



## **ASPEN PHARMACARE HOLDINGS LIMITED AND ITS SUBSIDIARIES (“Aspen” or “the Group”)**

(Registration number 1985/002935/06)

Share code: APN/ISIN: ZAE000066692

## **Reviewed provisional Group financial results for the year ended 30 June 2018, announcement of Nutritionals Business disposal and retraction of cautionary announcement**

### **COMMENTARY**

#### **DIVESTMENT OF GLOBAL NUTRITIONALS BUSINESS TO LACTALIS FOR EUR739,8 MILLION**

With reference to Aspen’s announcement of 29 January 2018, wherein Aspen advised that it had undertaken a strategic review of its Global Nutritionals Business predominantly carried on in Latin America, Sub-Saharan Africa and Asia Pacific under the S-26, Alula and Infacare brands (“Nutritionals Business”) and its cautionary announcement of 11 September 2018, Aspen is pleased to announce that it has concluded an agreement to divest of its Nutritionals Business to the Lactalis Group, a leading multinational dairy corporation based in Laval, France, for a fully funded cash consideration of EUR739,8 million/R12,9 billion (translated at ZAR17,4/EUR) (“the Transaction”).

The Lactalis Group is a privately owned, global leader in the dairy industry with revenue of EUR18,4 billion, sales in over 200 countries, approximately 80 000 employees and 246 industrial plants in 47 different countries. Lactalis’ strategic intent is to develop a global infant nutritional business to complement their existing global product range. The transaction is considered to be a compelling opportunity for the transferring Aspen employees, as well as the shareholders of both Aspen and Lactalis.

In terms of the Transaction, the disposal of the Nutritionals Business will comprise the following elements:

- Intellectual property and any related goodwill presently owned by:
  - Aspen Holdings and Pharmicare Limited in respect of the South African and Sub-Saharan Africa Nutritionals Businesses; and
  - Aspen Global Incorporated in respect of the Latin American and Asia Pacific Nutritionals Businesses;
- Tangible assets (including plant, leased immovable property, equipment, associated fixed assets and inventory) presently owned by various Aspen Group companies in respect of the South African, Sub-Saharan Africa and Latin American Nutritionals Businesses;
- Product registrations and retail registrations relating to Aspen’s nutritional products;
- Shares in companies conducting Aspen’s Nutritional Business across Asia Pacific (including the acquisition of shares held by joint venture partners in New Zealand and Hong Kong); and
- Transfer of dedicated Nutritionals staff employed within each of the geographical regions.

#### **Rationale**

Aspen’s disposal of the Nutritionals Business will allow the Aspen business units in Asia Pacific, Latin America and Sub-Saharan Africa to dedicate all of their time and attention to their core pharmaceutical businesses. This heightened focus is expected to drive increased business efficiency and performance.

Aspen believes that Lactalis’ entrepreneurial spirit and commitment to develop a leading global position in infant nutrition will provide the Nutritionals Business and the transferring Aspen employees with exciting future opportunities for growth and development.

#### **Financial information**

The Global Nutritionals Business contributed ZAR3,091 billion to Group revenue and ZAR512 million to Group segmental contribution profit for the year ended 30 June 2018.

The proceeds of EUR739,8 million will be reduced by approximately EUR62 million which will be utilised to buy-out Aspen’s joint venture partners in New Zealand and China.

The balance of the proceeds from the Transaction, after costs and taxes, will be utilised to reduce Aspen’s gearing, creating greater headroom and capacity.

### Conditions precedent and completion

The Transaction is conditional upon the fulfilment of a number conditions precedent, the more material of which are the following:

- Approval by the Mexican and South African Competition/Anti-Trust authorities;
- South African Reserve Bank approval to the extent required under the Exchange Control Regulations;
- New Zealand and Australian foreign investment approvals to the extent required;
- Signature by Aspen and Lactalis of implementation agreements, including certain regional asset purchase and share purchase agreements with the various Aspen subsidiaries; and
- Signature or renewal of certain transitional service and other incidental agreements, some of which are with third parties.

It is anticipated that the Transaction will be completed within six months of this announcement.

### Categorisation of the Transaction

The Transaction is categorised as a Category 2 transaction in terms of the JSE Limited Listings Requirements.

### Withdrawal of cautionary announcement

Shareholders are advised that following the release of the full details of the divestment of the Nutritionals Business, shareholders no longer need to exercise caution when dealing in their Aspen securities in this regard.

### GROUP PERFORMANCE

Aspen improved revenue by 3% to R42,6 billion and grew normalised headline earnings per share ("NHEPS") by 10% to 1 605 cents in the year ended 30 June 2018. At constant exchange rates ("CER") revenue was up 5% and NHEPS increased 10%.

The Group's performance was underpinned by strong operating cash flows with a conversion rate of operating profits to cash of 105% being achieved.

Lower earnings in the second half of the year than in the first half were primarily influenced by the unfavourable impact of the strengthened ZAR. At CER, revenue in the second half of the financial year was in line with that of the first half. However, the stronger ZAR in the second half resulted in ZAR reported second half revenue being lower by R1,3 billion.

Significant factors influencing performance for the year were as follows:

- Underlying positive growth in Commercial Pharmaceuticals;
- Strong growth in China in the first full year of operation in that country;
- The inclusion for the full year of the Anaesthetics portfolios acquired during the course of the prior year and the margin benefit of the residual rights to the Astra Zeneca ("AZ") Anaesthetics acquired with effect from 1 November 2017;
- A decline in manufacturing revenue and profitability; and
- Additional operating expenditure related to the development of structures in China and Japan.

Relative movements in exchange rates had a net unfavourable impact on financial performance as is illustrated in the table below which compares performance for the past year to performance in the prior year at previously reported exchange rates and then at CER being a restatement of 2017 performance at 2018 average exchange rates.

Years ended 30 June	Reported June 2018 R'million	Reported June 2017 R'million	Change at reported rates %	CER 2017 R'billion	Change 2018/2017 at CER %
Revenue	42 596	41 213	3	40 690	5
Normalised EBITDA*	12 031	11 416	5	11 427	5
NHEPS (cents)	1 605	1 463	10	1 462	10

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

**From this point forward in the commentary, all 2017 revenue numbers are stated in CER and all percentage changes in revenue between 2018 and 2017 are based on 2017 CER revenue in order to enhance the comparability of underlying performance.**

The synergy programme yielded benefits of approximately R0,5 billion during the year. This helped offset the impact of Anaesthetics supply challenges and price cuts in Developed Markets.

