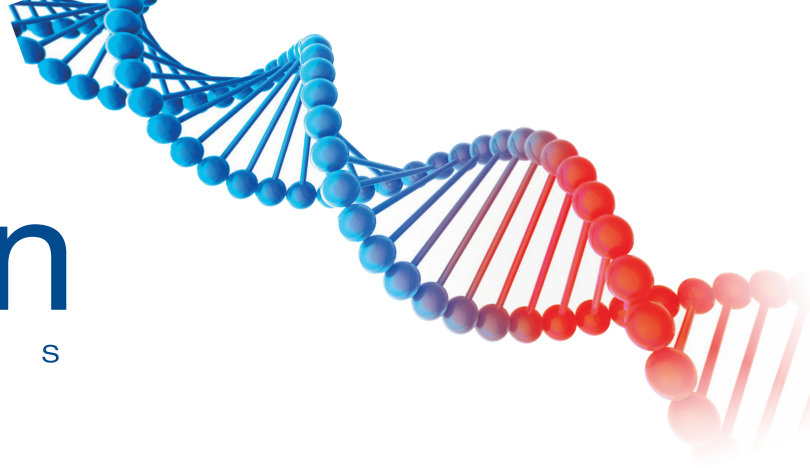

ASPEN PHARMACARE HOLDINGS LIMITED AND ITS SUBSIDIARIES ("Aspen" or "the Group")
(Registration number 1985/002935/06)
Share code: APN / ISIN: ZAE000066692

Unaudited interim financial results for the six months ended 31 December 2017

COMMENTARY

GROUP PERFORMANCE

Revenue generated by the Group grew 11% to R21,9 billion, normalised EBITDA[1] improved 15% to R6,3 billion and normalised headline earnings per share ("NHEPS") increased by 26% to 872 cents for the six months ended 31 December 2017.

The significant influences on performance were:
- Healthy organic growth driven by continued positive momentum in performance from the South African pharmaceutical business and a strong result from the Thrombosis Brands;
- The inclusion for the full period of the AstraZeneca ("AZ") global (excluding the USA) anaesthetic portfolio ("AZ Anaesthetics") for which the commercial rights were acquired with effect from 1 September 2016. The profitability of the AZ Anaesthetics was further enhanced by the acquisition, with effect from 1 October 2017, of the residual rights to the portfolio for a consideration of USD555 million plus further performance-related payments of up to USD211 million;
- Improved profit margins were further assisted by the effect of synergies and higher volumes lowering unit cost of goods;
- Additional operating expenditure related to the development of structures in China and Japan; and
- The reversal of foreign exchange losses incurred in the prior period.

Relative exchange rate movements had a marginally favourable impact on financial performance as is illustrated in the table below which compares performance for the reporting period to performance in the prior comparable period at previously reported exchange rates and then at constant exchange rates ("CER").

Six months ended 31 December	**Reported 2017 R'billion**	Reported 2016 R'billion	Change at reported rates %	CER* 2016 R'billion	Change 2017/2016 at CER %
Revenue	**21,9**	19,8	+11	19,8	+11
Normalised EBITDA	**6,3**	5,5	+15	5,6	+13
NHEPS (cents)	**871,9**	692,0	+26	695,2	+25

**Restatement of performance for the six months to 31 December 2016 at the average exchange rates for the six months ended 31 December 2017.*

From this point forward in the commentary, all December 2016 revenue numbers are stated in CER and all percentage changes in revenue between December 2017 and December 2016 are based on December 2016 CER revenue in order to enhance the comparability of underlying performance.

[1] *Operating profit before depreciation and amortisation adjusted for specific non-trading items as defined in the Group's accounting policy.*

SEGMENTAL PERFORMANCE

Therapeutic Focused Brands

Therapeutic Focused Brands comprising the Anaesthetics, Thrombosis and High Potency & Cytotoxic portfolios, delivered revenue of R9,9 billion contributing 45% of total Group revenue. The gross profit margin from Therapeutic Focused Brands expanded due to the benefits from the acquisition of the residual rights to the AZ Anaesthetics and the realisation of synergies.

Anaesthetics Brands

Revenue of R4,4 billion was achieved, an increase of 59%. The inclusion of the AZ Anaesthetics acquisition for the full six months compared to four months in the prior period helped elevate the growth rate. Developed Europe remained the largest contributor (R1,1 billion), followed by China (R0,9 billion) and Japan (R0,7 billion). The sound performance from this portfolio was constrained by disruptions in supply from the AZ production network during the period.

Thrombosis Brands

All of the Thrombosis Brands showed excellent growth. The portfolio grew revenue by 17% to R3,3 billion, increasing 28% in Emerging Markets[2] and 10% in Developed Markets[3]. Performance was enhanced by the addition of Fraxiparine and Arixtra in China effective 1 January 2017. Compared to the revenue from the portfolio in the second half of the 2017 financial year, which included the products in China for the full period, the portfolio grew by 7%.

High Potency & Cytotoxic Brands

Revenue from High Potency & Cytotoxic Brands declined 8% to R2,2 billion. Supply constraints for the Ovestin brand and product returns in the USA arising from a change in pack size were the primary causes. This offset good results from the balance of the portfolio in Emerging Markets which grew revenue 8%.

Other Pharmaceuticals

Other Pharmaceuticals comprise Regional Brands and Manufacturing. Revenue from this category increased by 2% to R10,4 billion while the gross profit remained relatively flat.

Regional Brands

Regional Brands comprise 33% of Group revenue with Sub-Saharan Africa ("SSA") and Australasia making up more than 80% of this category. Revenue from Regional Brands increased by 4% to R7,2 billion. The absence of Hydroxyprogesterone Caproate ("HPC") sales in the period resulted in reduced sales in the USA. Excluding HPC from the results, the underlying revenue growth in the Regional Brands was 10%. SSA was the primary growth driver, underpinned by the South African business which raised revenue 21%. The Asia Pacific countries and Brazil also returned good revenue growth.

