

UNITED DRUG

International Healthcare Services

Excellent Manufacturer Solutions, Better Patient Care

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United Drug | International Healthcare Services

Excellent Manufacturer Solutions, Better Patient Care

- ❑ International provider of services to healthcare manufacturers and pharmaceutical retailers operating in UK, Ireland, Continental Europe and US.

- ❑ Route to market solutions for pharma and medical device companies:
 - market leader in wholesale and pre-wholesale – Ireland and UK
 - leading contract sales service provider – UK and Ireland
 - Major international pharma contract packager – UK, Continental Europe and US
 - Major medical & scientific service provider – UK and Ireland

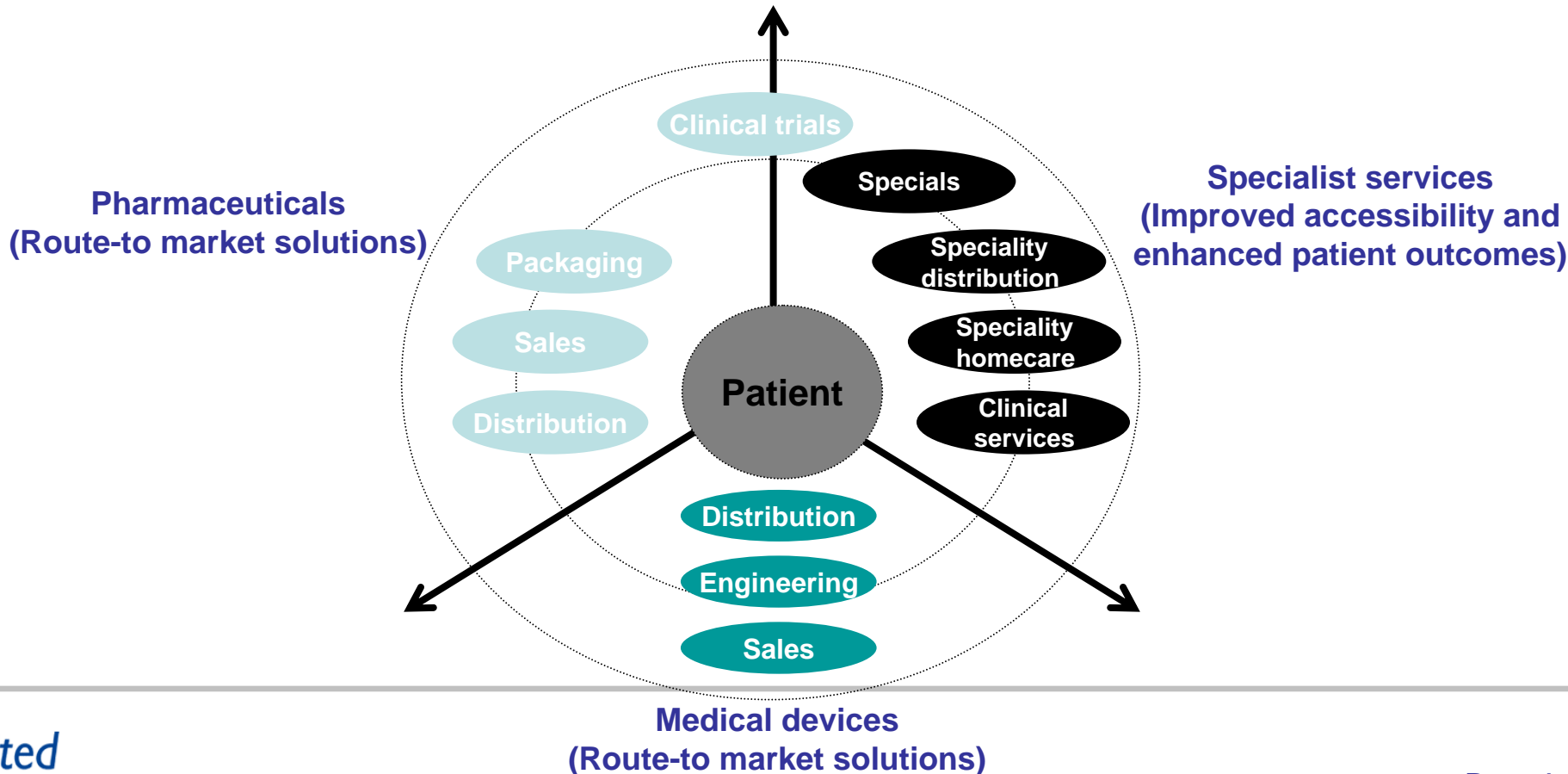
- ❑ Specialist services for manufacturers, healthcare authorities and patients:
 - speciality distribution in UK and Ireland
 - specials medicines manufacturer and distributor in UK
 - speciality homecare services in UK and Ireland
 - speciality vaccine services for physicians and patients

