



Abridged pre-listing statement

This abridged pre-listing statement ("Abridged Pre-Listing Statement") relates to:

- an offer for subscription by Ascendis (R400 million) and an offer for sale by certain existing shareholders of Ascendis (R52.8 million) to eligible investors of up to 41,163,636 Ascendis ordinary shares ("Placing Shares") at a price of R11 per Placing Share ("Private Placing Price"), for a total amount of R452.8 million ("Private Placing"); and
- the subsequent listing by way of Private Placing of up to 229,735,527 Ascendis ordinary shares on the Main Board in the pharmaceuticals sector of the JSE Limited ("JSE") under the abbreviated name "ASCENDIS" and having the JSE share code "ASC", with effect from the commencement of business on Friday, 22 November 2013 ("Listing").

This Abridged Pre-Listing Statement is not an invitation to the public to subscribe for, or an offer to the public to purchase, Ascendis ordinary shares, but is issued in compliance with the JSE Listings Requirements ("Listings Requirements") for the purpose of giving information to the public with regard to Ascendis. Subscriptions in terms of the Private Placing are only allowed for a minimum amount of R1,000,000 per single addressee acting as principal except in the case of persons falling within one of the specified categories listed in section 96(1)(a) of the Companies Act, No.71 of 2008.

This Abridged Pre-Listing Statement contains the salient features of the Company, the Private Placing and the Listing and as such is not intended to be comprehensive. For a full appreciation of the Company, the Private Placing and the Listing, the pre-listing statement issued to qualifying investors on Friday, 15 November 2013 ("Pre-Listing Statement") should be read in its entirety. All words and terms in this Abridged Pre-Listing Statement have meanings as defined in the Pre-Listing Statement.

1. INTRODUCTION TO ASCENDIS

Ascendis, registered as a company on 5 March 2008, is a fast growing health and care brands company consisting of three divisions, Consumer Brands (over the counter medicines, vitamins, sports nutrition and skin care products); Phyto-Vet (plant and animal health); and Pharma-Med (prescription drugs and medical devices). The Company's vision, which is encapsulated in its payoff line "A healthy home and a healthy you", is to bring health to the consumer at all stages of his or her life – from health maintenance (preventative medicine) to chronic medication and critical care (intervention).

Ascendis has many strengths, key among these are:

- currently, a majority of the Group's earnings are earned from the brands housed in its Consumer Brands Division and Phyto-Vet Division, giving the Company a strong and stable foundation and making it relatively resistant to challenging economic fluctuations;
- diversified and renowned brands with 3 distinct pillars in the health and care sector;
- Ascendis has achieved the critical mass to allow margin optimisation in each division by bolting-on additional brands and products (horizontal integration strategy);
- increased sales of branded products by leveraging off its enlarged sales channel and sales teams;
- further margin enhancement from the vertical integration benefits of using the Group's own supply chain to distribute its products thereby capturing the full value chain, resulting in a stronger and even more defensible business;
- Ascendis has a proven track record of acquiring quality brands and businesses in the health and care sector and the growth trajectory is expected to be enhanced as Ascendis continues to execute its strong pipeline;
- the health sector is a high growth and defensible sector with a constant demand for its products. Increased urbanisation and a healthy lifestyle focus will ensure continued growth in the health sector in emerging markets;
- Ascendis owns strong health and care brands with long established track records spanning from 6 to 52 years;
- a loyal customer following;
- high LSM brands in the Consumer Brands and Phyto-Vet Divisions allow the business to be more resistant to weak economic conditions;
- lower LSM brands in the pharmaceutical sector of the Pharma-Med Division will profit from Government focus on affordability of, and accessibility to, medicines and the NHI implementation;
- strong and experienced management teams who have reinvested in Ascendis and who are aligned to the growth and success of the business;
- Ascendis can leverage off existing international agents to sell additional Ascendis product groups;
- Ascendis can leverage off its network in Africa to sell products to a multitude of high growth emerging markets;
- a niche pharmaceutical sector in the Pharma-Med Division with a sales network poised to support the lower LSM market when NHI is introduced; and
- strong barriers to entry in the Phyto-Vet and Pharma-Med Divisions requiring registration of products which take between 3 to 5 years to approve.

2. PROSPECTS AND STRATEGY

The strategies, structures, business models and talent of Ascendis and its management teams are proving to be relevant to the selected segments in which the Group operates. It is Ascendis' objective to deliver sustainable and predictable earnings into the future. The Directors are pleased with the Group's performance thus far and in the absence of a marked deterioration in economic conditions, are confident that the investments made thus far will bear success in future years.

