Annual Results for the year ended **30 June 2014**

Ascendis HEALTH

HIGHLIGHTS

Revenue
R1.6 billion
171%

Operating profit
R216 million
310%

Operating margin
Up from 8.8%
to 13.3%

Headline earnings
Up from R9.3 million
to R138 million

HEPS
64.98 cents

Maiden dividend
15 cents per share

- Exceeded pre-listing profit forecast
- Concluded acquisitions totalling R1.4 billion since July 2013

Subsequent to year end:

- BEE shareholding transaction (MIC) completed
- R2 billion corporate bond programme launched

Ascendis CONSUMER BRANDS Ascendis PHYTO-VET Ascendis PHARMA-MED

COMMENTARY

OVERVIEW

Ascendis is a fast growing health and care group which sells health brands for people, plants and animals. The group owns a portfolio of market-leading health and care brands, which are housed in three divisions: Consumer Brands (nutraceuticals, vitamins, sports nutrition and skin care products); Phyto-Vet (plant and animal health and care) and Pharma-Med (prescription drugs and medical devices). The group has an expanding international presence and currently exports products to 52 countries, mainly in Africa and Europe. Listed on the JSE in November 2013, the market capitalisation of Ascendis is approximately R4 billion.

STRATEGY

Ascendis is creating a synergistic group of health and care product brands spanning the value chain, from imports of raw materials, manufacturing, brand development to distribution to consumers through retail, wholesale, pharmacies, hospitals, doctors and direct selling channels locally and internationally.

Organic growth from the group's established, market-leading brands will be supported by the acquisition of complementary businesses and brands for synergistic growth. This includes vertical integration across the value chain and horizontal integration from bolt-on acquisitions.

Ascendis is rapidly growing its foreign customer base and the international expansion strategy includes exports, establishing offshore operations and acquiring international businesses.

FINANCIAL PERFORMANCE

Ascendis exceeded its pre-listing profit forecast in its maiden annual results to June 2014, with the performance driven by healthy organic growth and the benefit of strategic acquisitions made over the past year.

Revenue for the year increased by 171% from R598 million to R1 618 million and includes revenue for Surgical Innovations for six months, PharmaNatura for only one month and exclude recent acquisitions Respiratory Care Africa ("RCA") and Arctic Healthcare ("Arctic") (refer to Acquisitions below).

Revenue generated from foreign markets increased by 86% to R187 million, accounting for 11.5% of the group's total sales.

The gross margin expanded by 1.9% through better buying, selected price increases as well as a better product and customer mix. Further savings could be achieved by extracting synergies across the value chain, including joint manufacturing, warehousing and route to market activities in the Consumer Brands and Phyto-Vet divisions.

Operating profit increased by 310% from R53 million to R216 million as the operating margin improved from 8.8% to 13.3%.

Profit after tax exceeded the pre-listing forecast of R112 million and increased from R1.5 million to R140 million. Cash generated by operations was a healthy R176 million.

The performance for the year translated into headline earnings of R138 million (2013: R9.3 million), with headline earnings per share increasing from 9.20 cents to 64.98 cents.

A maiden final dividend of 15 cents per share has been declared.

OPERATIONAL PERFORMANCE

Consumer Brands generated revenue of R658 million (2013: R245 million) and accounted for 41% of group revenue; Pharma-Med R411 million (no comparative as businesses only acquired in FY2014) and Phyto-Vet R549 million (2013: R353 million). The medium-term targeted revenue split is Consumer Brands 40%, Pharma-Med 40% and Phyto-Vet 20%.

Ascendis brands are currently sold in 21 other African countries, which account for 68% of export sales. Major export markets outside the continent are the Scandinavian countries, Netherlands, Germany, Dubai and Australia.

ACQUISITIONS

Ascendis follows an acquisition strategy of buying established businesses and resilient brands which are integrated into divisional platforms without the full associated fixed overhead structure. This bolt-on strategy ensures immediate synergy benefits and efficiencies as well as enhanced sales and operating margins.

Since July 2013, the group has made strategic acquisitions totalling R1.4 billion, including four concluded after 30 June 2014.

Shortly after the listing Ascendis acquired Surgical Innovations, a distributor of high-end medical devices to surgeons, to create a medical devices platform in the Pharma-Med division.

In the second half of the financial year the group acquired Atka Pharma and PharmaNatura, which have been integrated into the Consumer Brands division, while RCA will bring further scale to the medical devices offering in the Pharma-Med division from August 2014 onwards.

