

ASCENDIS HEALTH LIMITED

MEDIA RELEASE

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STRONG GROWTH LIFTS ASCENDIS HEALTH PROFITS BY 69%

Cape Town – Health and care brands group, Ascendis Health, has continued its strong growth trend since listing in 2013 and increased operating profit by 69% to R362 million in the year to June 2015. Revenue increased by 74% to R2.8 billion.

Headline earnings grew by 53% to R209 million with normalised headline earnings per share up 31% to 94 cents. The total dividend was increased 27% to 19 cents per share, including an interim dividend of 8 cents.

Chief executive officer, Dr Karsten Wellner, said revenue was driven by strong organic growth through new product development and launches, as well as key acquisitions.

Ascendis owns a portfolio of market-leading health and care brands for people, plants and animals. The brands are housed in three divisions, namely Consumer Brands (nutraceuticals, complementary medicines, sports nutrition and skin care products), Phyto-Vet (plant and animal health) and Pharma-Med (prescription drugs and medical devices).

Pharma-Med increased revenue by 204% to R1.2 billion and accounted for 44% of total revenue; Consumer Brands grew revenue by 44% to R949 million (34% of revenue); and Phyto-Vet increased revenue 13% to R620 million (22% of revenue).

Revenue generated from foreign markets increased by 39% to R259 million. Ascendis products are exported to 52 countries and account for 9% of total sales. Dr Wellner said Ascendis is targeting to achieve 30% of total revenue from international markets by 2017.

Shortly after year-end Ascendis announced an international acquisition with the purchase of an initial 49% stake in Spanish pharmaceutical group, Farmalider, for R210 million. This deal increases the foreign revenue contribution of the group to 21%.

“This acquisition is aligned with our international growth strategy of diversifying across different markets and increasing foreign denominated earnings. Through this acquisition Ascendis Pharma will gain access to Farmalider’s portfolio of over

200 pharmaceutical dossiers for use in South Africa and in the rest of Africa. It will also offer the opportunity to market Ascendis products via Farmalider into Europe,” he said.

The Scientific Group, which was acquired by Ascendis for R284 million in February 2015, is being integrated into the Ascendis Medical division which includes Surgical Innovations and Respiratory Care Africa. Ascendis Medical is now the second largest medical device business in the country, with annual turnover in excess of R1 billion. If The Scientific Group had been included in the group's results for the full 12 month period, normalised headline earnings per share would be 100 cents per share.

Ascendis undertook successful capital raisings of R480 million during the year which was partially used to fund the acquisition of The Scientific Group.

Owing to the growth in the local operations, the focus on efficiencies and the strong drive in increasing internationalisation of the business, Ascendis has recently strengthened its management team. Cliff Sampson has been appointed to the newly created position of managing director, South Africa; Kieron Futter has been appointed as chief financial officer from October; while a new executive from Europe has been appointed to head the skincare division, one of the most internationalised business units at Ascendis.

On the plans for the year ahead, Dr Wellner said the group's acquisitive growth strategy continues to gain momentum. “Internationally we will look to acquire platform companies for all our business units, targeting mainly opportunities in Australia, Europe, USA and Africa. In South Africa we are currently in negotiations for bolt-on acquisitions across all divisions.”

“Operationally our priorities are to improve margins, focus on cost control and efficiencies, accelerate growth in export sales, and continue new product development and innovation to ensure our continued growth momentum,” he concluded.

Ends

Issued by Tier 1 Investor Relations on behalf of Ascendis Health

For further information kindly contact

Dr Karsten Wellner, CEO, Ascendis Health 083 386 4033
Graeme Lillie, Tier 1 Investor Relations 082 468 1507