United Drug plc
Preliminary Announcement of Results
Year ended 30 September 2012

Highlights

	IFRS based €'mn	Amortisation of intangible assets and acquisition costs €'mn	Adjusted €'mn	Increase on 2011 %
Revenue	1,830.2	-	1,830.2	5
Operating profit	67.6	16.8	84.4	10
Profit before tax	59.0	16.8	75.8	11
Diluted earnings per share (cent)	19.89	5.48	25.37	11
Dividend per share (cent)	9.04	-	9.04	4

	2012	**2011**
Net debt (€'mn)	217.7	121.5
Net debt/EBITDA* (times)	2.22	1.31

* EBITDA before once-off acquisition costs and exceptional item (2011) including annualised EBITDA of companies acquired during the year

United Drug believes that the adjusted operating profit, adjusted profit before tax and adjusted diluted earnings per share are more appropriate measures of the underlying group performance than those measurements set out in the primary financial statements, as this information is in a format communicated to and reviewed by the investment community.

2012 Financial highlights

- Revenues increase by 5% with all divisions ahead of 2011.
- Operating profit growth of 10% for the year with margin improvement in all divisions.
- Pre-tax profits and earnings per share both up by 11%.
- Good working capital management delivers another strong cash flow performance. Operating cash flow for the period of €77.6 million, resulting in an operating profit to cash conversion ratio of 92%.
- Proposed 5% increase in final dividend, to 6.56 cent per share, giving a total dividend for the year of 9.04 cent per share (2011: 8.66 cent per share), 4% up on 2011.

2012 Strategic & operating highlights

- Further internationalisation of the Group with our US businesses accounting for 27% of operating profit and in total over 70% of profit generated outside of Ireland.
- Significant expansion of service offering and geographic footprint with the completion of five acquisitions in the second half of the year.
- Good underlying trading in the Sales, Marketing & Medical division with the expansion of our service offering during the year through bolt-on acquisitions. The acquisition of Pharmexx establishes United Drug as one of the leading global contract sales outsourcing providers.
- Increased market leadership positions in wholesale and pre-wholesale and a big improvement in the medical and scientific business.
- Very strong performance in our US packaging business, including the addition of a clinical trials packaging offering through the acquisition of Bilcare Global Clinical Services, now Sharp Clinical Services.

Chief Executive's comment

Commenting on the 2012 performance, United Drug Chief Executive Officer, Liam FitzGerald said:

"United Drug is now a truly international provider of services to global life sciences companies. We offer efficient outsourcing solutions for healthcare producers, providers and patients across 22 countries. During 2012 we have significantly expanded our service offering and geographic footprint, delivered double-digit earnings growth and very strong operating cash flow. Over 70% of operating profits were generated outside Ireland with 27% now coming from the US market. The five international acquisitions completed in the second half of the year position the business well for future growth.

Group revenues for the year of €1.83 billion were 5% higher than in 2011. Margins again increased during the year, as we grew our international services business, and operating profit for the year of €84 million was 10% ahead of the previous year."

Analyst presentation:

A presentation for investors and analysts will be held at 9.00 BST, today Wednesday 14 November. The dial in details are as follows: - Standard International Access +44 (0) 20 3003 2666 - UK Toll Free 0808 109 0700 -Password: United Drug

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About United Drug plc

Listed on the London Stock Exchange, United Drug is a leading international provider of services to healthcare manufacturers and pharmaceutical retailers, with operations in over 20 countries including the UK, Ireland, Germany, the Netherlands, Belgium, and the US.

The Company operates across three divisions, Sales, Marketing & Medical, Healthcare Supply Chain and Packaging & Specialty.

In the Sales, Marketing & Medical division United Drug is a global leader in the provision of contract sales outsourcing services to pharmaceutical manufacturers with operations in major markets including Continental Europe, the UK, North America and a presence in South America. United Drug also provides related marketing services to pharmaceutical manufacturers in many of these markets.

