0,9)
Operating profit	B#	6%	**9,0**	8,4
Investment income	C#		**0,3**	0,4
Financing costs	D#		**(3,2)**	(2,3)
Profit before tax		(6%)	**6,1**	6,5
Tax			**(1,8)**	(1,3)
Profit for the year		(17%)	**4,3**	5,2
OTHER COMPREHENSIVE INCOME, NET OF TAX*				
Currency translation gains	E#		**5,2**	0,9
Remeasurement of retirement and other employee benefit obligations			**(0,1)**	–
Total comprehensive income+			**9,4**	6,1
Weighted average number of shares in issue ('million)			**456,4**	456,3
Diluted weighted average number of shares in issue ('million)			**456,5**	456,5
EARNINGS PER SHARE				
Basic earnings per share (cents)		(17%)	**945,4**	1 139,8
Diluted earnings per share (cents)		(17%)	**945,2**	1 139,5
DISTRIBUTION TO SHAREHOLDERS				
Capital distribution per share (cents)			**216,0**	188,0

The capital distribution to shareholders of 216,0 cents relates to the distribution declared on 9 September 2015 and paid on 12 October 2015. (2015: the distribution of 188,0 cents relates to the distribution declared on 10 September 2014 and paid on 13 October 2014).

* Remeasurement of retirement and other employee benefit obligations will not be reclassified to profit and loss. All other items in other comprehensive income may be reclassified to profit and loss.
+ Total comprehensive income is disclosed net of income from non-controlling interests which are not material.
# See notes on supplementary information.

GROUP STATEMENT OF HEADLINE EARNINGS

for the year ended 30 June 2016

	Change	Reviewed 2016 R'billion	Restated 2015 R'billion
HEADLINE EARNINGS+			
Reconciliation of headline earnings			
Profit attributable to equity holders of the parent	(17%)	4,3	5,2
Adjusted for:			
– Profit on the sale of tangible and intangible assets (net of tax)		–	(0,2)
– Net impairment of intangible assets (net of tax)		0,9	0,2
– Profit on disposal of assets classified as held-for-sale (net of tax)		(1,2)	–
	(23%)	4,0	5,2
HEADLINE EARNINGS PER SHARE			
Headline earnings per share (cents)	(23%)	889,0	1 149,9
Diluted headline earnings per share (cents)	(23%)	888,8	1 149,7
NORMALISED HEADLINE EARNINGS*			
Reconciliation of normalised headline earnings			
Headline earnings	(23%)	4,0	5,2
Adjusted for:			
– Restructuring costs (net of tax)		0,3	0,1
– Transaction costs (net of tax)		0,6	0,2
– Net monetary adjustments and currency devaluations relating to hyperinflationary economies (net of tax)		0,9	(0,3)
	10%	5,8	5,2
NORMALISED HEADLINE EARNINGS PER SHARE			
Normalised headline earnings per share (cents)	10%	1 263,7	1 145,8
Normalised diluted headline earnings per share (cents)	10%	1 263,4	1 145,6

* The definition of normalised headline earnings was amended in terms of a change in accounting policy to exclude net monetary adjustments and currency devaluations relating to hyperinflationary economies. NHEPS for the year ended 30 June 2015 has been restated from the previously reported value of 1 219,1 cents.

\# See notes on supplementary information.

\+ Headline earnings is disclosed net of income from non-controlling interests which are not material.

GROUP STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2016

	Share capital (including treasury shares) R'billion	Reserves R'billion	Total* R'billion
BALANCE AT 1 JULY 2014	3,9	25,0	28,9
Total comprehensive income	–	6,1	6,1
Profit for the year	–	5,2	5,2
Other comprehensive income	–	0,9	0,9
Capital distribution and dividends paid	(0,9)	–	(0,9)
BALANCE AT 30 JUNE 2015	3,0	31,1	34,1
Total comprehensive income	–	9,4	9,4
Profit for the year	–	4,3	4,3
Other comprehensive income	–	5,1	5,1
Capital distribution and dividends paid	(1,0)	–	(1,0)
Treasury shares purchased	(0,1)	–	(0,1)
Share-based payment expenses	–	0,1	0,1
BALANCE AT 30 JUNE 2016	1,9	40,6	42,5

* Total shareholders' equity is disclosed net of income from non-controlling interests which are not material.