Atka Pharma markets the BioBalance brand and PharmaNatura sells nutraceutical, homeopathic and herbal brands such as Vitaforce, Bettaway, Homeoforce and Herbaforce which are manufactured at their GMP accredited plant in Johannesburg.

RCA distributes specialist medical equipment and surgical consumables for critical care facilities such as intensive care units and operating theatres. The range of equipment is complementary to Surgical Innovations. Both companies will offer joint turnkey solutions to hospitals and further growth potential is expected from this opportunity.

Shortly after the end of the reporting period the group acquired Arctic, a market-leading vitamin and mineral brand, including Chela-Fer, Menacal7 and Supa Chewz, and one small bolt-on acquisition for the Pharma-Med and one for the Phyto-Vet division.

OUTLOOK

After an extensive strategic planning process Ascendis has identified the following medium-term imperatives: in the Consumer Brands division the focus will be on continued strong organic growth of its market-leading brands; profit enhancing bolt-on acquisitions in South Africa; integration and synergy projects and the internationalisation of selected brands.

In Phyto-Vet the focus will mainly be on profit enhancing bolt-ons and synergies between the existing businesses.

The brands in the Consumer Brands and Phyto-Vet divisions are mostly aimed at higher LSM consumers making the business more resilient in the face of weaker economic conditions. The brands in the pharmaceutical sector of the Pharma-Med division focus more on the lower LSM consumer and will benefit from government's focus on making medicines more affordable and accessible, and the National Health Insurance implementation. Pharma-Med plans to reduce its dependence on raw material imports, focus on internationalisation and new product launches to enhance profitability. The medical devices business will concentrate on economies of scale between Surgical Innovations and RCA, and better offerings for its complementary hospital customer base. Acquisitions will include local bolt-ons and the first international acquisitions.

The group is well positioned to accelerate the growth in its export operations and is targeting to achieve 30% of sales from international markets within three years.

The group has a healthy acquisition pipeline and is currently evaluating projects in all divisions. After 30 June 2014, a R2 billion domestic medium-term note programme has been launched. The first tranche of R400 million, together with further facilities (term facility, revolving credit facility and a trade finance facility) of R660 million, will be issued in September 2014. This programme is supported by leading local institutions and is a significant milestone to enable further growth of Ascendis Health. Management plans to increase the group's BEE shareholding and to raise further capital locally and internationally to fund its continued growth aspirations.

The key deliverables for the year ahead include the finalisation of current acquisition projects; the integration of the recently announced acquisitions of PharmaNatura, RCA and the Arctic brands; further organic growth; the extraction of vertical and horizontal synergies and internationalising its strong owned brands.

Dr Karsten Wellner *Chief Executive Officer*	**Robbie Taylor** *Chief Financial Officer*

Cape Town

9 September 2014

AUDITED SUMMARISED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Audited Year ended 30 Jun 2014 R'000	Audited Year ended (Restated) 30 Jun 2013 R'000
Continuing operations		
Revenue	1 617 946	597 531
Cost of sales	(890 100)	(339 934)
Gross profit	727 846	257 597
Selling and distribution costs	(46 829)	(19 263)
Administrative expenses	(502 891)	(179 589)
Other operating expenses	(30 538)	(14 896)
Other income	68 351	8 829
Operating profit	215 940	52 678
Finance income	25 592	6 866
Finance costs	(54 730)	(52 984)
Share of profit of investments accounted for using the equity method	(683)	–
Profit/(loss) before income tax	186 119	6 560
Income tax expense	(45 950)	(5 091)
Profit/(loss) for the year from continuing operations	140 169	1 469
Discontinued operations		
Profit/(loss) for the year from discontinued operations (attributable to owners of the parent)	(181)	147
Profit/(loss) for the year	139 988	1 616
Other comprehensive income/(loss) for the year		
Items that may subsequently be reclassified to profit or loss:		
Fair value adjustments to cash flow hedging reserve		672
	–	672
Movement on foreign currency translation reserve		
Currency translation differences (with no tax effect)	(483)	–
Items that will not be subsequently reclassified to profit or loss:		
Gain on property revaluation	–	1 955
Taxation related to gain on property revaluation	–	(548)
Total comprehensive income for the year	139 505	3 696
Profit/(loss) attributable to:		
Owners of the parent		
– For continuing operations	137 945	9 334
– For discontinued operations	(181)	147
Non-controlling interests		
– For continuing operations	2 225	(7 865)
	139 988	1 616
Total comprehensive income/(loss) attributable to:		
Owners of the parent		
– For continuing operations	137 461	10 982
– For discontinued operations	(181)	147
Non-controlling interests		
– For continuing operations	2 225	(7 433)
	139 505	3 696
Earnings per share		
Basic earnings per share (cents)		
– From continuing operations	65.00	9.07
– From discontinued operations	(0.09)	0.14
	64.91	9.21
Diluted earnings per share (cents)		
– From continuing operations	65.00	8.99
– From discontinued operations	(0.09)	0.14
	64.91	9.13