## SEGMENTAL PERFORMANCE

### Therapeutic Focused Brands

Therapeutic Focused Brands comprising the Anaesthetics, Thrombosis and High Potency & Cytotoxic portfolios, recorded revenue of R18,9 billion which amounted to 44% of Group revenue. Gross profit from Therapeutic Focused Brands of R11,0 billion was at an improved gross margin percentage, primarily due to the benefits from the acquisition of the residual rights to the AZ Anaesthetics and improvements in cost of goods of the Thrombosis portfolio.

#### Anaesthetics Brands

Anaesthetics delivered revenue of R8,3 billion, advancing 21%. The inclusion of this portfolio for the full year following the acquisition of the products from AZ and GSK during the course of the prior year assisted to lift the rate of growth. Emerging markets grew more quickly, led by a strong performance in China. The full potential of the portfolio was not realised due to disruptions in supply from the AZ production network.

#### Thrombosis Brands

Revenue from the Thrombosis portfolio rose 12% to R6,4 billion supported by growth across all the brands in the portfolio. The addition of Fraxiparine and Arixtra in China midway through the prior year assisted this outcome. China produced pleasing half-on-half growth and was an important driver in the 18% advance in revenue in Emerging Markets. Developed Markets recorded a satisfactory 7% improvement in revenue.

#### High Potency & Cytotoxic

Revenue from the High Potency & Cytotoxic Brands declined 9% to R4,2 billion. Increased generic presence in Developed Europe had a negative influence on results and performance in other Developed Markets was generally down.

### Other Pharmaceuticals

Other Pharmaceuticals comprising Regional Brands and Manufacturing, delivered 1% higher revenue of R20,6 billion at a narrowing gross profit percentage due primarily to challenges in the manufacturing segment.

#### Regional Brands

Regional Brands comprise 34% of Group revenue with Sub-Saharan Africa ("SSA") and Australasia making up 80% of this category. Revenue from Regional Brands increased by 5% to R14,3 billion. The absence of Hydroxyprogesterone Caproate ("HPC") sales during the year resulted in reduced sales in the USA. Excluding HPC and various divestments/discontinuations from the results, the underlying revenue growth in Regional Brands was 8%. SSA was the leading contributor to growth, supported by a 11% rise in revenue from the South African business. Australasia produced solid results, raising revenue 2% despite the legislated price cuts imposed. The Latam and Asian countries also performed well, growing by 17% and 27% respectively.

#### Manufacturing

Manufacturing revenue declined 5% to R6,2 billion. Active pharmaceutical ingredient revenue was stable. Finished dose manufacturing revenue declined 22%, largely as a consequence of a major customer losing a tender for the supply of a product in China.

### Nutritionals

The brand transition to Aspen's new global infant formula brand, Alula, and the launch of Alula in China were important milestones achieved during the year. Gross profit remained at prior year levels as initiatives to lower cost of goods offset a revenue decline of 2%. Sub-Saharan Africa continued to grow revenue while Australasia and Latam were slightly lower. Increased promotional spend was put behind the business to support the brand transition and the launch in China.

## FUNDING

Borrowings, net of cash, increased by R9,6 billion to R46,8 billion. Operating cash generated of R7,0 billion was offset by R14,3 billion of payments relating to acquisitions, other capital expenditure and dividends to shareholders. Unfavourable exchange rate effects added a further R2,3 billion to the balance. Operating cash flow per share of 1 537 cents represented a 105% rate of conversion of operating profit assisted by excellent second half cash generation. Net interest paid was covered eight times by EBITDA.

In May 2018, Aspen announced the successful closing of a multi-currency syndicated facilities agreement with 28 lenders, equivalent to approximately EUR 3,4 billion, which refinanced Aspen's existing term debt facilities. A significant oversubscription allowed the facilities to be upsized.

## PROSPECTS

The impending disposal of the Nutritionals Business is another step towards shaping Aspen into an enterprise that is absolutely focused on its portfolio of valuable branded pharmaceuticals. The Group is a uniquely positioned multinational with its weighting towards Emerging Markets and offers a portfolio of critical medicines with enduring global demand. Emerging Markets are expected to continue to lead growth in Commercial Pharmaceuticals. Supply constraints are expected to impact Anaesthetics at a similar level to that experienced in the past year.

Manufacturing revenue will be lower as limited availability of mucosa will prevent the Group from supplying third parties with heparin and the full year effect is felt of the termination of the major supply contract referred to earlier. The Nutritionals Business is well set to deliver a positive performance as benefits of many of the initiatives undertaken in the last year begin to be realised although the contribution will clearly be limited to the period prior to completion of the disposal.

The Group will continue its projects aimed at reducing cost of goods which have already proven successful in protecting gross profit margins from the price erosion experienced in recent years. This includes the capital expenditure programmes underway at the Port Elizabeth, Notre Dame de Bondeville and Bad Oldesloe sites targeted at bringing the manufacture of a significant portion of the Anaesthetics portfolio into Aspen facilities. Complex manufacturing capabilities represent a critical strategic advantage for the Group.

Strong operating cash flows are anticipated to continue although there will be additional investment in inventory required to facilitate various planned changes in manufacturing sites aligned to the initiatives aimed at lowering the cost of goods.

Foreign exchange rates will continue to be a factor affecting relative ZAR performance. Further divestments will be considered where portfolios are identified which are no longer aligned to the Group's specific areas of focus. Deleveraging the Aspen balance sheet will give headroom for other potential opportunities.

## DIVIDEND TO SHAREHOLDERS

Taking into account the earnings and cash flow performance for the year ended 30 June 2018, existing debt service commitments, the expected completion of the disposal of the Nutritionals Business, future proposed investments and funding options, notice is hereby given that the Board has declared a gross dividend, which is paid from income reserves, of 315 cents per ordinary share to shareholders (or 252 cents net of a 20% dividend withholding tax, where this maximum rate of tax applies) recorded in the share register of the Company at the close of business on 5 October 2018 (2017: dividend of 287 cents per share). Shareholders should seek their own advice on the tax consequences associated with the dividend and are particularly encouraged to ensure their records are up to date with Aspen so that the correct withholding tax is applied to their dividend. The Company income tax number is 9325178714. The issued share capital of the Company is 456 451 541 ordinary shares.

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 be accounted for in the financial statements in the year ended 30 June 2019.

Last day to trade <i>cum</i> dividend	Tuesday, 2 October 2018
Shares commence trading <i>ex</i> dividend	Wednesday, 3 October 2018
Record date	Friday, 5 October 2018
Payment date	Monday, 8 October 2018

Share certificates may not be dematerialised or rematerialised between Wednesday, 3 October 2018 and Friday, 5 October 2018.