GROUP STATEMENT OF CASH FLOWS
for the year ended 30 June 2016

	Notes	Reviewed 2016 R'billion	Audited 2015 R'billion
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash operating profit		**9,8**	9,5
Changes in working capital		**(3,4)**	(1,5)
Cash generated from operations		**6,4**	8,0
Net financing costs paid		**(1,7)**	(2,0)
Tax paid		**(1,5)**	(1,2)
Cash generated from operating activities		**3,2**	4,8
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure – property, plant and equipment	A#	**(1,7)**	(1,6)
Proceeds on the sale of property, plant and equipment		**–**	0,2
Capital expenditure – intangible assets	A#	**(1,1)**	(0,8)
Proceeds on the sale of intangible assets		**0,2**	0,4
Acquisition of subsidiaries and businesses	J#	**(0,7)**	(2,2)
Acquisition of joint venture		**–**	(0,1)
Increase in other non-current assets		**–**	(0,1)
Payment of deferred consideration relating to prior year business acquisitions		**(0,7)**	(0,5)
Proceeds on the disposal of assets classified as held-for-sale		**5,1**	3,1
Proceeds receivable on the disposal of assets classified as held-for-sale	H#	**5,2**	3,1
Outstanding proceeds on the disposal of assets classified as held-for-sale		**(0,1)**	–
Cash generated from/(used in) investing activities		**1,1**	(1,6)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net repayments of borrowings		**(2,0)**	(1,3)
Capital distribution and dividends paid		**(1,0)**	(0,9)
Treasury shares purchased		**(0,1)**	–
Cash used in financing activities		**(3,1)**	(2,2)
Movement in cash and cash equivalents before effects of exchange rate changes		**1,2**	1,0
Effects of exchange rate changes		**(0,2)**	(0,3)
Movement in cash and cash equivalents		**1,0**	0,7
Cash and cash equivalents at the beginning of the year		**6,9**	6,2
Cash and cash equivalents at the end of the year		**7,9**	6,9
Operating cash flow per share (cents)		**706,7**	1 060,3
RECONCILIATION OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents per the statement of financial position		**10,9**	8,7
Less: Bank overdrafts		**(3,0)**	(1,8)
		7,9	6,9

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.

GROUP SEGMENTAL ANALYSIS

for the year ended 30 June 2016

	Reviewed 2016 R'billion	Reviewed 2016 % of total	Audited restated 2015 R'billion	Audited restated 2015 % of total	Change
REVENUE					
International@	**18,9**	**50**	18,5	49	2%
South Africa^	**8,1**	**21**	8,6	23	(5%)
Asia Pacific	**7,6**	**20**	8,1	21	(6%)
SSA	**3,3**	**9**	2,8	7	18%
Total gross revenue	**37,9**	**100**	38,0	100	–
Adjustment*	**(2,3)**		(1,9)		
Total revenue	**35,6**		36,1		(2%)
OPERATING PROFIT BEFORE AMORTISATION					
Adjusted for specific non-trading items ("EBITA")					
International	**5,9**	**62**	5,2	56	14%
Operating profit#	**4,3**		4,6		(7%)
Amortisation of intangible assets	**0,4**		0,3		
Transaction costs	**0,3**		0,1		
Restructuring costs	**0,3**		0,1		
Profit on the sale of assets	**(0,2)**		(0,1)		
Impairment of assets	**0,8**		0,2		
South Africa	**1,5**	**16**	2,0	21	(23%)
Operating profit#	**2,8**		1,8		51%
Amortisation of intangible assets	**–**		0,1		
Profit on the sale of assets	**(1,4)**		–		
Net impairment of assets	**0,1**		0,1		
Asia Pacific	**1,7**	**18**	1,7	19	(6%)
Operating profit#	**1,5**		1,7		(13%)
Amortisation of intangible assets	**0,2**		0,1		
Profit on the sale of assets	**–**		(0,1)		
SSA	**0,4**	**4**	0,3	4	31%
Operating profit#	**0,4**		0,3		31%
Total EBITA	**9,5**	**100**	9,2	100	3%
ENTITY-WIDE DISCLOSURE – REVENUE+					
Commercial revenue by customer geography					
Commercial – Pharmaceutical	**27,9**	**74**	28,0	74	(1%)
Europe CIS	**8,5**	**23**	7,0	18	22%
Asia Pacific	**6,3**	**17**	7,0	19	(11%)
South Africa	**6,2**	**16**	7,0	18	(12%)
SSA	**3,2**	**9**	2,8	7	15%
Latin America (excluding hyperinflationary economy)	**2,0**	**5**	2,1	6	(5%)
Middle East and North Africa	**0,9**	**2**	0,6	2	51%
USA and Canada	**0,9**	**2**	0,6	2	42%
Hyperinflationary economy	**–**	**–**	0,9	2	(100%)
Commercial – Nutritionals	**3,5**	**9**	4,9	13	(28%)
Latin America (excluding hyperinflationary economy)	**1,5**	**4**	1,3	3	18%
Asia Pacific	**1,0**	**3**	1,0	3	6%
South Africa	**0,9**	**2**	0,7	2	11%
SSA	**0,1**	**–**	0,1	–	51%
Hyperinflationary economy	**–**	**–**	1,8	5	(100%)
Total commercial revenue	**31,4**	**83**	32,9	87	(5%)
Manufacturing revenue by geography of manufacturer					
Manufacturing revenue – finished dose forms	**2,1**	**5**	1,5	4	37%
South Africa	**0,9**	**2**	0,5	1	69%
Europe CIS	**0,7**	**2**	0,5	2	39%
Asia Pacific	**0,5**	**1**	0,5	1	–
Manufacturing revenue – APIs	**4,4**	**12**	3,6	9	22%
Europe CIS	**4,0**	**11**	3,3	9	19%
South Africa	**0,4**	**1**	0,3	–	52%
Total manufacturing revenue	**6,5**	**17**	5,1	13	26%
Total gross revenue	**37,9**	**100**	38,0	100	–
Adjustment*	**(2,3)**		(1,9)		
Total revenue	**35,6**		36,1		(2%)
Summary of regions					
International	**18,4**	**49**	18,1	49	2%
South Africa	**8,4**	**21**	8,5	21	(3%)
Asia Pacific	**7,8**	**21**	8,5	23	(8%)
SSA	**3,3**	**9**	2,9	8	16%
Total gross revenue	**37,9**	**100**	38,0	100	–
Adjustment*	**(2,3)**		(1,9)		
Total revenue	**35,6**		36,1		(2%)

