

Ascendis Health Limited  
(Incorporated in the Republic of South Africa)  
Registration number 2008/005856/06  
JSE share code ASC  
ISIN ZAE000185005  
("Ascendis" or "the group" or "the company")

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

KEY HIGHLIGHTS FROM CONTINUING OPERATIONS

Revenue up 27% to R4.0 billion

Gross margin strengthened to 44.2%

Comparable organic revenue growth of 7%

Comparable organic EBITDA growth of 5%

Normalised headline earnings up 20% to R353 million

Normalised HEPS up 7% to 75.8 cents

EPS up 24% to 52.8 cents

Balance sheet strengthened as R1.1 billion debt settled

COMMENTARY

Group profile

Ascendis Health is a South African-based global health and care group which owns a portfolio of market-leading brands for humans, animals and plants.

The brands are housed in the Pharma-Med, Consumer Brands and Phyto-Vet divisions, with revenue diversified across products, channels, geographic regions and currencies.

- Pharma-Med: prescription and over-the-counter (OTC) drugs; medical devices
- Consumer Brands: nutraceuticals; complementary medicines; derma-cosmeceuticals and sports nutrition
- Phyto-Vet: animal and plant health and care.

The international acquisitions of pharmaceutical manufacturer Remedica in Cyprus, European sports nutrition specialist Scitec (both in 2016) and nutraceuticals business Sun Wave Pharma (2017) in Romania has transformed Ascendis Health into a global healthcare business. Products are exported to over 120 countries globally and 59% of the group's earnings are now generated outside of South Africa.

Financial performance

Note: The group is reporting normalised results from continuing operations which have been adjusted for once-off transaction costs in the current and prior financial years.

Group revenue for the six months increased by 27% to R4.0 billion (H1 2017: R3.1 billion).

Revenue generated outside of South Africa increased by 50% to R1.9 billion and comprises 48% (H1 2017: 41%) of the group's total sales.

The group's gross margin strengthened by 160 basis points to 44.2%. This was driven by the acquisitions of Sun Wave Pharma, Cipla Vet and Cipla Agrimed in June 2017.

Normalised earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 28% to R653 million. The EBITDA margin improved by 10 basis points to 16.5% despite increased investment in marketing and new markets.

Normalised operating profit for the six months rose by 28% to R602 million. Normalised headline earnings increased by 20% to R353 million, with normalised HEPS 7% higher at 75.8 cents. The weighted average number of shares in issue increased by 12% during the reporting period, mainly in relation to the rights issue and vendor placements in November and December 2017.

Cash flow of R327 million was generated from operations, with a cash conversion rate of 50%, mainly impacted by strong growth in the cash intensive businesses like Remedica and Medical Devices.

Vendor debt of R1.1 billion was settled during the reporting period, which included an accelerated payment of EUR50 million to the sellers of Remedica to reduce the group's overall debt position.

The directors have elected not to declare an interim dividend and to retain the cash to settle debt obligations.

#### Segmental performance

	Pharma-Med	Consumer Brands	Phyto-Vet
Revenue	R1 989m	R1 345m	R628m
Revenue growth	20%	39%	28%
Revenue contribution	50%	34%	16%
EBITDA	R425m	R165m	R107m
EBITDA growth	24%	24%	43%
EBITDA margin	21.4%	12.3%	17.0%
EBITDA contribution	61%	24%	15%

Growth in Pharma-Med was driven mainly by the pharma business of Remedica and the Medical Devices business, with Remedica experiencing better than expected turnover growth of 16.5% and EBITDA growth of 14.3%. The division continues to benefit from synergy projects in progress in Europe and South Africa.

Consumer Brands benefited from the acquisition and strong growth of Sun Wave Pharma which increased revenue by 29.9% and EBITDA by 97.7%. EBITDA margins were however impacted by the sports nutrition businesses in South Africa and Europe owing to higher global whey protein prices and low infill rates to customers in South Africa. In addition, Scitec's lack of direct online presence weighed on sales, which declined by 7.8%, and margins. Remedial strategies have been implemented, with Scitec launching a new sales and marketing programme, building digital capabilities, online strategies and specific plans for core markets and entering new selective markets.

Phyto-Vet experienced good growth in revenue and EBITDA but was impacted in part by the ongoing drought in the Eastern and Western Cape, the availability of funds and foreign exchange risk in some of its export markets, especially Zimbabwe. The performance was boosted by the recently acquired Cipla business which was successfully integrated into Phyto-Vet, and reported sales growth of 17.9% and EBITDA growth of 12.4% on a comparable basis.

#### Management changes

As advised to shareholders on 27 February 2018, Thomas Thomsen has been appointed as chief executive officer (CEO) and an executive director of Ascendis Health with effect from 1 March 2018. Thomas (48) succeeds Dr Karsten Wellner(57) who has been the CEO since the founding of the group in 2011. Karsten will work with Thomas over the next four months to ensure a smooth transition. Karsten will stand down as CEO on 1 March 2018 and as a board director on 30 June 2018.

#### Outlook

The group will continue to pursue organic and more focused synergistic growth strategies across the South African and international businesses to increase revenue growth and profitability.

After synergy benefits realised EBITDA of R19 million in the past six months, the group is targeting to accelerate synergy savings in the next 12 to 18 months, mainly in the South African pharma and Medical Devices businesses.

Management is targeting to improve the EBITDA margin to 17% - 18% in the short to medium term. Reducing gearing levels and improving cash generation remain priorities. Projects are underway to optimise inventory levels in the Pharma-Med and Consumer Brands segments and to improve debt collection from private sector and government debtors in Pharma-Med.

Operationally the key focus will be on the Scitec turnaround strategy and implementation, extracting synergies from the recent acquisitions of Remedica, Scitec, Sun Wave Pharma and Cipla, effectively driving higher organic growth, while also ensuring an efficient leadership transition following the appointment of the new CEO.

A strategic business review has been initiated to create a sustainable market position for Ascendis Health and to accelerate organic growth following the completion of several acquisitions locally and offshore since the company's listing in 2013. The review is expected to be completed late in the 2018 financial year.