In Healthcare Supply Chain, United Drug is the largest pharmaceutical wholesaler in the island of Ireland. It is also the market leader in contract distribution outsourcing (pre-wholesaling) in Ireland and has achieved the No. 1 position in the UK through its joint venture business UniDrug Distribution Group (UDG). The Company provides specials medicines manufacturing and distribution services in the UK. Through its medical and scientific operations, United Drug provides sales & marketing and technical service solutions, including contract distribution services to a wide range of medical & scientific equipment & consumable manufacturers, with a market leading position in Ireland and an emerging presence in the UK.

In the Packaging & Specialty division United Drug is a leading international provider of pharmaceutical contract packaging and clinical trials materials services with facilities in the US, UK, Dutch and Belgian markets. The Company also provides speciality distribution and homecare services in the UK and Ireland.

For more information go to www.united-drug.com.

Review of Operations

Sales, Marketing & Medical (SMM)
The SMM division provides outsourced sales, marketing and medical services to the global healthcare industry. In 2012, divisional revenue grew by 7% to €214 million and operating profits of €21 million were 2% ahead of 2011.

In contract sales outsourcing we have continued to strengthen our position as market leader in the UK and Ireland and have grown our business in the US. The total number of sales representatives in these markets is declining, but the proportion being outsourced is increasing as the pharmaceutical industry seeks a more flexible and cost effective means of promoting their products. We have achieved strong growth in our nursing services business in the UK and Ireland and generally with smaller and more specialised pharmaceutical companies in the US who prefer our more flexible and focused approach. Both of these areas provide further growth opportunities going into 2013.

In September 2012, we assumed control of all parts of the Pharmexx group of companies not subject to on-going competition clearance. On 9 November 2012, the outstanding competition clearance was received and the acquisition will complete on 20 November 2012. Pharmexx is a multi-country contract sales business with operations throughout Europe and in Canada and Latin America. This acquisition significantly strengthens our contract sales business, positioning us as a major international service provider and provides a platform around which we can cross-sell our marketing and medical services to a wide range of clients in multiple jurisdictions We are currently implementing a detailed integration plan and putting our processes and procedures in place in the acquired business to improve efficiency, expand business development capability and increase margins.

To add further to our global contract sales offering we have just entered into a commercial arrangement with a major Japanese contract sales and research organisation to provide contract sales services in Japan, (the second largest pharmaceutical market in the world). A number of projects have already been secured through our existing pharma relationships and an active business development programme is in place in a market where we see great potential.

Our medical affairs business has also had another very good year. Growth in our US business has been added to by a profitable first year's trading in the UK. Business wins have been achieved in the areas of medical affairs, patient adherence and medical telesales.

The acquisitions, late in the year, of Drug Safety Alliance (DSA) and Synopia add significantly to our medical affairs offering both in the US and as a basis for a wider international offering. DSA along with our existing business will allow us provide an integrated call centre and case processing product safety service. Synopia adds market access services to our offering to clients in the US market.

Our events management business is now the number one global event management company serving the healthcare sector. The business has delivered good revenue growth over the last year and been very successful winning new business, with 42 new clients added over the period. In the last year the business has managed more than 1,700 meetings and events in 47 countries, looking after over 145,000 delegates.

Our healthcare communications and consultancy business had another good year with

revenues and profits ahead of last year. This offering was enhanced with the acquisition of Watermeadow, a healthcare communications business with offices in Oxford, Manchester and New York. The acquisition increases the scope and scale of our medical writing business to over 200 people and widens our pharmaceutical client base. We are now one of the leading global healthcare communications and consultancy businesses and are well positioned for growth in the coming years.

Healthcare Supply Chain

The Healthcare Supply Chain division combines all of the Group's healthcare logistics based businesses. In 2012, divisional revenue of €1.46 billion was 3% higher than last year, and operating profits of €48 million were 9% ahead of 2011.

Revenue in Irish wholesale was ahead of 2011, despite continuing healthcare austerity measures, due to further growth in our market share and ongoing volume growth in the market. However, margins were down slightly. In pre-wholesale (contract logistics for pharmaceutical companies) in Ireland we also strengthened our market leading position through a number of new contract wins in both the pharmaceutical and consumer parts of our business.