AUDITED SUMMARISED GROUP STATEMENT OF FINANCIAL POSITION

	Audited Year ended 30 Jun 2014 R'000	Audited Year ended (Restated) 30 Jun 2013 R'000
Assets		
Non-Current Assets		
Property, plant and equipment	86 689	42 721
Goodwill	1 047 708	233 123
Intangible assets	251 337	86 968
Investments accounted for using the equity method	48 133	–
Deferred income tax assets	1 945	3 174
Loans to related parties	–	42 258
Other financial assets	–	198
	1 435 813	408 443
Current Assets		
Inventories	431 516	169 492
Trade and other receivables	475 559	172 786
Loans to related parties	102 795	52 111
Other financial assets	2 647	3 613
Current tax receivable	–	2 360
Cash and cash equivalents	94 883	134 984
Non-current assets held for sale	13 361	–
	1 120 761	535 345
Total Assets	2 556 573	943 787
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Ordinary shares	1 108 036	378 981
Other reserves	(56 119)	(7 376)
Retained earnings	153 998	16 234
	1 205 915	387 839
Non-controlling interests	6 805	348
	1 212 720	388 186
Liabilities		
Non-Current Liabilities		
Borrowings	415 286	84 876
Deferred income tax liabilities	62 239	14 755
Deferred vendor liabilities	36 423	–
	513 948	99 630
Current Liabilities		
Trade and other payables	395 477	128 786
Provision for onerous contract	35 238	–
Derivative financial instruments	1 371	–
Current income tax liabilities	16 118	5 789
Borrowings	230 738	242 010
Bank overdraft	100 848	10 737
Loans from related parties	26 286	38 990
Deferred vendor liabilities	16 509	29 658
Non-current liabilities held for sale	7 320	–
	829 906	455 970
Total Liabilities	1 343 854	555 601
Total Equity and Liabilities	2 556 573	943 787

Ascendis
HEALTH

AUDITED SUMMARISED STATEMENT OF CHANGES IN EQUITY

	Preference share R'000	Ordinary shares R'000	Stated capital R'000
Balance as at 1 July 2012	**–**	**8 649**	**–**
Profit/(loss) for the year	–	–	–
Other comprehensive income/(loss) for the year	–	–	–
Issue of shares	–	370 332	–
Exchange differences on translating foreign operations	–	–	–
Dividends	–	–	–
Changes in ownership interest – control not lost	–	–	–
Purchase price adjustments	–	–	–
NCI allocation on acquisition	–	–	–
Balance as at 1 July 2013 (Restated)	**–**	**378 981**	**–**
Profit/(loss) for the year	–	–	–
Other comprehensive income/(loss) for the year	–	–	–
Transfer of ordinary shares to stated capital	–	(378 981)	378 981
Stated capital issued pre-private placement	–	–	173 834
Stated capital issued upon private placement	–	–	400 000
Listing fees capitalised against stated capital	–	–	(19 037)
Treasury shares on hand at year end	–	–	(14 594)
Issue of ordinary shares related to business combination	–	–	188 852
Share-based payment reserve	–	–	–
Non-controlling interest arising on business combination	–	–	–
Total changes in ownership interests in subsidiaries that do not result in a loss of control	–	–	–
Balance as at 30 June 2014	**–**	**–**	**1 108 036**