Dr Karsten Wellner  
Executive Director

Thomas Thomsen  
Chief Executive Officer

Kieron Futter  
Chief Financial Officer

Johannesburg

1 March 2018

UNAUDITED CONDENSED GROUP STATEMENT OF FINANCIAL POSITION  
at 31 December 2017

Unaudited six months ended 31 December 2017	Unaudited six months ended 31 December 2016	Audited 30 June 2017
	Restated	Restated

	R'000	R'000	R'000
Property, plant and equipment	1 029 873	1 022 594	991 668
Intangible assets and goodwill	9 038 862	7 674 272	9 112 429
Derivative financial assets	1 136	-	2 760
Investments accounted for using the equity method	11 185	747	-
Other financial assets	31 239	51 053	29 168
Deferred income tax assets	50 450	18 403	40 109
Non-current assets	10 162 745	8 767 069	10 176 134
Inventories	1 751 572	1 407 801	1 597 726
Trade and other receivables	2 018 951	1 428 542	1 881 591
Other financial assets	23 470	66 028	32 761
Current tax receivable	36 819	60 423	39 824
Derivative financial assets	6 575	221	53 012
Cash and cash equivalents	502 426	562 670	634 719
Assets held for sale as part of a discontinued operation	68 320	-	68 320
Current assets	4 408 133	3 525 685	4 307 953
Total assets	14 570 878	12 292 754	14 484 087
Stated capital	6 560 751	5 479 404	5 447 899
Other reserves	(932 953)	(867 004)	(782 088)
Retained earnings	692 139	468 697	475 645
Equity attributable to equity holders of parent	6 319 937	5 081 097	5 141 456
Non-controlling interest	155 848	103 853	154 886
Total equity	6 475 785	5 184 950	5 296 342
Borrowings and other financial liabilities	4 480 532	3 724 716	4 002 769
Deferred income tax liabilities	458 009	396 036	459 289
Deferred vendor liabilities	640 101	1 130 424	1 437 394
Put-option on equity instrument	113 967	107 750	113 055
Derivative financial liability	12 651	27 668	6 444
Finance lease liabilities	23 615	2 987	20 486
Long-term employee benefits	9 120	-	15 188
Investments accounted for using the equity method	-	-	1 066
Non-current liabilities	5 737 995	5 389 581	6 055 691
Trade and other payables	1 229 493	786 948	1 250 209
Derivative financial liability	38 247	11 893	38 156
Borrowings and other financial liabilities	512 076	270 992	1 027 037
Current tax payable	12 628	51 185	21 239
Deferred vendor liabilities	373 903	424 632	651 374
Long-term employee benefits	2 730	-	-
Provisions	25 775	15 128	26 595
Finance lease liabilities	9 728	2 079	9 900
Bank overdraft	152 518	155 366	107 544
Current liabilities	2 357 098	1 718 223	3 132 054
Total liabilities	8 095 093	7 107 804	9 187 745
Total equity and liabilities	14 570 878	12 292 754	14 484 087

UNAUDITED CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME  
for the six months interim period

	Unaudited six month ended 31 December 2017 R'000	Unaudited six month ended 31 December 2016 Restated R'000	Audited 30 June 2017 Restated R'000
Revenue	3 962 098	3 110 275	6 435 027
Cost of sales	(2 212 449)	(1 786 488)	(3 622 025)
Gross profit	1 749 649	1 323 787	2 813 002
Other income	8 834	21 354	41 579
Selling and distribution cost	(363 734)	(279 265)	(615 324)
Administrative expenses	(681 407)	(540 412)	(1 087 417)
Other operating expenses	(236 737)	(171 043)	(403 517)
Operating profit	476 605	354 421	748 323
Finance income	2 502	40 310	40 734
Finance expense	(193 984)	(164 207)	(346 728)
Gains/(losses) from equity accounted investments	13 164	(1 136)	(1 452)
Profit before taxation	298 287	229 388	440 877
Taxation	(36 730)	(27 142)	(62 581)
Profit from continuing operations	261 557	202 246	378 296
Loss from discontinued operation	(28 810)	(3 313)	(70 976)
Profit for the period	232 747	198 933	307 320
Other comprehensive income			
Items that may be reclassified to profit and loss			
Foreign currency translation reserve	(162 749)	(295 313)	(255 101)

Effects of cash flow hedges	(3 445)	(11 860)	27 803
Items that will not be reclassified to profit and loss			
Revaluation of property, plant and equipment	-	-	1 149
Other comprehensive loss for the year net of tax	(166 194)	(307 173)	(226 149)
Total comprehensive income/(loss) for the year	66 553	(108 240)	81 171
Profit attributable to:			
Owners of the parent	216 494	173 499	283 131
Non-controlling interest	16 253	25 434	24 189
	232 747	198 933	307 320
Total comprehensive income/(loss) attributable to:			
Owners of the parent	65 591	(58 904)	110 907
Non-controlling interest	962	(49 336)	(29 736)
	66 553	(108 240)	81 171
Earnings from continuing operations			
Basic and diluted earnings per share (cents)	52.8	42.7	85.9
Total earnings			
Basic and diluted earnings per share (cents)	46.6	41.9	68.7
Earnings before interest, tax, depreciation and amortisation (EBITDA)	652 611	510 916	1 085 564

UNAUDITED CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY  
for the six months ended 31 December 2017