By order of the Board

**K D Dlamini**  
(Chairman)

**S B Saad**  
(Group Chief Executive)

Woodmead  
13 September 2018

## GROUP STATEMENT OF FINANCIAL POSITION

	Notes	Reviewed at 30 June 2018 R'million	Audited at 30 June 2017 R'million
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	I#	72 163	60 006
Property, plant and equipment		11 368	9 749
Goodwill		6 126	5 940
Deferred tax assets		966	987
Contingent environmental indemnification assets		802	747
Other non-current assets		1 189	801
<b>Total non-current assets</b>		<b>92 614</b>	<b>78 230</b>
<b>Current assets</b>			
Inventories		14 496	13 611
Receivables and other current assets		14 421	13 592
Cash and cash equivalents		11 170	10 707
<b>Total operating current assets</b>		<b>40 087</b>	<b>37 910</b>
Assets classified as held-for-sale		135	200
<b>Total current assets</b>		<b>40 222</b>	<b>38 110</b>
<b>Total assets</b>		<b>132 836</b>	<b>116 340</b>
<b>SHAREHOLDERS' EQUITY</b>			
Reserves		48 162	41 182
Share capital (including treasury shares)		1 905	1 929
Ordinary shareholders' equity		50 067	43 111
Non-controlling interests		28	27
<b>Total shareholders' equity</b>		<b>50 095</b>	<b>43 138</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings		46 725	28 978
Other non-current liabilities		2 524	4 381
Unfavourable and onerous contracts		1 382	1 635
Deferred tax liabilities		2 213	2 085
Contingent environmental liabilities		890	747
Retirement and other employee benefits		635	570
<b>Total non-current liabilities</b>		<b>54 369</b>	<b>38 396</b>
<b>Current liabilities</b>			
Borrowings*		11 225	18 860
Trade and other payables		10 414	10 257
Other current liabilities		6 359	5 341
Unfavourable and onerous contracts		374	348
<b>Total current liabilities</b>		<b>28 372</b>	<b>34 806</b>
<b>Total liabilities</b>		<b>82 741</b>	<b>73 202</b>
<b>Total equity and liabilities</b>		<b>132 836</b>	<b>116 340</b>
Number of shares in issue (net of treasury shares) ('000)		456,0	456,0
Net asset value per share (cents)		10 980,3	9 453,7

# See notes on Supplementary Information.

\* Includes bank overdrafts.

## GROUP STATEMENT OF COMPREHENSIVE INCOME

	Notes	Change %	Reviewed year ended 30 June 2018 R'million	Audited year ended 30 June 2017 R'million
Revenue		3	42 596	41 213
Cost of sales			(20 991)	(21 317)
<b>Gross profit</b>		9	<b>21 605</b>	19 896
Selling and distribution expenses			(7 460)	(6 720)
Administrative expenses			(3 103)	(2 780)
Other operating income			419	345
Other operating expenses			(2 224)	(2 420)
<b>Operating profit</b>	B#	11	<b>9 237</b>	8 321
Investment income	C#		343	287
Financing costs	D#		(2 235)	(2 369)
<b>Operating profit after investment income and financing costs</b>			<b>7 345</b>	6 239
Share of after-tax net profits of joint venture			51	13
<b>Profit before tax</b>		18	<b>7 396</b>	6 252
Tax			(1 385)	(1 124)
<b>Profit for the year</b>		17	<b>6 011</b>	5 128
<b>OTHER COMPREHENSIVE INCOME, NET OF TAX*</b>				
Currency translation gains/(losses)	E#		2 372	(3 521)
Net (losses)/gains from cash flow hedging in respect of business acquisition			(96)	188
Remeasurement of retirement and other employee benefits			1	44
<b>Total comprehensive income</b>			<b>8 288</b>	1 839
<b>Profit for the year attributable to</b>				
Equity holders of the parent			6 010	5 128
Non-controlling interests			1	–
			<b>6 011</b>	5 128
<b>Total comprehensive income attributable to</b>				
Equity holders of the parent			8 287	1 839
Non-controlling interests			1	–
			<b>8 288</b>	1 839
Weighted average number of shares in issue ('000)			456,5	456,4
Diluted weighted average number of shares in issue ('000)			456,5	456,4
<b>EARNINGS PER SHARE</b>				
<b>Basic earnings per share (cents)</b>		17	<b>1 316,6</b>	1 123,4
<b>Diluted earnings per share (cents)</b>		17	<b>1 316,6</b>	1 123,4

# See notes on Supplementary Information.

\* The annual remeasurement of retirement and other employee benefits will not be reclassified to profit or loss. All other items in other comprehensive income may be reclassified to profit or loss.

## GROUP STATEMENT OF HEADLINE EARNINGS

	Change %	Reviewed year ended 30 June 2018 R'million	Audited year ended 30 June 2017 R'million
<b>HEADLINE EARNINGS<sup>^</sup></b>			
<b>Reconciliation of headline earnings</b>			
Profit attributable to equity holders of the parent	17	<b>6 010</b>	5 127
Adjusted for:			
– Net impairment of property, plant and equipment (net of tax)		<b>48</b>	197
– Impairment of intangible assets (net of tax)		<b>606</b>	427
– Impairment of assets held for sale (net of tax)		<b>37</b>	–
– Loss on the sale of intangible assets (net of tax)		<b>3</b>	85
– Loss on the sale of property, plant and equipment (net of tax)		–	25
– Loss on the sale of subsidiary (net of tax)		–	70
	13	<b>6 704</b>	5 931
<b>HEADLINE EARNINGS PER SHARE</b>			
<b>Headline earnings per share (cents)</b>	13	<b>1 468,8</b>	1 299,5
<b>Diluted headline earnings per share (cents)</b>	13	<b>1 468,8</b>	1 299,5
<b>NORMALISED HEADLINE EARNINGS</b>			
<b>Reconciliation of normalised headline earnings</b>			
Headline earnings	13	<b>6 704</b>	5 931
Adjusted for:			
– Restructuring costs (net of tax)		<b>144</b>	362
– Transaction costs (net of tax)		<b>362</b>	314
– Foreign exchange gain on acquisitions (net of tax)		<b>(178)</b>	(137)
– Product litigation costs (net of tax)		<b>293</b>	208
	10	<b>7 325</b>	6 678
<b>NORMALISED HEADLINE EARNINGS PER SHARE</b>			
Normalised headline earnings per share (cents)	10	<b>1 604,9</b>	1 463,2
Normalised diluted headline earnings per share (cents)	10	<b>1 604,9</b>	1 463,2

