



United Drug plc Interim Report 2006

Excelling through Innovation

Diversity and growth

We have been successful in diversifying earnings within the clearly defined healthcare services sector. Our focus is to use our leading market positions within our chosen healthcare service sectors as a platform for future growth.

Announcement of the interim results

for the six months ended 31 March 2006

Highlights

	2006 €'000	2005 €'000	Increase %
Group revenue	707,902	633,977	12%
Trading profit*	26,668	23,345	14%
Profit before taxation**	25,311	22,003	15%
Adjusted diluted earnings per share (cent)***	9.33c	8.18c	14%
Dividend per share (cent)	1.71c	1.50c	14%

* excluding intangible amortisation and including share of joint venture profit before tax

** excluding intangible amortisation and share of joint venture tax charge

*** excluding intangible amortisation

Chairman's statement

I am pleased to report that in the six months to 31 March 2006, United Drug has delivered a strong financial performance as noted in the table below:

	€ million	% Increase
Group revenue	707.9	+12%
Profit before tax*	25.3	+15%
Adjusted diluted earnings per share (cent)**	9.33	+14%
Dividend per share (cent)	1.71	+14%

* *excluding intangible amortisation and share of joint venture tax charge*

***excluding intangible amortisation*

Shareholders will note that we are now reporting our financial results under IFRS rather than Irish GAAP, the previous accounting standard.

Overview

Each of our four divisions – Pharma Wholesale, Contract Distribution Outsourcing, Medical & Scientific and Contract Sales Outsourcing, has performed strongly in the first six months of our financial year.

The Group is now well settled into the new premises at Magna Park, South Normanton and Basingstoke. These high quality facilities, coupled with new technology, are providing the infrastructure required to deal with the growing needs of our businesses and will enable us to achieve additional synergies and an enhanced financial performance.

Our three UK acquisitions in the second half of our 2005 financial year, In2Focus, TD Packaging and Presearch, are all performing in line with our expectations and we have good management in place.

These acquisitions are an important part of our strategy aimed at developing and acquiring specialist healthcare services businesses that can add value to our existing divisions. We continue to look at opportunities for further bolt-on acquisitions in our outsourcing businesses.

The Irish Government's review of the Drug Pricing Agreement has not yet been concluded, but we have put in place plans to deal with the possible outcomes of these negotiations.

United Drug has a focus on providing a superior service to all of our customers and it is gratifying to note that our Northern Ireland wholesale business, Sangers, was awarded the Excellence in Service to Business Award at the Belfast Telegraph Northern Ireland Business Awards in April 2006.

Interim Dividend

The Board of Directors has declared an interim dividend of 1.71 cent per share. This is an increase of 14% over the 2005 interim dividend and reflects the continuing strong performance of your Company and the policy of rewarding shareholders with improved dividend payments.

The Directors are pleased to advise that all shareholders will be given an opportunity of receiving all or part of the 2006 interim dividend as a scrip dividend in the form of new ordinary shares. It is expected that the share alternative election/mandate forms, setting out details of the share alternative offer and the procedures to be followed, will be posted to shareholders on 1 June 2006. The interim dividend will be paid, or alternatively, share certificates issued, on 14 July 2006 to holders of ordinary shares whose names appear on the Company's register at the close of business on 19 May 2006.

Outlook

United Drug has delivered record interim results and against this background, your Board is confident that this will be another successful year.

Ronnie Kells

Chairman

11 May 2006

Chief Executive's review

In the six months to 31 March 2006, United Drug has continued to build on its market leading positions in growing healthcare markets. The Group has successfully completed the integration of businesses moved into new facilities and of newly acquired businesses. We have again delivered further record results. The three acquisitions completed in the second half of the 2005 financial year, In2Focus, TD Packaging and Presearch, have each performed in line with our expectations and contributed to the record results for the period.

In our first period of reporting results under International Financial Reporting Standards (IFRS), Group turnover for the period grew by 12% over the same period in 2005 to €707.9 million, and pre-tax profits, before amortisation and share of joint venture tax charge, increased by 15% to €25.3 million. Diluted earnings per share, also before amortisation, are ahead by 14% at 9.33 cent and the interim dividend declared of 1.71 cent is also up by 14% on 2005.

Performance

Each of our four business divisions – Pharma Wholesale, Contract Distribution Outsourcing, Medical & Scientific and Contract Sales Outsourcing – has traded successfully during the period.