Last year, we implemented major changes within our Irish business, including the outsourcing of all deliveries to third party operators, a reduction in working hours in certain locations and staff redundancies. These changes have yielded significant cost savings in 2012. We are currently investing in further automation in our Dublin warehouse, which when combined with the ongoing impact of the last years changes will enable the business to offset much of the impact of government austerity measures and manage future volume growth in a highly cost effective and efficient manner.

In Northern Ireland, our wholesale business continues to outperform the market and has grown profits significantly in the year. Although still subject to government intervention, prices in this market have been more stable in recent years, and underlying volume growth has seen this business contribute significantly to group profits. We have recently completed a major automation and expansion project in our Belfast operation that will facilitate the expected growth in this business in the coming years and drive further efficiency in our Northern Ireland operation.

Our UK pre-wholesale joint venture with Alliance Boots, has continued to perform very well and is now the strong market leader in the outsourced UK pre-wholesale market. Multiple new contract wins have driven a very significant profit increase in 2012.

A number of strategically important new business wins within our medical and scientific business in Ireland, the UK and the Netherlands have enabled the business to grow profits substantially in 2012. The momentum from these new business wins and ongoing cost restraint leave this business well positioned for future growth.

Our pharmaceutical 'specials' business in the UK has been negatively impacted by the November 2011 NHS introduction of a "drug tariff" which sets a fixed reimbursement price on the most popular products in the market. However, we have developed new services to import named patient medicines from overseas and to manage the distribution of these medicines on behalf of pharmaceutical manufacturers. When combined with strong growth in our own brand "Arjun" range of affordably priced specials, these new services will make a growing contribution to group profits.

Packaging & Specialty

The Group's packaging businesses provide outsourced packaging, storage, logistics, and project management services to the pharmaceutical and biotech industry in the US, UK and continental Europe. The Group's specialty businesses provide specialty pharmacy, cold

chain logistics, homecare and compliance services in Ireland. In 2012, divisional revenue grew by 16% to €161 million and operating profits of €15 million were 26% ahead of 2011.

Our US commercial packaging business has had another excellent year. There has been an increase in outsourcing of packaging services throughout the year and we have increased our market share in this growing market which has helped drive a substantial revenue increase. In addition, we have strengthened our long term relationship with a number of customers by signing multi-year contracts. We are confident that this business will continue to grow in 2013 and beyond.

Our commercial packaging business in Europe has considerable capacity available to it but we have not yet filled sufficient capacity to drive strong returns in this business. Consolidation and integration of this business continued during the year. We have now aligned our US and EU commercial business development teams. This has resulted in a number of significant contract wins in 2012, which will begin to generate revenue toward the end of 2013. We continue to see significant opportunity in this alignment and in the European commercial packaging market generally and we believe we are well placed to capture those opportunities in 2013 and beyond.

In September 2012, the Group acquired the US and UK clinical services business from Bilcare Limited. The acquired business is complementary to our existing business and provides clinical trial packaging, logistics and supply chain management services to the pharmaceutical and biotechnology industry. In October, we rebranded the acquired business Sharp Clinical Services. We will continue to integrate the business into the division in 2013.

Our Irish specialty business continued to win new customers and market share in 2012. We now treat approximately 20,000 patients in their homes each year. We have also developed innovative track and trace solutions, which are complementary to the services offered by our packaging and supply chain businesses.

Group development and outlook

The Group took a significant step forward in terms of its internationalisation and diversification in 2012. We completed five acquisitions during the period. Our US businesses now account for 27% of operating profit and in total over 70% of profits are now generated outside of Ireland. The Group had another good cash flow performance with operating cash flow of €77.6 million.

The Sales, Marketing & Medical division had another successful year with revenues and profits ahead of last year. The acquisitions during the year of Watermeadow, Drug Safety Alliance and Synopia enhance our capability to provide outsourced sales, marketing and medical services to global pharmaceutical companies. The acquisition of Pharmexx means that we are now one of the leading global contract sales outsourcing providers. The combination of market entry, sales, regulatory and marketing services is a potent offering to clients launching products internationally.