	Stated capital	Foreign translation reserve	Revaluation reserve	Hedging reserve	Put option non-controlling interest reserve	Total other reserves*	Retained income	Total attributable to equity holders of the group	Non-controlling interest	Total equity
Balance as at 30 June 2016	2 138 684	(91 782)	14 699	(37 958)	(117 744)	(26 706)	396 949	2 276 142	179 302	2 455 444
Profit for the period	-	-	-	-	-	-	173 499	173 499	25 434	198 933
Other comprehensive (loss)/ income	-	(220 543)	-	26 098	-	-	(37 958)	(232 403)	(74 770)	(307 173)
Total comprehensive (loss)/income for the year	-	(220 543)	-	26 098	-	-	135 541	(58 904)	(49 336)	(108 240)
Issue of ordinary shares	3 446 239	-	-	-	-	(450 114)	-	2 996 125	-	2 996 125
Raising fees capitalised	(41 717)	-	-	-	-	-	-	(41 717)	-	(41 717)
Purchase of own/treasury shares	(63 802)	-	-	-	-	-	-	(63 802)	-	(63 802)
Dividends	-	-	-	-	-	-	(52 459)	(52 459)	-	(52 459)
Foreign currency translation reserve	-	2 873	-	-	14 512	(3 068)	-	14 317	(14 317)	-
Statutory reserve: Farmalider allocation to reserve	-	-	-	-	-	23 130	(11 334)	11 796	(11 796)	-
Total contributions by and distributions to owners of the group recognised directly in equity	3 340 720	2 873	-	-	14 512	(430 052)	(63 793)	2 864 260	(26 113)	2 838 147
Balance as at 31 December 2016	5 479 404	(309 452)	14 699	(11 860)	(103 232)	(456 758)	468 697	5 081 498	103 853	5 185 351
Profit for the period	-	-	-	-	-	-	109 632	109 632	(1 245)	108 387
Other comprehensive income/(loss)	-	112 475	1 149	1 705	-	-	(55 150)	60 179	20 845	81 024
Total comprehensive income for the year	-	112 475	1 149	1 705	-	-	54 482	169 811	19 600	189 411
Issue of ordinary shares	(13 994)	-	-	-	-	-	-	(13 994)	-	(13 994)
Raising fees capitalised	17 408	-	-	-	-	-	-	17 408	-	17 408
Purchase of own/treasury shares	(34 919)	-	-	-	-	-	-	(34 919)	-	(34 919)
Dividends	-	-	-	-	-	-	(60 299)	(60 299)	13 384	(46 915)
Reclassification of reserve into retained earnings	-	-	-	-	-	(13 280)	13 280	-	-	-
Foreign currency translation reserve	-	(13 346)	-	-	(8 562)	3 322	-	(18 586)	18 586	-
Statutory reserve: Farmalider allocation to reserve	-	-	-	-	-	1 052	(515)	537	(537)	-
Total contributions by and distributions to owners of the group recognised directly in equity	(31 505)	(13 346)	-	-	(8 562)	(8 906)	(47 534)	(109 853)	31 433	(78 420)
Balance as at 30 June 2017	5 447 899	(210 323)	15 848	(10 155)	(111 794)	(465 664)	475 645	5 141 456	154 886	5 296 342
Profit for the period	-	-	-	-	-	-	216 494	216 494	16 253	232 747
Other comprehensive loss	-	(147 458)	-	(3 445)	-	-	-	(150 903)	(15 291)	(166 194)
Total comprehensive (loss)/ income for the year	-	(147 458)	-	(3 445)	-	-	216 494	65 591	962	66 553
Issue of ordinary shares	1 035 027	-	-	-	-	-	-	1 035 027	-	1 035 027
Raising fees capitalised	(519)	-	-	-	-	-	-	(519)	-	(519)
Purchase of own/treasury shares	78 344	-	-	-	-	-	-	78 344	-	78 344
Foreign currency translation reserve	-	5 765	-	-	5 746	(11 473)	-	38	-	38
Total contributions by and distributions to owners of the group recognised directly in equity	1 112 852	5 765	-	-	5 746	(11 473)	-	1 112 890	-	1 112 890
Balance as at 31 December 2017	6 560 751	(352 016)	15 848	(13 600)	(106 048)	(477 137)	692 139	6 319 937	155 848	6 475 785

\* Other reserves include a Farmalider statutory reserve of R37.2 million. In terms of Spanish legislation a portion of the periods profits should be recognised in a non-distributable reserve. During the 2017 financial period Ascendis raised equity capital by means of a Rights Offer. Also included in other reserves is the difference between the R22,00 subscription price and the presiding fair value on the date of issue.

UNAUDITED CONDENSED GROUP CASH FLOW STATEMENT  
for the six months ended 31 December 2017

	Unaudited six months ended 31 December 2017 R'000	Unaudited six months ended 31 December 2016 Restated R'000	Audited 30 June 2017 R'000
Cash inflow from operating activities	327 099	406 197	787 383
Interest income received	2 502	22 999	40 734
Finance costs paid	(172 460)	(143 233)	(299 172)
Income taxes paid	(63 303)	(85 627)	(160 232)
Net cash inflow from operating activities	93 838	200 336	368 713
Cash flows from investing activities			
Purchase of property, plant and equipment	(88 340)	(59 020)	(117 885)
Proceeds on the sale of property, plant and equipment	5 400	14 304	3 623
Purchase of other intangibles assets	(106 938)	(44 615)	(119 062)
Proceeds on the sale of intangible assets	4 473	-	767
Payment for acquisition of subsidiaries - net of cash	-	(4 583 000)	(5 454 161)
Repayments on deferred vendor liabilities	(1 093 193)	(204 692)	(246 343)
Payment for settlement of foreign exchange contracts	(96 427)	-	(119 513)
Repayment of loans advanced to related parties	-	91 794	46 932
Loans advanced to related parties	-	(90 075)	(9 199)
Loans advanced to external parties	-	-	(16 854)
Repayment of loans advanced to external parties	7 220	9 794	14 072
Net cash utilised in investing activities	(1 367 805)	(4 865 510)	(6 017 623)
Cash flows from financing activities			
Proceed from issue of shares	1 035 027	2 890 608	2 981 281
Proceed on the sale of treasury shares	67 357	3 828	37 888
Payments made to acquire treasury shares	-	(65 978)	(137 678)
Proceeds from borrowings raised	388 880	3 920 760	5 140 675
Repayment of borrowings	(395 240)	(1 582 688)	(1 663 244)
Repayment of loans from related parties	-	-	(26 290)
Finance lease raised	9 500	-	-
Finance lease payments	(7 582)	(2 310)	(1 803)
Dividends paid	-	(52 458)	(112 758)
Net cash inflow from financing activities	1 097 942	5 111 762	6 218 071
Net (decrease)/increase in cash and cash equivalents	(176 025)	446 588	569 161
Cash and cash equivalents at beginning of period	527 175	(22 396)	(22 396)
Effect of exchange difference on cash balances	(1 242)	(16 888)	(19 590)
Cash and cash equivalents at end of period	349 908	407 304	527 175

#### NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

##### Corporate information

Ascendis Health Limited is a health and care brands company. The group operates through three health care areas: Consumer Brands, Pharma-Med and Phyto-Vet. Consumer Brands consists of health and personal care products sold to the public, primarily at the retail store level. The group offers over the counter (OTC) medicines and consumer brands products, including vitamins and minerals, homeopathic, herbal products, dermaceuticals, functional foods, functional super foods, sports nutrition, health beverages, weight management and therapeutic cosmetics. Pharma-Med consists of the sale of prescription and selected OTC pharmaceuticals, and includes medical devices. Phyto-Vet supplies health and care products to the plant and animal markets. Phyto-Vet manufactures and supplies over 3 500 different products supplied to over 4 500 retail stores.

These consolidated condensed group interim financial results as at 31 December 2017 comprise of the company and its subsidiaries (together referred to as the group) and the group's interest in equity accounted investments.