Manufacturing

Manufacturing revenue was flat at R3,2 billion. Revenue from sales of active pharmaceutical ingredients improved 6% to R2,3 billion. Revenue from finished-dose-form sales declined 16%, largely as a consequence of Aspen's acquisition of the Thrombosis Brands in China which the Group previously supplied to GlaxoSmithKline.

Nutritionals

Revenue from Nutritionals was unchanged from the prior period at R1,6 billion. Sales were stable in each of Australasia, SSA and Latin America, being the three territories in which the Nutritionals Brands are sold. The transition of the S-26 and SMA brands to Aspen's new global infant milk formula brand, Alula, has commenced in Australasia with strong performance in stage 3 and 4 products since launch. Aspen also recorded its first sales of Alula in China during the period.

FUNDING

Debt levels remain comfortably within the lenders' covenants. Borrowings, net of cash, increased by R6,0 billion to R43,1 billion. Operating cash generated of R3,0 billion was offset by R9,4 billion of payments relating to acquisitions, other capital expenditure and dividends to shareholders. Operating cash flow per share of 658 cents represented a 78% rate of conversion of operating profit as the settlement of acquisition related trade creditors lifted the investment in working capital. Net interest paid was covered eight times by EBITDA.

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[2] *Emerging Markets as defined by MSCI ACWI Index and Frontier Markets Index.*
[3] *Developed Markets as defined by MSCI ACWI Index and Frontier Markets Index.*

PROSPECTS

The favourable results for the past period extend the good performance delivered in the second half of the 2017 financial year, clearly demonstrating Aspen's successful transition to a therapeutically focused multinational pharmaceutical group.

The sales achieved in the first half of the 2018 financial year are expected to be maintained in the second half in spite of the continued supply constraints which will prevent realisation of full potential. Over the six months ended 31 December 2017, revenue from Commercial Pharmaceuticals grew 22% in Emerging Markets, making up 54% of revenue from this segment. Emerging Markets should continue to be the most important contributor to growth.

Performance in the second half will benefit from the additional rights to the AZ Anaesthetics for the full six months. Operating expenses should stabilise at present levels while net interest paid is expected to rise and there is no certainty that the exchange gains of the first half will be repeated.

It is anticipated that operating cash flows will remain strong and a conversion rate of 100% of operating profits is targeted for the full financial year.

The Group results are inevitably influenced by relative currency movements given that 80% of sales are not denominated in ZAR. Should the current strengthening of the ZAR against other trading currencies be maintained, sales from offshore territories will convert into a lower value of ZAR revenue. This potential unfavourable dilution will be partially offset by a weakening USD which reduces the cost of goods, given that a material portion of purchases are priced in USD.

The 2018 financial year is Aspen's twentieth as a company listed on the JSE Ltd. The Group has a proud record of reporting NHEPS growth for each of the preceding nineteen years and this year should be no different.

By order of the Board

K D Dlamini
(Chairman)

S B Saad
(Group Chief Executive)

Woodmead
8 March 2018

GROUP STATEMENT OF FINANCIAL POSITION

	Unaudited 31 December 2017 R'billion	Unaudited 31 December 2016 R'billion	Audited 30 June 2017 R'billion
ASSETS			
Non-current assets			
Intangible assets	**67,3**	53,6	60,0
Property, plant and equipment	**10,1**	9,7	9,7
Goodwill	**6,0**	5,7	5,9
Deferred tax assets	**1,0**	1,0	1,0
Contingent environmental indemnification assets	**0,7**	0,7	0,7
Other non-current assets	**1,3**	1,1	0,9
Total non-current assets	**86,4**	71,8	78,2
Current assets			
Inventories	**13,6**	13,2	13,6
Receivables and other current assets	**13,8**	13,5	13,6
Cash and cash equivalents	**8,5**	9,5	10,7
Total operating current assets	**35,9**	36,2	37,9
Assets classified as held-for-sale	**0,2**	0,1	0,2
Total current assets	**36,1**	36,3	38,1
Total assets	**122,5**	108,1	116,3
SHAREHOLDERS' EQUITY			
Reserves	**42,4**	37,7	41,2
Share capital (including treasury shares)	**1,9**	1,9	1,9
Total shareholders' equity	**44,3**	39,6	43,1
LIABILITIES			
Non-current liabilities			
Borrowings	**29,5**	35,7	28,9
Other non-current liabilities	**3,2**	3,3	4,5
Unfavourable and onerous contracts	**1,5**	1,8	1,6
Deferred tax liabilities	**2,3**	1,9	2,1
Contingent environmental liabilities	**0,7**	0,7	0,7
Retirement and other employee benefits	**0,6**	0,6	0,6
Total non-current liabilities	**37,8**	44,0	38,4
Current liabilities			
Borrowings*	**22,0**	9,4	18,9
Trade and other payables	**9,5**	10,0	10,3
Other current liabilities	**8,6**	4,8	5,3
Unfavourable and onerous contracts	**0,3**	0,3	0,3
Total current liabilities	**40,4**	24,5	34,8
Total liabilities	**78,2**	68,5	73,2
Total equity and liabilities	**122,5**	108,1	116,3
Number of shares in issue (net of treasury shares) ('000)	**456,1**	456,0	456,0
Net asset value per share (cents)	**9 714,8**	8 675,4	9 453,7

* Includes bank overdrafts.