<sup>^</sup> 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'million	Reserves R'million	Total attributable to equity holders of the parent R'million	Non- controlling interests R'million	Total R'million
<b>BALANCE AT 1 JULY 2016</b>	1 938	40 571	42 509	27	42 536
Total comprehensive income	–	1 839	1 839	–	1 839
Profit for the year	–	5 128	5 128	–	5 128
Other comprehensive loss	–	(3 289)	(3 289)	–	(3 289)
Dividends paid	–	(1 230)	(1 230)	–	(1 230)
Treasury shares purchased	(33)	–	(33)	–	(33)
Deferred incentive bonus shares exercised	24	(24)	–	–	–
Share-based payment expenses	–	26	26	–	26
<b>BALANCE AT 30 JUNE 2017</b>	1 929	41 182	43 111	27	43 138
Total comprehensive income	–	<b>8 287</b>	<b>8 287</b>	<b>1</b>	<b>8 288</b>
Profit for the year	–	<b>6 010</b>	<b>6 010</b>	<b>1</b>	<b>6 011</b>
Other comprehensive income	–	<b>2 277</b>	<b>2 277</b>	–	<b>2 277</b>
Dividends paid	–	<b>(1 313)</b>	<b>(1 313)</b>	–	<b>(1 313)</b>
Treasury shares purchased	<b>(44)</b>	–	<b>(44)</b>	–	<b>(44)</b>
Deferred incentive bonus shares exercised	<b>20</b>	<b>(20)</b>	–	–	–
Share-based payment expenses	–	<b>26</b>	<b>26</b>	–	<b>26</b>
<b>BALANCE AT 30 JUNE 2018</b>	<b>1 905</b>	<b>48 162</b>	<b>50 067</b>	<b>28</b>	<b>50 095</b>

### DISTRIBUTION TO SHAREHOLDERS

A dividend of 287,0 cents per share has been paid during the year (2017: 248,0 cents). The dividend to shareholders of 287,0 cents relates to the dividend declared on 14 September 2017 and paid on 9 October 2017 (2017: the dividend of 248,0 cents relates to the dividend declared on 14 September 2016 and paid on 10 October 2016).



## GROUP STATEMENT OF CASH FLOWS

	Notes	Change %	Reviewed year ended 30 June 2018 R'million	Audited year ended 30 June 2017 R'million
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash operating profit			11 907	10 817
Changes in working capital			(1 579)	(915)
Cash generated from operations			10 328	9 902
Net financing costs paid			(1 816)	(1 913)
Tax paid			(1 495)	(1 502)
<b>Cash generated from operating activities</b>		8	<b>7 017</b>	6 487
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Capital expenditure – property, plant and equipment	A#		(2 145)	(1 484)
Proceeds on the sale of property, plant and equipment			17	9
Capital expenditure – intangible assets	A#		(6 083)	(1 147)
Additions to intangible assets			(8 941)	(1 147)
Consideration outstanding	I#		2 858	–
Proceeds received on the sale of intangible assets			62	832
Acquisition of subsidiaries and businesses	J#		(152)	(9 428)
Disposal of subsidiary			–	45
Investment in joint venture			–	(52)
Proceeds received/(investment in) other non-current assets			50	(291)
Payment of deferred consideration relating to prior year business acquisitions			(4 599)	(192)
Proceeds on the sale of assets classified as held-for-sale			37	91
<b>Cash used in investing activities</b>			<b>(12 813)</b>	(11 617)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Net proceeds from borrowings			7 690	6 219
Dividends paid			(1 313)	(1 230)
Treasury shares purchased			(44)	(33)
<b>Cash generated from financing activities</b>			<b>6 333</b>	4 956
<b>Movement in cash and cash equivalents before currency translation movements</b>				
Currency translation movements			537	(174)
Movement in cash and cash equivalents			389	(526)
Movement in cash and cash equivalents			926	(700)
Cash and cash equivalents at the beginning of the year			7 188	7 888
<b>Cash and cash equivalents at the end of the year</b>			<b>8 114</b>	7 188
<b>Operating cash flow per share (cents)</b>		8	<b>1 537,3</b>	1 421,4
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>				
Cash and cash equivalents per the statement of financial position			11 170	10 707
Less: bank overdrafts			(3 056)	(3 519)
			<b>8 114</b>	7 188

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

	Reviewed year ended 30 June 2018				
	Therapeutic Focused Brands R'million	Other Pharmaceuticals R'million	Total Pharmaceuticals R'million	Nutritionals R'million	Total R'million
Revenue	18 934	20 571	39 505	3 091	42 596
Cost of sales	(7 946)	(11 348)	(19 294)	(1 697)	(20 991)
Gross profit	10 988	9 223	20 211	1 394	21 605
Selling and distribution expenses			(6 578)	(882)	(7 460)
Contribution profit			13 633	512	14 145
Administrative expenses					(3 103)
Net other operating income					249
Depreciation					740
<b>Normalised EBITDA*</b>					12 031
<i>Adjusted for:</i>					
Depreciation					(740)
Amortisation					(632)
Loss on sale of assets					(4)
Net impairment of assets					(742)
Restructuring costs					(199)
Transaction costs					(160)
Product litigation costs					(317)
<b>Operating profit</b>					<b>9 237</b>
Gross profit (%)	58,0	44,8	51,2	45,1	50,7
Selling and distribution expenses (%)			16,7	28,5	17,5
Contribution profit (%)			34,5	16,6	33,2
Administrative expenses (%)					7,3
Normalised EBITDA (%)					28,2

	Audited year ended 30 June 2017				
	Therapeutic Focused Brands R'million	Other Pharmaceuticals R'million	Total Pharmaceuticals R'million	Nutritionals R'million	Total R'million
Revenue	17 417	20 572	37 989	3 224	41 213
Cost of sales	(8 438)	(11 047)	(19 485)	(1 832)	(21 317)
Gross profit	8 979	9 525	18 504	1 392	19 896
Selling and distribution expenses			(5 880)	(840)	(6 720)
Contribution profit			12 624	552	13 176
Administrative expenses					(2 780)
Net other operating income					320
Depreciation					700
<b>Normalised EBITDA*</b>					11 416
<i>Adjusted for:</i>					
Depreciation					(700)
Amortisation					(567)
Loss on sale of assets					(196)
Net impairment of assets					(722)
Restructuring costs					(494)
Transaction costs					(208)
Product litigation costs					(208)
<b>Operating profit</b>					<b>8 321</b>
Gross profit (%)	51,6	46,3	48,7	43,2	48,3
Selling and distribution expenses (%)			15,5	26,1	16,3
Contribution profit (%)			33,2	17,1	32,0
Administrative expenses (%)					6,7
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	8,7	0,0	4,0	(4,1)	3,4
Cost of sales	(5,8)	2,7	(1,0)	(7,4)	(1,5)
Gross profit	22,4	(3,2)	9,2	0,1	8,6
Selling and distribution expenses			11,9	5,0	11,0
Contribution profit			8,0	(7,1)	7,4
Administrative expenses					11,6
Net other operating income					(22,0)
Depreciation					5,7
<b>Normalised EBITDA *</b>					<b>5,4</b>