##### Going concern

The directors consider that the group has adequate resources to continue operating for the foreseeable future and that it is therefore appropriate to adopt the going-concern basis in preparing the group's financial statements. The directors have satisfied themselves that the group is in sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

##### Basis of preparation

The interim consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for interim reports, and the requirements of the Companies Act applicable to interim financial statements. The Listings Requirements require interim reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the interim consolidated financial statements are in terms of IFRS and are

consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

The unaudited condensed group interim financial results for the six-month period ended 31 December 2017 have been prepared under the supervision of Chief Financial Officer, Kieron Futter (CA)SA. The interim financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments and land and buildings at fair value. The financial statements are prepared on the going concern basis using accrual accounting.

Items included in the annual financial statements of each entity in the group are measured using the functional currency of the primary economic environment in which that entity operates. The interim financial statements are presented in Rand. This represents the presentation and functional currency of Ascendis Health Limited. The group owns the following entities which operate in primary economic environments which are different to the group:

Akusa - United States of America	Heritage Resources Limited - Isle of Man
Ascendis Australia - Australia	Nimue UK - United Kingdom
Ascendis International - Malta	Remedica - Cyprus
Ascendis Wellness - Romania	Scitec - Hungary
Farmalider - Spain	

For each of these entities a functional currency assessment has been performed. Where the entity has a functional currency different to that of the group they are translated upon consolidation in terms of the requirements of IFRS.

#### Judgement and estimates

In preparing these unaudited condensed group interim financial results, management made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The significant judgements made by management in applying the group's accounting policies and the key source of estimation uncertainty were the same as those applied to the audited group annual financial statements for the year ended 30 June 2017.

#### 1. Group Segmental Analysis

Ascendis Health owns a portfolio of brands within three core health care areas, namely Consumer Brands, Pharma-Med and Phyto-Vet. Within these healthcare areas the group has five reportable segments.

The group executive committee (EXCO) considers the three core health care areas, as well as the reportable segments to make key operating decisions and assess the performance of the business. The EXCO is the group's chief operating decision maker.

The reportable segments were identified by considering the nature of the products, the production process, distribution channels, the type of customer and the regulatory environment in which the business units operate. In addition to the above, similar economic characteristics such as currency and exchange regulations, trade zones and the tax environment were also considered to incorporate and assess the different markets in which the group operate. The reportable segments included in the groups divisions are:

- Consumer Brands (human health), incorporating Sports Nutrition, Skin and all of the Ascendis Over The Counter (OTC) and Complementary and Alternative Medicines Consumer Brands products. This division includes two reportable segments:
  - Consumer Brands Africa segment: Operating predominantly in the South African market.
  - Consumer Brands Europe segment: Operating predominantly in the European market.
- Phyto-Vet (animal and plant health), incorporating all of the Ascendis animal and plant health and care products.
- Pharma-Med (human health), incorporating Ascendis' pharmaceutical and medical devices products. This division includes two reportable segments:
  - Pharma-Med Africa segment: Operating predominantly in the South African market.
  - Pharma-Med Europe segment: Operating predominantly in the European market.

#### Restated

The December 2016 unaudited results have been restated in terms of IFRS 5 for the purposes of the discontinued operations disclosure. Please refer to the restatement note (Note 3) for more information.

(a) Statement of comprehensive income measures applied

Unaudited six months ended	Unaudited six months ended	Audited
31 December 2017	31 December 2016 Restated	30 June 2017 Restated

Revenue split by segment	R'000	R'000	R'000
Consumer Brands	1 345 464	968 306	1 953 521
Africa	374 490	357 342	515 943
Europe	970 974	610 964	1 437 578
Phyto-Vet	628 100	491 041	922 991
Pharma-Med	1 988 534	1 650 928	3 558 515
Africa	1 072 138	1 000 456	2 093 175
Europe	916 396	650 472	1 465 340
Total revenue	3 962 098	3 110 275	6 435 027
Revenue generated by geographical location			
South Africa	2 074 727	1 848 838	3 675 806
Cyprus	643 194	438 986	987 762
Spain	273 202	211 487	477 578
Other Europe	894 333	541 920	1 284 175
Other	76 642	69 044	9 706
Total revenue	3 962 098	3 110 275	6 435 027

There has been no inter-segment revenue during the financial period. All revenue figures represents revenue from external customers.

The group has an expanding international footprint and currently exports products to 120 countries, mainly in Africa and Europe.

51% of the group's revenue is generated through the wholesale and retail market (2017: 54%). In this market, 4% (2017: 4%) of the total group revenue is derived from a single customer and 12% (2017: 13%) of the group's revenue is generated from government institutions (local and international).

The group evaluates the performance of its reportable segments based on EBITDA (earnings before interest, tax, depreciation and amortisation). The financial information of the group's reportable segments is reported to the EXCO for purposes of making decisions about allocating resources to the segment and assessing its performance. The percentage disclosed represents the EBITDA/sales margin.

EBITDA split by segment	Unaudited six months ended		Unaudited six months ended		Audited	
	31 December 2017		31 December 2016		30 June 2017	
	R'000		R'000		R'000	
Consumer Brands	164 969	12%	132 670	14%	290 024	15%
Africa	35 333	9%	71 855	20%	115 721	22%
Europe	129 636	13%	60 815	10%	174 303	12%
Phyto-Vet	106 957	17%	74 835	15%	140 543	15%
Pharma-Med	424 558	21%	343 085	21%	730 743	21%
Africa	170 019	16%	148 561	15%	328 550	16%
Europe	254 539	28%	194 524	30%	402 193	27%
Head Office	(43 873)		(39 674)		(75 746)	
Total EBITDA	652 611		510 916		1 085 564	
Non-controlling interest proportionate share	(14 835)		(32 759)		(39 502)	
Total EBITDA attributable to the parent	637 776		478 157		1 046 062	

Reconciliation of EBITDA to consolidated results	Unaudited six months ended		Unaudited six months ended		Audited	
	31 December 2017		31 December 2016		30 June 2017	
	R'000		R'000		R'000	
Consolidated operating profit	476 605		354 420		748 323	
Total impairment, amortisation and depreciation	146 917		95 497		228 453	
Business combination costs	21 804		54 089		89 722	
Restructuring costs	7 285		6 910		19 066	
Non-controlling interest proportionate share	(14 835)		(32 759)		(39 502)	
Total EBITDA attributable to the parent	637 776		478 157		1 046 062	

\* Restructuring and business integration costs excluded from EBITDA for performance measurement purposes.