@ Excludes intersegment revenue of R2,6 billion (2015: R1,8 billion).
^ Excludes intersegment revenue of R0,3 billion (2015: R0,1 billion).
* The profit share from the SSA Collaboration has been disclosed as revenue in the statement of comprehensive income. For segmental purposes the total revenue for the SSA Collaboration has been included to provide enhanced revenue visibility in this territory.
# The aggregate segmental operating profit is R9,0 billion (2015: R8,4 billion).
+ The entity-wide revenue disclosure format has been restated to reflect Aspen's current operating model. Refer to the basis of accounting for detailed information.

GROUP SUPPLEMENTARY INFORMATION

for the year ended 30 June 2016

		Note	Reviewed 2016 R'billion	Audited 2015 R'billion
A.	**CAPITAL EXPENDITURE**			
	Incurred		**2,8**	2,4
	– Property, plant and equipment		**1,7**	1,6
	– Intangible assets		**1,1**	0,8
	Contracted		**1,2**	0,7
	– Property, plant and equipment		**0,8**	0,6
	– Intangible assets		**0,4**	0,1
	Authorised but not contracted for		**2,6**	2,6
	– Property, plant and equipment		**2,1**	2,4
	– Intangible assets		**0,5**	0,2
B.	**OPERATING PROFIT HAS BEEN ARRIVED AT AFTER CHARGING/(CREDITING):**			
	Depreciation of property, plant and equipment		**0,6**	0,5
	Amortisation of intangible assets		**0,6**	0,5
	Net impairment of assets		**0,9**	0,3
	Share-based payment expenses – employees		**0,1**	0,1
	Transaction costs		**0,3**	0,1
	Restructuring costs		**0,3**	0,1
	Profit on the disposal of assets classified as held-for-sale		**(1,6)**	–
C.	**INVESTMENT INCOME**			
	Interest received		**0,3**	0,4
D.	**FINANCING COSTS**			
	Interest paid		**(1,8)**	(1,8)
	Debt raising fees on acquisitions		**(0,3)**	(0,1)
	Net foreign exchange losses		**–**	(0,5)
	Notional interest on financial instruments		**(0,2)**	(0,2)
	Net monetary adjustments and currency devaluations relating to hyperinflationary economies	F#	**(0,9)**	0,3
			(3,2)	(2,3)

E. CURRENCY TRANSLATION GAINS

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

F. HYPERINFLATIONARY ECONOMY

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

Effective March 2016 two regulated exchange rates were applicable to Aspen's business:

- The DIPRO rate (previously the official CENCOEX rate) for the importation of high priority goods including nutritionals and pharmaceutical medicines. This rate increased to VEF10,0 per USD from VEF6,30 per USD in March 2016.
- The DICOM rate (previously the SIMADI rate) which is a floating rate published daily by the Venezuelan central bank. The DICOM rate opened in March 2016 at an initial rate of VEF206,8 per USD and the closing rate at 30 June was VEF628,34 per USD. The previous SIMADI rate was VEF200 per USD as at 31 December 2015.