In the Pharma Wholesale business, we continue to gain customers in the growing Irish pharmaceutical market as more independent retail pharmacists move their business to the only independent wholesaler in the market.

Discussions between the Irish Health Service Executive and the various partners in the Irish pharmaceutical supply chain have commenced and a new agreement covering the pricing and reimbursement of medicines should be in place before the end of the year. In Northern Ireland, we have seen the market return to more normal growth rates following the PPRS price reduction in 2005 and we have recorded good turnover and profit growth in that market.

In our manufacturer facing outsourcing businesses, the demand for best-in-class, cost efficient alternatives to manufacturers investing in infrastructure and performing non-core activities in-house, continues to drive growth in these businesses. The introduction of In2Focus, TD Packaging and Presearch has broadened our service offering and our client base. Each of these acquisitions is already delivering a good return to the Group.

Pharma Wholesale

United Drug is committed to providing a top-quality, customer focused service to our independent pharmacy customers and to providing a full range of support services that enables them to compete effectively in the marketplace.

In the Republic of Ireland, United Drug Wholesale has again substantially increased turnover and profitability during the period. Our Catalyst support package continues to assist a growing number of ambitious entrepreneurial independent pharmacists to acquire their own

pharmacies. We then assist our customers to grow their business through the provision of a full range of support services in addition to providing a top quality, customer focused, wholesale distribution service.

In the retail pharmacy market, United Drug's dynamic owner managed independent customers continue to significantly outperform the corporate owned pharmacies of our wholesale competitors. As a result, we have again been able to further increase our market share in a market that continues to grow strongly.

The Irish economy continues to perform well. This factor, combined with our ageing and rapidly expanding population, is underpinning the growth in the Irish pharmaceutical market. The provision of wider access to top quality healthcare and innovative healthcare products continues to be a priority for the Irish Government, although to date, the release of 'doctor only' medical cards announced in late 2005, has been slower than expected and has not yet had any significant impact on demand for pharmaceutical products.

United Drug Wholesale has further reduced its key expenses-to-sales ratio by achieving better utilisation from its state-of-the-art facilities in Dublin, Limerick and Ballina. Our policy of continually investing in our infrastructure has enabled us to deliver a better service at lower cost to our customers. We have further reduced our costs and improved our service through continually sharing and benchmarking 'best practice' amongst our facilities in all parts of Ireland. In addition, our ongoing programme of

leveraging the combined purchasing power of all Group operations to achieve better value from service providers has cemented our position as the most efficient operator in our market.

In Northern Ireland, Sangers has also increased its sales and profits during the period. The Northern Ireland pharmaceutical market is returning to normal growth levels after the once-off impact in January 2005 of the 7% reduction in the price of ethical pharmaceuticals under the UK Pharmaceutical Price Regulation Scheme (PPRS). As a well-established local supplier, Sangers is best placed to react to the ever-evolving requirements of our pharmacy customers in Northern Ireland.

Sangers again increased its market share during the period, as new customers transferred their business and as existing customers purchased more from their local supplier. As the most efficient and most customer focused wholesaler in the market, Sangers is well positioned to continue to grow its business.

Overall, the Pharma Wholesale division has had another very successful six months where sales, profits and market share have all increased significantly. As the market leader and most efficient operator in both markets, United Drug is well positioned to continue to develop its business within these growing markets.

Contract Distribution Outsourcing

Our Contract Distribution Outsourcing (CDO) businesses in Ireland have continued to perform

well in the constantly evolving and growing Irish pharmaceutical market. Strong sales performance by our existing agencies, together with the addition of some new agencies and new products by our current client base, combined to produce increased sales. Managing growth, whilst maintaining and enhancing standards of excellence within our operation, has been the key focus in the CDO division this year. We have successfully developed this business by increasing the scale of our operations considerably as we completed the transfer to our state-of-the-art facility in Magna Park II. This represents substantial investment in technology by the Group and leaves us well positioned to win new business.

Our contract packaging business in the UK, TD Packaging, that is now a part of our CDO division, has had an excellent performance in the first six months of this financial year and continues to build share in a market sector where outsourcing of packaging is increasing. TD Packaging is involved in both primary and secondary packaging and has capabilities for processing tablets, blister packs, sachets and liquid formulations. Clients include both pharmaceutical and nutritional manufacturers, and TD Packaging offers other value added services such as packaging design, assembly of investigational product packs and also some regulatory activities including Qualified Person (QP) release. The recent move to a new facility built to the highest Good Manufacturing Practice (GMP) standards, has created room for expansion and further development of this successful business.