Net finance cost split by segment	Unaudited six months ended		Unaudited six months ended		Audited	
	31 December 2017		31 December 2016		30 June 2017	
	R'000		R'000		R'000	
Consumer Brands Africa						
Finance income	590		3 196		1 449	
Finance expense	(5 005)		(582)		(11 347)	

Consumer Brands Europe			
Finance income	212	207	2 952
Finance expense	(78 677)	(32 131)	(84 747)
Phyto-Vet			
Finance income	820	479	1 320
Finance expense	(5 917)	(911)	(11 751)
Pharma-Med Africa			
Finance income	753	1 778	3 890
Finance expense	(397)	(9 070)	(2 300)
Pharma-Med Europe			
Finance income	10	133	418
Finance expense	(12 399)	(18 214)	(41 216)
Head Office			
Finance income	117	34 517	30 705
Finance expense	(91 589)	(103 299)	(195 367)
Total consolidated net finance cost	(191 482)	(123 897)	(305 994)

Finance income and costs are managed centrally through the group's Treasury function housed within Ascendis Financial Services (included in Head Office) and Scitec (Consumer Brands Europe). The EXCO evaluates the finance income and expenses based on utilisation within subsidiaries as illustrated above.

The European debt facilities are housed within Consumer Brands Europe.

	Unaudited six months ended 31 December 2017 R'000	Unaudited six months ended 31 December 2016 Restated R'000	Audited 30 June 2017 Restated R'000
Tax expense split by segment			
Consumer Brands	(17 611)	(9 604)	(1 592)
Africa	(4 512)	(10 563)	3 706
Europe	(13 099)	959	(5 298)
Phyto-Vet	(4 158)	(10 761)	(8 992)
Pharma-Med	(14 526)	(4 953)	(50 457)
Africa	(23 022)	(13 108)	(42 352)
Europe	8 496	8 155	(8 105)
Head Office	(435)	(1 824)	(1 540)
Total consolidated tax expense	(36 730)	(27 142)	(62 581)

The EXCO monitors taxation expenses per segment to ensure optimal tax practices are being adhered to.

(b) Statement of financial position measures applied

	Unaudited six months ended 31 December 2017 R'000		Unaudited six months ended 31 December 2016 Restated R'000		Audited 30 June 2017 Restated R'000	
Assets and liabilities split by segment	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Consumer Brands	5 288 879	(3 837 746)	3 929 809	(2 955 857)	5 558 299	(4 494 222)
Africa	1 139 574	(97 664)	990 276	(138 303)	1 526 655	(751 425)
Europe	4 149 305	(3 740 082)	2 939 533	(2 817 554)	4 031 644	(3 742 797)
Phyto-Vet	1 429 559	(326 867)	929 773	(300 534)	1 505 728	(472 121)
Pharma-Med	7 355 048	(3 838 688)	6 741 632	(2 113 219)	7 405 499	(2 433 957)
Africa	2 573 268	(427 426)	2 243 214	(531 983)	2 620 118	(555 912)
Europe	4 781 780	(3 411 262)	4 498 418	(1 581 236)	4 785 381	(1 878 045)
Head Office	497 392	(91 792)	691 540	(1 738 194)	14 561	(1 787 445)
Total consolidated assets and liabilities	14 570 878	(8 095 093)	12 292 754	(7 107 804)	14 484 087	(9 187 745)

The fixed assets presented below represents the material non-current assets held in various geographic locations.

	Unaudited six months ended 31 December 2017 R'000	Unaudited six months ended 31 December 2016 Restated R'000	Audited 30 June 2017 Restated R'000
Fixed assets by geographic location			
South Africa	317 219	323 572	278 204
Cyprus	486 961	488 213	499 447
Other Europe	225 693	210 809	214 017
Total Fixed assets per geographic location	1 029 873	1 022 594	991 668

2. Earnings per share, diluted earnings per share and headline earnings per share (cents)



The calculation of headline earnings per share is based on the profit attributable to equity holders of the parent, after excluding all items of a non-trading nature, divided by the weighted average number of ordinary shares in issue during the year. The presentation of headline earnings is not an IFRS requirement, but is required by JSE Listings Requirements and Circular 2 of 2015.

Weighted average number of shares in issue is calculated as the number of shares in issue at the beginning of the period, increased by shares issued during the period weighted on a time basis for the period during which they have participated in the profit of the group. Shares which are held by a subsidiary company as treasury shares have been adjusted on a time basis when determining the weighted average number of shares in issue.

The group has determined no instruments exist in the interim period that will give rise to the issue of ordinary shares that results in a dilutive effect. Based on this assessment, basic earnings per share also represents diluted earnings per share.

The results below represent the unaudited earnings, diluted and headline earnings for the six months ended:

	Unaudited six months ended 31 December 2017 R'000			Unaudited six months ended 31 December 2016 Restated R'000			Audited year ended 30 June 2017 Restated R'000		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
(a) Basic earnings per share									
Profit attributable to owners of the parent	245 304	(28 810)	216 494	176 812	(3 313)	173 499	354 107	(70 976)	283 131
Earnings	245 304	(28 810)	216 494	176 812	(3 313)	173 499	354 107	(70 976)	283 131
Weighted average number of ordinary shares in issue			464 796 223			413 810 040			412 323 054
Earnings per share (cents)	52.8	(6.2)	46.6	42.7	(0.8)	41.9	85.9	(17.2)	68.7
(b) Headline earnings per share									
Profit attributable to owners of the parent	245 304	(28 810)	216 494	176 812	(3 313)	173 499	354 107	(70 976)	283 131
Adjusted for:									
Loss/(profit) on the sale of property, plant and equipment	4 923	-	4 923	(1 999)	-	(1 999)	937	-	937
(Profit)/ loss on investment disposal	-	-	-	(2 456)	-	(2 456)	165	-	165
Goodwill and intangible asset impairment	-	-	-	-	-	-	21 730	26 860	48 590
IFRS 3 bargain purchase	-	-	-	-	-	-	(1 938)	-	(1 938)
Non-controlling interest portion allocation	(429)	-	(429)	2 002	-	2 002	(340)	-	(340)
Tax effect	(1 442)	-	(1 442)	211	-	211	(269)	-	(269)
Headline earnings	248 356	(28 810)	219 546	174 570	(3 313)	171 257	374 392	(44 116)	330 276
Weighted average number of shares in issue			464 796 223			413 810 040			412 323 054
Headline earnings per share (cents)	53.4	(6.2)	47.2	42.2	(0.8)	41.4	90.8	(10.7)	80.1
(c) Normalised headline earnings per share									
Since Ascendis Health is a health and care company and not an investment company, normalised headline earnings is calculated by excluding amortisation and certain costs from the group's earnings. Costs excluded for normalised headline earnings purposes include restructuring costs to streamline, rationalise and structure companies in the group. It also includes the cost incurred to acquire and integrate the business combinations into the group and the listed environment.									
Reconciliation of normalised headline earnings									
Headline earnings	248 356	(28 810)	219 546	174 570	(3 313)	171 257	374 392	(44 116)	330 276
Adjusted for									
Business combination costs	21 804	-	21 804	54 089	-	54 089	89 722	-	89 722
Refinancing costs	-	-	-	12 365	-	12 365	27 730	-	27 730
Restructuring costs	7 286	-	7 286	6 910	-	6 910	19 066	-	19 066
Tax effect thereof	(1 834)	-	(1 834)	(836)	-	(836)	(6 272)	-	(6 272)
Amortisation	95 646	-	95 646	55 519	-	55 519	115 857	-	115 857
Tax effect thereof	(18 727)	-	(18 727)	(8 175)	-	(8 175)	(23 328)	-	(23 328)
Normalised headline earnings	352 531	(28 810)	323 721	294 442	(3 313)	291 129	597 167	(44 116)	553 051
Weighted average number of shares in issue			464 796 223			413 810 040			412 323 054
Normalised headline earnings per share (cents)	75.8	(6.2)	69.6	71.2	(0.8)	70.4	144.8	(10.7)	134.1

