

United drug

United Drug plc, United Drug House, Magna Drive, Magna Business Park, Citywest Road, Dublin 24, Ireland.
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27 May 2011

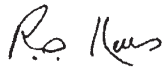
Dear Shareholder

As advised to shareholders in the 2011 Interim Report, the Company has cancelled the scrip dividend scheme. Accordingly no scrip dividend alternative will be offered in respect of future dividends paid by the Company, including the 2011 interim dividend. Any fractional cash entitlements due to shareholders who had previously elected to participate in the scrip dividend scheme will be sent to them in conjunction with the 2011 interim dividend mailing.

In place of the scrip dividend scheme, the Company is introducing a Dividend Reinvestment Plan ('DRIP' or the 'Plan') in respect of future dividends paid by the Company, including the 2011 interim dividend. The Plan will allow shareholders to use their cash dividend to acquire existing ordinary shares in the Company on the open market. This will be undertaken on their behalf by the Company's Registrar, Computershare Investor Services (Ireland) Limited.

The terms and conditions of the DRIP are set out in the enclosed brochure. Mandates previously received under the scrip dividend scheme will not be transferred to the DRIP. To join the DRIP you should complete and sign the mandate form enclosed and return it to the Company's Registrar, Computershare Investor Services (Ireland) Limited, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland so as to arrive no later than 5.00 p.m. on 23 June 2011. If you want to continue receiving dividends in cash, you need take no action.

Yours faithfully



Ronnie Kells
Chairman

DIRECTORS

R. Kells, O.B.E., B.Sc.Econ., F.C.I.S. (British) (Chairman); L FitzGerald, B.Comm., M.B.S. (Chief Executive); C. Brinsmead, B.Sc., M.Sc. (British); C. Corbin (British); A. Flynn, B.Comm., F.C.C.A.; P Gray, B.A., F.C.A.; H. Friel, B.Comm.; G. McGann, B.A., M.Sc., F.C.C.A.; B. McGrane, B.Comm., F.C.A.; Dr. J. Peter, F.F.P.M., M.B., Ch.B., B.D.S., L.D.S.R.C.S. (British); A. Ralph, B.Comm., F.C.A.; P. Toomey, B.Comm., F.C.A.. K. Geoghegan, B.Comm., M.Acc., A.C.A. (Secretary).

REGISTERED OFFICE: United Drug House, Magna Drive, Magna Business Park, Citywest Road, Dublin 24, Ireland. REGISTERED IN IRELAND NO. 12244.