Vision: Enhancing patients' lives through the delivery of innovative healthcare solutions

- **Mission:** To be a dynamic, leading healthcare services company, fostering enhanced patient outcomes through partnerships with healthcare manufacturers, government agencies, providers and payors

Strategic direction:

- **Route to market solutions:** To become the preferred supplier of outsourced services to pharmaceutical and medical device companies - Providing flexible and quality-driven route-to-market solutions
- **Specialist services:** To leverage our position as a supplier of route-to market solutions to become a leading provider of specialist services - Enhancing patients' lives through improved accessibility to services and enhanced patient outcomes



TRADING HIGHLIGHTS

- ❑ Strengthened wholesale and pre-wholesale positions
- ❑ Expansion of specials business with acquisition of The Specials Laboratory
- ❑ Excellent performance in Contract Sales & Marketing Services division
- ❑ Strong second half performance in US packaging business
- ❑ Launched UK homecare joint venture with Medco Inc.

2009 Financial Review

	2009	2008	% Inc / (Dec)	Constant Currency % Inc / (Dec)
	€mn	€mn		
Revenue	1,717.9	1,683.7	2	5
EBITDA	90.6	88.4	3	8
EBIT	76.8	78.2	(2)	5
PBT	66.9	70.5	(5)	2
EPS (cent)	23.42	25.70	(9)	(2)
Dividend per share	8.0	8.0	-	-
Net Debt	162.5	159.1		
Net Debt /EBITDA(times)	1.78	1.65		

2009 Financial Review

	2009 €mn	2008 €mn	% Inc / (Dec)	Constant Currency % Inc / (Dec)
Revenue				
HSC	1,446.5	1,477.4	(2)	1
CSMS	153.2	135.1	13	26
P&S	118.2	71.3	66	62
	<u>1,717.9</u>	<u>1,683.7</u>	<u>2</u>	<u>5</u>
EBIT*				
HSC	53.0	57.1	(7)	(2)
CSMS	16.0	13.1	22	37
P&S	9.3	9.4	(1)	(2)
	<u>78.3</u>	<u>79.6</u>	<u>(2)</u>	<u>5</u>
Stock option expense	(1.5)	(1.4)		
	<u>76.8</u>	<u>78.2</u>	<u>(2)</u>	<u>5</u>

HSC Healthcare Supply Chain
 CSMS Contract Sales & Marketing Services
 P&S Packaging & Speciality

*before amortisation and exceptional item

2009 Financial Review

Balance Sheet

	30.9.09	31.3.09	30.9.08
	€mn	€mn	€mn
Net Debt	162.5	209.0	159.1
Free cash flow*	66.8	46.0	63.6
Interest Cover (times)			
EBITA	7.8	7.0	10.2
EBITDA	9.2	8.3	11.5
Net Debt/EBITDA (times)	1.78	2.24	1.65

* Free cash flow is cash flow from operations before capital expenditure and dividends for 12 months to reporting date.

Healthcare Supply Chain

Logistics based services for healthcare manufacturers and retail pharmacies in Ireland and UK

- ❑ Market leader in wholesale ROI and NI
- ❑ Market leader in pre-wholesale UK and Ireland
- ❑ Major medical equipment and device sales, distribution and technical support outsourced provider in UK and Ireland.
- ❑ Major manufacturer and distributor of specials medicines in UK

2009	<u>Revenue</u>		<u>EBIT</u>	
	'09 €mn	'08 €mn	'09 €mn	'08 €mn
Wholesale	1,023.6	1,033.8	25.7	26.3
Pre-Wholesale	309.9	319.3	10.5	11.3
Medical & Scientific	79.2	102.3	8.8	16.4
Specials	33.7	22.0	8.1	3.1
	<u>1,446.5</u>	<u>1,477.4</u>	<u>53.0</u>	<u>57.1</u>

2009 Financial Analysis

HSC

	'08	Organic	Acquisitions	Currency	'09
	€mn	€mn	€mn	€mn	€mn
Revenue	1,477.4	0.6	12.0	(43.5)	1,446.5
<i>% Inc / (Dec)</i>		0.1	0.8	(2.9)	(2.0)
EBIT	57.1	(5.4)	4.4	(3.1)	53.0
<i>% Inc / (Dec)</i>		(9.4)	7.7	(5.4)	(7.1)
EBIT Margin %	3.86%				3.66%

- ❑ Wholesale revenues impacted by slower market growth, price reductions and DTP.
- ❑ Consumer product revenues down on lower consumer spending.
- ❑ Medical & Scientific revenues down on lower capital equipment spend and agency loss.
- ❑ Strong performance from specials business, including TSL acquisition.