Foreign translation reserve R'000	Revaluation reserve R'000	Change in ownership reserve R'000	Share-based payment reserve R'000	Accumulated (Loss)/ retained income R'000	Total attributable to equity holders of the Group/ Company R'000	Non-controlling interest R'000	Total equity R'000
–	**–**	**1 146**	**–**	**6 696**	**16 491**	**7 203**	**23 694**
–	–	–	–	12 039	**12 039**	(7 433)	**4 605**
–	976	–	–	–	**976**	–	**976**
–	–	–	–	–	**370 332**	–	**370 332**
672	–	–	–	–	**672**	–	**672**
–	–	–	–	–	**–**	(680)	**(680)**
–	–	(10 170)	–	–	**(10 170)**	(819)	**(10 990)**
–	–	–	–	(2 500)	**(2 500)**	–	**(2 500)**
–	–	–	–	–	**–**	2 077	**2 077**
672	**976**	**(9 024)**	**–**	**16 234**	**387 839**	**348**	**388 186**
–	–	–	–	137 764	**137 764**	2 225	**139 988**
(483)	–	–	–	–	**(483)**	–	**(483)**
–	–	–	–	–	**–**	–	**–**
–	–	400	–	–	**174 234**	–	**173 834**
–	–	–	–	–	**400 000**	–	**400 000**
–	–	–	–	–	**(19 037)**	–	**(19 037)**
–	–	–	–	–	**(14 594)**	–	**(14 594)**
–	–	–	–	–	**188 852**	–	**188 852**
–	–	–	13 233	–	**13 233**		**13 233**
–	–	–	–	–	**–**	4 633	**4 633**
–	–	(61 892)	–	–	**(61 492)**	(400)	**(61 892)**
188	976	(70 516)	13 233	153 998	1 205 915	6 805	1 212 720

AUDITED SUMMARISED GROUP STATEMENT OF CASH FLOWS

	Audited Year ended 30 Jun 2014 R'000	Audited Year ended (Restated) 30 Jun 2013 R'000
Cash flows from operating activities		
Cash generated from operations	175 918	7 734
Interest income	25 592	801
Interest paid	(54 730)	(52 429)
Dividends paid	–	(680)
Income tax paid	(43 680)	(10 679)
Net cash flows from operating activities: discontinued operations	(2 353)	(938)
Net cash generated from operating activities	100 747	(56 190)
Cash flows from investing activities		
Acquisition of subsidiary, net of cash acquired	(690 623)	(101 812)
Acquisition of investments in joint venture	(48 133)	–
Movement in other reserves	–	–
Purchases of property, plant and equipment	(14 765)	(3 685)
Proceeds from sale of property, plant and equipment	36 501	326
Purchases of intangible assets	(1 750)	(1 841)
Loans granted to related parties	(20 997)	–
Loan repayments received from related parties	–	3 408
Repayment of deferred vendor liabilities	(33 549)	(10 868)
Proceeds from other financial assets	1 103	–
Dividends received	–	–
Dividends received	–	–
Net cash flows from investing activities: discontinued operations	(103)	(284)
Net cash used in investing activities	(772 316)	(114 755)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	366 370	370 332
Acquisition of non-controlling interest	(61 492)	(10 989)
Movement in redeemable preference shares	–	(14 677)
Proceeds from borrowings	504 993	–
Repayments of borrowings	(271 651)	(6 757)
Net cash movement from loans with related parties	–	(68 470)
Net cash flows from financing activities: discontinued operations	3 138	(1 159)
Net cash used in financing activities	541 357	268 279
Net (decrease)/increase in cash and cash equivalents	(130 212)	97 334
Cash and cash equivalents at beginning of year	124 247	26 913
Cash and cash equivalents at end of year	(5 965)	124 247

AUDITED SUMMARISED GROUP SEGMENTAL ANALYSIS

	Audited Year ended 30 Jun 2014 R'000	Audited Year ended (Restated) 30 Jun 2013 R'000
Operating segments		
Revenue		
The revenue of Ascendis Health is predominantly earned in Southern Africa.		
Revenue split by division		
Consumer Brands	658 388	244 692
Phyto-Vet	548 919	352 839
Pharma-Med	410 639	–
Total revenue	1 617 946	597 531
Geographical revenue split		
South African	1 431 165	497 254
Foreign:	186 781	100 277
Total revenue	1 617 946	597 531
Currently there are no intersegmental sales between operating segments within the group.		
EBITDA		
Consumer Brands		
Operating profit	96 912	30 972
Amortisation and depreciation	15 909	2 095
Impairment of assets	–	209
Consumer Brands EBITDA	112 821	33 276
Phyto-Vet		
Operating profit	37 659	31 193
Amortisation and depreciation	10 967	4 562
Impairment of assets		–
Phyto-Vet EBITDA	48 626	35 755
Pharma-Med		
Operating profit	99 856	–
Amortisation and depreciation	3 228	–
Pharma-Med EBITDA	103 084	–
Head office adjustments	(18 202)	(3 772)
Total EBITDA	246 329	65 259
Reconciliation of EBITDA to consolidated results		
Consolidated operating profit	215 940	52 678
Total consolidated amortisation, depreciation and impairments	30 601	12 789
Head-office portions excluded from segmental analysis	(212)	(209)
Total EBITDA	246 329	65 259
Segmental assets and liabilities		
Consumer Brands		
– Total assets	921 195	274 027
– Total liabilities	(592 139)	(106 629)
Consumer Brands net asset value	329 056	167 398
Phyto-Vet		
– Total assets	500 507	434 034
– Total liabilities	(431 117)	(411 396)
Phyto-Vet net asset value	69 389	22 639
Pharma-Med		
– Total assets	854 612	–
– Total liabilities	(330 647)	–
Pharma-Med net asset value	523 965	–
Holding company net asset value	290 310	198 150
Consolidated net asset value	1 212 720	388 186

