



Delivering Consistently Superior Growth in Healthcare

UNITED DRUG PLC

UDG ID UDG LN



2007 FY Results

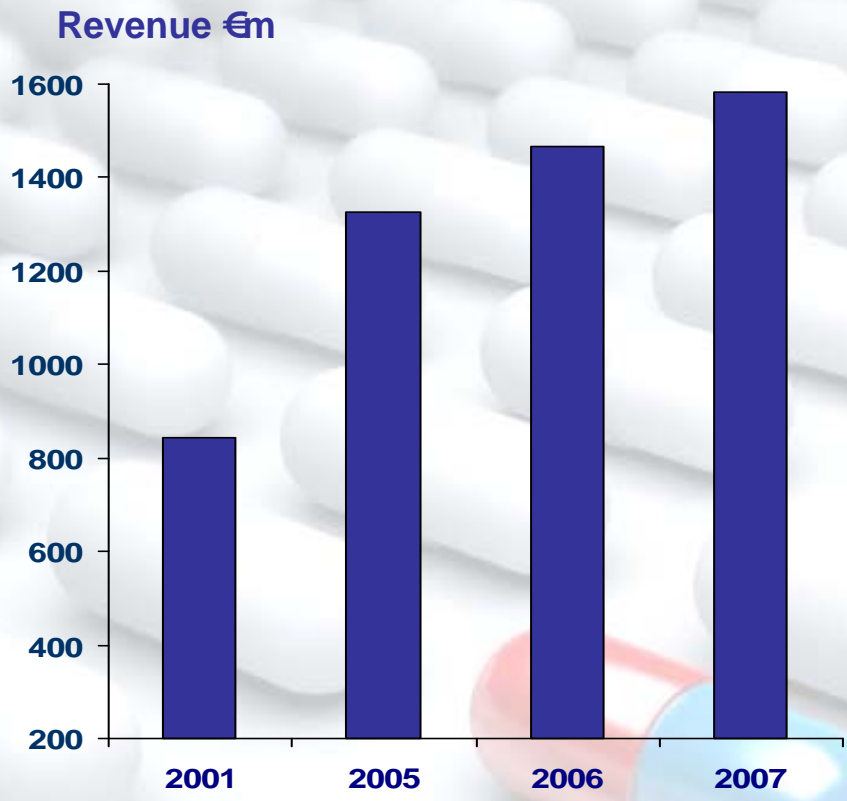
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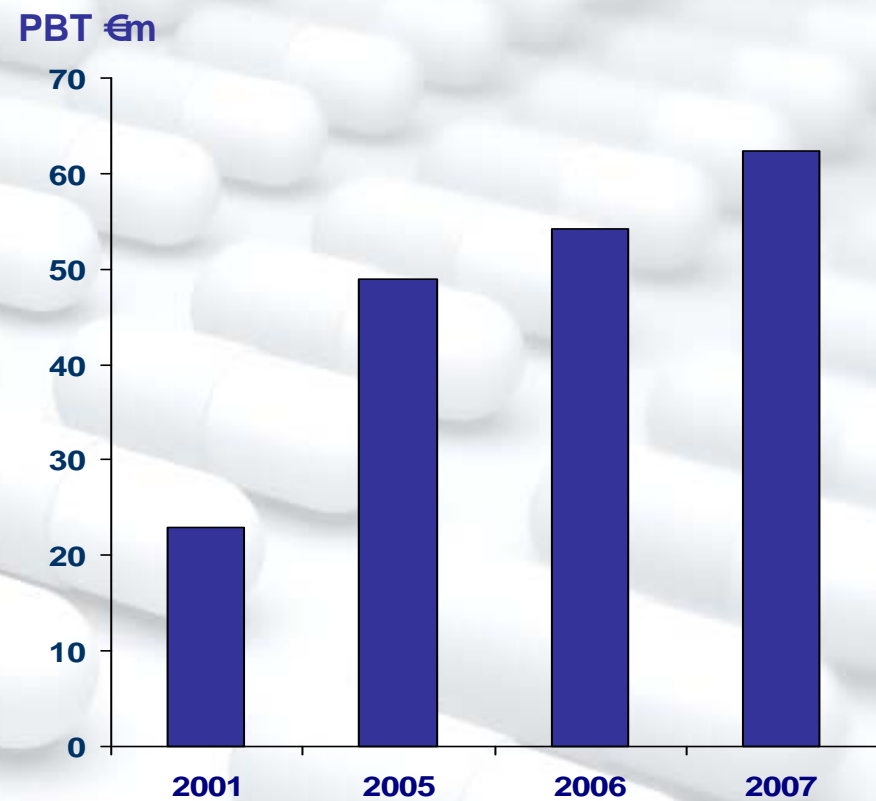
Investment Case