Contract Sales & Marketing Services

Provide high quality flexibility for Pharma sales and marketing needs

- ❑ Market leader in contract sales in UK and Ireland (sales force > 1,000)
- ❑ Developing US contract sales business
- ❑ Value added sales solutions through sales force effectiveness and training support
- ❑ Developing international marketing services complement sales offering

Split by Geography:

2009	<u>Revenue</u>		<u>EBIT</u>	
	'09 €mn	'08 €mn	'09 €mn	'08 €mn
UK	128.2	117.2	12.8	10.7
US	17.0	11.9	1.9	1.4
Irl	7.9	6.0	1.3	1.0
	<u>153.2</u>	<u>135.1</u>	<u>16.0</u>	<u>13.1</u>

2009 Financial Analysis

CSMS

	'08	Organic	Acquisitions	Currency	'09
	€mn	€mn	€mn	€mn	€mn
Revenue	135.1	12.9	22.1	(16.9)	153.2
<i>% Inc / (Dec)</i>		9.6	16.4	(12.5)	13.4
EBIT	13.1	3.7	1.1	(1.9)	16.0
<i>% Inc / (Dec)</i>		28.2	8.4	(14.4)	22.2
EBIT Margin	9.7%				10.44%

- ❑ Strong growth in CSO business in UK, US and Ireland.
- ❑ Good performance from marketing services in US and UK.

Packaging & Speciality

- ❑ Leading international Pharma packaging outsourced provider in US and Europe. Provide manufacturers with alternative to investing in high fixed cost, non-core, activity
- ❑ Major vaccine supply chain solutions provider for manufacturers, payors and patients
- ❑ Launched UK homecare joint venture with Medco Inc.

Split by Geography:

Revenue

EBIT

2009	'09 €mn	'08 €mn	'09 €mn	'08 €mn
US	61.7	8.8	4.3	0.8
UK	28.6	34.0	2.8	5.8
C. Europe	27.9	28.5	2.2	2.8
	<u>118.2</u>	<u>71.3</u>	<u>9.3</u>	<u>9.4</u>

2009 Financial Analysis

P&S

	'08	Organic	Acquisitions	Currency	'09
	€mn	€mn	€mn	€mn	€mn
Revenue	71.3	(1.4)	45.6	2.7	118.2
<i>% Inc / (Dec)</i>		(2.0)	64.0	3.8	65.8
EBIT	9.4	(3.5)	3.3	0.1	9.3
<i>% Inc / (Dec)</i>		(36.4)	34.8	0.4	(1.2)
EBIT Margin %	12.72%				7.84%

- ❑ Strong H2 pick-up in US packaging business
- ❑ Key client restructuring impacting UK packaging business
- ❑ Good progress in UK speciality business
- ❑ Launch of UK homecare joint venture

Business Risks And Opportunities

Risks

- Government intervention on prices/margins or changes in spending
- M&A activity amongst outsourcing clients
- Contract delays or in-sourcing decisions in outsourcing businesses
- FX movements

Opportunities

- Strong position in defensive, cash generative, wholesale and pre-wholesale
- Increasing outsourcing trend amongst healthcare manufacturers
- Medco JV
- M&A opportunities in fragmented key strategic areas
- Balance sheet

Summary

Excellent Manufacturer Solutions, Better Patient Care

- ❑ Strong positions in defensive, cash generative, businesses
- ❑ Positioned to benefit from increased outsourcing trend
- ❑ Continued diversification by geography and business sector
- ❑ Infrastructure and Balance Sheet to support growth

Appendices



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Acquisition History

Year of acquisition	Investment €mn	% return after 3 years	% return after 5 years
2000	20.0	12%	20%
2002	24.1	15%	23%
2002/3	15.8	23%	20%
2004	15.8	14%	19%
2005	11.7	14%	-
2005	3.7	5%	-
2006	<u>29.0</u>	12%	-
	<u>120.1</u>		

Note: % Return is EBIT/Initial Investment

New Division Structure

RESTATEMENT OF '08

'08		NEW DIVISION STRUCTURE		
Revenue		HSC	CSMS	P&S
	€mn	€mn	€mn	€mn
PW	998.0	998.0	-	-
SCS	448.3	377.0	-	71.3
M&S	102.3	102.3	-	-
CSMS	135.1	-	135.1	-
	<u>1,683.7</u>	<u>1,477.4</u>	<u>135.1</u>	<u>71.3</u>
EBIT				
	€mn			
PW	30.0	30.0	-	-
SCS	20.1	10.7	-	9.4
M&S	16.4	16.4	-	-
CSMS	13.1	-	13.1	-
	<u>79.6</u>	<u>57.1</u>	<u>13.1</u>	<u>9.4</u>