\* 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

	Reviewed June 2018 R'million	Audited June 2017 R'million	Change %
<b>COMMERCIAL PHARMACEUTICALS BY CUSTOMER GEOGRAPHY</b>	<b>33 270</b>	31 437	6
Sub-Saharan Africa	8 127	7 459	9
Developed Europe	7 434	6 817	9
Australasia	4 816	4 799	0
Latin America	2 929	2 722	8
Developing Europe & CIS	2 780	2 589	7
China	2 415	1 753	38
Japan	1 930	1 932	0
Other Asia	1 401	1 206	16
MENA	877	1 117	(21)
USA & Canada	561	1 043	(46)
<b>MANUFACTURING REVENUE BY GEOGRAPHY OF MANUFACTURE</b>			
<b>Manufacturing revenue – finished dose form</b>	<b>1 644</b>	2 141	(23)
Australasia	464	472	(2)
Developed Europe	636	638	0
Sub-Saharan Africa	532	1 031	(48)
Latin America	12	–	100
<b>Manufacturing revenue – active pharmaceutical ingredients</b>	<b>4 591</b>	4 411	4
Developed Europe	4 259	3 976	7
Sub-Saharan Africa	332	435	(24)
<b>Total manufacturing revenue</b>	<b>6 235</b>	6 552	(5)
<b>TOTAL PHARMACEUTICALS</b>	<b>39 505</b>	37 989	4
<b>NUTRITIONALS BY CUSTOMER GEOGRAPHY</b>	<b>3 091</b>	3 224	(4)
Australasia	715	795	(10)
Sub-Saharan Africa	1 017	967	5
Latin America	1 290	1 462	(12)
MENA	4	–	100
China	65	–	100
<b>TOTAL REVENUE</b>	<b>42 596</b>	41 213	3
<b>SUMMARY OF REGIONS</b>			
Sub-Saharan Africa	10 008	9 892	1
Developed Europe	12 329	11 431	8
Australasia	5 995	6 066	(1)
Latin America	4 231	4 184	1
Developing Europe & CIS	2 780	2 589	7
China	2 480	1 753	41
Japan	1 930	1 932	0
Other Asia	1 401	1 206	16
MENA	881	1 117	(21)
USA & Canada	561	1 043	(46)
<b>TOTAL REVENUE</b>	<b>42 596</b>	41 213	3

GROUP REVENUE SEGMENTAL ANALYSIS continued

COMMERCIAL PHARMACEUTICALS THERAPEUTIC AREA ANALYSIS

Reviewed year ended 30 June 2018

	Anaesthetics Brands R'million	Thrombosis Brands R'million	High Potency & Cytotoxic Brands R'million	Therapeutic Focused Brands R'million	Regional Brands R'million	Total R'million
<b>BY CUSTOMER</b>						
<b>GEOGRAPHY</b>						
<b>Commercial Pharmaceuticals</b>						
Sub-Saharan Africa	143	9	99	251	7 876	8 127
Developed Europe	2 170	3 471	1 417	7 058	376	7 434
Australasia	713	21	477	1 211	3 605	4 816
Latin America	762	71	790	1 623	1 306	2 929
Developing Europe & CIS	434	1 876	406	2 716	64	2 780
China	1 779	616	20	2 415	–	2 415
Japan	1 213	48	372	1 633	297	1 930
Other Asia	658	151	262	1 071	330	1 401
MENA	156	159	193	508	369	877
USA & Canada	304	8	136	448	113	561
<b>Total Commercial Pharmaceuticals</b>	<b>8 332</b>	<b>6 430</b>	<b>4 172</b>	<b>18 934</b>	<b>14 336</b>	<b>33 270</b>

Audited year ended 30 June 2017

	Anaesthetics Brands R'million	Thrombosis Brands R'million	High Potency & Cytotoxic Brands R'million	Therapeutic Focused Brands R'million	Regional Brands R'million	Total R'million
<b>BY CUSTOMER</b>						
<b>GEOGRAPHY</b>						
<b>Commercial Pharmaceuticals</b>						
Sub-Saharan Africa	144	7	126	277	7 182	7 459
Developed Europe	1 700	3 168	1 472	6 340	477	6 817
Australasia	639	25	483	1 147	3 652	4 799
Latin America	605	92	838	1 535	1 187	2 722
Developing Europe & CIS	317	1 714	472	2 503	86	2 589
China	1 453	252	48	1 753	–	1 753
Japan	1 293	46	408	1 747	185	1 932
Other Asia	429	176	258	863	343	1 206
MENA	231	169	275	675	442	1 117
USA & Canada	254	16	307	577	466	1 043
<b>Total Commercial Pharmaceuticals</b>	<b>7 065</b>	<b>5 665</b>	<b>4 687</b>	<b>17 417</b>	<b>14 020</b>	<b>31 437</b>

Variances

	Anaesthetics Brands %	Thrombosis Brands %	High Potency & Cytotoxic Brands %	Therapeutic Focused Brands %	Regional Brands %	Total %
<b>BY CUSTOMER</b>						
<b>GEOGRAPHY</b>						
<b>Commercial Pharmaceuticals</b>						
Sub-Saharan Africa	(1)	29	(21)	(9)	10	9
Developed Europe	28	10	(4)	11	(21)	9
Australasia	12	(16)	(1)	6	(1)	0
Latin America	26	(23)	(6)	6	10	8
Developing Europe & CIS	37	9	(14)	9	(26)	7
China	22	>100	(58)	38	0	38
Japan	(6)	4	(9)	(7)	61	0
Other Asia	53	(14)	2	24	(4)	16
MENA	(32)	(6)	(30)	(25)	(17)	(21)
USA & Canada	20	(50)	(56)	(22)	(76)	(46)
<b>Total Commercial Pharmaceuticals</b>	<b>18</b>	<b>14</b>	<b>(11)</b>	<b>9</b>	<b>2</b>	<b>6</b>