GROUP STATEMENT OF COMPREHENSIVE INCOME

	Notes	Change	**Unaudited six months ended 31 December 2017 R'billion**	Unaudited six months ended 31 December 2016 R'billion	Audited year ended 30 June 2017 R'billion
Revenue		11%	**21,9**	19,8	41,2
Cost of sales			**(10,7)**	(10,3)	(21,3)
Gross profit		17%	**11,2**	9,5	19,9
Selling and distribution expenses			**(3,8)**	(3,2)	(6,7)
Administrative expenses			**(1,6)**	(1,3)	(2,8)
Other operating income			**0,1**	0,2	0,3
Other operating expenses			**(0,8)**	(0,6)	(2,4)
Operating profit	B#	13%	**5,1**	4,6	8,3
Investment income	C#		**0,2**	0,1	0,3
Financing costs	D#		**(0,9)**	(1,3)	(2,4)
Profit before tax		30%	**4,4**	3,4	6,2
Tax			**(0,7)**	(0,6)	(1,1)
Profit for the period/year		30%	**3,7**	2,8	5,1
OTHER COMPREHENSIVE INCOME, NET OF TAX*					
Currency translation losses	E#		**(1,1)**	(4,8)	(3,5)
Net (losses)/gains from cash flow hedging in respect of business acquisition			**(0,1)**	0,2	0,2
Total comprehensive income/(loss)^			**2,5**	(1,8)	1,8
Weighted average number of shares in issue ('000)			**456,4**	456,3	456,4
Diluted weighted average number of shares in issue ('000)			**456,4**	456,3	456,4
EARNINGS PER SHARE					
Basic earnings per share (cents)		30%	**806,0**	618,6	1 123,4
Diluted earnings per share (cents)		30%	**806,0**	618,6	1 123,4
DISTRIBUTION TO SHAREHOLDERS					
Dividend per share (cents)			**287,0**	248,0	248,0

The dividend to shareholders of 287,0 cents relates to the dividend declared on 14 September 2017 and paid on 9 October 2017 (2016: The dividend declared of 248,0 cents relates to the dividend declared on 14 September 2016 and paid on 10 October 2016).

See notes on Supplementary Information.
* The annual remeasurement of retirement and other employee benefits will not be reclassified to profit and loss. All other items in other comprehensive income may be reclassified to profit and loss.
^ Total comprehensive income is disclosed net of income from non-controlling interests which are not material.

GROUP STATEMENT OF HEADLINE EARNINGS

	Change	Unaudited six months ended 31 December 2017 R'billion	Unaudited six months ended 31 December 2016 R'billion	Audited year ended 30 June 2017 R'billion
HEADLINE EARNINGS^				
Reconciliation of headline earnings				
Profit attributable to equity holders of the parent	30%	**3,7**	2,8	5,1
Adjusted for:				
– Net impairment of property, plant and equipment (net of tax)		**–**	–	0,2
– Impairment of intangible assets (net of tax)		**0,2**	–	0,4
– Loss on the sale of intangible assets (net of tax)		**–**	0,1	0,1
– Loss on the sale of subsidiary (net of tax)		**–**	–	0,1
	31%	**3,9**	2,9	5,9
HEADLINE EARNINGS PER SHARE				
Headline earnings per share (cents)	31%	**842,5**	640,9	1 299,5
Diluted headline earnings per share (cents)	31%	**842,5**	640,9	1 299,5
NORMALISED HEADLINE EARNINGS				
Reconciliation of normalised headline earnings				
Headline earnings	31%	**3,9**	2,9	5,9
Adjusted for:				
– Restructuring costs (net of tax)		**0,1**	–	0,4
– Transaction costs (net of tax)		**0,1**	0,2	0,3
– Foreign exchange gain on acquisitions (net of tax)		**(0,2)**	–	(0,1)
– Product litigation costs (net of tax)		**0,1**	–	0,2
	26%	**4,0**	3,1	6,7
NORMALISED HEADLINE EARNINGS PER SHARE				
Normalised headline earnings per share (cents)	26%	**871,9**	692,0	1 463,2
Normalised diluted headline earnings per share (cents)	26%	**871,9**	692,0	1 463,2

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

GROUP STATEMENT OF CHANGES IN EQUITY

	Share capital (including treasury shares) R'billion	Reserves R'billion	Total* R'billion
BALANCE AT 1 JULY 2016	1,9	40,6	42,5
Total comprehensive loss	–	(1,8)	(1,8)
Profit for the period	–	2,8	2,8
Other comprehensive loss	–	(4,6)	(4,6)
Dividends paid	–	(1,1)	(1,1)
BALANCE AT 31 DECEMBER 2016	1,9	37,7	39,6
BALANCE AT 1 JULY 2017	**1,9**	**41,2**	**43,1**
Total comprehensive income	**–**	**2,5**	**2,5**
Profit for the period	**–**	**3,7**	**3,7**
Other comprehensive loss	**–**	**(1,2)**	**(1,2)**
Dividends paid	**–**	**(1,3)**	**(1,3)**
BALANCE AT 31 DECEMBER 2017	**1,9**	**42,4**	**44,3**

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

GROUP STATEMENT OF CASH FLOWS

	Notes	Change	**Unaudited six months ended 31 December 2017 R'billion**	Unaudited six months ended 31 December 2016 R'billion	Audited year ended 30 June 2017 R'billion
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash operating profit			**6,1**	5,5	10,8
Changes in working capital			**(1,5)**	(0,7)	(0,9)
Cash generated from operations			**4,6**	4,8	9,9
Net financing costs paid			**(0,6)**	(0,9)	(1,9)
Tax paid			**(1,0)**	(0,7)	(1,5)
Cash generated from operating activities		(7%)	**3,0**	3,2	6,5
CASH FLOWS FROM INVESTING ACTIVITIES					
Capital expenditure – property, plant and equipment	A#		**(0,8)**	(0,7)	(1,5)
Capital expenditure – intangible assets	A#		**(3,0)**	(0,6)	(1,1)
Additions to intangible assets			**(8,6)**	(0,6)	(1,1)
Consideration outstanding			**5,6**	–	–
Proceeds received on the sale of intangible assets			**–**	–	0,8
Acquisition of subsidiaries and businesses	J#		**–**	(6,0)	(9,5)
Hedging gains			**–**	0,2	–
Increase in other non-current assets			**(0,3)**	(0,6)	(0,3)
Payment of deferred consideration relating to prior year business acquisitions			**(4,0)**	(0,2)	(0,2)
Proceeds on the sale of assets classified as held-for-sale			**–**	0,1	0,1
Cash used in investing activities			**(8,1)**	(7,8)	(11,7)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net proceeds from borrowings			**6,4**	6,0	6,2
Dividends paid			**(1,3)**	(1,1)	(1,2)
Cash generated from financing activities			**5,1**	4,9	5,0
Movement in cash and cash equivalents before currency translation movements			**–**	0,3	(0,2)
Currency translation movements			**(0,1)**	(0,7)	(0,5)
Movement in cash and cash equivalents			**(0,1)**	(0,4)	(0,7)
Cash and cash equivalents at the beginning of the period/year			**7,2**	7,9	7,9
Cash and cash equivalents at the end of the period/year			**7,1**	7,5	7,2
Operating cash flow per share (cents)		(7%)	**657,8**	708,7	1 421,4
RECONCILIATION OF CASH AND CASH EQUIVALENTS					
Cash and cash equivalents per the statement of financial position			**8,5**	9,5	10,7
Less: bank overdrafts			**(1,4)**	(2,0)	(3,5)
			7,1	7,5	7,2

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

See notes on Supplementary Information.