Due to the continuing political and economic uncertainty in Venezuela, the Group concluded in December 2015 that it would be more appropriate to apply the DICOM rate (previously the SIMADI rate) to report the Venezuelan business financial position, results of operations and cash flows for the 12 months ended 30 June 2016. The economic situation in Venezuela has further deteriorated since December 2015 and the Venezuelan authorities have only approved payments for imports to the value of USD3 million at the DIPRO rate (previously the official CENCOEX rate) which ranged between VEF6,30 and 10,0 per USD during the second six-month period to 30 June 2016. (For the six-month period to 31 December imports to the value of USD9 million were approved at the DIPRO rate).

F. HYPERINFLATIONARY ECONOMY CONTINUED

This has resulted in a devaluation loss on foreign denominated liabilities of R870 million (December 2015: R841 million). For the 12 months ended 30 June 2015, the Group applied the DIPRO rate (previously the official CENCOEX rate) of 6,30 per USD as circumstances at that time supported this rate. Aspen will continue to monitor the development of payments received and the exchange rate mechanism. Should the receipt of payments from Venezuela improve or if it can no longer be assumed that the DICOM exchange rate is the relevant exchange rate for the translation this could lead to an amended estimate, which in turn could trigger an amended currency translation. No significant trading activity was undertaken during the six-month period to 30 June 2016 and the business has accordingly been downscaled pending a future change in the economic conditions.

	2016 R'billion	2015 R'billion
G. GUARANTEES TO FINANCIAL INSTITUTIONS		
Material guarantees given by Group companies for indebtedness of subsidiaries to financial institutions	**40,6**	13,4
H. PROCEEDS ON THE DISPOSAL OF ASSETS CLASSIFIED AS HELD-FOR-SALE		
Divestment of a portfolio of products in South Africa to Litha	**1,7**	–
Divestment of generics business and certain branded products to Strides entities	**3,4**	–
Divestment of land and buildings in Australia	**0,1**	–
Divestment of fondaparinux products to Mylan	**–**	3,1
	5,2	3,1

Divestment of a portfolio of products in South Africa to Litha

On 9 May 2015, Pharmacare, the Group's primary South African trading company, concluded a set of agreements with Litha Pharma (Pty) Limited ("Litha") (a wholly owned South African subsidiary of Endo International Plc) in terms of which Pharmacare divested a portfolio of products from its pharmaceutical division for a consideration of R1,7 billion. The portfolio of products comprised injectables and established brands. The approval of this transaction by the South African competition authorities was obtained on 4 August 2015. This transaction was completed on 1 October 2015.

Divestment of generics business and certain branded products to Strides entities

On 20 May 2015 certain of Aspen's wholly owned Australian subsidiaries (collectively "Aspen Australia") entered into an agreement with Strides (Australia) Pharma (Pty) Limited in terms of which Aspen Australia divested a portfolio of approximately 130 products for a consideration of AU$217 million. The portfolio of products in this transaction comprised a generic pharmaceutical business together with certain branded pharmaceutical assets. In a separate transaction, AGI entered into an agreement with Strides Pharma Global Pte Limited in terms of which AGI divested a portfolio of six branded prescription products for a consideration of US$77 million. Both of the above transactions completed on 31 August 2015.

I. DISPUTED INCOME TAX MATTER

The Aspen Group has been subject to an international tax audit by the South African Revenue Service and Aspen Pharmacare Holdings Limited has received a revised assessment in relation to its 2011 fiscal year as a consequence of this audit. Aspen has disputed the assessment and there has been no change in the status thereof. Aspen believes that it has appropriately dealt with its related party transactions and that this position is supported by Aspen's legal and tax advisers.

J. ACQUISITION OF SUBSIDIARIES AND BUSINESSES

2016

Set out below is the provisional accounting for the following June 2016 business combinations:

Norgine SA

On 21 May 2015, Pharmacare acquired 100% of the issued share capital of Norgine (Pty) Limited in South Africa ("Norgine SA") for a consideration of €29 million. Norgine SA commercialises a portfolio of branded gastro-intestinal products in South Africa and surrounding territories. The approval of this transaction by the South African competition authorities was obtained on 25 August 2015. This transaction was completed on 30 September 2015.