- ❑ **Track record of delivering consistently superior growth**
- ❑ **Positioned to benefit from strong fundamentals and industry trends**
- ❑ **Growing outsourcing trends within delivery of healthcare**
- ❑ **Significant operating leverage and Balance Sheet strength to enhance growth**
- ❑ **Low risk profile/defensive growth**
- ❑ **Diversified by geography and healthcare business sector**

Delivering Consistently Superior Returns



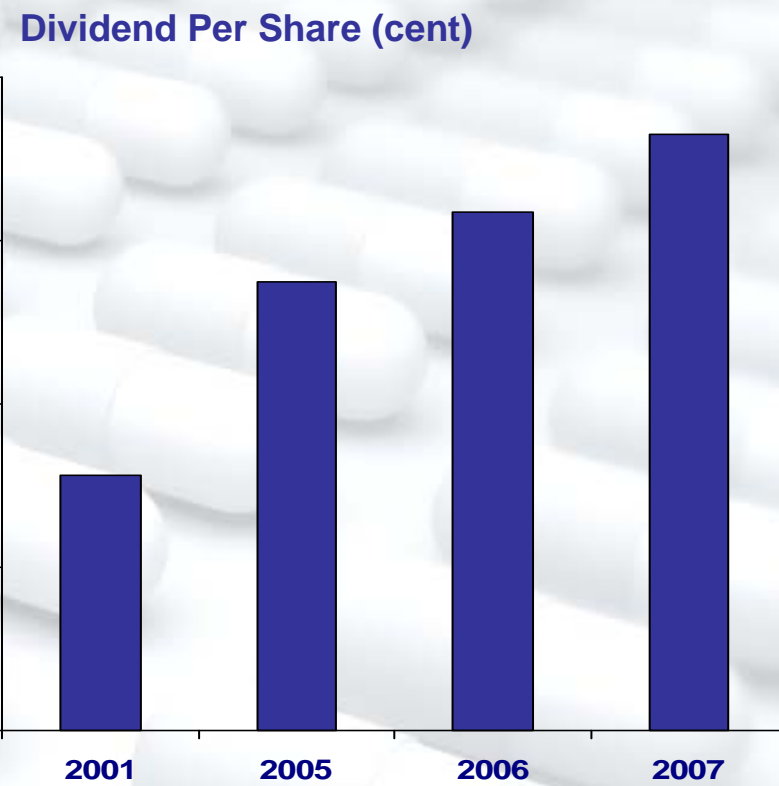
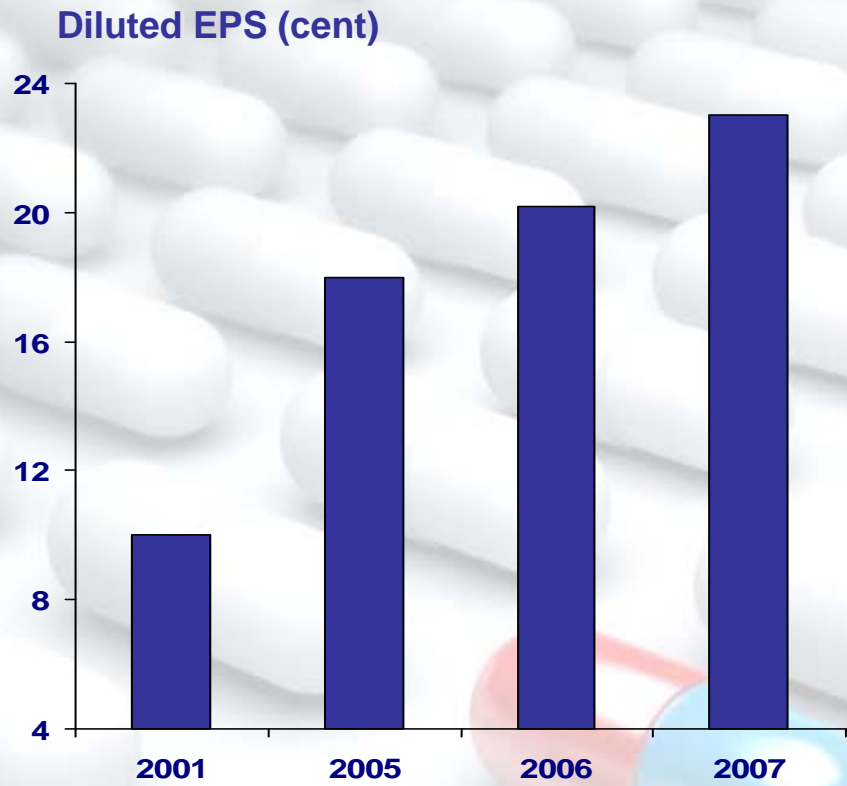
TURNOVER CAGR %			
5 year	10%	15 year	20%
10 year	15%	20 year	19%