GROUP SEGMENTAL ANALYSIS

	Unaudited six months ended 31 December 2017				
	Therapeutic Focused Brands R'billion	Other Pharmaceuticals R'billion	Total Pharmaceuticals R'billion	Nutritionals R'billion	Total R'billion
Revenue	9,9	10,4	20,3	1,6	21,9
Cost of sales	(4,2)	(5,6)	(9,8)	(0,9)	(10,7)
Gross profit	5,7	4,8	10,5	0,7	11,2
Selling and distribution expenses			(3,3)	(0,5)	(3,8)
Contribution profit			7,2	0,2	7,4
Administrative expenses					(1,6)
Net other operating income					0,1
Depreciation					0,4
Normalised EBITDA*					6,3
Adjusted for:					
Depreciation					(0,4)
Amortisation					(0,3)
Net impairment of assets					(0,2)
Restructuring costs					(0,1)
Transaction costs					(0,1)
Product litigation costs					(0,1)
Operating profit					5,1
Gross profit (%)	56,9	46,2	51,4	45,2	51,0
Selling and distribution expenses (%)			16,2	30,6	17,2
Contribution profit (%)			35,3	14,7	33,8
Administrative expenses (%)					7,2
Normalised EBITDA (%)					28,8

	Unaudited restated six months ended 31 December 2016				
	Therapeutic Focused Brands R'billion	Other Pharmaceuticals R'billion	Total Pharmaceuticals R'billion	Nutritionals R'billion	Total R'billion
Revenue	8,0	10,2	18,2	1,6	19,8
Cost of sales	(4,1)	(5,3)	(9,4)	(0,9)	(10,3)
Gross profit	3,9	4,9	8,8	0,7	9,5
Selling and distribution expenses			(2,7)	(0,5)	(3,2)
Contribution profit			6,1	0,2	6,3
Administrative expenses					(1,3)
Net other operating income					0,2
Depreciation					0,3
Normalised EBITDA*					5,5
Adjusted for:					
Depreciation					(0,3)
Amortisation					(0,3)
Loss on sale of assets					(0,1)
Transaction costs					(0,1)
Net impairment of assets					(0,1)
Operating profit					4,6
Gross profit (%)	49,2	48,3	48,7	43,3	48,2
Selling and distribution expenses (%)			15,2	27,9	16,2
Contribution profit (%)			33,5	15,4	32,0
Administrative expenses (%)					6,9
Normalised EBITDA (%)					27,7

** Normalised EBITDA represents operating profit before depreciation and amortisation adjusted for specific non-trading items as defined in the Group's accounting policy.*

GROUP SEGMENTAL ANALYSIS continued

	Change				
	Therapeutic Focused Brands	Other Pharmaceuticals	Total Pharmaceuticals	Nutritionals	Total
Revenue	24%	2%	12%	(1%)	11%
Cost of sales	5%	6%	6%	(5%)	5%
Gross profit	44%	(2%)	18%	3%	17%
Selling and distribution expenses			19%	8%	17%
Contribution profit			18%	(6%)	17%
Administrative expenses					16%
Net other operating income					(37%)
Depreciation					9%
Normalised EBITDA *					15%

** Normalised EBITDA represents operating profit before depreciation and amortisation adjusted for specific non-trading items as defined in the Group's accounting policy.*

GROUP REVENUE SEGMENTAL ANALYSIS

	Unaudited six months ended 31 December 2017 R'billion	Unaudited restated six months ended 31 December 2016 R'billion	Change
COMMERCIAL PHARMACEUTICALS BY CUSTOMER GEOGRAPHY	**17,1**	15,0	14%
Sub-Saharan Africa	**4,0**	3,4	16%
Developed Europe	**3,9**	3,3	17%
Australasia	**2,6**	2,5	4%
Latin America	**1,5**	1,2	24%
Developing Europe & CIS	**1,4**	1,2	23%
China	**1,2**	0,7	68%
Japan	**1,0**	0,8	38%
Other Asia	**0,8**	0,6	32%
MENA	**0,4**	0,6	(26%)
USA & Canada	**0,3**	0,7	(60%)
MANUFACTURING REVENUE BY GEOGRAPHY OF MANUFACTURE			
Manufacturing revenue – finished dose form	**0,9**	1,1	(17%)
Sub-Saharan Africa	**0,4**	0,5	(24%)
Developed Europe	**0,3**	0,3	(15%)
Australasia	**0,2**	0,3	(9%)
Manufacturing revenue – active pharmaceutical ingredients	**2,3**	2,1	9%
Developed Europe	**2,1**	1,9	10%
Sub-Saharan Africa	**0,2**	0,2	(5%)
Total manufacturing revenue	**3,2**	3,2	0%
TOTAL PHARMACEUTICALS	**20,3**	18,2	12%
NUTRITIONALS BY CUSTOMER GEOGRAPHY	**1,6**	1,6	(1%)
Australasia	**0,4**	0,4	(2%)
Sub-Saharan Africa	**0,5**	0,5	1%
Latin America	**0,7**	0,7	(8%)
TOTAL REVENUE	**21,9**	19,8	11%
SUMMARY OF REGIONS			
Sub-Saharan Africa	**5,1**	4,6	9%
Developed Europe	**6,3**	5,5	13%
Australasia	**3,2**	3,2	3%
Latin America	**2,2**	1,9	12%
Developing Europe & CIS	**1,4**	1,2	23%
China	**1,2**	0,7	68%
Japan	**1,0**	0,8	38%
Other Asia	**0,8**	0,6	32%
MENA	**0,4**	0,6	(26%)
USA & Canada	**0,3**	0,7	(60%)
TOTAL REVENUE	**21,9**	19,8	11%