**GROUP SUPPLEMENTARY INFORMATION**

	Reviewed year ended 30 June 2018 R'million	Audited year ended 30 June 2017 R'million
<b>A. CAPITAL EXPENDITURE</b>		
<b>Incurred</b>	<b>8 228</b>	2 631
– Property, plant and equipment	2 145	1 484
– Intangible assets	6 083	1 147
<b>Contracted</b>	<b>1 812</b>	818
– Property, plant and equipment	1 786	735
– Intangible assets	26	83
<b>Authorised but not contracted for</b>	<b>4 184</b>	5 967
– Property, plant and equipment	3 829	5 573
– Intangible assets	355	394
<b>B. OPERATING PROFIT HAS BEEN ARRIVED AT AFTER CHARGING/(CREDITING)</b>		
Depreciation of property, plant and equipment	740	700
Amortisation of intangible assets	632	567
Net impairment of tangible and intangible assets	742	722
Net impairment of tangible assets	68	278
Net impairment of intangible assets	623	444
Impairment of assets classified as held-for-sale	51	–
Loss on the sale of tangible and intangible assets	4	126
Transaction costs	160	208
Restructuring costs	199	494
Product litigation costs	317	208
Loss on sale of subsidiary	–	70
<b>C. INVESTMENT INCOME</b>		
Interest received	343	287
<b>D. FINANCING COSTS</b>		
Interest paid	(1 884)	(1 818)
Debt raising fees on acquisitions	(209)	(112)
Net gains/(losses) on financial instruments	88	(237)
Foreign exchange (losses)	(16)	(200)
Fair value gains/(losses) on financial instruments	104	(37)
Notional interest on financial instruments	(408)	(339)
Foreign exchange gain on acquisitions	178	137
	<b>(2 235)</b>	<b>(2 369)</b>
<b>E. CURRENCY TRANSLATION GAINS/(LOSSES)</b>		
Currency translation gains/(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 year the weaker closing Rand translation rate has increased the Group net asset value	2 372	(3 521)
<b>F. GUARANTEES TO FINANCIAL INSTITUTIONS</b>		
Material guarantees given by Group companies for indebtedness of subsidiaries to financial institutions	73 561	55 119
<b>G. POTENTIAL DISPUTED MATTER – EUROPEAN COMPETITION COMMISSION</b>		
<p>In May 2017 the European Commission (the “Commission”) 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).</p> <p>The Commission’s investigation is continuing and Aspen and its advisers are fully co-operating with the Commission in 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.</p> <p>The outcome of the Commission matter is unknown at this stage and therefore no liability has been raised in the statement of financial position.</p>		

## GROUP SUPPLEMENTARY INFORMATION *continued*

### H. POTENTIAL DISPUTED MATTER – UK COMPETITION AND MARKETS AUTHORITY

In October 2017 the UK Competition and Markets Authority (“CMA”) opened an investigation of Aspen in respect of alleged anti-competitive conduct and pricing practices in relation to the supply of fludrocortisone acetate 0,1mg tablets and dexamethasone 2mg tablets in the UK. The CMA has subsequently advised that it will not be proceeding with its investigation in relation to dexametazone 2mg tablets.

A high level of co-operation and diligence is being afforded to the investigation team by Aspen and its advisers.

The CMA’s decision whether to formally open a case is only likely to be made by November 2018 after conclusion of its investigation.

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

### I. ACQUISITION OF RESIDUAL RIGHTS RELATING TO AZ ANAESTHETICS PORTFOLIO

On 1 September 2016, Aspen Global Incorporated (“AGI”) acquired the exclusive rights to commercialise the anaesthetics portfolio of AstraZeneca globally (excluding the USA) (“the AZ anaesthetics”). With effect from 1 November 2017, AGI acquired the remaining rights to the intellectual property and manufacturing know-how related to the AZ anaesthetics (“the Residual Rights”). The transaction has been classified as an intangible asset acquisition and not a business combination. The fair value of the Residual Rights is R8 060 million and R5 206 million of the consideration has been paid in the current financial year. The balance of R2 858 million comprises the present value of future deferred fixed and performance-related milestone payments.

### J. ACQUISITION OF SUBSIDIARIES AND BUSINESSES

With effect from 12 June 2018, Aspen Pharmacare acquired 100% of the share capital of Alphamed for a consideration of R164 million.

The estimated post-acquisition operating profits is not material to the Group.

Due to Alphamed being a standalone company, incorporating manufacturing and development operations, Aspen is accounting for its acquisition as a business combination. Due to the timing of the transaction Aspen has not yet completed the detailed exercise to identify and value the separately identifiable intangible assets acquired and thereafter the goodwill, if any, arising as a result of the transaction. This will be completed as part of the finalisation of the accounting for the acquisition.

	Total R' million
<b>Fair value of assets and liabilities acquired</b>	
Property, plant and equipment	85
Non-current financial receivables	1
Inventories	18
Receivables and prepayments	33
Cash and cash equivalents at acquisition	2
Non-current borrowings	(3)
Deferred tax liabilities	(3)
Trade and other payables	(41)
Current borrowings	(7)
<b>Fair value of net assets acquired</b>	<b>85</b>
Goodwill	78
Cash and cash equivalents at acquisition	(2)
Consideration outstanding at year end	(9)
<b>Cash outflow on acquisition</b>	<b>152</b>

**GROUP SUPPLEMENTARY INFORMATION** continued

**J. ALPHAMED BUSINESS ACQUISITION** continued

**June 2017**

The business combinations set out below were finalised by December 2017. The cash flow movements for the business combinations were as follows:

	<b>AstraZeneca anaesthetics portfolio R'million</b>	<b>Fraxiparine and Arixtra in China, Pakistan and India R'million</b>	<b>GSK anaesthetics portfolio R'million</b>	<b>Total R'million</b>
<b>Fair value of assets and liabilities acquired</b>				
Intangible assets	11 062	731	4 387	16 180
Deferred tax liabilities	(331)	(22)	(132)	(485)
<b>Fair value of net assets acquired</b>	<b>10 731</b>	<b>709</b>	<b>4 255</b>	<b>15 695</b>
Goodwill acquired	331	22	132	485
Net gains from cash flow hedging in respect of business acquisition	–	(40)	(167)	(207)
Deferred and contingent consideration	(5 045)	–	(1 500)	(6 545)
<b>Cash outflow on acquisition</b>	<b>6 017</b>	<b>691</b>	<b>2 720</b>	<b>9 428</b>

**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 30 June 2018. The illustrative constant exchange rate report on selected financial data has been derived from the audited financial information and has been reported on by Aspen's auditors in an assurance report, which is available for inspection at the Company's registered office.