PBT CAGR %			
5 year	17%	15 year	20%
10 year	21%	21 year	21%

Consistent double digit growth over 5, 10 or 20-year timeframe

Delivering Consistently Superior Returns



FD EPS CAGR %			
5 year	15%	15 year	14%
10 year	19%	20 year	16%

DPS CAGR %			
5 year	15%	15 year	13%
10 year	15%	20 year	14%

Consistent double digit growth over 5, 10 or 20-year timeframe

2007 Financial Highlights

Delivering consistently superior growth

	2007	2006	% Incr
	€m	€m	
Group Revenue	1,583.6	1,467.0	+8
EBITDA	74.8	64.2	+16
EBIT*	66.6	56.9	+17
PBT*	62.3	54.2	+15
EPS*(cent)	23.02	20.22	+14
Dividend per Share(cent)	7.30	6.35	+15

Margins	2007	2006	2005	2004	2003
EBIT*	4.21	3.88	3.80	3.65	3.56
PBT*	3.94	3.69	3.59	3.39	3.25

**before Intangible Amortisation*

2007 Financial Highlights

	2007	2006	% Incr
	€m	€m	
Revenue			
Pharma Wholesale	979.2	915.5	6.9
Supply Chain Services	399.0	375.9	8.4
Medical & Scientific	101.7	84.0	21.1
Contract Sales	<u>103.8</u>	<u>91.6</u>	13.3
	<u>1,583.6</u>	<u>1,467.0</u>	7.9
EBIT*			
Pharma Wholesale	26.9	23.9	12.9
Supply Chain Services	16.4	13.3	22.9
Medical & Scientific	14.7	11.8	24.5
Contract Sales	<u>9.7</u>	<u>8.8</u>	10.0
	67.7	57.8	17.1
Stock Option Expense	<u>(1.1)</u>	<u>(0.9)</u>	
	<u>66.6</u>	<u>56.9</u>	<u>17.0</u>

