

United Drug International Healthcare Services

**Comprehensive Value Based Outsourced Services for the
Healthcare Industry**

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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. Providing the most innovative global outsourcing value to the healthcare industry.

- ▶ 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, niche player in US
 - Major international pharma contract packager – UK, Continental Europe and US
 - Major medical & scientific service provider – UK and Ireland

- ▶ Developing specialist services for manufacturers, healthcare authorities and patients (higher value-add, higher margin):
 - Speciality homecare services in UK and Ireland
 - Specials medicines manufacturer and distributor in UK
 - Speciality vaccine services for physicians and patients
 - Regulatory services

UNITED DRUG | INTERNATIONAL HEALTHCARE SERVICES

Excellent Manufacturer Solutions, Better Patient Care

Healthcare Supply Chain



- ▶ Wholesaling
- ▶ Pre-wholesaling
- ▶ Medtec sales & dist.
- ▶ Specials manufacturing & wholesaling

Contract Sales & Marketing Services



- ▶ Recruit, train & administer sales teams for pharma
- ▶ Event management
- ▶ Sales force effectiveness consulting
- ▶ Regulatory services (telemarketing/ Compliance services)

Packaging



- ▶ Blister, bottle & sachet filling for pharma on contract
- ▶ Compliance packing & serialisation, track & trace services

Homecare/ Speciality

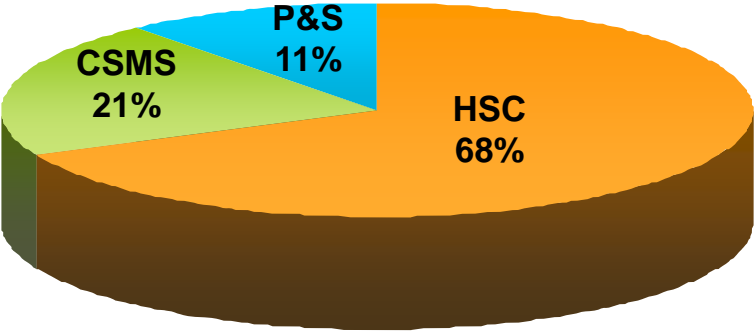


- ▶ Cold chain delivery & nursing services to the home (Medco JV)0
- ▶ Vaccines: UK & Irl
- ▶ Occ. Health Services

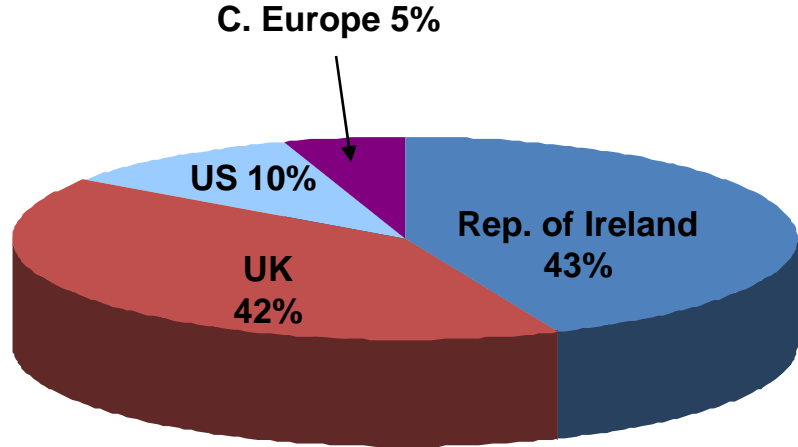
HEALTHCARE SERVICES



OPERATING PROFIT BY DIVISION



OPERATING PROFIT BY GEOGRAPHY



TRADING HIGHLIGHTS

- ▶ Strengthened wholesale and pre-wholesale market leading positions and maintained revenues despite regulatory changes
- ▶ Continued new business wins and excellent performance in Contract Sales & Marketing Services division
- ▶ Continued tight capital spending in hospitals
- ▶ Strong performance in packaging business, particularly in US
- ▶ Successful launch of UK homecare joint venture with Medco Inc.
- ▶ Another strong cash flow performance

2010 INTERIM FINANCIAL REVIEW

	2010	2009	% Inc / (Dec)	Constant Currency % Inc / (Dec)
	€'mn	€'mn		
Revenue	853.3	850.9	-	2
EBITDA	41.9	41.9	-	2
EBIT	35.0	35.0	-	2
PBT	31.5	30.0	5	7
EPS (cent)	10.68	10.63	-	2
Dividend per share (cent)	2.34	2.23	5	5