Post-acquisition revenue included in the statement of comprehensive income was R100,4 million. The estimation of post-acquisition operating profits is impracticable and not reasonably determinable due to the immediate integration of the business into the existing operations of the Group.

HPC business

AGI entered into an agreement with McGuff Pharmaceuticals Inc. ("McGuff") for the exclusive supply of the finished dose form of Hydroxyprogesterone Caproate ("HPC") in the USA. AGI acquired the related intellectual property and the approved Abbreviated New Drug Application for an upfront consideration of US$15 million. Milestone payments, of between US$21 million and US$28 million, are payable over a five-year supply term and are partly contingent on future sales performance.

Post-acquisition revenue included in the statement of comprehensive income was R29,9 million. The estimation of post-acquisition operating profits is impracticable and not reasonably determinable due to the immediate integration of the business into the existing operations of the Group.

	Norgine SA R'billion	HPC business R'billion	Total R'billion
Fair value of assets and liabilities acquired			
Intangible assets	**0,5**	**0,6**	**1,1**
Trade and other receivables	**0,1**	**–**	**0,1**
Trade and other payables	**(0,1)**	**–**	**(0,1)**
Purchase consideration paid	**0,5**	**0,6**	**1,1**
Deferred consideration	**–**	**(0,4)**	**(0,4)**
Cash outflow on acquisition	**0,5**	**0,2**	**0,7**

2015

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

Kama

On 1 May 2015, the Company acquired 65% of the issued share capital of Kama Industries Limited ("Kama"), a privately owned company incorporated in Ghana for a purchase consideration of US$4,5 million.

Florinef and Omcilon business

AGI and Aspen Brazil entered into an agreement with Bristol Myers Squibb Company for the acquisition of the rights to two corticosteroids. Florinef, in certain countries (primarily Japan, the United Kingdom and Brazil) and Omcilon in Brazil, for a consideration of US$41 million. Contingent consideration of US$4 million was paid to Bristol Myers Squibb Company. Additional consideration of up to US$2 million is payable in the event of certain regulatory approvals being obtained but it is not possible to ascertain the likelihood of these occurring at this time. The transaction became effective on 1 November 2014.

Mono-Embolex business

AGI acquired the rights to Mono-Embolex, an injectable anticoagulant, from Novartis AG for a consideration of US$142 million effective 20 February 2015.

	Kama R'billion	Florinef and Omcilon business R'billion	Mono-Embolex business R'billion	Total R'billion
Fair value of assets and liabilities acquired				
Property, plant and equipment	0,1	–	–	0,1
Intangible assets	–	0,4	1,7	2,1
Deferred tax liabilities	–	–	(0,1)	(0,1)
Fair value of net assets acquired	0,1	0,4	1,6	2,1
Goodwill acquired	–	–	0,1	0,1
Cash outflow on acquisition	0,1	0,4	1,7	2,2

The initial accounting for these acquisitions, which were classified as business combinations in the prior year, were reported on a provisional basis and was finalised in the June 2016 financial year.

K. ILLUSTRATIVE COMPARABLE EARNINGS

The comparability of the reported results for the year ended 30 June 2016 to the prior reporting period has been influenced by the following factors:

- The completion on 31 August 2015 of the divestment of the generics business conducted in Australia as well as certain branded products distributed in Australia to Strides group companies, the related termination of licence arrangements in Australia and the completion on 1 October 2015 of the divestment of a portfolio of products distributed in South Africa to Litha Pharma (collectively "the Divestments"). The contribution to the Aspen results by the Divestments is consequently substantially reduced in the current period. In the period from 1 July 2015 until effective date of divestment, revenue from the Divestments was R0,2 billion whereas revenue from the Divestments for the year ended 30 June 2015 was R1,8 billion.
- The change in translation rate to report the financial position, results of operations and cash flows relating to Aspen's Venezuelan business for the year ended 30 June 2016 from the official DIPRO rate (previously CENCOEX) which ranged between 6,3 and 10,0 per USD to the DICOM rate (previously SIMADI rate) of VEF628,34 per USD.

To provide meaningful comparability of the financial performance of Aspen's ongoing underlying business, a measure described as comparable normalised headline earnings, has been determined which excludes the contribution from the Divestments and includes the results of Aspen's Venezuelan business translated at the DICOM rate of VEF628,34 per USD for the prior reporting period.