In the Healthcare Supply Chain division revenues and profits are ahead of last year, despite the healthcare markets in which we operate experiencing significant austerity measures. We continued to add to our market leading positions in our wholesale and pre-wholesale businesses in Ireland and the UK and had a big improvement in our medical and scientific business in these markets. We have secured meaningful new client wins in our medical and scientific and pre-wholesale business units.

In the Packaging & Specialty division, our US packaging business has had another excellent year and we have been successful in winning a number of contracts across the US and EU. Our Irish specialty business has also grown its market leading position, winning contracts with pharmaceutical clients, the private health insurance industry and the HSE. The acquisition late in the year of Bilcare GCS, now renamed Sharp Clinical Services, adds a clinical trials packaging offering and provides an opportunity along with our commercial packaging business to become one of the leading global contract packaging outsourced providers.

United Drug continues to develop and grow its international offering to the life sciences industry and remains positive about the growth opportunities in all of its businesses. The Group has considerable financing facilities available and good internally generated cash flow to support its growth objectives. With the recent acquisitions adding to our strong market positions the Group is well positioned for further growth in 2013 and beyond.

Finance Review

Overview
Group revenue for the year was 5% higher than in 2011 at €1.83 billion. Operating profit, before once-off acquisition costs and amortisation of intangible assets, was 10% ahead of 2011 at €84.4 million. Pre-tax profit, on the same basis, was 11% ahead of 2011 at €75.8 million.

Costs of €3.3 million were incurred during the year on the acquisition activity undertaken over the last 12 months. These costs were primarily professional fees for due diligence, legal negotiations and contracts and banking services. Given the size of these costs in the year they are shown separately on the face of the Income Statement.

The Group completed the acquisition of five businesses during the year. The net cash outflow on these acquisitions was €102.3 million with deferred consideration payable of €38.1 million. The net assets acquired with these acquisitions were €56.3 million with goodwill of €84.1 million.

The Group announced a programme to buyback and cancel 5 million shares during 2011. This programme was completed during 2012. At 30 September 2011, 4.6 million of the shares had been bought back and cancelled.

The Group's share of investment in the Medco joint venture had been classified as an asset held for sale at 30 September 2011. This asset was sold to our joint venture partners in October 2011 for stg£8.2 million.

Revenue
Revenue for the year is 5% ahead of 2011 at €1.83 billion. Each of our three divisions reported revenues ahead of last year. Acquisitions completed during the year contributed €16 million to revenue.

Adjusted Operating Profit*
Operating profit for the year of €84.4 million was 10% higher than in 2011, with profits in each of our three divisions ahead of last year. Acquisitions completed during the year contributed €0.7 million to operating profit.

Adjusted Profit before Tax*
Net interest costs for the year of €8.6 million are €0.3 million higher than in 2011. After interest costs profit before tax of €75.8 million is 11% higher than in 2011.

Adjusted Earnings per Share*
Earnings per share for the year were 11% ahead of 2011 at 25.37 cent.

Cash Flow
Net debt increased by €96.2 million during the year. Within this the net cash inflow from operating activities was €77.6 million and the net cash outflow on acquisitions completed during the year was €102.3 million with a further €63.4 million spent on the purchase of property, plant and equipment.

* before once-off acquisition costs and amortisation of intangible assets

Balance Sheet
Year end net debt was €218 million. The net debt to EBITDA ratio is 2.22 times and interest is covered 11.6 times by EBITDA. Our financial covenants are based on net debt to EBITDA not to exceed 3.5 times and EBITDA interest cover to be greater than three times.

Dividends
The directors are proposing a final dividend of 6.56 cent per share. This gives a total dividend for the year of 9.04 cent per share, an increase of over 4% on the 2011 total dividend.

Subject to shareholder approval at the Company's 2013 Annual General Meeting, the proposed final dividend of 6.56 cent per share will be paid on 25 February 2013 to ordinary shareholders on the Company's register at 5.00 p.m. on 23 November 2012. A Dividend Reinvestment Plan (DRIP), which enables shareholders who elect to participate to use their cash dividend to acquire additional shares in the Company, is available in respect of the final dividend. The final date for receipt or cancellation of elections under the DRIP will be 1 February 2013.