Normalised diluted headline earnings per share is calculated on the same basis used for calculating diluted earnings per share, other than normalised headline earnings being the numerator.

#### Restatement

Normalised headline earnings per share has been restated to exclude the interest on deferred vendors of R18.8 million and R47.6 million respectively. Upon further consideration, management has decided this item does not meet the definition of integration costs and should not be added back for normalised headline earnings.

### 3. Restatement

Restatements relating to the 30 June 2017 audited results:

Statement of financial position: IFRS 3 re-measurement

At 30 June 2017, the Cipla purchase price allocation was provisional due to the complexity of the business and the timing of the Cipla acquisition.

On completion of the acquisition take-on working capital assessments, and the finalisation of the purchase price allocation, the following adjustments to the initial day one take-on balances as disclosed in the June 2017 financial period were required: Goodwill increased by R27.9 million, intangible assets reduced by R30.5 million, deferred tax liability reduced by R8.5 million and deferred vendor liability increased by R6 million.

The restatement did not have a material impact on profit and loss.

Normalised headline earnings: Interest on deferred vendor liabilities.

During the June 2017 financial period, the group adjusted its normalised headline earnings for interest on deferred vendor liabilities. Upon further consideration and following engagement with various stakeholders, management has concluded that even though the interest on deferred vendor liabilities does not result in the flow of cash to vendors, it is similar in nature to the finance costs of debt raised with financial institutions, and normalised earnings should not be adjusted for this cost.

This restatement affects the June 2017 (R47.6 million) and December 2016 (R18.8 million) comparative periods.

Restatements relating to the 31 December 2016 unaudited results:

Statement of financial position: Put-option on equity instrument

This balance was previously presented as part of the deferred vendor liability on the face of the balance sheet. However, since the put-option relates to a future acquisition, the nature is considered to be different from the deferred vendors listed. It is therefore considered to be more appropriate to be disclosed as a separate line item.

Statement of comprehensive income: Discontinued operations

In the 2017 annual financial statements, Ascendis presented discontinued operations. The 2016 unaudited financial statements have been restated in terms of IFRS 5 for the purposes of the discontinued operations disclosure.

### 4. Events after reporting period

Capital repurchase

In terms of the group's share repurchase programme that has been registered with the JSE, Ascendis Financial Services acquired 2.8 million shares in Ascendis Health Limited subsequent to 31 December 2017.

These shares are considered to be treasury shares for the group and the total value invested in treasury shares is R41.3 million.

### 5. Stated capital

	Unaudited six months ended 31 December 2017 R'000	Unaudited six months ended 31 December 2016 R'000	Audited 30 June 2017 R'000
Stated capital			
Opening balance	5 447 899	2 138 684	2 138 684
Issue of ordinary shares	1 035 027	3 446 239	3 432 245
Listing fees capitalised to stated capital	(519)	(41 717)	(24 309)
Movement in treasury shares on hand	78 344	(63 802)	(98 721)
Closing balance	6 560 751	5 479 404	5 447 899

General issue of shares for cash

The group raised R750 million equity capital by way of a rights offer to qualifying shareholders that concluded in December 2017. 37.5 million shares were offered for subscription to the qualifying shareholders on the basis of 18.25 rights offer shares for every 100 shares held, at a subscription price of R22.00 per rights offer share.

The group also raised further capital through the general issuance of shares through private placements. The Group uses a 30-day volume weighted average price to determine the discount at which the shares were issued. The total number of shares issued during the course of the financial period was 16 million shares, issued at share prices ranging

between R15 and R19 per share, depending on the share price on the date of issue.

The total number of shares issued as part of the above mentioned transactions were 53.5 million raising a total of R1 305 million in equity capital.

#### Treasury shares

The unissued shares are under the control of the directors of the company subject to the provisions of the Companies Act 2008, as amended, and the Listings Requirements of the JSE Limited. The reserve for the company's treasury shares comprises the cost of the company's shares held by the group.

Total listing fees of R42.2 million have been capitalised to share capital. All shares issued were fully paid up.

	Unaudited six months ended 31 December 2017 '000	Unaudited six months ended 31 December 2016 '000	Audited 30 June 2017 '000
Reconciliation of number of shares in issue:			
Opening balance reported	431 344	298 608	298 608
Issue of shares - ordinary shares	53 531	137 066	137 066
Treasury shares			
Held at the beginning of the period	4 596	266	266
Held at the end of period	(1 172)	(3 109)	(4 596)
Closing balance	488 299	432 831	431 344

#### 6. Borrowings and other financial liabilities

For the purposes of financing the acquisition of international businesses, as well as to allow for a structure that supports growth and an integrated treasury function, Ascendis implemented a new debt structure arranged and underwritten by ABSA Bank Limited and HSBC Bank Plc. The structure consists of a syndicated facility denominated in local currency and Euro currency. During the year, the total remaining debt related to the former local debt structure was fully paid off.

In terms of the existing debt structure, the total facilities drawn down on amounts to R1 519 million and EUR221 million.