GROUP REVENUE SEGMENTAL ANALYSIS continued

COMMERCIAL PHARMACEUTICALS THERAPEUTIC AREA ANALYSIS

Unaudited six months ended 31 December 2017

	Anaesthetics Brands R'billion	Thrombosis Brands R'billion	High Potency & Cytotoxic Brands R'billion	Therapeutic Focused Brands R'billion	Regional Brands R'billion	Total R'billion
BY CUSTOMER GEOGRAPHY						
Commercial Pharmaceuticals						
Sub-Saharan Africa	0,1	–	–	0,1	3,9	4,0
Developed Europe	1,1	1,8	0,8	3,7	0,2	3,9
Australasia	0,4	–	0,3	0,7	1,9	2,6
Latin America	0,4	0,1	0,4	0,9	0,6	1,5
Developing Europe & CIS	0,2	1,0	0,2	1,4	–	1,4
China	0,9	0,3	–	1,2	–	1,2
Japan	0,7	–	0,2	0,9	0,1	1,0
Other Asia	0,4	0,1	0,1	0,6	0,2	0,8
MENA	0,1	–	0,1	0,2	0,2	0,4
USA & Canada	0,1	–	0,1	0,2	0,1	0,3
Total Commercial Pharmaceuticals	4,4	3,3	2,2	9,9	7,2	17,1

Unaudited restated six months ended 31 December 2016

	Anaesthetics Brands R'billion	Thrombosis Brands R'billion	High Potency & Cytotoxic Brands R'billion	Therapeutic Focused Brands R'billion	Regional Brands R'billion	Total R'billion
BY CUSTOMER GEOGRAPHY						
Commercial Pharmaceuticals						
Sub-Saharan Africa	0,1	–	–	0,1	3,3	3,4
Developed Europe	0,7	1,6	0,8	3,1	0,2	3,3
Australasia	0,3	–	0,3	0,6	1,9	2,5
Latin America	0,2	0,1	0,3	0,6	0,6	1,2
Developing Europe & CIS	–	0,9	0,2	1,1	0,1	1,2
China	0,7	–	–	0,7	–	0,7
Japan	0,4	–	0,3	0,7	0,1	0,8
Other Asia	0,2	0,1	0,1	0,4	0,2	0,6
MENA	0,1	0,1	0,2	0,4	0,2	0,6
USA & Canada	0,1	–	0,2	0,3	0,4	0,7
Total Commercial Pharmaceuticals	2,8	2,8	2,4	8,0	7,0	15,0

Variances

	Anaesthetics Brands	Thrombosis Brands	High Potency & Cytotoxic Brands	Therapeutic Focused Brands	Regional Brands	Total
BY CUSTOMER GEOGRAPHY						
Commercial Pharmaceuticals						
Sub-Saharan Africa	15%	39%	(19%)	1%	17%	16%
Developed Europe	56%	15%	(5%)	20%	(19%)	17%
Australasia	20%	(13%)	2%	11%	2%	4%
Latin America	>100%	(46%)	28%	45%	1%	24%
Developing Europe & CIS	>100%	15%	(5%)	24%	(5%)	23%
China	34%	100%	(79%)	68%	–	68%
Japan	59%	(28%)	(6%)	34%	67%	38%
Other Asia	>100%	(22%)	18%	46%	(1%)	32%
MENA	14%	(47%)	(53%)	(30%)	(19%)	(26%)
USA & Canada	63%	(50%)	(64%)	(22%)	(87%)	(60%)
Total Commercial Pharmaceuticals	57%	20%	(9%)	24%	3%	14%

GROUP SUPPLEMENTARY INFORMATION

	Unaudited six months ended 31 December 2017 R'billion	Unaudited six months ended 31 December 2016 R'billion	Audited year ended 30 June 2017 R'billion
A. CAPITAL EXPENDITURE			
Incurred	**3,8**	1,3	2,6
– Property, plant and equipment	**0,8**	0,7	1,5
– Intangible assets	**3,0**	0,6	1,1
Contracted	**0,8**	0,8	0,8
– Property, plant and equipment	**0,8**	0,8	0,7
– Intangible assets	**–**	–	0,1
Authorised but not contracted for	**5,7**	2,1	6,0
– Property, plant and equipment	**5,4**	1,7	5,6
– Intangible assets	**0,3**	0,4	0,4
B. OPERATING PROFIT HAS BEEN ARRIVED AT AFTER CHARGING			
Depreciation of property, plant and equipment	**0,4**	0,3	0,7
Amortisation of intangible assets	**0,3**	0,3	0,6
Net impairment of tangible and intangible assets	**0,2**	0,1	0,7
Loss on the sale of tangible and intangible assets	**–**	0,1	0,1
Transaction costs	**0,1**	0,1	0,3
Restructuring costs	**0,1**	–	0,4
Product litigation costs	**0,1**	–	0,2
Loss on sale of subsidiary	**–**	–	0,1
C. INVESTMENT INCOME			
Interest received	**0,2**	0,1	0,3
D. FINANCING COSTS			
Interest paid	**(0,9)**	(0,9)	(1,9)
Debt raising fees on acquisitions	**(0,1)**	(0,1)	(0,1)
Fair value gains/(losses) on financial instruments	**0,1**	(0,1)	(0,2)
Notional interest on financial instruments	**(0,2)**	(0,2)	(0,3)
Foreign exchange gain on acquisitions	**0,2**	–	0,1
	(0,9)	(1,3)	(2,4)
E. CURRENCY TRANSLATION LOSSES			
Currency translation losses 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 six months the stronger closing Rand translation rate decreased the Group net asset value.	**(1,1)**	**(4,8)**	**(3,5)**
F. GUARANTEES TO FINANCIAL INSTITUTIONS			
Material guarantees given by Group companies for indebtedness of subsidiaries to financial institutions	**58,7**	**53,2**	**55,1**

G. RESOLVED INCOME TAX MATTER

The Aspen Group was subject to an international tax and transfer pricing audit by the South African Revenue Service ("SARS") and Aspen Pharmacare Holdings Limited received a revised assessment in relation to its 2011 fiscal year as a consequence of this audit. Aspen, with the assistance of its legal and tax advisers, entered into discussions with SARS which has resulted in the assessment being reversed by SARS.