Set out below is the comparable information for revenue, operating profit, normalised headline earnings and NHEPS. The comparable group segmental analysis and comparable group statement of comprehensive income are included to enable meaningful analytical review. The comparable information has been derived from the reviewed financial information and has not been reported on by Aspen's auditors. This information has been prepared for illustrative purposes only and is the responsibility of the Board of Directors of Aspen.

	Change	**Illustrative 2016 R'billion**	Illustrative 2015 R'billion
COMPARABLE REVENUE			
Reconciliation of comparable revenue			
Revenue	(2%)	**35,6**	36,1
Adjusted for:			
– Revenue from the Divestments		**(0,2)**	(1,8)
– Translation of Aspen Venezuela's revenue at the DICOM exchange rate		**–**	(2,7)
Comparable revenue	12%	**35,4**	31,6
COMPARABLE OPERATING PROFIT			
Reconciliation of comparable operating profit			
EBITA	3%	**9,5**	9,2
Amortisation		**(0,6)**	(0,5)
Normalised operating profit		**8,9**	8,7
Adjusted for:			
– Operating profit from the Divestments		**(0,1)**	(0,6)
Comparable operating profit	8%	**8,8**	8,1
COMPARABLE NORMALISED HEADLINE EARNINGS+			
Reconciliation of comparable normalised headline earnings			
Normalised headline earnings	10%	**5,8**	5,2
Adjusted for:			
– Operating profit from the Divestments (net of tax)		**–**	(0,4)
– Interest savings from proceeds on the Divestments (net of tax)		**(0,2)**	–
Comparable normalised headline earnings	15%	**5,6**	4,8
COMPARABLE NORMALISED HEADLINE EARNINGS PER SHARE			
Comparable normalised headline earnings per share (cents)	15%	**1 222,0**	1 066,7

+ Comparable headline earnings is disclosed net of income from non-controlling interests which are not material.

COMPARABLE GROUP SEGMENTAL ANALYSIS

for the year ended 30 June 2016

	Illustrative 2016		Illustrative 2015		
	R'billion	**% of total**	R'billion	% of total	Change
REVENUE					
International	**18,9**	**50**	15,8	48	19%
South Africa	**8,1**	**22**	8,2	24	(1%)
Asia Pacific	**7,4**	**20**	6,7	20	11%
SSA	**3,3**	**8**	2,8	8	18%
Gross revenue	**37,7**	**100**	33,5	100	12%
Adjustment*	**(2,3)**		(1,9)		
Total revenue	**35,4**		31,6		12%
NORMALISED OPERATING PROFIT BEFORE AMORTISATION					
Adjusted for specific non-trading items ("EBITA")					
International	**5,9**	**63**	5,1	59	15%
South Africa	**1,5**	**16**	1,8	20	(15%)
Asia Pacific	**1,6**	**17**	1,4	17	10%
SSA	**0,4**	**4**	0,3	4	31%
Total EBITA	**9,4**	**100**	8,6	100	9%
ENTITY-WIDE DISCLOSURE – REVENUE					
Commercial revenue by customer geography					
Commercial – Pharmaceutical	**27,7**	**74**	25,3	75	10%
Europe CIS	**8,5**	**23**	7,0	20	22%
Asia Pacific	**6,1**	**16**	5,6	17	8%
South Africa	**6,2**	**17**	6,6	20	(6%)
SSA	**3,2**	**9**	2,8	8	15%
Latin America (excluding hyperinflationary economy)	**2,0**	**5**	2,1	6	(5%)
Middle East and North Africa	**0,9**	**2**	0,6	2	51%
USA and Canada	**0,8**	**2**	0,6	2	42%
Commercial – Nutritionals	**3,5**	**9**	3,1	9	13%
Latin America (excluding hyperinflationary economy)	**1,5**	**4**	1,3	4	18%
Asia Pacific	**1,0**	**3**	1,0	3	6%
South Africa	**0,9**	**2**	0,7	2	11%
SSA	**0,1**	**–**	0,1	–	51%
Total commercial revenue	**31,2**	**83**	28,4	84	10%
Manufacturing revenue by geography of manufacturer					
Manufacturing revenue – finished dose form	**2,1**	**5**	1,5	5	37%
South Africa	**0,9**	**2**	0,5	2	69%
Europe CIS	**0,7**	**2**	0,5	2	39%
Asia Pacific	**0,5**	**1**	0,5	1	–
Manufacturing revenue – APIs	**4,4**	**12**	3,6	11	22%
Europe CIS	**4,0**	**11**	3,3	10	19%
South Africa	**0,4**	**1**	0,3	1	52%
Total manufacturing revenue	**6,5**	**17**	5,1	16	26%
Total gross revenue	**37,7**	**100**	33,5	100	12%
Adjustment*	**(2,3)**		(1,9)		
Total revenue	**35,4**		31,6		12%
Summary of regions					
International	**18,4**	**49**	15,4	46	20%
South Africa	**8,4**	**22**	8,1	25	2%
Asia Pacific	**7,6**	**20**	7,1	21	7%
SSA	**3,3**	**9**	2,9	8	16%
Total gross revenue	**37,7**	**100**	33,5	100	12%
Adjustment	**(2,3)**		(1,9)		
Total revenue	**35,4**		31,6		12%