##### International loans

The group has a EUR180 million facility, of which EUR173 million remains outstanding. This facility matures in August 2021. The debt balance consists of the ZAR translated amount of R2 573 million net of debt capitalisation costs of R59.5 million. Capital repayments commenced on 30 June 2017 and is payable on a bi-annual basis. Interest is charged at 4% and is repayable quarterly. The group has access to a EUR47 million revolving credit facility.

##### Syndicated South African facility

The syndicated facility is administered through ABSA Bank with various local registered financial institutions. The R1 519 million debt consists of two facilities of R850 million and R669 million each. The R850 million facility matures in 2021 with the full capital amount due at the maturation date. Interest is charged at JIBAR plus 4.2% and is payable quarterly. The R669 million facility is payable bi-annually with a maturation date of December 2020. Interest is charged at JIBAR plus 3.75% and is payable quarterly. Included with this balance is debt capitalisation fees of R42.2 million. Additional facilities relating to letter of credit and performance guarantees exist.

Borrowings are recognised initially at fair value net of transaction costs incurred and thereafter at amortised cost. The fair value (determined using the discounted cash flow model) approximates the carrying value. The key valuation inputs in the fair value assessment are the interest rate (observable) and credit risk (unobservable), making this a level 2 fair value assessment. The above facilities are subject to financial covenants based on key financial ratios. For the six months ended 31 December 2017, the lenders required that the group maintain a normalised leverage ratio below 4.0, a minimum of 1.2 cash cover ratio and a minimum of 3.0 interest cover ratio. No events of default occurred during the period.

The table below provides the detailed breakdown of the individual balances making up the total balance .

	Unaudited six months ended 31 December 2017 R'000	Unaudited six months ended 31 December 2016 R'000	Audited 30 June 2017 R'000
Borrowings at amortised cost			
Term loan- South African Debt	1 385 777	3 849 280	1 537 366
Term loan- European Debt	3 025 893	-	2 588 437
Revolving credit facility	157 591	-	533 586
Farmlalider: Government finance	36 228	40 386	37 775

Short-term loans with financial institutions	293 188	-	247 000
Other financial liabilities at amortised cost			
Other South African borrowings	8 746	2 800	4 177
Farmalider: Caixa Bank	23 612	24 816	18 169
Farmalider Populat Bank Limited	47 551	39 025	48 014
Farmalider: Other	14 022	13 111	15 282
Gane Holdings	-	26 290	-
	4 992 608	3 995 708	5 029 806

The following table represents the split between current and non-current for borrowings and other financial liabilities:

Non-current	4 480 532	3 724 716	4 002 769
Current	512 076	270 992	1 027 037
	4 992 608	3 995 708	5 029 806

#### 7. Deferred vendor liabilities

The group structures its acquisitions to include contingent and deferred consideration that is included in the cost of the business combination at the fair value on the date of the acquisitions. Subsequent changes in the fair value of contingent consideration is recognised in profit and loss. Deferred consideration is subsequently measured at amortised cost. All deferred vendor liabilities raised relate to business combinations. No new businesses were acquired in the December 2017 interim period.

The table below includes a detailed breakdown of the individual vendor liabilities for the period:

	Unaudited six months ended 31 December 2017 R'000	Unaudited six months ended 31 December 2016 Restated R'000	Audited 30 June 2017 Restated R'000
Remedica Group	558 512	1 201 543	1 245 288
Scitec Group	-	265 628	298 009
Sunwave Group	266 729	-	263 897
Cipla Group	67 421	-	138 709
Ortho Xact	54 600	-	68 400
Klub M5 Proprietary Limited	53 677	46 183	51 032
Ortus Proprietary Limited	-	4 078	10 956
Afrikelp Group	9 913	32 063	9 408
Umecom Proprietary Limited	3 152	3 561	3 068
Respiratory Care Africa Proprietary Limited	-	2 000	-
Non-current	1 014 004	1 555 056	2 088 768
Current	640 101	1 130 424	1 437 394
	373 903	424 632	651 374
	1 014 004	1 555 056	2 088 768
Deferred consideration	693 631	1 504 796	1 762 883
Contingent consideration	320 373	50 260	325 885
	1 014 004	1 555 056	2 088 768

The group acquired the Remedica Group in August 2016. The initial deferred consideration of EUR90 million (R1.245 million) which was payable in August 2019 was amended following renegotiations with the previous owners. The renegotiated terms stipulated the total deferred consideration to be EUR86million, of which EUR46million became payable in August 2017 and the remaining EUR40 million will be settled in August 2019.

The group acquired the Scitec Group in August 2016. The deferred consideration of EUR20million (R298 million) was settled in July 2017.

In April 2017 the group acquired the Cipla Group. R73.2 million of the remaining consideration was paid in July 2017. The liability as presented in the June 2017 audited results has been restated as a result of an IFRS 3 measurement period adjustment with R 6 million, for more information please refer to the restatement note (Note 3).

In April 2017 the group acquired the Ortho-Xact business. The remaining consideration payable is classified as deferred consideration, R13.8 million has been settled since June 2017.

The group acquired Ortus in May 2015. The final settlement of the contingent consideration (R10.9 million) was paid in December 2017.

Restatement: The liability balance as presented in the December 2016 unaudited financial statements and the June 2017 financial statements has been restated. Please refer to the restatement note (Note 3) for more information.

#### 8. Discontinued operations

On 17 May 2017, the Board made a decision to consolidate the Supply Chain manufacturing activities into the Ascendis Pharma plant based in Isando. As part of this restructuring, redundant assets will be disposed of to external third parties in a piecemeal sale within the next 12 months. This is considered to be a discontinued operation. As a result assets and liabilities which will not be consolidated into Ascendis Pharma will be classified as held for sale.

The associated assets and liabilities were consequently classified as held for sale in the 2017 financial period and continues to be presented in this manner.

#### Financial performance and cash flow information

Financial performance and cash flow information presented for the interim reporting period:

	Unaudited six months ended 31 December 2017 R'000	Unaudited six months ended 31 December 2016 R'000	Audited 30 June 2017 R'000
Loss before income tax	(30 607)	(4 435)	(83 783)
Income tax	1 797	1 122	12 807
Loss after income tax expense of discontinued operation	(28 810)	(3 313)	(70 976)
Total comprehensive (loss)/income	(28 810)	(3 313)	(70 976)
Net cash (outflow)/inflow from operating activities	(4 742)	3 003	(59 068)
Net cash outflow from investing activities	(1 948)	(1 399)	(15 968)
Net cash inflow/(outflow) from financing activities	11 106	(3 749)	64 337
Net increase/(decrease) in cash generated by the discontinued operation	4 416	(2 145)	(10 699)

Assets of disposal group classified as held for sale

The following assets were classified as held for sale in relation to the discontinued operation.