H. POTENTIAL DISPUTED MATTER – EUROPEAN COMMISSION

The European Commission (the "Commission") has instituted an investigation of Aspen Pharmacare Holdings Limited and certain of its indirect wholly owned subsidiaries under Article 102 of the Treaty on the Functioning of the European Union ("Article 102") in respect of the molecules (i) Chlorambucil; (ii) Melphalan; (iii) Mercaptopurine; (iv) Thioguanine; and (v) Busulfan, for (a) alleged setting of unfair and excessive pricing in the form of significant price increases; (b) alleged unfair/abusive negotiating practices; (c) alleged stock allocation strategies designed to reduce supply; and (d) alleged practices hindering parallel trade, in the European Economic Area (excluding Italy).

The Commission has confirmed that at this stage it has "no firm conclusions" of whether Aspen Pharmacare Holdings Limited and/or its indirect wholly owned subsidiaries have undertaken any infringement of Article 102 as it requires to complete its investigation. The Commission's decision whether to formally open a case is likely only to be made during the first quarter of 2019 after conclusion of its investigation.

The outcome of the Commission matter is unknown at this stage and therefore no liability has been raised in the statement of financial position.

I. POTENTIAL DISPUTED MATTER – UK COMPETITION AND MARKETS AUTHORITY

The UK Competition and Markets Authority ("CMA") in October 2017 opened an investigation against Aspen into alleged anti-competitive conduct in relation to the supply of fludrocortisone acetate 0.1 mg tablets and dexamethasone 2 mg tablets in the UK. In 2016 the two products had a combined revenue of GBP11.1 million in the UK.

The investigation is at an early stage and the CMA has confirmed that, at this time, it has not reached any conclusion on whether competition law has been infringed. A high level of cooperation and diligence is being afforded to the investigation team by Aspen and our advisers.

The outcome of the CMA matter is unknown at this stage and therefore no liability has been raised in the statement of financial position.

J. ACQUISITION OF SUBSIDIARIES AND BUSINESSES

June 2017

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

AstraZeneca anaesthetics portfolio

With effect from 1 September 2016, Aspen Global Incorporated ("AGI") acquired the exclusive rights to commercialise the anaesthetics portfolio of AstraZeneca globally (excluding the USA). As consideration for the commercialisation rights, AGI paid USD410 million with a further payment of USD110 million due on 1 July 2017. Additionally, AGI will make sales-related payments of up to USD250 million based on sales in the 24 months following completion.

Post-acquisition revenue included in the statement of comprehensive income was R6,5 billion. 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.

Fraxiparine and Arixtra in China, Pakistan and India

As part of its acquisition of the thrombosis products Fraxiparine and Arixtra from GlaxoSmithKline ("GSK") in 2014, AGI also acquired an option to purchase the same products in certain countries to which GSK retained the rights, most notably China. AGI has exercised its option and, with effect from 1 January 2017, acquired Fraxiparine and Arixtra in these countries for a consideration of GBP45 million.

Post-acquisition revenue included in the statement of comprehensive income was R0,3 billion. 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.

GSK anaesthetics portfolio

With effect from 1 March 2017 AGI acquired a portfolio of anaesthetics globally (excluding the USA) from GSK. As consideration for the commercialisation rights, AGI paid GBP180 million with further potential milestone payments of up to GBP100 million, based on the results of the acquired portfolio in the 36 months following completion.

Post-acquisition revenue included in the statement of comprehensive income was R0,5 billion. 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.

J. ACQUISITION OF SUBSIDIARIES AND BUSINESSES continued

	AstraZeneca anaesthetics portfolio R'billion	Fraxiparine and Arixtra in China, Pakistan and India R'billion	GSK anaesthetics portfolio R'billion	Total R'billion
Fair value of assets and liabilities acquired				
Intangible assets	**11,1**	**0,7**	**4,4**	**16,2**
Deferred tax liabilities	**(0,3)**	**–**	**(0,1)**	**(0,4)**
Fair value of net assets acquired	**10,8**	**0,7**	**4,3**	**15,8**
Goodwill acquired	**0,3**	**–**	**0,1**	**0,4**
Net gains from cash flow hedging in respect of business acquisition	**–**	**–**	**(0,2)**	**(0,2)**
Deferred and contingent consideration	**(5,0)**	**–**	**(1,5)**	**(6,5)**
Cash outflow on acquisition	**6,1**	**0,7**	**2,7**	**9,5**

K. ILLUSTRATIVE CONSTANT EXCHANGE RATE REPORT ON SELECTED FINANCIAL DATA

The Group has presented selected line items from the consolidated statement of comprehensive income and certain trading profit metrics on a constant exchange rate basis in the tables below.

The *pro forma* constant exchange rate information is presented to demonstrate the impact of fluctuations in currency exchange rates on the Group's reported results. The constant exchange rate report is the responsibility of the Group's Board of Directors and is presented for illustrative purposes only. Due to the nature of this information, it may not fairly present the Group's financial position, changes in equity and results of operations or cash flows. The pro forma information has been compiled in terms of the JSE Listings Requirements and the Revised Guide on Pro Forma Information by SAICA and the accounting policies of the Group as at 31 December 2017. This information has not been reviewed or audited by the Group's auditors.

The Group's financial performance is impacted by numerous currencies which underlie the reported trading results, where even within geographic segments, the Group trades in multiple currencies ("source currencies"). The constant exchange rate restatement has been calculated by adjusting the prior year's reported results at the current year's reported average exchange rates. Restating the prior year's numbers provides illustrative comparability with the current year's reported performance by adjusting the estimated effect of source currency movements.