UniDrug Distribution Group (UDG), our joint venture in the UK, continues to trade well, and has added clients such as Almus Pharmaceuticals, Genus, Maverick and Alk-Abello to its already impressive portfolio of healthcare manufacturers. In the six month trading period, UDG and its clients have begun to reap the rewards of recent investment in warehouse capacity and technology that supports the core business activities of warehouse and inventory management, sales order processing and customer relationship management. UDG is now well positioned not only to retain business but also to win new business from prospective clients who demand an uncompromisingly high quality, efficient service across a broad range of activities.

Medical & Scientific

The Medical & Scientific (M&S) division of United Drug has successfully completed the consolidation of the Unitech and Intraveno businesses into the enlarged Magna Park facility in Ireland while integrating the newly acquired Presearch business into the division. A concentration of its core competencies of sales and marketing, combined with the successful performance of Presearch, has helped the division to deliver a strong set of results in the first half of the year.

In Ireland, Intrapharma's launch of Biotest's new 'Intratect' immunoglobulin product has proved very successful, with significant uptake in the market. Intraveno and Unitech have also enjoyed success in supplying new and innovative products in key market segments such as CSSD, Surgical

Theatre and in Clinical Diagnostics, each of which have contributed to the strong results as well as strengthening the division's position as a key supplier to, and partner of the healthcare system in Ireland.

In the UK, M&S has consolidated its position as a supplier of leading-edge technology products with the sale of two further DaVinci operating robots, bringing the total installed base to six. Mantis Surgical has added a new clinical training resource to increase the ability to train new surgical teams in robotic techniques, maximising the usage of robots already in the field. The DaVinci robot contributes significantly to improved patient outcomes in a number of operating procedures including Prostatectomies and Cardiac By-Pass surgery. International experience has demonstrated that increased public awareness of the significant benefits accruing to patient outcomes drives primary demand.

Presearch is approaching the end of its first year in United Drug, and has met all its objectives including developing an Analytical Chemistry presence in Ireland. Its sister company in Ireland, Unitech, has now secured distribution agreements with the main Presearch suppliers, and in a reciprocal development has set up a broad-based laboratory equipment business in the UK for Presearch, utilising supplier relationships nurtured in Ireland over the past ten years.

After the six month trading period, the M&S division is in a strong position and is once again

looking forward to a full year of further growth and development.

Contract Sales Outsourcing

Ashfield Healthcare, now in its tenth trading year since its inception in January 1997, remains on track to retain its record of strong year-on-year growth. All parts of the business remain well managed, totally focused on cost control and entirely driven towards business development. The company is well positioned for growth to continue. In the UK marketplace, Ashfield has continued to develop relationships with both new and existing clients alike and has cultivated new client business with Trinity-Chiesi, Leo, ADL, Napp Pharmaceuticals, Grunenthal and Janssen Cilag.

The core business remains the provision of sales representatives and nurse advisors to the pharmaceutical industry, with a desire to broaden the business and the service offering by developing new and additional revenue streams. We have identified two such revenue streams, firstly via the leasing of an in-house developed call reporting tool called CARE.net to external clients, and, secondly, through the formation of a new pilot division called Satellite CARE, which is seeking to add the NHS to its already prestigious and growing list of clients. In January, the UK head office extension was completed on time and within budget providing additional head office accommodation to house some key service departments, namely I.T. and Medical Compliance, adding further resource and added value for both its existing and potential customers.

The In2Focus acquisition is now well established and maintains a successful dual brand strategy for United Drug, as it possesses a complementary client base to that of Ashfield. In2Focus is currently performing ahead of our expectations through business development and taking full advantage of the opportunity to drive procurement efficiencies through the increased buying power the combined United Drug Contract Sales Outsourcing (CSO) division has generated. A part of In2Focus's innovative service offering is its 'Sales Force Effectiveness' consultancy tool that assists our manufacturer clients to measure, monitor and improve the effectiveness of their own in-house sales teams. This tool continues to be well received by a host of pharmaceutical companies and is a very positive revenue generator in its own right. This is seen as a very definite growth area in the United Drug CSO division, and a very good business development tool for entry into new client companies, and markets. In2Focus had new business wins in the period, with additional teams being secured with Schering Plough and Roche, as well as expansions to several of its existing teams.