2012 Annual Report and Annual General Meeting
The 2012 Annual Report and Accounts will be published in January 2013 and the Annual General Meeting of the Company will be held on 12 February 2013.

Forward-looking information
Some statements in this announcement are forward looking. They represent expectations for the Group's business, and involve risks and uncertainties. The Group has based these forward-looking statements on current expectations and projections about future events. The Group believes that expectations and assumptions with respect to these forward-looking statements are reasonable. However, because they involve known and unknown risks, uncertainties and other factors, which in some cases are beyond the Group's control, actual results or performance may differ materially from those expressed or implied by such forward-looking statements.

This announcement and further information is available on our web-site:
www.united-drug.com.

Group income statement

for the year ended 30 September 2012

	Notes	2012 Total €'000	2011 Pre-exceptional item €'000	2011 Exceptional item €'000	2011 Total €'000
Revenue	3	**1,830,206**	1,746,452	-	1,746,452
Cost of sales		**(1,528,523)**	(1,470,014)	-	(1,470,014)
Gross profit		**301,683**	276,438	-	276,438
Distribution expenses		**(211,853)**	(193,381)	(9,752)	(203,133)
Administrative expenses		**(11,418)**	(7,405)	-	(7,405)
Other operating expenses		**(13,512)**	(14,534)	-	(14,534)
Acquisition costs	12	**(3,307)**	-	-	-
Share of joint ventures' profit after tax	4	**6,007**	1,134	-	1,134
Operating profit		**67,600**	62,252	(9,752)	52,500
Finance income	5	**8,012**	8,322	-	8,322
Finance expense	5	**(16,626)**	(16,657)	-	(16,657)
Profit before tax		**58,986**	53,917	(9,752)	44,165
Income tax expense		**(11,373)**	(9,699)	1,991	(7,708)
Profit for the financial year		**47,613**	44,218	(7,761)	36,457
Profit attributable to:					
Owners of the parent		**47,700**			36,419
Non-controlling interests		**(87)**			38
		47,613			36,457
Earnings per share					
Basic	6	**19.96c**			15.10c
Diluted	6	**19.89c**			15.05c

Group statement of comprehensive income

for the year ended 30 September 2012

	Notes	**2012 €'000**	2011 €'000
Profit for the financial year		**47,613**	36,457
Other comprehensive income:			
Foreign currency translation adjustment	9	**29,959**	(3,625)
Loss on hedge of net investment in foreign operations	9	**(2,131)**	(98)
Group defined benefit pension schemes:			
- Actuarial (loss)/gain		**(6,522)**	297
- Movement in deferred tax		**751**	552
Group cash flow hedges:			
- Effective portion of cash flow hedges - movement into reserve		**2,193**	4,222
- Effective portion of cash flow hedges - movement out of reserve		**(4,325)**	(3,207)
Effective portion of cash flow hedges	9	**(2,132)**	1,015
- Movement in deferred tax - movement into reserve		**(274)**	(528)
- Movement in deferred tax - movement out of reserve		**540**	401
Net movement in deferred tax	9	**266**	(127)
Other comprehensive income/(expense) for the financial year		**20,191**	(1,986)
Total comprehensive income for the financial year		**67,804**	34,471
Total comprehensive income attributable to:			
Owners of the parent		**67,891**	34,433
Non-controlling interests		**(87)**	38
		67,804	34,471