The listing of average exchange rates against the Rand for the currencies contributing materially to the impact of exchange rate movements are set out below:

	2017 average rates	2016 average rates
EUR – Euro	**15,774**	15,251
USD – US Dollar	**13,410**	13,941
AUD – Australia Dollar	**10,447**	10,458
JPY – Japanese Yen	**0,120**	0,131
CNY – Chinese Yuan Renminbi	**2,019**	2,060
MXN – Mexican Peso	**0,723**	0,715
BRL – Brazilian Real	**4,148**	4,270
GBP – British Pound	**17,672**	17,751
RUB – Russian Ruble	**0,229**	0,218
PLN – Polish Zloty	**3,714**	3,501
CAD – Canadian Dollar	**10,627**	10,507

K. ILLUSTRATIVE CONSTANT EXCHANGE RATE REPORT ON SELECTED FINANCIAL DATA continued

Revenue, other income, cost of sales and expenses

For purposes of the constant exchange rate report the prior year's source currency revenue, cost of sales and expenses have been restated from the prior year's relevant average exchange rate to the current year's relevant reported average exchange rate.

Interest paid net of investment income

Net interest paid is directly linked to the source currency of the borrowing on which it is levied and is restated from the prior year's relevant reported average exchange rate to the current year's relevant reported average exchange rate.

Tax

The tax charge for purposes of the constant currency report has been recomputed by applying the actual effective tax rate to the restated profit before tax for the relevant legal entity.

Key constant exchange rate indicators	**Reported 31 December 2017 (31 December 2017 at 2017 average rates) R'billion**	Reported 31 December 2016 (31 December 2016 at 2016 average rates) R'billion	Change at reported exchange rates	Illustrative constant exchange rates (31 December 2016 at 2017 average rates) R'billion	Change in constant exchange rates
Revenue	**21,9**	19,8	11%	19,8	11%
Gross profit	**11,2**	9,5	17%	9,6	16%
Normalised EBITDA	**6,3**	5,5	15%	5,6	13%
Operating profit	**5,1**	4,6	13%	4,6	10%
Normalised headline earnings	**4,0**	3,1	26%	3,2	25%
Earnings per share (cents)	***806,0***	*618,6*	*30%*	*623,4*	*29%*
Headline earnings per share (cents)	***842,5***	*640,9*	*31%*	*644,1*	*31%*
Normalised headline earnings per share (cents)	***871,9***	*692,0*	*26%*	*695,2*	*25%*

GROUP REVENUE SEGMENTAL ANALYSIS

	Reported 31 December 2017 (31 December 2017 at 2017 average rates) R'billion	Reported 31 December 2016 (31 December 2016 at 2016 average rates) R'billion	Illustrative constant exchange rate 31 December 2016 (31 December 2016 at 2017 average rates) R'billion	Change at constant exchange rates
COMMERCIAL PHARMACEUTICALS BY CUSTOMER GEOGRAPHY	**17,1**	15,0	14,9	15%
Sub-Saharan Africa	**4,0**	3,4	3,4	17%
Developed Europe	**3,9**	3,3	3,4	14%
Australasia	**2,6**	2,5	2,5	5%
Latin America	**1,5**	1,2	1,2	25%
Developing Europe & CIS	**1,4**	1,2	1,2	19%
China	**1,2**	0,7	0,7	74%
Japan	**1,0**	0,8	0,7	50%
Other Asia	**0,8**	0,6	0,6	37%
MENA	**0,4**	0,6	0,5	(17%)
USA & Canada	**0,3**	0,7	0,7	(58%)
MANUFACTURING REVENUE BY GEOGRAPHY OF MANUFACTURE				
Manufacturing revenue – finished dose form	**0,9**	1,1	1,1	(16%)
Sub-Saharan Africa	**0,4**	0,5	0,5	(23%)
Developed Europe	**0,3**	0,3	0,4	(20%)
Australasia	**0,2**	0,3	0,2	4%
Manufacturing revenue – active pharmaceutical ingredients	**2,3**	2,1	2,2	6%
Developed Europe	**2,1**	1,9	2,0	7%
Sub-Saharan Africa	**0,2**	0,2	0,2	(5%)
Total manufacturing revenue	**3,2**	3,2	3,3	(1%)
TOTAL PHARMACEUTICALS	**20,3**	18,2	18,2	11%
NUTRITIONALS BY CUSTOMER GEOGRAPHY	**1,6**	1,6	1,6	(1%)
Australasia	**0,4**	0,4	0,4	(2%)
Sub-Saharan Africa	**0,5**	0,5	0,5	1%
Latin America	**0,7**	0,7	0,7	(7%)
Total revenue	**21,9**	19,8	19,8	11%
SUMMARY OF REGIONS				
Sub-Saharan Africa	**5,1**	4,6	4,6	10%
Developed Europe	**6,3**	5,5	5,8	9%
Australasia	**3,2**	3,2	3,1	4%
Latin America	**2,2**	1,9	1,9	13%
Developing Europe & CIS	**1,4**	1,2	1,2	19%
China	**1,2**	0,7	0,7	74%
Japan	**1,0**	0,8	0,7	50%
Rest of Asia	**0,8**	0,6	0,6	37%
MENA	**0,4**	0,6	0,5	(17%)
USA & Canada	**0,3**	0,7	0,7	(58%)
Total revenue	**21,9**	19,8	19,8	11%

GROUP REVENUE SEGMENTAL ANALYSIS continued

COMMERCIAL PHARMACEUTICALS THERAPEUTIC AREA ANALYSIS

Reported 31 December 2017 (31 December 2017 at 2017 average rates)

	Anaesthetics Brands R'billion	Thrombosis Brands R'billion	High Potency & Cytotoxic Brands R'billion	Therapeutic Focused Brands R'billion	Regional Brands R'billion	Total R'billion
BY CUSTOMER GEOGRAPHY						
Commercial Pharmaceuticals						
Sub-Saharan Africa	0,1	–	–	0,1	3,9	4,0
Developed Europe	1,1	1,8	0,8	3,7	0,2	3,9
Australasia	0,4	–	0,3	0,7	1,9	2,6
Latin America	0,4	0,1	0,4	0,9	0,6	1,5
Developing Europe & CIS	0,2	1,0	0,2	1,4	–	1,4
China	0,9	0,3	–	1,2	–	1,2
Japan	0,7	–	0,2	0,9	0,1	1,0
Other Asia	0,4	0,1	0,1	0,6	0,2	0,8
MENA	0,1	–	0,1	0,2	0,2	0,4
USA & Canada	0,1	–	0,1	0,2	0,1	0,3
Total Commercial Pharmaceuticals	4,4	3,3	2,2	9,9	7,2	17,1