Conclusion

The first six months of our 2006 year has seen a continuation of our track record of delivering double-digit profit and earnings growth. This period has also seen important developments with the completion of the integration of a number of our businesses into enlarged and state-of-the-art facilities that will aid the future growth of those businesses. The three bolt-on UK acquisitions completed in the second half of our 2005 financial year have been brought fully into the Group and are adding value to our service offering.

The continuing implementation of our strategy over the last six months positions us well for the remainder of this year and for the years ahead.

Liam FitzGerald

Chief Executive

11 May 2006

Group income statement

for the six months ended 31 March 2006

	Notes	Six months ended 31 March 2006 (Unaudited) €'000	Six months ended 31 March 2005 (Unaudited) €'000
Revenue: including share of joint venture		920,380	821,400
Group revenue	2	707,902	633,977
Cost of sales		(608,254)	(552,324)
Gross profit		99,648	81,653
Distribution expenses		(72,305)	(57,548)
Administration expenses		(1,998)	(1,740)
Intangible amortisation		(739)	-
Group profit before financing costs		24,606	22,365
Financing costs		(1,901)	(1,798)
Financing income		544	456
Group operating profit after financing costs		23,249	21,023
Share of joint venture profit after tax	3	926	684
Profit before tax		24,175	21,707
Income tax expense		(4,075)	(3,766)
Profit for the period attributable to ordinary shareholders		20,100	17,941
Earnings per share			
Basic	4	9.10c	8.26c
Diluted	4	9.00c	8.18c

Group statement of recognised income and expense

for the six months ended 31 March 2006

		Six months ended 31 March 2006 (Unaudited) €'000	Six months ended 31 March 2005 (Unaudited) €'000
	<i>Notes</i>		
Items of income/(expense) recognised directly within equity:			
Currency translation effects	7	(3,013)	(199)
Movement in cash flow hedge reserve, net of deferred tax	7	309	-
Group defined benefit pension schemes:			
- Actuarial gain/(loss)	7	847	(1,781)
- Movement in deferred tax asset	7	(171)	51
Net expense recognised directly within equity		(2,028)	(1,929)
Retained profit for the period		20,100	17,941
Total recognised income and expense for the period		18,072	16,012

Group balance sheet

as at 31 March 2006

Notes	As at 31 March 2006 (Unaudited) €'000	As at 31 March 2005 (Unaudited) €'000	As at 30 September 2005 (Audited) €'000
ASSETS			
Non-current assets			
	57,528	59,526	58,801
Property, plant and equipment			
Goodwill	90,468	62,120	91,700
Intangible assets	9,285	-	10,391
Investment in joint venture	9,644	7,800	8,904
Deferred tax assets	2,062	2,332	2,282
Total non-current assets	168,987	131,778	172,078
Current assets			
Inventories	132,274	120,552	135,852
Contract work-in-progress	-	35,511	-
Trade and other receivables	241,087	223,128	264,104
Cash and cash equivalents	73,882	23,911	39,804
Total current assets	447,243	403,102	439,760
Total assets	616,230	534,880	611,838
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Issued share capital	7 11,483	11,321	11,382
Share premium	7 90,916	85,009	87,606
Other reserves	7 (1,371)	355	769
Retained earnings	7 156,302	116,194	140,820
Total equity	257,330	212,879	240,577
LIABILITIES			
Non-current liabilities			
Interest-bearing loans and borrowings	5 85,062	90,048	89,993
Employee benefits	11,516	13,306	12,708
Trade and other payables	8,113	-	8,271
Provisions	2,193	-	2,443
Deferred tax liabilities	4,072	3,057	4,447
Derivative financial instruments	3,848	-	-
Total non-current liabilities	114,804	106,411	117,862
Current liabilities			
Bank overdraft	5 109	-	1,772
Interest-bearing loans and borrowings	5 1,119	11,515	1,055
Trade and other payables	242,868	204,075	250,572
Total current liabilities	244,096	215,590	253,399
Total liabilities	358,900	322,001	371,261
Total equity and liabilities	616,230	534,880	611,838