Group statement of changes in equity

for the year ended 30 September 2012

	Equity share capital €'000	Share premium €'000	Retained earnings €'000	Other reserves (Note 9) €'000	Attributable to owners of the parent €'000	Non-controlling interests €'000	Total equity €'000
At 1 October 2011	**12,331**	**139,604**	**289,142**	**(61,155)**	**379,922**	**96**	**380,018**
Profit for the financial year	-	-	47,700	-	47,700	(87)	**47,613**
Other comprehensive income/(expense):							
Effective portion of cash flow hedges	-	-	-	(2,132)	(2,132)	-	**(2,132)**
Deferred tax on cash flow hedges	-	-	-	266	266	-	**266**
Translation adjustment	-	-	-	29,959	29,959	-	**29,959**
Loss on hedge of net investment in foreign operations	-	-	-	(2,131)	(2,131)	-	**(2,131)**
Actuarial loss on defined benefit schemes	-	-	(6,522)	-	(6,522)	-	**(6,522)**
Deferred tax on defined benefit schemes	-	-	751	-	751	-	**751**
Total comprehensive income for the year	**-**	**-**	**41,929**	**25,962**	**67,891**	**(87)**	**67,804**
New shares issued	45	1,679	-	-	1,724	-	**1,724**
Share buyback	-	-	-	(1,040)	(1,040)	-	**(1,040)**
Cancellation of treasury shares	(22)	-	(1,040)	1,062	-	-	**-**
Share based payment expense	-	-	-	766	766	-	**766**
Translation adjustment	-	-	-	3	3	-	**3**
Dividends paid to equity holders	-	-	(20,845)	-	(20,845)	-	**(20,845)**
Release from share based payment reserve	-	-	68	(68)	-	-	**-**
At 30 September 2012	**12,354**	**141,283**	**309,254**	**(34,470)**	**428,421**	**9**	**428,430**

for the year ended 30 September 2011

	Equity share capital €'000	Share Premium €'000	Retained earnings €'000	Other reserves (Note 9) €'000	Attributable to owners of the parent €'000	Non-controlling interests €'000	Total Equity €'000
At 1 October 2010	12,396	132,891	282,286	(59,214)	368,359	58	368,417
Profit for the financial year	-	-	36,419	-	36,419	38	36,457
Other comprehensive income/(expense):							
Effective portion of cash flow hedges	-	-	-	1,015	1,015	-	1,015
Deferred tax on cash flow hedges	-	-	-	(127)	(127)	-	(127)
Translation adjustment	-	-	-	(3,625)	(3,625)	-	(3,625)
Loss on hedge of net investment in foreign operations	-	-	-	(98)	(98)	-	(98)
Actuarial gain on defined benefit schemes	-	-	297	-	297	-	297
Deferred tax on defined benefit schemes	-	-	552	-	552	-	552
Total comprehensive income for the year	-	-	37,268	(2,835)	34,433	38	34,471
New shares issued	163	6,713	-	-	6,876	-	6,876
Share buyback	-	-	-	(10,467)	(10,467)	-	(10,467)
Cancellation of treasury shares	(228)	-	(10,467)	10,695	-	-	-
Share based payment expense	-	-	-	1,154	1,154	-	1,154
Translation adjustment	-	-	-	(4)	(4)	-	(4)
Dividends paid to equity holders	-	-	(20,429)	-	(20,429)	-	(20,429)
Release from share based payment reserve	-	-	484	(484)	-	-	-
At 30 September 2011	12,331	139,604	289,142	(61,155)	379,922	96	380,018

Group balance sheet

as at 30 September 2012

	Notes	**2012 €'000**	2011 €'000
ASSETS			
Non-current			
Property, plant and equipment	7	**156,101**	100,902
Goodwill	8	**320,605**	222,226
Intangible assets	8	**64,464**	40,419
Investment in joint ventures & associates	8	**24,238**	20,036
Derivative financial instruments	10	**1,585**	1,460
Deferred income tax assets		**1,574**	385
Employee benefits	13	**13,619**	12,209
Total non-current assets		**582,186**	397,637
Current			
Inventories		**158,958**	142,636
Trade and other receivables		**345,287**	284,687
Cash and cash equivalents	10	**71,919**	108,256
Current income tax assets		**1,950**	-
Financial asset	12	**2,568**	-
Derivative financial instruments	10	**1,791**	1,338
Assets classified as held for sale	8	**-**	9,243
Total current assets		**582,473**	546,160
Total assets		**1,164,659**	943,797
EQUITY			
Capital and reserves attributable to owners of the parent			
Equity share capital		**12,354**	12,331
Share premium		**141,283**	139,604
Other reserves	9	**(34,470)**	(61,155)
Retained earnings		**309,254**	289,142
		428,421	379,922
Non-controlling interests		**9**	96
Total equity		**428,430**	380,018
LIABILITIES			
Non-current			
Interest-bearing loans and borrowings	10	**285,389**	221,697
Provisions	11	**19,060**	9,606
Employee benefits	13	**22,051**	18,099
Derivative financial instruments	10	**5,141**	9,744
Deferred income tax liabilities		**16,427**	10,799
Total non-current liabilities		**348,068**	269,945
Current			
Interest-bearing loans and borrowings	10	**605**	476
Bank overdrafts	10	**1,078**	-
Trade and other payables		**350,615**	278,812
Current income tax liabilities		**5,176**	4,584
Provisions	11	**29,906**	9,358
Derivative financial instruments	10	**781**	604
Total current liabilities		**388,161**	293,834
Total liabilities		**736,229**	563,779
Total equity and liabilities		**1,164,659**	943,797