EARNINGS PER SHARE

	Audited Year ended 30 June 2014 R'000	Audited Year ended (Restated) 30 June 2013 R'000
Earnings per share is calculated by dividing earnings attributable to the parent by the weighted average number of ordinary shares in issue during the financial period.		
Appropriate adjustments are made to earnings per share in order to calculate headline earnings per share. The number of shares in 2013 has been adjusted for the 8 000:1 share split that took place in the current financial year.		
Reported at beginning of period	166 616	91 984
Issue of ordinary shares	72 847	74 632
Minus treasury shares in issue	(95)	–
Total shares in issue net of treasury shares	239 368	166 616
Weighted average number of shares	212 228	102 952
Number of shares in issue		
Shares in issue at the beginning of the period	166 616	91 984
Shares issued during the period net of treasury shares	72 752	74 632
Number of shares in issue	239 368	166 616
Reconciliation between earnings and headline earnings		
Profit from continuing operations attributable to owners of the parent	137 944	9 334
Adjusted for:		
– Impairment of goodwill (gross amount)	–	
– Loss/(profit) on the sale of property, plant and equipment	139	(161)
Gross amount	193	(223)
Tax effect	(54)	62
– Impairment of intangible assets	–	150
Gross amount	–	209
Tax effect	–	(59)
Headline earnings	138 083	9 323
Weighted average number of shares in issue	212 228	102 952
Reconciliation between weighted average number of shares and diluted weighted average number of shares:	Cents	Cents
Basic earnings per share (cents)	64.91	9.21
Diluted earnings per share (cents)	64.91	9.13
Basic headline earnings per share (cents)	64.98	9.20
Diluted headline earnings per share (cents)	64.98	9.12

NOTES TO THE AUDITED SUMMARISED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

1. Corporate information

Ascendis is a fast growing health and care brands company consisting of three divisions, Consumer Brands (nutraceuticals, vitamins, sports nutrition and skin care products); Phyto-Vet (plant and animal health); and Pharma-Med (prescription drugs and medical devices). The group's vision, which is encapsulated in its motto 'A healthy home, 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). These summarised consolidated group interim financial results as at and for the year ended 30 June 2014 comprise of the company and its subsidiaries (together referred to as the group) and the group's interest in joint ventures.

2. Basis of preparation

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, and the requirements of the Companies Act applicable to summary financial statements. The Listings Requirements require abridged 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 to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived are in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

These summary consolidated financial statements for the year ended 30 June 2014 have been prepared under the supervision of the Financial Director, Mr RJ Taylor CA (Z) and audited by PricewaterhouseCoopers Inc., who expressed an unmodified audited opinion thereon. The auditor also expressed an unmodified opinion on the annual financial statements from which these summary consolidated financial statements were derived. A copy of the auditor's report on the summary consolidated financial statements and of the auditor's report on the annual consolidated financial statements are available for inspection at the Company's registered office.

The auditor's report does not necessarily report on all of the information contained in this announcement. Any reference to future financial information included in this announcement has not been reviewed or reported on by the auditors.

Shareholders are advised that in order to obtain a full understanding of the nature of the auditors' engagement they should obtain a copy of that report together with the accompanying financial information from the Company's registered office.