Reported 31 December 2016 (31 December 2016 at 2016 average rates)

	Anaesthetics Brands R'billion	Thrombosis Brands R'billion	High Potency & Cytotoxic Brands R'billion	Therapeutic Focused Brands R'billion	Regional Brands R'billion	Total R'billion
BY CUSTOMER GEOGRAPHY						
Commercial Pharmaceuticals						
Sub-Saharan Africa	0,1	–	–	0,1	3,3	3,4
Developed Europe	0,7	1,6	0,8	3,1	0,2	3,3
Australasia	0,3	–	0,3	0,6	1,9	2,5
Latin America	0,2	0,1	0,3	0,6	0,6	1,2
Developing Europe & CIS	–	0,9	0,2	1,1	0,1	1,2
China	0,7	–	–	0,7	–	0,7
Japan	0,4	–	0,3	0,7	0,1	0,8
Other Asia	0,2	0,1	0,1	0,4	0,2	0,6
MENA	0,1	0,1	0,2	0,4	0,2	0,6
USA & Canada	0,1	–	0,2	0,3	0,4	0,7
Total Commercial Pharmaceuticals	2,8	2,8	2,4	8,0	7,0	15,0

GROUP REVENUE SEGMENTAL ANALYSIS continued

COMMERCIAL PHARMACEUTICALS THERAPEUTIC AREA ANALYSIS continued

	Illustrative constant exchange rate 31 December 2016 (31 December 2016 at 2017 average rates)					
	Anaesthetics Brands R'billion	Thrombosis Brands R'billion	High Potency & Cytotoxic Brands R'billion	Therapeutic Focused Brands R'billion	Regional Brands R'billion	Total R'billion
BY CUSTOMER GEOGRAPHY						
Commercial Pharmaceuticals						
Sub-Saharan Africa	0,1	–	–	0,1	3,3	3,4
Developed Europe	0,7	1,6	0,8	3,1	0,3	3,4
Australasia	0,3	–	0,3	0,6	1,9	2,5
Latin America	0,2	0,1	0,4	0,7	0,5	1,2
Developing Europe & CIS	–	0,9	0,2	1,1	0,1	1,2
Japan	0,4	–	0,2	0,6	0,1	0,7
China	0,7	–	–	0,7	–	0,7
Other Asia	0,2	0,1	0,1	0,4	0,2	0,6
MENA	0,1	0,1	0,1	0,3	0,2	0,5
USA & Canada	0,1	–	0,2	0,3	0,4	0,7
Total Commercial Pharmaceuticals	2,8	2,8	2,3	7,9	7,0	14,9

	% change constant exchange rates					
	Anaesthetics Brands	Thrombosis Brands	High Potency & Cytotoxic Brands	Therapeutic Focused Brands	Regional Brands	Total
BY CUSTOMER GEOGRAPHY						
Commercial Pharmaceuticals						
Sub-Saharan Africa	15%	39%	(19%)	1%	17%	17%
Developed Europe	52%	11%	(7%)	16%	(20%)	14%
Australasia	20%	(13%)	3%	12%	2%	5%
Latin America	>100%	(7%)	15%	44%	4%	25%
Developing Europe & CIS	>100%	11%	(7%)	19%	0%	19%
China	>100%	>100%	(96%)	85%	(100%)	74%
Japan	9%	>100%	>100%	37%	>100%	50%
Other Asia	>100%	(18%)	22%	52%	4%	37%
MENA	22%	(38%)	(42%)	(20%)	(14%)	(17%)
USA & Canada	61%	(50%)	(63%)	(21%)	(87%)	(58%)
Total Commercial Pharmaceuticals	59%	17%	(8%)	24%	4%	15%

BASIS OF ACCOUNTING

The unaudited interim financial results for the six months ended 31 December 2017 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 the unaudited interim financial results are in terms of International Financial Reporting Standards and are consistent with those applied in the annual financial statements for the year ended 30 June 2017 except for changes to the segmental analysis which are explained in detail below.

The unaudited interim financial results have been rounded and disclosed in Rand billions to assist financial analysis. All percentage change variances have been calculated using unrounded numbers to record accurate variance trends.

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

Restatement of Group reportable segments

The Group revised its reportable segments for the financial year ended 30 June 2017 to reflect the current operating model and to achieve alignment with the change in the way in which the business is managed and reported on by the Chief Operating Decision Maker ("CODM"). The regional reporting segments of International, South Africa, Asia Pacific and Sub-Saharan Africa have been replaced by the Pharmaceutical and Nutritional business reporting segments. The Pharmaceutical business reporting segment has been further split into Therapeutic Focused Brands and Other Pharmaceuticals.

Therapeutic Focused Brands consist of those brands in the portfolios comprising Aspen's three major pharmaceutical therapeutic areas, being Anaesthetics, Thrombosis and High Potency & Cytotoxics. Other Pharmaceuticals consists of the revenue from the Regional Pharmaceutical Brands as well as Manufacturing revenue relating to both active pharmaceutical ingredients and finished dose form products.

The entity-wide revenue disclosure has been revised to reflect the three therapeutic areas which constitute the Therapeutic Focused Brands with the balance of the Commercial pharmaceutical brands being recorded as Regional Brands. The regions have been further refined to split Europe CIS into Developed Europe and Developing Europe & CIS segments. The Asia Pacific region has been split into the following segments:

- Australasia;
- China;
- Japan; and
- Other Asia

The GSK Aspen Healthcare for Africa Collaboration which was a material component of the Sub-Saharan Africa region was terminated effective from 31 December 2016 and as a consequence the Sub-Saharan Africa region is no longer a material region. On this basis the South African and Sub-Saharan African regions were consolidated into a broader all encompassing Sub-Saharan Africa region.

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