	Unaudited six months ended 31 December 2017 R'000	Unaudited six months ended 31 December 2016 R'000	Audited 30 June 2017 R'000
Property, plant and equipment	68 320	-	68 320
	68 320	-	68 320

No liabilities are held as part of the disposal group. Liabilities will either be settled or transferred into Ascendis Pharma.

#### 9. Income tax expense

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

The current income tax charge is calculated on the basis of the tax laws that are enacted or substantially enacted at the reporting date in the countries where the group operates and generates taxable income. Management periodically evaluates positions taken in our tax returns with regards to situations in which applicable tax regulations is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the relevant tax authority.

	Unaudited six months ended 31 December 2017 R'000	Unaudited six months ended 31 December 2016 Restated R'000	Audited 30 June 2017 Restated R'000
Major components of the tax expense			
South African Taxation			
Current Tax			
Current tax on profits for the period	43 360	54 757	92 637
Recognised in current tax for prior periods	(1 579)	(1 869)	3 882
	41 781	52 888	96 519
Deferred			
Originating and reversing temporary differences	(1 638)	(10 925)	(27 879)
Increase in tax loss	(12 949)	(3 239)	(38 726)
Prior year adjustments	758	-	-
	(13 829)	(14 164)	(66 605)

South African income tax expense	27 952	38 724	29 914
Foreign Taxation			
Current Tax			
Current tax on profits for the period	14 338	13 545	29 677
Recognised in current tax for prior periods	(96)	(664)	(8 245)
	14 242	12 881	21 432
Deferred			
Originating and reversing temporary differences	(9 473)	(24 393)	(1 623)
Tax loss utilised/(increase) in tax loss	22	(1 192)	51
Prior year adjustments	2 190	-	-
	(7 261)	(25 585)	(1 572)
Foreign income tax expense	6 981	(12 704)	19 860
Total income tax expense	34 933	26 020	49 774
Income tax expense attributable to:			
Profit from continuing operations	36 730	27 142	62 581
Profit from discontinued operations	(1 797)	(1 122)	(12 807)
	34 933	26 020	49 774

	Unaudited six months ended 31 December 2017	Unaudited six months ended 31 December 2016	Audited 30 June 2017
	R'000	Restated R'000	Restated R'000
Tax at the South Africa tax rate	28.00%	28.00%	28.00%
Amortisation and impairments	1.45%	5.39%	8.89%
Disallowable charges - Consulting fees / legal	1.95%	3.68%	5.43%
Disallowable charges - Donations / sponsorships	0.90%	0.04%	1.73%
Effect of prior year	1.88%	(0.99%)	3.49%
Exempt dividend income	(15.32%)	0.00%	0.00%
Fines and penalties	0.18%	0.00%	0.15%
Foreign exchange differential	1.41%	(0.19%)	0.00%
Foreign tax incentives	(0.94%)	(12.07%)	(11.00%)
Increase in /(utilisation of) tax losses	11.94%	0.10%	(8.14%)
Local tax incentives	(1.41%)	(2.62%)	(1.13%)
Lower foreign tax rates	(16.99%)	(4.06%)	(14.61%)
Other disallowable charges	0.00%	0.00%	1.49%
Exempt income	0.00%	(5.71%)	(0.37%)
Average effective tax rate	13.05%	11.57%	13.93%

Reduction in effective tax rate

The decline in the effective corporate tax rate is predominantly as a result of more favourable corporate tax rates and tax incentives available to foreign subsidiaries.

Research and development tax credits

Spanish tax legislation provide tax incentives to entities who incur research and development costs. The incentive is akin to an investment tax credit. The Research and development innovation credit is received and recognised annually since the research and development expenses to which the tax credit relates are key to and part of the normal business operations of Farmalider (Spanish subsidiary).

#### 10. Tax paid

	Unaudited six months ended 31 December 2017	Unaudited six months ended 31 December 2016	Audited 30 June 2017
	R'000	R'000	R'000
Balance at beginning of the year	18 585	(22 868)	(7 470)
Current tax for the year recognised in profit or loss	(57 697)	(68 302)	(135 315)
Adjustment in respect of businesses sold and acquired during the year including exchange rate movements	-	14 781	1 138
Balance at end of the year	(24 191)	(9 238)	(18 585)
	(63 303)	(85 627)	(160 232)

#### 11. Liabilities from financing activities

This section sets out the analysis of the movements in net Financing Activities:

Liabilities from financing activities	Other Deferred
---------------------------------------	----------------

	Borrowings	Finance lease liabilities	vendor liabilities*
Closing balance as at 30 June 2017	5 029 806	30 386	2 088 768
Cash flows	(6 360)	1 918	(1 093 193)
New loans raised	388 880	9 500	-
Capital repayments made	(395 240)	(7 582)	(1 093 193)
Non-cash movements	(30 838)	1 039	18 429
Foreign exchange adjustments	(32 920)	773	(3 091)
Interest capitalised	2 082	266	21 520
Closing balance as at 31 December 2017	4 992 608	33 343	1 014 004

\* The group notes that the cash flows from deferred vendor liabilities are included as investing activities in the cash flow statement, however, this information is considered to be useful to the users of the financial statements since deferred vendor liabilities are included in the group's net debt position and is therefore included in the above disclosure.

## 12. Dividend

The directors have elected not to declare an interim dividend and to retain cash to settle debt obligations.

Andy Sims  
Company Secretary  
1 March 2018

## GENERAL INFORMATION

Country of incorporation and domicile South Africa

Directors  
JA Bester  
MS Bomela  
CD Dillon  
K Futter  
B Harie  
Dr KS Pather  
GJ Shayne  
CB Sampson  
TB Thomsen  
Dr KUHH Wellner

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Bryanston  
2021

Bankers  
The Absa Bank Limited (acting through its Corporate and Investment Banking division)  
HSEC Bank plc  
Nedbank Limited (acting through its Corporate and Investment Banking division)  
Standard Chartered Bank

Auditors  
PricewaterhouseCoopers Inc  
Chartered Accountants (S.A.)

Sponsors  
Questco Corporate Advisory (Pty) Ltd

Secretary  
A Sims CA(SA)

Tax reference number  
9810/017/15/3

Preparer  
The interim financial statements were internally compiled by: K Futter CA(SA)

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