2010 INTERIM FINANCIAL REVIEW

	2010 €'mn	2009 €'mn	% Inc / (Dec)	Constant Currency % Inc / (Dec)
Revenue				
HSC	715.3	717.5	-	-
CSMS	78.3	76.7	2	5
P&S	59.7	56.7	5	22
	<u>853.3</u>	<u>850.9</u>	<u>-</u>	<u>2</u>
EBIT*				
HSC	24.5	26.6	(8)	(7)
CSMS	7.4	6.9	8	12
P&S	3.8	2.4	54	64
	<u>35.7</u>	<u>35.9</u>	<u>-</u>	<u>2</u>
Stock option expense	<u>(0.7)</u>	<u>(0.9)</u>	<u>-</u>	<u>2</u>
	<u>35.0</u>	<u>35.0</u>	<u>-</u>	<u>2</u>

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

*before amortisation and 2009 exceptional item

2010 INTERIM FINANCIAL REVIEW

Balance Sheet

	31.3.10	30.9.09	31.3.09
	€'mn	€'mn	€'mn
Net Debt	140.2	162.5	209.0
*Gearing %	40.6	50.5	68.6
Interest Cover (times)			
EBITA	9.9	7.8	7.0
EBITDA	11.9	9.2	8.3
Net Debt/EBITDA (times)	1.67	1.78	2.24

* Gearing – Net Debt/Net Assets

HEALTHCARE SUPPLY CHAIN

Logistics based services for healthcare manufacturers, hospitals and retail pharmacies in Ireland and UK
Partner of choice in outsourced “route-to-market” solutions

- ▶ 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, with start up business in Sweden
- ▶ Major manufacturer and distributor of specials medicines in UK

	<u>Revenue</u>		<u>EBIT</u>	
	'10 €mn	'09 €mn	'10 €mn	'09 €mn
Wholesale	508.3	507.2	12.4	12.5
Pre-Wholesale	151.0	153.9	4.5	5.5
Medical & Scientific	38.1	40.7	3.4	5.0
Specials	17.9	15.6	4.2	3.6
	<u>715.3</u>	<u>717.5</u>	<u>24.5</u>	<u>26.6</u>

2010 INTERIM FINANCIAL ANALYSIS

HSC

	'09	Organic	Acquisitions	Currency	'10
	€'mn	€'mn	€'mn	€'mn	€'mn
Revenue	717.5	0.5	1.1	(3.8)	715.3
<i>% Inc / (Dec)</i>		0.1	0.2	(0.5)	(0.3)
EBIT	26.6	(2.3)	0.4	(0.2)	24.5
<i>% Inc / (Dec)</i>		(8.6)	1.5	(0.8)	(7.8)
EBIT Margin %	3.70%				3.42%

- ▶ Wholesale and pre-wholesale revenues maintained despite slower market growth, price reductions and DTP
- ▶ Medical & Scientific revenues down on lower capital equipment spend
- ▶ Strong performance from specials business

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 regulatory services, sales force effectiveness and training support
- ▶ Developing international marketing services complement sales offering

Split by Geography:

	<u>Revenue</u>		<u>EBIT</u>	
	'10 €mn	'09 €mn	'10 €mn	'09 €mn
UK	65.6	65.1	5.7	5.5
US	9.2	7.6	1.2	0.7
Irl	3.6	4.0	0.5	0.7
	<u>78.3</u>	<u>76.7</u>	<u>7.4</u>	<u>6.9</u>

2010 INTERIM FINANCIAL ANALYSIS

CSMS

	'09	Organic	Currency	'10
	€mn	€mn	€mn	€mn
Revenue	76.7	4.0	(2.4)	78.3
<i>% Inc / (Dec)</i>		5.2	(3.1)	2.1
EBIT	6.9	0.8	(0.3)	7.4
<i>% Inc / (Dec)</i>		11.6	(4.3)	7.4
EBIT Margin	9.0%			9.5%

- ▶ Strong growth in CSO business particularly in UK
- ▶ Good performance from marketing services in US and UK

PACKAGING & SPECIALITY

Outsourcing Solutions for Complex Supply Chain Needs

- ▶ 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:

	<u>Revenue</u>		<u>EBIT</u>	
	'10 €mn	'09 €mn	'10 €mn	'09 €mn
Pack. US	32.5	29.0	2.5	0.6
Pack. EU	20.5	19.8	1.7	1.4
Spec.	6.7	7.9	(0.4)	0.4
	<u>59.7</u>	<u>56.7</u>	<u>3.8</u>	<u>2.4</u>

2010 INTERIM FINANCIAL ANALYSIS

P&S

	'09	Organic	Acquisitions	Currency	'10
	€mn	€mn			
Revenue	56.7	6.2	-	(3.2)	59.7
<i>% Inc / (Dec)</i>		10.9	-	(5.6)	5.3
EBIT	2.4	2.5	(0.9)	(0.2)	3.8
<i>% Inc / (Dec)</i>		104.2	(38.5)	(8.3)	57.4
EBIT Margin %	4.3%				6.4%

- ▶ Strong performance in US packaging business
- ▶ Lower volumes in UK packaging business offset by strong EU performance
- ▶ Start-up investment in 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

From Distribution To Global Outsourced Healthcare Value Based Solutions



- ▶ 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