Group cash flow statement

for the year ended 30 September 2012

	2012 €'000	2011 €'000
Cash flows from operating activities		
Profit before tax	**58,986**	44,165
Finance income	**(8,012)**	(8,322)
Finance expense	**16,626**	16,657
Exceptional item	**-**	9,752
Operating profit (pre-exceptional item)	**67,600**	62,252
Share of joint ventures' profit after tax	**(6,007)**	(1,134)
Gain on previously held interest	**-**	(2,530)
Gain on sale of joint venture	**(300)**	-
Impairment of property, plant & equipment	**-**	672
Depreciation charge	**15,824**	14,884
Profit on disposal of property, plant and equipment	**(106)**	(87)
Amortisation of intangible assets	**13,512**	14,534
Share-based payment expense	**766**	1,154
(Increase)/decrease in inventories	**(11,245)**	2,075
(Increase) in trade and other receivables	**(7,264)**	(9,953)
Increase/(decrease) in trade payables, provisions and other payables	**34,391**	(6,940)
Exceptional item	**(5,447)**	(2,956)
Interest paid	**(9,477)**	(10,824)
Income taxes paid	**(14,663)**	(9,371)
Net cash inflow from operating activities	**77,584**	51,776
Cash flows from investing activities		
Interest received	**731**	1,835
Purchase of property, plant and equipment	**(63,366)**	(17,001)
Proceeds from disposal of property, plant and equipment	**1,362**	201
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	**(102,341)**	(12,048)
Acquisition consideration refunded in respect of prior years	**-**	984
Deferred & contingent acquisition consideration paid	**(1,741)**	(7,651)
Investment in joint ventures	**-**	(9,368)
Proceeds from disposal of joint ventures	**9,570**	-
Dividends received from joint ventures	**4,248**	2,303
Net cash outflow from investing activities	**(151,537)**	(40,745)
Cash flows from financing activities		
Proceeds from issue of shares (including share premium thereon, net of scrip dividend)	**1,724**	4,031
Shares purchased under share buyback programme	**(1,040)**	(10,467)
Proceeds from interest-bearing loans and borrowings	**54,636**	-
Repayments of interest-bearing loans and borrowings	**(200)**	(34,048)
Decrease in finance leases	**(32)**	(471)
Dividends paid to equity holders of the Company	**(20,845)**	(17,584)
Net cash inflow/(outflow) from financing activities	**34,243**	(58,539)
Net decrease in cash and cash equivalents	**(39,710)**	(47,508)
Translation adjustment	**2,295**	(448)
Cash and cash equivalents at beginning of year	**108,256**	156,212
Cash and cash equivalents at end of year	**70,841**	108,256
Cash and cash equivalents is comprised of:		
Cash at bank and short term deposits	**71,919**	108,256
Bank overdrafts	**(1,078)**	-
	70,841	108,256

Notes to the preliminary announcement

for the year ended 30 September 2012

1. Reporting entity

United Drug plc (the "Company") is a company domiciled in Ireland. The preliminary consolidated financial statements of the Company for the year ended 30 September 2012, are comprised of the Company and its subsidiaries and joint ventures (together referred to as the "Group").