Ascendis is currently in negotiations to acquire a medical devices business. As such, the Company will release a cautionary announcement on SENS on the Listing Date. It is intended that it will become an integral part of the Pharma-Med Division. This business has key agencies for surgical and other medical equipment which positions Ascendis well to service hospitals, clinics and Government tenders.

Accordingly, the Directors believe that the prospects for the Group are encouraging.

Ascendis' overall strategy is to:

- create platforms in the sectors of Consumer Brands, Pharma-Med and Phyto-Vet;
- focus on strong organic growth generated from innovative products and supported by strong management teams in order to achieve strategic, operational and leadership excellence;
- acquire complementary health and care businesses in plant, animal and human health for synergistic growth, but retaining a focus on strong brands;
- improve the value chain via vertical and horizontal integration within the 3 divisions and industry sectors; and
- expand the foreign customer base by leveraging off the Company's strong brands and exporting to international markets by either partnering with in-country agents or by selectively acquiring businesses in those countries and leveraging off that infrastructure.

3. DIRECTORS

The full names, ages, qualifications, nationalities, business addresses and occupations of the Directors of Ascendis are set out below.

Director	Business address	Occupation
Executive		
• Dr Karsten Uwe Harald Horst Wellner (53) <i>PhD Economics and Political Science</i> German	The Terraces, Block E Steenberg Office Park, Tokai, 7945	Chief Executive Officer
• Robert James Taylor (44) <i>CA(Z)</i> South African	The Terraces, Block E Steenberg Office Park, Tokai, 7945	Chief Financial Officer
Non-executive		
• John Bester (67) <i>CA(SA), CTA (Wits), BCom Hons (Wits), CMS (Oxon)</i> South African	PO Box 23431, Claremont, 7735	Independent Non-Executive Chairman
• Osment Philip Cunningham (43) <i>B AgricMan (UKZN)</i> British	Unit 14B, Interwil House, Tokai Cape Town, 7945	Independent Non-Executive Director
• Crispian Douglas Dillon (43) <i>BSc Hons Chemical Engineering (UCT), MBA (UCT)</i> South African	The Terraces, Block E Steenberg Office Park, Tokai, 7945	Non-Executive Director
• Bharti Harie (43) <i>LLM (Wits), BA LLB (Natal), admitted attorney, notary and conveyancer</i> South African	40 Cecil Avenue, Melrose, 2196	Independent Non-Executive Director
• Gary John Shayne (43) <i>CA(Z), BCom</i> British	The Terraces, Block E Steenberg Office Park, Tokai, 7945	Non-Executive Director

4. RATIONALE FOR THE PRIVATE PLACING AND LISTING

The purpose of the Private Placing is to:

- raise equity capital of up to R400,000,000 for Ascendis with a view to funding the Company's anticipated acquisition pipeline;
- provide qualifying investors with the opportunity to participate directly in Ascendis' future capital growth; and
- create a spread of qualifying investors that will provide liquidity and tradability in the Ordinary Shares.

In pursuing its intended vision and mission, the proposed Listing will allow the Company to achieve the following:

- raise Ascendis' profile leading to new business opportunities;
- access additional capital in order to finance the Group's organic and acquisitive expansion. Ascendis has a strong pipeline with an historical execution rate of 65% in respect of targeted acquisitions. The capital raised from the Private Placing will be deployed into, *inter alia*, new acquisition opportunities;

- access more appropriate risk-adjusted cost of capital (debt and equity) than Ascendis has been able to obtain as a private company. The Company's public profile and accountability is expected to improve Ascendis' ability to issue debt through a corporate bond thereby further reducing its costs of borrowing;
- access a wider choice of funding instruments than has been previously available to Ascendis;
- easier facilitation of mergers and acquisitions, with direct visibility to an Ascendis listed market valuation;
- an increased ability to retain and incentivise employees via appropriate equity incentivisation mechanisms which allows the Company's cash resources to be preserved;
- public quotation of shares provides for liquidity;
- a market value reference for shareholders;
- enhances the profile and stature of the Company amongst employees, clients, suppliers, regulators and potential job-seekers (Ascendis' listed peer group currently has this competitive advantage); and
- the demand for listed pharmaceutical investments is strong with heightened institutional focus (domestic and foreign).

5. THE PRIVATE PLACING

5.1 Particulars of the Private Placing

The Private Placing comprises an Offer for Subscription by Ascendis (R400 million) and an Offer for Sale by the Selling Shareholders (R52.8 million) to Eligible Investors of up to 41,163,636 Placing Shares at the Private Placing Price for an amount of R452.8 million.

The Private Placing Price at which the Placing Shares will be offered for subscription or for sale pursuant to the Private Placing will be R11 per Placing Share.