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:

	<b>2018 average rates</b>	2017 average rates
EUR – Euro	<b>15,326</b>	14,840
AUD – Australian Dollar	<b>9,965</b>	10,261
USD – US Dollar	<b>12,856</b>	13,612
CNY – Chinese Yuan Renminbi	<b>1,975</b>	1,999
JPY – Japanese Yen	<b>0,116</b>	0,125
MXN – Mexican Peso	<b>0,686</b>	0,700
BRL – Brazilian Real	<b>3,867</b>	4,198
GBP – British Pound	<b>17,291</b>	17,271
CAD – Canadian Dollar	<b>10,126</b>	10,262
RUB – Russian Ruble	<b>0,218</b>	0,224
PLN – Polish Zloty	<b>3,620</b>	3,440



**GROUP SUPPLEMENTARY INFORMATION** continued

**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.

Key constant exchange rate indicators	<b>Reported June 2018 (June 2018 at 2018 average rates) R'million</b>	Reported June 2017 (June 2017 at 2017 average rates) R'million	Change at reported exchange rates %	Illustrative constant exchange rates (June 2017 at 2018 average rates) R'million	Change in constant exchange rates %
Revenue	<b>42 596</b>	41 213	3	40 690	5
Gross profit	<b>21 605</b>	19 896	9	19 777	9
Normalised EBITDA	<b>12 031</b>	11 416	5	11 427	5
Operating profit	<b>9 237</b>	8 321	11	8 342	11
Normalised headline earnings	<b>7 325</b>	6 678	10	6 675	10
<i>Earnings per share (cents)</i>	<b>1 316,6</b>	1 123,4	17	1 116,2	18
<i>Headline per share (cents)</i>	<b>1 468,8</b>	1 299,5	13	1 288,1	14
<i>Normalised headline earnings per share (cents)</i>	<b>1 604,9</b>	1 463,2	10	1 462,5	10

	<b>Reported June 2018 (At 2018 average rates) %</b>	Reported June 2017 (At 2017 average rates) %
<b>Revenue currency mix</b>		
EUR – Euro	<b>27</b>	26
ZAR – South African Rand	<b>20</b>	20
AUD – Australian Dollar	<b>13</b>	14
USD – US Dollar	<b>7</b>	11
CNY – Chinese Yuan Renminbi	<b>6</b>	4
JPY – Japanese Yen	<b>5</b>	5
MXN – Mexican Peso	<b>3</b>	3
BRL – Brazilian Real	<b>3</b>	3
GBP – British Pound	<b>2</b>	2
CAD – Canadian Dollar	<b>1</b>	1
RUB - Russian Ruble	<b>1</b>	2
PLN – Polish Zloty	<b>1</b>	1
Other currencies	<b>11</b>	8
<b>Total</b>	<b>100</b>	100

## GROUP REVENUE SEGMENTAL ANALYSIS

	Reported June 2018 (June 2018 at 2018 average rates) R'million	Reported June 2017 (June 2017 at 2017 average rates) R'million	Illustrative constant exchange rate June 2017 (June 2017 at 2018 average rates) R'million	Change at constant exchange rates %
<b>COMMERCIAL PHARMACEUTICALS BY CUSTOMER GEOGRAPHY</b>	<b>33 270</b>	31 437	30 947	8
Sub-Saharan Africa	8 127	7 459	7 402	10
Developed Europe	7 434	6 817	6 941	7
Australasia	4 816	4 799	4 658	3
Latin America	2 929	2 722	2 577	14
Developing Europe & CIS	2 780	2 589	2 611	6
China	2 415	1 753	1 748	38
Japan	1 930	1 932	1 812	7
Other Asia	1 401	1 206	1 148	22
MENA	877	1 117	1 049	(16)
USA & Canada	561	1 043	1 001	(44)
<b>MANUFACTURING REVENUE BY GEOGRAPHY OF MANUFACTURE</b>				
<b>Manufacturing revenue – finished dose form</b>	<b>1 644</b>	2 141	2 100	(22)
Sub-Saharan Africa	532	1 031	975	(45)
Developed Europe	636	638	667	(5)
Australasia	464	472	458	1
Latin America	12	–	–	100
<b>Manufacturing revenue – active pharmaceutical ingredients</b>	<b>4 591</b>	4 411	4 480	2
Developed Europe	4 259	3 976	4 263	0
Sub-Saharan Africa	332	435	217	53
<b>Total manufacturing revenue</b>	<b>6 235</b>	6 552	6 580	(5)
<b>TOTAL PHARMACEUTICALS</b>	<b>39 505</b>	37 989	37 527	5
<b>NUTRITIONALS BY CUSTOMER GEOGRAPHY</b>	<b>3 091</b>	3 224	3 163	(2)
Australasia	715	795	772	(7)
Sub-Saharan Africa	1 017	967	977	4
Latin America	1 290	1 462	1 414	(9)
MENA	4	–	–	100
China	65	–	–	100
<b>Total revenue</b>	<b>42 596</b>	41 213	40 690	5
<b>SUMMARY OF REGIONS</b>				
Sub-Saharan Africa	10 008	9 892	9 571	5
Developed Europe	12 329	11 431	11 871	4
Australasia	5 995	6 066	5 888	2
Latin America	4 231	4 184	3 991	6
Developing Europe & CIS	2 780	2 589	2 611	6
China	2 480	1 753	1 748	42
Japan	1 930	1 932	1 812	7
Other Asia	1 401	1 206	1 148	22
MENA	881	1 117	1 049	(16)
USA & Canada	561	1 043	1 001	(44)
<b>Total revenue</b>	<b>42 596</b>	41 213	40 690	5

**GROUP REVENUE SEGMENTAL ANALYSIS** continued

**COMMERCIAL PHARMACEUTICALS THERAPEUTIC AREA ANALYSIS**

Reported June 2018 (June 2018 at 2018 average rates)

	Anaesthetics Brands R'million	Thrombosis Brands R'million	High Potency & Cytotoxic Brands R'million	Therapeutic Focused Brands R'million	Regional Brands R'million	Total R'million
<b>BY CUSTOMER</b>						
<b>GEOGRAPHY</b>						
<b>Commercial Pharmaceuticals</b>						
Sub-Saharan Africa	143	9	99	251	7 876	8 127
Developed Europe	2 170	3 471	1 417	7 058	376	7 434
Australasia	713	21	477	1 211	3 605	4 816
Latin America	762	71	790	1 623	1 306	2 929
Developing Europe & CIS	434	1 876	406	2 716	64	2 780
China	1 779	616	20	2 415	–	2 415
Japan	1 213	48	372	1 633	297	1 930
Other Asia	658	151	262	1 071	330	1 401
MENA	156	159	193	508	369	877
USA & Canada	304	8	136	448	113	561
<b>Total Commercial Pharmaceuticals</b>	<b>8 332</b>	<b>6 430</b>	<b>4 172</b>	<b>18 934</b>	<b>14 336</b>	<b>33 270</b>