Group cash flow statement

for the six months ended 31 March 2006

	Six months ended 31 March 2006 (Unaudited) €'000	Six months ended 31 March 2005 (Unaudited) €'000
Cash flows from operating activities		
Profit before tax	24,175	21,707
Share of joint venture profit after tax	(926)	(684)
Financing income	(544)	(456)
Financing costs	1,901	1,798
Group operating profit	24,606	22,365
Depreciation charge	3,720	3,400
Amortisation of intangible assets	739	-
Charge in respect of share entitlement scheme	19	-
Share-based payments expense	432	264
Contributions to pension schemes in excess of IAS charge	(516)	73
Decrease in inventories	3,097	3,398
Decrease/(increase) in debtors	244	(14,889)
Increase in creditors	(6,320)	(16,988)
Increase in contract work in progress	-	(4,838)
Interest paid	(1,677)	(2,344)
Income taxes paid	(2,810)	(2,222)
Net cash inflow/(outflow) from operating activities	21,534	(11,781)
Cash flows from investing activities		
Proceeds from disposal of fixed assets	20,212	538
Interest received	544	456
Purchase of property, plant and equipment	(3,627)	(5,302)
Net cash inflow/(outflow) from investing activities	17,129	(4,308)
Cash flows from financing activities		
Proceeds from issue of shares (including share premium thereon)	3,411	4,744
Increase in interest-bearing loans and borrowings	-	8,488
Repayment of interest-bearing loans and borrowings	(309)	(17,846)
Repayment of finance lease liabilities	(111)	(28)
Dividends paid to equity holders of the Company	(5,313)	(3,996)
Net cash outflow from financing activities	(2,322)	(8,638)
Net increase/(decrease) in cash and cash equivalents	36,341	(24,727)
Translation adjustment	(600)	(33)
Cash and cash equivalents at beginning of period	38,032	48,671
Cash and cash equivalents at end of period	73,773	23,911

Notes to the interim accounts

for the six months ended 31 March 2006

1 Basis of preparation

The interim report of the Group has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) as adopted by the EU. The Group's first consolidated financial statements prepared in accordance with IFRS will be for the year ended 30 September 2006. The transition date for implementation of IFRS by the Group was 1 October 2004. The financial statements for the six months ended 31 March 2005 and the year ended 30 September 2005, which were prepared in accordance with Irish Generally Accepted Accounting Principles (Irish GAAP), have been restated under IFRS with effect from the transition date.

Full details of the accounting policies adopted by the Group on implementation of IFRS, and of the impact on the reported results and balance sheet of the Group of the transition to IFRS, were published on 16 March 2006 and are available on the Group's website www.united-drug.ie.

The restated 30 September 2005 preliminary financial information is subject to issuance by the IASB of additional interpretations prior to 30 September 2006, which could have a retrospective effect. As a result it is possible that further changes may be required to the 30 September 2005 financial information prior to its inclusion as comparatives in the 2006 financial statements.

As permitted under IFRS arrangements, the Group did not apply IAS 32, *Financial Instruments: Presentation and Disclosure* nor IAS 39, *Financial Instruments: Recognition and Measurement* retrospectively in the restated 2005 financial information. Financial instruments are recognised in accordance with IAS 32 and IAS 39 from 1 October 2005, the impact of which is now reflected in the Interim Report. Details of the impact of the adoption of IAS 32 and IAS 39 are set out in note 7 to the Interim Report.

2 Segmental analysis

Class of business analysis

	Six months ended 31 March 2006		Six months ended 31 March 2005	
	Revenue	Net Result*	Revenue	Net Result*
	€'000	€'000	€'000	€'000
Pharma Wholesale	437,774	10,670	396,068	9,489
Contract Distribution Outsourcing	320,050	6,509	298,181	6,310
Medical & Scientific	40,716	5,239	35,436	4,747
Contract Sales Outsourcing	46,104	4,250	31,839	2,799
Intercompany elimination	(136,742)	-	(127,547)	-
	707,902	26,668	633,977	23,345

* Net result represents profit before financing costs, intangible amortisation and including share of joint venture profit before tax.