3. Business combinations

Consumer Brands

During the current financial year Ascendis Health Limited acquired 100% of the following businesses:

- Solal Technologies Proprietary Limited and its subsidiaries (05 July 2013)
- Nimue Skin Southern Africa Proprietary Limited (25 July 2013)
- Bolus Distribution (01 October 2013)
- Dealcor Forty Proprietary Limited T/a Evox (01 November 2013)
- 74% of SwissGarde Proprietary Limited (1 November 2013)
- PharmaNatura Proprietary Limited (1 June 2014)

These acquisitions amounted to a total consideration of R508 889 283 in this specific segment.

These companies possess exceptional brands further enhancing Ascendis' presence in the consumer brands market. Solal specialises in healthy ageing products, offering solutions to most health problems and anti-ageing needs, Nimue is a globally recognised brand, primarily available in leading skin care salons. Bolus Distribution t/a Muscle Tech and Dealcor Forty Proprietary Limited t/a Evox, both specialise in sports nutrition products for active lifestyle consumers and professional athletes. SwissGarde specialising in direct selling of nutraceutical and home care products with a strong network in South Africa and Nigeria.

The total addition to the segmental revenue due to these acquisitions is R354 668 263, from the date of acquisition.

Pharma-Med

During the financial year Ascendis acquired the following businesses at a total consideration of R608 154 145: On 1 November 2013 the group acquired 100% of Pharmachem Group which collectively consists of Dezzo, Pharmadyne and Pharmachem Pharmaceuticals. The company specialises in marketing and distribution of its own branded generic pharmaceuticals, nutraceuticals and OTC products. On 17 January 2014 the group received approval from the Competition Commission for the acquisition of Surgical Innovations Proprietary Limited imports, within the medical devices market, it markets and distributes surgical and medical devices, and gives the group a footprint.

These companies possess exceptional dossiers and medical devices that can be used as a base by Ascendis to broaden its footprint in the Pharma/Med division.

The total addition to the segmental revenue due to these acquisitions is R410 639 136, from the date of acquisition.

Phyto-Vet

On 1 October 2013 the group acquired 100% of Marlton's Pets and Products Proprietary Limited. The company specialises in pet care and accessories, distributing to its customers through retail and specialist vet and pet stores.

This company possesses exceptional relationships and a long legacy of quality products in the companion pet market.

The total addition to the segmental revenue due to this acquisition is R146 790 624, from the date of acquisition

Acquisition Breakdown	Consumer Brands R'000	Pharma-Med R'000	Phyto-Vet R'000	2014 R'000	2013 R'000
Cash	424 691	288 303	14 357	727 350	103 142
Equity instruments	73 385	273 852	15 448	362 685	53 111
Vendor loans	10 823	46 000	–	56 823	29 658
Total consideration	**508 899**	**608 154**	**29 805**	**1 146 859**	**185 910**

Business combinations

				Group	
	Consumer Brands R'000	Pharma-Med R'000	Phyto-Vet R'000	2014 R'000	2013 R'000
Cash	424 691	288 303	14 357	727 350	103 142
Equity instruments	73 385	273 852	15 448	362 685	53 111
Vendor loans	10 823	46 000	-	56 823	29 658
Total consideration transferred	508 899	608 154	29 805	1 146 859	185 910

Recognised amounts of identifiable assets acquired and liabilities assumed

Cash and cash equivalents	39 359	12 541	(15 172)	36 727	1 330
Property, plant and equipment	26 489	44 088	5 847	76 423	3 479
Intangible assets	–	–	–	–	1 208
Other financial assets	5	(65)	–	(60)	7 219
Inventories	100 846	159 172	25 348	285 365	45 202
Trade and other receivables	69 343	140 219	31 382	240 944	40 153
Trade and other payables	(17 392)	(296 677)	(29 949)	(344 018)	(15 109)
Borrowings	(56 888)	(76 297)	(7 846)	(141 031)	(19 306)
Current tax payable	(3 341)	860	(419)	(2 901)	(2 362)
Contingent liability	–	–	–	–	(50 762)
Deferred tax liabilities	(2 273)	(1 305)	1 271	(2 307)	4
Total identifiable net assets	**156 146**	**(17 464)**	**10 461**	**149 143**	**11 055**
Initial resultant goodwill	**352 753**	**625 619**	**19 344**	**997 716**	**174 855**
The initial resultant goodwill was allocated as follows:					
Total Intangibles on acquisition	103 897	61 174	18 059	183 131	54 444
Defered tax on acquisition	(29 091)	(17 129)	(5 057)	(51 277)	(15 244)
Non-controlling interest	4 633	–	–	4 633	2 077
Initial resultant goodwill	352 753	625 619	19 344	997 716	
Less: Intangibles assets identified from the business combination	103 897	61 174	18 059	183 131	
Remaining goodwill	**248 856**	**564 444**	**1 285**	**814 585**	
Intangibles assets identified from the business combination:					
– Brand names and Trademarks				43 064	
– Client relationships				74 739	
– Drug master files				12 938	
				52 390	
				183 131	
Acquisition date fair value of consideration paid					
Cash	424 691	288 303	14 357	727 350	103 142
Cash flow on business combinations					
Cash consideration paid	(424 691)	(288 303)	(14 357)	(727 350)	(103 142)
Cash acquired	39 359	12 541	(15 172)	36 727	1 330
	(385 332)	**(275 761)**	**(29 529)**	**(690 623)**	**(101 812)**