Reported June 2017 (June 2017 at 2017 average rates)

	Anaesthetics Brands R'million	Thrombosis Brands R'million	High Potency & Cytotoxic Brands R'million	Therapeutic Focused Brands R'million	Regional Brands R'million	Total R'million
<b>BY CUSTOMER</b>						
<b>GEOGRAPHY</b>						
<b>Commercial Pharmaceuticals</b>						
Sub-Saharan Africa	144	7	126	277	7 182	7 459
Developed Europe	1 700	3 168	1 472	6 340	477	6 817
Australasia	639	25	483	1 147	3 652	4 799
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Developing Europe & CIS	317	1 714	472	2 503	86	2 589
China	1 453	252	48	1 753	–	1 753
Japan	1 293	46	408	1 747	185	1 932
Other Asia	429	176	258	863	343	1 206
MENA	231	169	275	675	442	1 117
USA & Canada	254	16	307	577	466	1 043
<b>Total Commercial Pharmaceuticals</b>	<b>7 065</b>	<b>5 665</b>	<b>4 687</b>	<b>17 417</b>	<b>14 020</b>	<b>31 437</b>

**GROUP REVENUE SEGMENTAL ANALYSIS** continued

**COMMERCIAL PHARMACEUTICALS THERAPEUTIC AREA ANALYSIS** continued

Illustrative constant exchange rate June 2017 (June 2017 at 2018 average rates)

	Anaesthetics Brands R'million	Thrombosis Brands R'million	High Potency & Cytotoxic Brands R'million	Therapeutic Focused Brands R'million	Regional Brands R'million	Total R'million
<b>BY CUSTOMER GEOGRAPHY</b>						
<b>Commercial Pharmaceuticals</b>						
Sub-Saharan Africa	145	7	126	278	7 124	7 402
Developed Europe	1 732	3 204	1 529	6 465	476	6 941
Australasia	621	25	467	1 113	3 545	4 658
Latin America	571	87	803	1 461	1 116	2 577
Developing Europe & CIS	307	1 760	464	2 531	80	2 611
China	1 435	266	47	1 748	–	1 748
Japan	1 204	57	379	1 640	172	1 812
Other Asia	412	166	246	824	324	1 148
MENA	228	166	242	636	413	1 049
USA & Canada	251	15	293	559	442	1 001
<b>Total Commercial Pharmaceuticals</b>	<b>6 906</b>	<b>5 753</b>	<b>4 596</b>	<b>17 255</b>	<b>13 692</b>	<b>30 947</b>

**% change constant exchange rates**

	Anaesthetics Brands %	Thrombosis Brands %	High Potency & Cytotoxic Brands %	Therapeutic Focused Brands %	Regional Brands %	Total %
<b>BY CUSTOMER GEOGRAPHY</b>						
<b>Commercial Pharmaceuticals</b>						
Sub-Saharan Africa	(1)	29	(21)	(10)	11	10
Developed Europe	25	8	(7)	9	(21)	7
Australasia	15	(16)	2	9	2	3
Latin America	34	(18)	(2)	11	17	14
Developing Europe & CIS	41	7	(13)	7	(20)	6
China	24	>100	(57)	38	0	38
Japan	1	(16)	(2)	0	73	7
Other Asia	60	(9)	7	30	2	22
MENA	(32)	(4)	(20)	(20)	(11)	(16)
USA & Canada	21	(47)	(54)	(20)	(74)	(44)
<b>Total Commercial Pharmaceuticals</b>	<b>21</b>	<b>12</b>	<b>(9)</b>	<b>10</b>	<b>5</b>	<b>8</b>

## **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 2017.

The provisional Group financial results have been reported in Rand millions in the current year to augment effective financial analysis. This has changed from the previous year where the financial results were reported in Rand billions.

These provisional Group financial results have been prepared under the supervision of the Deputy Group Chief executive, MG 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 illustrative constant exchange rate report on selected financial data has been derived from the audited financial information and has been reported on by Aspen's auditors in an assurance report which is available for inspection at the Company's registered office. This information has been prepared for illustrative purposes only and is the responsibility of the Group's Board of Directors.

## **SUBSEQUENT EVENT**

Post year end Aspen concluded an agreement to divest of its Nutritionals Business to the Lactalis Group, a leading multinational dairy corporation based in Laval, France, for a fully funded cash consideration of EUR739,8 million/R12,9 billion (translated at ZAR17,4 EUR). This transaction includes all assets and liabilities included in the Nutritionals segment.

## **DIRECTORS**

K D Dlamini (Chairman)#, R C Andersen#, M G Attridge, L De Beer#, C N Mortimer#, B Ngonyama#, D S Redfern#, S B Saad, S V Zilwa#  
# *Non-executive director*

L De Beer was appointed on 31 July 2018 and J F Buchanan retired on 31 July 2018.

## **COMPANY SECRETARY**

R Verster

## **REGISTERED OFFICE**

Building Number 8, Healthcare Park, Woodlands Drive, Woodmead  
PO Box 1587, Gallo Manor, 2052  
Telephone +27 11 239 6100  
Telefax +27 11 239 6144

## **SPONSOR**

Investec Bank Limited

## **TRANSFER SECRETARY**

Link Market Services South Africa (Pty) Ltd  
13th Floor, 19 Ameshoff Street, Braamfontein, 2001  
PO Box 4844, Johannesburg, 2000

[www.aspenpharma.com](http://www.aspenpharma.com)

## **Disclaimer**

We may make statements that are not historical facts and relate to analyses and other information based on forecasts of future results and estimates of amounts not yet determinable. These are forward looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Words such as "prospects", "believe", "anticipate", "expect", "intend", "seek", "will", "plan", "indicate", "could", "may", "endeavour" and "project" and similar expressions are intended to identify such forward looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that predictions, forecasts, projections and other forward looking statements will not be achieved. If one or more of these risks materialise, or should underlying assumptions prove incorrect, actual results may be very different from those anticipated. The factors that could cause our actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward looking statements are discussed in each year's annual report. Forward looking statements apply only as of the date on which they are made, and we do not undertake other than in terms of the Listings Requirements of the JSE Limited, any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. All profit forecasts published in this report are unaudited.