*before Intangible Amortisation

2007 Financial Highlights

Balance Sheet Strength

	30.9.07	30.9.06
	€m	€m
Cash Flow (before acquisition spend)	<u>48.1</u>	<u>34.5</u>
Closing Net Debt	<u>68.3</u>	<u>51.7</u>
Total Equity	331.1	283.2
Gearing %	20.6	18.3
Interest Cover (times)		
EBITA	15.6	20.8
EBITDA	17.5	23.4
Net Debt/EBITDA	0.91	0.81

United Drug Business Drivers

- ❑ **Increasing and ageing populations**
- ❑ **Increasing healthcare consumption and spend**
- ❑ **Manufacturers combining cost efficiency and flexibility with innovation leading to more outsourcing**
- ❑ **Speciality care driving new innovative channels**
- ❑ **Rapid innovation in med tech arena**
- ❑ **Increasing research spend and focus on reduced waiting lists**



2007 Divisional Overview



2007 Divisional Review



Pharma Wholesale

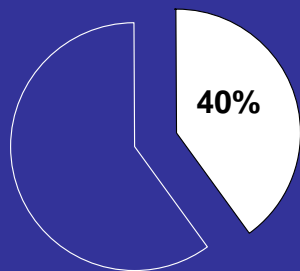
Supply Chain Services

Medical & Scientific

Contract Sales Outsourcing & Consultancy

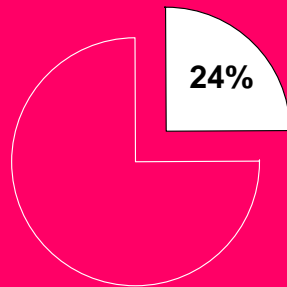
'07 Revenue: €979m
'07 Margin: 2.75%

% of '07 EBIT



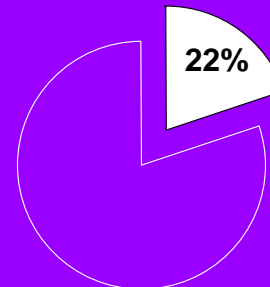
'07 Revenue: €399m
'07 Margin: 4.1%

% of '07 EBIT



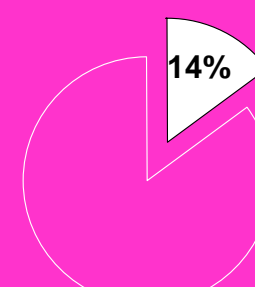
'07 Revenue: €102m
'07 Margin: 14.6%

% of '07 EBIT



'07 Revenue: €104m
'07 Margin: 9.3%

% of '07 EBIT



Pharma Wholesale

- Market Leader in RoI and NI

- ❑ **Supply medicines to retail and hospital pharmacies**
- ❑ **Clear market leader in growing markets**
- ❑ **Capacity to drive further operating efficiencies in market subject to government intervention on pricing/margins**
- ❑ **Acquired UK 'specials' distributor to broaden offering**
- ❑ **Strong market growth and operating leverage opportunities with good cash flows**

Manufacturer Services

Over 200 Blue-Chip Clients | Long-Term Relationships

SCS

AstraZeneca
Boots
Bristol-Myers Squibb
Clarins
Eli Lilly
Gerard
Johnson & Johnson
Pfizer
Proctor & Gamble
Schering-Plough
Solvay
UCB Pharma

CSO

AstraZeneca
Boehringer Ingelheim
Eli Lilly
GSK-Consumer
Janssen-Cilag
Napp
Pfizer
Roche
Schering-Plough
Takeda
Trinity-Chiesi

M&S

Becton Dickinson
Biotest
Cardinal Health
CTC
Eppendorf
Fujinon
Intersurgical
Intuitive
Sysmex
Teledyne Isco
Waldemar Link

Supply Chain Services

- Market leader UK & Ireland

- ❑ **Value-added supply chain outsourced services provider**
- ❑ **Positioned to meet increasing demand for outsourced services**
- ❑ **Developing European pharma packaging business**
- ❑ **Emerging position in specialty distribution**
- ❑ **Growth from leveraging infrastructure and adding on higher margin services**