Notes to the interim accounts (continued)

for the six months ended 31 March 2006

3 Share of joint venture profit

	Six months ended 31 March 2006 €'000	Six months ended 31 March 2005 €'000
Share of joint venture profit before tax	1,323	980
Share of joint venture tax charge	(397)	(296)
Share of joint venture profit after tax	926	684

4 Earnings per ordinary share

	Six months ended 31 March 2006 €'000	Six months ended 31 March 2005 €'000
Retained profit for the period	20,100	17,941
Adjustment for intangible amortisation	739	-
Earnings adjusted for intangible amortisation	20,839	17,941
	Number of shares	Number of shares
Weighted average number of shares	220,892,674	217,194,192
Number of dilutive shares under option	2,348,213	2,013,923
Weighted average number of shares, including share options	223,240,887	219,208,115
Basic earnings per share - cent	9.10	8.26
Diluted earnings per share - cent	9.00	8.18
Adjusted basic earnings per share - cent*	9.43	8.26
Adjusted diluted earnings per share - cent*	9.33	8.18

* excluding intangible amortisation

The 7,623,066 (2005: 7,528,066) treasury shares held by the Group do not rank for dividend and have therefore been excluded from the weighted average number of shares in issue used in the calculation of earnings per share.

Notes to the interim accounts (continued)

for the six months ended 31 March 2006

5 Interest-bearing loans and borrowings

	As at 31 March 2006 €'000	As at 31 March 2005 €'000	As at 30 September 2005 €'000
Amounts falling due within one year			
Bank overdrafts	109	-	1,772
Bank loans repayable by instalments	981	11,406	949
Obligations under finance leases	138	109	106
	1,228	11,515	2,827
Amounts falling due after one year			
Bank loans repayable by instalments	4,330	5,310	4,830
Guaranteed senior loan notes	80,430	84,718	84,718
Obligations under finance leases	302	20	445
	85,062	90,048	89,993

6 Analysis of net debt

	Cash and cash equivalents €'000	Bank loans due within one year €'000	Bank loans due after one year €'000	Finance leases €'000	Net debt €'000
At 31 March 2005	23,911	(11,406)	(90,028)	(129)	(77,652)
At 31 March 2006	73,773	(981)	(84,760)	(440)	(12,408)

7 Equity

The adoption of IAS 32 and IAS 39 from 1 October 2005, has resulted in the recognition on the Group's balance sheet of all derivative financial instruments. Where the criteria for the application of hedge accounting have been satisfied, these instruments have been classified as either cash flow or fair value hedges. Those instruments classified as cash flow hedges relate principally to currency swaps in respect of certain tranches of the Group's US Dollar denominated debt while those instruments classified as fair value hedges relate principally to cross currency fixed to floating interest rate swaps. The following was the impact at 1 October 2005 of the recognition of the derivative financial instruments in accordance with IAS 32 and IAS 39:

Notes to the interim accounts (continued)

for the six months ended 31 March 2006

7 Equity (continued)

	€'000
Reduction to the carrying value of hedged interest-bearing financial instruments	1,830
Recognition of derivative financial liabilities, net of deferred tax	(1,698)
Adjustment to cash flow hedge reserve	132

The adjustment to the carrying value of interest-bearing financial instruments relates entirely to the hedged currency and interest rate risk.

	Issued capital	Share premium	Other reserves			Retained earnings	Total equity
			Cash flow hedge	Share based payment	Foreign exchange		
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
At 30 September 2005	11,382	87,606	-	940	(171)	140,820	240,577
IAS 39 adjustment	-	-	132	-	-	-	132
At 1 October 2005	11,382	87,606	132	940	(171)	140,820	240,709
Capital introduced	101	6,801	-	-	-	-	6,902
Scrip issue	-	(3,491)	-	-	-	3,491	-
Transfer in respect of share entitlement scheme	-	-	-	-	-	19	19
Retained profit for the period	-	-	-	-	-	20,100	20,100
Dividend on ordinary shares	-	-	-	-	-	(8,804)	(8,804)
Other movements	-	-	309	432	(3,013)	676	(1,596)
At 31 March 2006	11,483	90,916	441	1,372	(3,184)	156,302	257,330

8 Dividends

The Board has declared an interim dividend of 1.71 cent per share. In accordance with IFRS, this dividend is not provided for in the balance sheet at 31 March 2006 but will be recorded when paid. During the first half of the financial year, the final dividend for 2005, of 4.00 cent per share, was paid giving rise to a reduction in shareholders' funds of €8,804,454.

Delivering

Distribution involves delivering efficiently and effectively. As a public healthcare services company, delivery means doing what we say we are going to do.



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Relationships

Relationships with our customers and clients at both ends of the healthcare supply chain are key to our competitive advantage.