Vendor loan repayment Reconciliation		
Total Vendor Loans per above	56 823	29 658
Repayments during the year	(3 891)	–
Total Vendor Loans	**52 932**	**29 658**

Final dividend

The board of directors has approved a final gross ordinary dividend of 15 cents per share (2013: nil). The source of the dividend will be from distributable reserves and paid in cash.

Additional information

Dividends Tax ("DT") at the rate of 15% amounting to 2.25 cents per ordinary share will be withheld in terms of the Income Tax Act. Ordinary shareholders who are not exempt from DT will therefore receive a dividend of 12.75 cents per share net of DT.

The company has 239 367 785 ordinary shares in issue. Its income tax reference number is 9810/017/15/3.

Shareholders are advised of the following salient dates in respect of the final dividends:	
Last day to trade "cum" the dividend	Friday, 5 December 2014
Shares trade "ex" the dividend	Monday, 8 December 2014
Record date	Friday, 12 December 2014
Payment to shareholders	Monday, 15 December 2014

Share certificates may not be dematerialised or rematerialised between Monday, 8 December 2014 and Friday, 12 December 2014, both days inclusive.

The directors of the company have determined that dividend cheques amounting to R50.00 or less due to any ordinary shareholder will not be paid unless a written request to the contrary is delivered to the transfer secretaries, Computershare Investor Services Proprietary Limited, by no later than close of business on Friday, 5 December 2014, being the last day the shares trade "cum" the dividend. Unpaid dividend cheques will be aggregated with other such amounts and donated to a charity to be nominated by the directors.

By order of the board

Andy Sims
Company secretary

9 September 2014

Transactions with non-controlling interests

During July 2013 and November 2013, the group acquired the remaining 15% of Efekto Holdings Proprietary Limited and its subsidiaries and 20% of Chempure Proprietary Limited for a purchase consideration of R39 770 917 and R21 721 349. The group now holds 100% of the equity share capital of Efekto Holdings and its Subsidiaries and Chempure. The carrying amount of the non-controlling interest in Efekto Holdings and Chempure on the date of acquisition was (R4 398 502) and R3 998 532. The effect of changes in the ownership interest in Efekto Holdings and Chempure on the equity attributable to owners of the company during the period is summarised as follows:

	Audited year ended June 2014 R
Carrying amount of non-controlling interests acquired	**399 970**
Excess of consideration paid recognised in parent's equity	**61 492 266**
Consideration paid for non-controlling interest	**61 892 236**

Going concern

After taking into account the current economy, the group's liquidity position as well as internal budgets and forecasts for the short to medium term, it is expected that the group will continue to trade as a going concern within the next 12 months.

The bridge facility of R150 million classified as short term debt will be replaced by a long-term 5-year bond.

JSE Limited Listings Requirements

The interim results announcement has been prepared in accordance with the Listings Requirements of the JSE Limited.

Corporate governance

Detailed disclosure of the company's application of the principles contained in the King Report on Governance for South Africa 2009 (King III) was made in the 2013 Pre-listing Statement and is available on the company's website in accordance with the JSE Listings Requirements. No material changes have occurred since the disclosure. Efforts are constantly employed to address the areas requiring improvement. The classification of the independence of the non-executive directors is currently under review and could potentially change in the short term. Please contact the Group Company Secretary, Andy Sims, for any additional information in this regard.

Contingent liabilities

There are no additional contingent liabilities since the reporting period ended on 30 June 2014.

Ascendis
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Significant events after the reporting period

Arctic Health Care

The Company has concluded an agreement in terms of which Ascendis has acquired certain market-leading brands from Arctic Healthcare for a consideration of R151 million.