Medical & Scientific

- Full Value Added Partner in UK & Ireland

- ❑ Full service outsourcing solutions for equipment, consumables and devices manufacturers
- ❑ Market growth supported by demographics and investment in healthcare systems
- ❑ Business built on quality platform – sales, after-sales and technical support, back-office and infrastructure
- ❑ Focus on value-add, higher margin activities
- ❑ Growth from leveraging infrastructure in growing markets and broadening service offering

Contract Sales Outsourcing & Consultancy

- Provide Flexibility for Pharma Sales and Marketing Efforts

- ❑ **Market leader in UK and Ireland**
- ❑ **High quality recruitment, training & administration of sales teams for manufacturers**
- ❑ **Value-add solutions through sales force effectiveness and marketing services**
- ❑ **U.S. acquisition to provide scale and broaden service offering**
- ❑ **Growth through meeting need for increased flexibility in sales model and broadening services**

Continued strong profit, earnings & dividend growth, driven by:

- ❑ **Strong position in strong growth markets**
- ❑ **Positioned to address increasing outsourcing needs**
- ❑ **Ability to capitalise on positive fundamentals**
- ❑ **Ability to leverage infrastructure**
- ❑ **Balance Sheet strength**
- ❑ **Low risk profile**

“The Company has a well developed and physical infrastructure, a strong management talent pool and access to significant capital resources enhanced by strong internally generated cash flows. The ability to leverage each of these assets & pursue a range of exciting opportunities within the healthcare services arena leaves us very confident in our ability to continue to produce strong growth in the business, continuing our long-term successful track record”

*Liam FitzGerald
CEO
21 November 2007*



OECD COUNTRIES 2005

Total Expenditure on Health/% GDP (Expenditure on Health, Public & Private)

	%
US	15.3
Switzerland	11.6
France	11.1
Germany	10.7
Belgium	10.7
Austria	10.2
Portugal	10.2
Greece	10.1
Canada	9.8
Iceland	9.5
Denmark	9.1

	%
Sweden	9.1
Norway	9.1
New Zealand	9.0
Italy	8.9
<i>UK</i>	<i>8.3</i>
Luxembourg	7.9
Turkey	7.6
<i>Ireland</i>	<i>7.5</i>
Finland	7.5
Czech Rep	7.2
Slovak Rep	7.1
Mexico	6.4

OECD COUNTRIES 2005

Health Care Resources-Acute Beds in Hospitals Per 1,000 Population

Japan	8.2
Korea	6.5
Germany	6.4
Austria	6.1
Czech Rep	5.7
Hungary	5.5
Luxembourg	5.2
Slovak Rep	5.0
Poland	4.7
Belgium	4.4
France	3.7

Switzerland	3.6
Italy	3.3
Netherlands	3.1
<i>UK</i>	<i>3.1</i>
Portugal	3.0
Norway	3.0
Finland	2.9
<i>Ireland</i>	<i>2.8</i>
US	2.7
Sweden	2.2
Turkey	2.2

European Population Statistics

Increasing & Ageing Populations – Ireland & UK

	Population (mn)		Over 65 as % of 15-64 Age Group		
	2005	2020	% Change	2005	2020
EU 25	455.3	456.9	+0.4%	24.8	31.6
Eu 15	381.2	385.2	+1.0%	26.0	32.4
Ireland	4.1	5.3	+29.3%	16.4	21.0
UK	59.6	62.3	+4.5%	24.1	28.4
Germany	82.6	82.3	-0.4%	27.8	34.2
France	60.7	63.6	+4.8%	25.0	32.5
Italy	57.3	54.3	-5.2%	29.4	36.7
Spain	41.2	40.8	-1.0%	25.1	30.6
Poland	38.5	37.8	-1.8%	18.2	26.0

SOURCE: NCB Stockbrokers