ASCENDIS HEALTH LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2008/005856/06)
ISIN: ZAE000185005   JSE share code: ASC
("Ascendis" or "the Company")

ASCENDIS RAISES R330 MILLION VIA AN EQUITY PLACEMENT TO REDUCE SHORT-TERM BORROWINGS AND IRREVOCABLE COMMITMENTS AMOUNTING TO C.R80 MILLION TO FUND THE SCIENTIFIC GROUP ACQUISITION

1. Introduction

Ascendis shareholders are hereby advised that the Company has successfully concluded a c.R410 million capital raise via a combination of a general issue of shares for cash ("Cash Issue") and a vendor consideration placement in terms of irrevocable commitments ("Vendor Placement") (collectively "Capital Raise").

2. Rationale for the Capital Raise

The purpose of the Capital Raise is to, *inter alia*, reduce the short-term borrowings of Ascendis and to settle the purchase consideration in respect of the acquisition of the majority of The Scientific Group Proprietary Limited, subject to the fulfilment of all applicable conditions precedent ("SG")

2.1. Reduction in short-term borrowings

Ascendis shareholders were recently notified that the Company successfully concluded a R1.06 billion debt refinance programme ("Debt Programme") as per the SENS announcement dated 29 September 2014.

The proceeds from the Cash Issue will be utilised to reduce short-term borrowings which will, for illustrative purposes, subsequently result in a reduction of the Ascendis net debt to earnings before interest, taxation, depreciation and amortisation ("EBITDA") ratio from 2.3 times to 1.7 times on a normalised basis.

Accordingly, Ascendis will be in a strong position to utilise available undrawn facilities post this reduction in its revolving credit facilities together with its growing cash base in order to ensure it takes advantage of future opportunities.

2.2. The acquisition of SG

With reference to the SENS announcement dated 27 October 2014, the Vendor Placement will be utilised as partial settlement of the acquisition of SG, which represents a 12% earnings enhancement for Ascendis shareholders. The remaining relevant salient terms relating to the transaction are set out within the said announcement.

The SG acquisition further positions the Ascendis medical devices division as a leading provider of turnkey solutions to private and public hospitals, clinics as well as medical professionals in the Southern African primary health care markets. Accordingly, Ascendis now seeks to further consolidate its position as a market leading supplier through this acquisition.

2.3.Introduction of new institutional shareholders and improved free float

The private placement process provided Ascendis with an opportunity to increase the number of Ascendis ordinary shares in issue ("Ascendis Shares") held by the investing public in the form of a free float and consequently improve the liquidity of Ascendis Shares traded on the Johannesburg Stock Exchange Limited ("JSE").

3. Salient Terms of the Capital Raise

3.1.The Cash Issue

Ascendis has raised c.R330 million by way of a Cash Issue. The Cash Issue was concluded at R15.00 ("Cash Issue Price") per Ascendis Share, which represents a 7% discount to the 30-day volume weighted average price ("VWAP") of R16.14 as at 4 November 2014 and thus resulting in an additional 22,081,462 new Ascendis Shares ("Cash Issue Shares"). The Cash Issue Shares will rank *pari passu* with existing Ascendis Shares.

As the Cash Issue Shares represent more than a 5% increase in issued ordinary share capital of the Company, this disclosure is made in terms of Section 11.22 of the JSE Listings Requirements.

Ascendis hereby confirms that it has adhered to section 4.25 of the JSE Listings Requirements whereby it states that related parties were unable to participate in the Capital Raise.

3.2.The Vendor Placement

Ascendis has raised c.R80 million by way of a Vendor Placement subject to the fulfillment of all necessary conditions precedent.

This Vendor Placement is specifically allocated as partial settlement of the SG acquisition purchase consideration,The Vendor Placement was also concluded at R15.00 ("Vendor Issue Price") per Ascendis Share, which will result in an additional 5,297,017 new Ascendis Shares to be issued in due course.

1. Unaudited *pro-forma* financial effects ("Financial Effects") of the Cash Issue only

Based on Ascendis' financial results for the year ended 30 June 2014, the unaudited pro-forma Financial Effects of the Cash Issue on Ascendis' earnings per share ("EPS"), headline earnings per share ("HEPS"), diluted earnings per share ("Diluted EPS"), net asset value ("NAV") and tangible net asset value ("TNAV") are set out below. The Financial Effects and the preparation thereof, which are the responsibility of the directors of Ascendis, have been prepared for illustrative purposes only and, because of their nature, may not give a fair presentation of the true impact to Ascendis' financial position or the effect and impact of the Cash Issue.

	30 June 2014 – Before the Cash Issue (cents)	***Pro forma* 30 June 2014 - After the Cash Issue (cents)**	**Change (%)**
EPS [1,3,4]	65	69	6%
HEPS [1,3,4]	65	69	6%

Diluted EPS [1,3,4]	65	69	6%
NAV [2,3,4]	572	659	15%
TNAV [2,3,4]	(41)	105	-357%
Weighted average and total shares in issue	212 131 999	234 213 461	10%

1. For the purposes of calculating HEPS, EPS and Diluted EPS, the amounts in the "30 June 2014 – Before the Cash Issue" column are based on Ascendis' statement of comprehensive income for the annual period ended 30 June 2014, as announced on SENS on 9 September 2014.
2. For the purposes of calculating NAV and TNAV, the amounts in the "30 June 2014 – Before the Cash Issue" column are based on Ascendis' statement of financial position for the annual period ended 30 June 2014, as announced on SENS on 9 September 2014.
3. HEPS, EPS, Diluted EPS, NAV and TNAV in the "30 June 2014 – Before the Cash Issue" column have been calculated using the *pro-forma* weighted average and total number of shares in issue, as applicable, for the annual period ended 30 June 2014 of 212,227,595 shares less treasury shares held of 95,596 as per the published annual results, as announced on SENS on 9 September 2014.
4. The amounts in the "Pro-forma 30 June 2014 – After the Cash Issue" column have been calculated as if the 22,081,462 shares were issued on 30 June 2014 and the cash of R331 million received on 1 July 2013. It was further assumed the cash received was used to reduce gearing which incurs an after-tax interest rate of 7.3%, resulting in an annual saving of R24 million in interest costs.

7 November 2014
Johannesburg

Co-Arranger and Financial Advisor
Coast2Coast Investments Proprietary Limited

Co-Arranger
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