Broad Based Black Economic Empowerment ("BBBEE") Transaction for Ascendis Health

A transaction between Coast2Coast and the MIC Investment Holdings Proprietary Limited will increase the BEE ownership in Ascendis from R165 million currently to a potential R365 million over a three year period, excluding any further investment or disposal by existing or new BEE shareholders.

Respiratory Care Africa

With the acquisition of Respiratory Care Africa Ascendis will scale its medical devices platform in the Pharma-Med Division, to become a leading provider of medical devices throughout South Africa. RCA complements Surgical Innovations and will enhance Ascendis' ability to service hospitals, clinics and government tenders with leading brands and on a turnkey basis within a growing market.

Listing of a bond on the JSE

The bridge facility of R150 million classified as short term debt will be replaced by a long-term 5-year bond.

Ascendis is in the process of refinancing all its existing term debt and working capital facilities into a single group facility. The purpose of this is to introduce a sustainable funding structure and to streamline the treasury management process of the group.

This debt consolidation process involves 2 steps:

1. "A Bond or High Yield Note Programme" funded by 2 institutions being Futuregrowth and Sanlam; and

2. "Term and Working Capital Facilities" funded by 3 banks, being Standard Bank, Nedbank and FNB.

In aggregate this process provides Ascendis with R1.05 billion in total facilities, as follows:

1. R400 million in high yield notes via the establishment of a R2 billion Domestic Medium Term Note Programme ("DMTN"). The initial issuance will be R400 million and Ascendis will be in a position to issue further notes and "tap the market" as it requires expansion capital and on more competitive terms; and

2. R650 million in term and working capital facilities, as follows,:

   a. 5-year term debt facility of R200 million ("Term Debt");
   b. Revolving credit facility of R250 million ("RCF");
   c. General Banking facility (Overdraft) of R150 million ("GBF") ; and
   d. Trade Finance facilities of R50 million.

To effect this in a tax efficient manner, the group debt will be introduced via a dedicated financing vehicle, Ascendis Financial Services Ltd (AFS), a 100% subsidiary of Ascendis.

Structure

The practice amongst domestic lenders requires the implementation of a ring-fenced security structure, as described below:

The security SPV secures the debt of all the lenders via one legal entity, being Ascendis Financial Services Security SPV ("AFS SPV");

a. Ascendis cedes and pledges all of its assets to the AFS SPV as security for the R1.05 billion facility; and
b. The lenders rank parri passu in respect of any security provided by Ascendis.

Security

The security provided under this structure, requires all material Ascendis subsidiaries, ("Obligors") to provide the Security SPV with the following:

Cession and Pledge (share pledge) between each Obligor that holds shares in a non-wholly owned subsidiary and the Security SPV;
Cession of Debtors between each Obligor and the Security SPV;
Cession of the Medical Dossiers between each relevant Obligor and the Security SPV;
Cession of the TradeMarks in terms of which each Obligor cedes its Trade Marks to and in favour of the Security SPV; and
General Notarial Bond over all of the movable assets of each Obligor in favour of the Security SPV.

This programme will ensure the appropriate recapitalisation of current debt and support the Ascendis growth strategy.

NOTES


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FLEA
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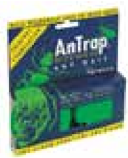
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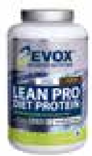
EVOX
LEAN PRO
DIET PROTEIN


MUSCLE PROTEIN

CORPORATE INFORMATION

Ascendis Health Limited	
Registration number	2008/005856/06
JSE share code	ASC
ISIN	ZAE000185005
Registered office	22 Sloane Street, Bryanston, Gauteng, 2191 PostNet Suite #252, Private Bag X21, Bryanston, 2021
Contact details	+27 (0)11 036 9600 / info@ascendis.co.za
Sponsor	Investec Securities
Auditors	PricewaterhouseCoopers Inc
Transfer secretaries	Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, 2001 PO Box 61051, Marshalltown, 2107
Company secretary	Andy Sims CA (SA)
Directors	J Bester (Chairman)* Dr KUHH Wellner (CEO) OP Cunningham* CD Dillon# B Harie* GJ Shayne# RJ Taylor (CFO)

* Independent non-executive # Non-executive

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From left to right: Richard Crouse (Chief Operating Officer), Dr. Karsten Wellner (Chief Executive Officer), Robbie Taylor (Chief Financial Officer)

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