*The profit share from the SSA Collaboration has been disclosed as revenue in the statement of comprehensive income. For segmental purposes the total revenue from the SSA Collaboration has been included to provide enhanced revenue visibility in this territory.

COMPARABLE GROUP STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2016

	Change	Illustrative 2016 R'billion	Illustrative 2015 R'billion
REVENUE	12%	**35,4**	31,6
Cost of sales		**(17,6)**	(16,1)
Gross profit	15%	**17,8**	15,5
Selling and distribution expenses		**(5,9)**	(4,8)
Administrative expenses		**(2,6)**	(2,5)
Net other operating income		**0,1**	0,4
Normalised operating profit before amortisation	9%	**9,4**	8,6
Amortisation		**(0,6)**	(0,5)
Operating profit	8%	**8,8**	8,1
Net financing costs		**(1,9)**	(2,0)
Profit before tax	15%	**6,9**	6,1
Tax		**(1,3)**	(1,3)
Profit for the year	15%	**5,6**	4,8

SUBSEQUENT EVENTS

Post year end corporate activity

In August 2016, AGI signed an agreement with AstraZeneca AB and AstraZeneca UK ("AstraZeneca") whereby AGI agreed to acquire the exclusive rights to commercialise AstraZeneca's global (excluding the USA) anaesthetics portfolio ("the AZ Transaction"). AstraZeneca's anaesthetics portfolio comprises seven established medicines, namely Diprivan (general anaesthesia), EMLA (topical anaesthetic) and five local anaesthetics (Xylocaine/Xylocard/Xyloproct, Marcaine, Naropin, Carbocaine and Citanest) ("the AZ Portfolio"). The products in the AZ Portfolio are sold in more than one hundred countries worldwide including China, Japan, Australia and Brazil. These products generated revenue of US$592 million in the year ended 31 December 2015. In terms of the concluded agreement, as consideration for the commercialisation rights, AGI will pay US$520 million and double-digit percentage royalties on sales of the Portfolio. Additionally, AGI will make sales-related payments of up to US$250 million based on sales in the 24 months following completion. AGI and AstraZeneca have also signed a supply agreement whereby AstraZeneca will supply the AZ Portfolio to AGI. This supply agreement has an initial period of 10 years. This transaction became effective on 1 September 2016. Based on the terms of the agreements and Aspen's current cost of funding, Aspen's interest in the AZ Portfolio would have generated a contribution to profit before tax of approximately US$100 million in the year ended 31 December 2015.

On 12 September 2016 Aspen announced that various Group subsidiaries had concluded three separate transactions with GlaxoSmithkline ("GSK") companies as follows:

- AGI signed an agreement with GSK whereby AGI will acquire a portfolio of anaesthetic products globally (with the exception of certain territories, primarily North America) ("the Anaesthetics Transaction"). GSK's anaesthetics portfolio comprises five established medicines, namely Ultiva (general anaesthesia) and four muscle relaxants (Nimbex, Mivacron, Tracrium and Anectine) ("the GSK Portfolio"). The products in the GSK Portfolio are sold in more than one hundred countries worldwide including Japan, Brazil, Korea, Germany and Italy. In terms of the concluded agreement, as consideration for the Portfolio, AGI will pay an initial amount of £180 million and milestone payments of up to £100 million based on the results of the Portfolio in the 36 months following completion. AGI and GSK have also signed a supply agreement whereby GSK will supply the products to AGI for four years. The GSK Portfolio is expected to generate revenue of approximately £70 million in the year ended 31 December 2016. The Anaesthetics Transaction is subject to customary closing conditions and is anticipated to complete during the third quarter of Aspen's 2017 financial year.
- As part of its acquisition of the thrombolytic products Fraxiparine and Arixtra from GSK in 2014, AGI also acquired an option to acquire the same products in certain countries to which GSK retained the rights, most notably China. AGI has exercised its option to acquire Fraxiparine and Arixtra in these countries for a consideration of £45 million. Approximately £30 million of revenue is generated by the thrombolytic products in China. The completion of the acquisition of the thrombolytic products in the relevant territories is subject to customary closing conditions and is expected to occur during the third quarter of Aspen's 2017 financial year.
- Pharmacare Limited ("Pharmacare") and GSK have agreed to cancel the rights of Pharmacare to collaborate in the sub-Saharan business of GSK ("the SSA Collaboration"). These rights were acquired as part of a basket of transactions with GSK in 2009. GSK will pay Pharmacare £45 million as consideration for the cancellation. The SSA Collaboration generated approximately R2.6 billion of gross revenue in the 2016 financial year. The cancellation of the SSA Collaboration is expected to become effective in the third quarter of Aspen's 2017 financial year.

If the GSK Portfolio was owned for the entire 2017 financial year, it would be expected to add approximately 75 cents per share to the normalised headline earnings per share ("NHEPS") of the Group. The net impact on NHEPS of the acquisition of the thrombolytic products and the cancellation of the SSA Collaboration should not be material.

BASIS OF ACCOUNTING

The reviewed provisional Group financial results have been prepared in accordance with International Financial Reporting Standards, IFRIC interpretations, the Listings Requirements of the JSE Limited, South African Companies Act, 2008 and the presentation and disclosure requirements of IAS 34: *Interim Reporting*.

The accounting policies applied in the preparation of these provisional Group financial results are in terms of International Financial Reporting Standards and are consistent with those used in the annual financial statements for the year ended 30 June 2015, apart from the change in accounting policy relating to the definition of normalised headline earnings.

Aspen has amended its accounting policy relating to the definition of normalised headline earnings to exclude net monetary adjustments and currency devaluations relating to hyperinflationary economies. The normalised headline earnings and normalised headline earnings per share for the year ended 30 June 2015 have been restated to retrospectively reflect the change in accounting policy.

The entity-wide revenue disclosure within the Group segmental analysis has been revised to reflect the Group's current operating model and all comparative numbers have been restated accordingly. The updated segmental analysis is aligned to the way the business is managed and reported on by the Chief Operating Decision Maker ("CODM"). The regional split has been expanded to reflect the "USA and Canada" and "Middle East and North Africa" as separate regions. Revenue has been categorised between commercial and manufacturing revenue:

- Commercial revenue includes the commercial sale of all Aspen-owned or licensed finished products. Commercial revenue has been further categorised between pharmaceutical and nutritional products and has been allocated by region based upon end-customer geography.
- Manufacturing revenue includes the sale of Aspen-owned and manufactured APIs and revenue generated from the manufacture of third party-owned finished dose form products. Manufacturing revenue has been allocated by region based upon point of manufacturing geography.

The provisional Group financial results have been rounded and disclosed in R'billions to assist financial analysis. All percentage change variances have been calculated using unrounded numbers to record accurate variance trends.

These provisional Group financial results have been prepared under the supervision of the Deputy Group Chief Executive, M G Attridge CA(SA) and approved by the Board of Directors.

Audit review

These results have been reviewed by Aspen's auditors, PricewaterhouseCoopers Inc. Their unmodified review conclusion is available for inspection at the Company's registered office. Any reference to future financial performance included in this announcement, has not been reviewed or reported on by the Company's auditors.

The comparable information has been derived from the reviewed financial information and has not been reported on by Aspen's auditors. This information has been prepared for illustrative purposes only and is the responsibility of the Board of Directors of Aspen.

Directors

K D Dlamini (Chairman)*, R C Andersen*, M G Attridge, J F Buchanan*, M M Manyama*, C N Mortimer*, B Ngonyama*, D S Redfern*, S B Saad, S V Zilwa*
*Non-executive director

Changes in directorate

Judy Dlamini resigned as Chairman and non-executive director of the Board with effect from 7 December 2015. Kuseni Dlamini was appointed as Chairman with effect from that date. Babalwa Ngonyama was appointed as a non-executive director on 1 April 2016

Company Secretary

R Verster

Sponsor

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Transfer secretary

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Disclaimer

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