5.2 Conditions to the Private Placing

The Private Placing has been underwritten by the 36ONE Asset Management Proprietary Limited ("Underwriter") to the extent of R200 million in terms of the Underwriting Agreement and therefore there is no minimum subscription required to list.

The Private Placing and Listing remain subject to a spread of shareholders acceptable to the JSE being attained.

The Listings Requirements provide that, unless the JSE determines otherwise, the number of public shareholders, as defined by the Listings Requirements, must be at least 300 and hold a minimum of 20% of the Ordinary Shares on the day of Listing.

The Private Placing and Listing will not proceed if the JSE's shareholder spread requirements are not met, and any acceptance of the Private Placing will not take effect and no person will have any claim whatsoever against the Company, the Selling Shareholders or any other person as a result of the Private Placing not taking effect.

5.3 Over-subscriptions

The maximum number of Ordinary Shares that can be subscribed for and acquired in terms of the Private Placing is 41,163,636 Ordinary Shares. In the event of an over subscription, Ordinary Shares will be allocated and issued at the discretion of the Directors. Factors to be considered by the Company in allocating Ordinary Shares include:

- the total amount applied for by respective applicants;
- achieving a spread of shares that is acceptable to the JSE; and
- promoting liquidity, tradability and an orderly after-market in the Ordinary Shares of the Company.

There is no preference on allotment to any particular company or group.

5.4 Dates and times of the opening and closing of the Private Placing

	2013
Abridged Pre-Listing Statement released on SENS	Friday, 15 November
Abridged Pre-Listing Statement published in the South African press	Friday, 15 November
Opening date of the Private Placing (09:00)	Friday, 15 November
Closing date of the Private Placing (12:00)	Tuesday, 19 November
Notification of allotments	Wednesday, 20 November
Results of the Private Placing released on SENS	Thursday, 21 November
Results of the Private Placing published in the South African press	Friday, 22 November
Listing Date (09:00)	Friday, 22 November
Accounts at CSDP or broker updated and debited in respect of Dematerialised Shareholders	Friday, 22 November

All dates and times shown in this Abridged Pre-Listing Statement are South African dates and times. The above dates and times are subject to amendment. Any such amendment will be announced on SENS and published in the South African press.

6. FORECAST FINANCIAL INFORMATION

The table below sets out the forecast financial information of Ascendis for the financial year ending 30 June 2014. The forecast financial information assumes the Private Placing is taken up in full. The forecast financial information, together with the detailed notes thereto, should be read in conjunction with the forecast financial information disclosed in the Pre-Listing Statement. Such information has been presented for illustrative purposes only and because of its nature may not fairly reflect the results of Ascendis. The forecast financial information is the responsibility of the Directors.

	Forecast for the year ending 30 June 2014 (R)
Revenue	1,666,140,226
Cost of sales	(971,104,363)
Gross profit	695,035,863
Other income	11,171,916
Operating expenses	(519,964,221)
Operating profit	186,243,559
Depreciation and amortisation	20,252,862
EBITDA	206,496,420
Depreciation and amortisation	(20,252,862)
Finance costs	(27,116,256)
Profit before tax	159,127,303
Taxation	(47,480,569)
Profit after tax	111,646,734
Attributable to:	
Equity shareholders	109,885,630
Minority interest	1,761,104
Weighted average number of Ordinary Shares in issue	203,747,960
Earnings per share (cents)	55
Headline earnings per share (cents)	55

Note: The forecast includes c.R17 million of listing expenses (R12.2 million after tax), which are non-recurring costs, and assumes R15.5 million of amortisation costs which relate to intangibles (revaluation of acquired brands, intellectual property and customer lists). The forecast also includes acquisitions made post 30 June 2013 from their respective effective dates of acquisition i.e. not for a full financial year. If the listing expenses and amortisation costs had been excluded from the forecast to 30 June 2014 and the full year's earnings for the acquisitions post 30 June 2013 had been taken into account in the profit forecast, then the profit forecast would have been R158.3 million for the year ending 30 June 2014.

7. COPIES OF THE PRE-LISTING STATEMENT

Copies of the Pre-Listing Statement may be obtained in English only during normal business hours from 08:30 to 17:00 for 14 days from the date of issue of the Pre-Listing Statement from the Company's registered office (The Terraces, Block E, Steenberg Office Park, Silverwood Close, Tokai, 7945) or from the office of Nedbank Capital, a division of Nedbank Limited (135 Rivonia Road, Sandown, 2196).

The Pre-Listing Statement may also be obtained on Ascendis' website (www.ascendis.co.za).

Cape Town
15 November 2013

Investment Bank, Corporate Advisor
and Sponsor



Independent Reporting Accountants
and Auditors



Attorneys



Underwriter



Communication Advisors