The financial information presented herein does not amount to statutory financial statements that are required by Section 7 of the Companies (Amendment) Act, 1986 to be annexed to the annual return of the Company. The financial information does not include all the information and disclosures required in the annual financial statements. The statutory financial statements for the year ended 30 September 2011, on which the auditors gave an unqualified opinion, have been attached to the annual return of the Company and filed with the Registrar of Companies. The statutory financial statements for the year ended 30 September 2012 will be annexed to the next annual return of the Company and filed with the Registrar of Companies.

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2. Basis of preparation

This announcement has been prepared on the basis of the results and financial position that the directors expect will be reflected in the audited statutory accounts when these are completed. The financial information presented in this report has been prepared in accordance with the Group's accounting policies under International Financial Reporting Standards (IFRS), as adopted by the EU and as set out more fully in the Group's last Annual Report. The Group has adopted the following standards and amendments to existing standards during the financial year:

- IAS 24 (revised) – Related party disclosures

This revised standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and it clarifies and simplifies the definition of a related party. This standard did not have a significant impact on the Group's financial statements.

- Amendments to IFRS 1* – First time adoption, on fixed dates and hyperinflation

This amendment replaces reference to a fixed date of 1 January 2004 with "the date of transition to IFRSs", thus eliminating the need for entities adopting IFRSs for the first time to restate derecognition transactions that occurred before the date of transition to IFRSs. The amendment also provides guidance on how an entity should resume presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation. This amendment will have no effect on the Group's financial statements.

- Amendments to IFRS 7 – Financial Instruments: Disclosures' on transfers of assets

The amendments promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entities financial position, particularly those involved in securitisation of financial assets. This standard did not have a significant impact on the Group's financial statements.

- Amendment to IFRIC 14 – Prepayments of a minimum funding requirement

This amendment applies to entities that are required to make minimum funding contributions to defined benefit pension plans. It removes an unintended consequence of IFRIC 14, IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction, relating to voluntary pension pre-payments when there is a minimum funding requirement. This amendment will have no effect on the Group's financial statements.

- Improvements to IFRSs 2010

The improvements include changes in presentation, recognition and measurement plus terminology and editorial changes. These improvements have not had a significant impact on the Group's financial statements.

Prospective accounting changes

The following standards, amendments to existing standards, and interpretations published by the IASB are not yet effective for the year ended 30 September 2012 and have not been early adopted in preparing the financial statements.

• Amendment to IAS 1 – Financial statement presentation regarding other comprehensive income

• Amendment to IAS 12* – Income taxes

• Amendment to IAS 19 – Employee benefits

• IAS 27 (revised 2011)* – Separate financial statements

• IAS 28 (revised 2011)* – Associates and joint ventures

• Amendment to IAS 32* – Financial instruments: Presentation, on offsetting financial assets and financial liabilities

• Amendments to IFRS 1* – First time adoption, on government loans

• Amendments to IFRS 7* – Financial instruments: Disclosure, on offsetting financial assets and financial liabilities

• IFRS 9* – Financial Instruments: classification and measurement

• IFRS 10* – Consolidated financial statements

• IFRS 11* – Joint arrangements

• IFRS 12* – Disclosure of interest in other entities

• IFRS 13* – Fair value measurement

• Annual improvements 2011*

A number of the standards (*) set out above have not yet been EU endorsed and management are assessing whether these amendments will have a material impact on the Group.

3. Segmental analysis

The Group's operations are divided into the following segments:

- Healthcare Supply Chain

The Healthcare Supply Chain segment combines all of the Group's healthcare logistics based businesses.

- Packaging & Specialty

The Packaging & Specialty segment provides outsourced packaging solutions to pharmaceutical manufacturers.

- Sales, Marketing & Medical

The Sales, Marketing & Medical segment provides contract sales outsourcing and related marketing services to healthcare manufacturers.

The segmental analysis of the business corresponds with the Group's organisational structure, and the Group's internal reporting for the purpose of managing the business and assessing performance.

The amount of revenue and operating profit under the Group's operating segments is as follows:

	2012 €'000	2011 €'000
Revenue		
Healthcare Supply Chain	**1,455,782**	1,409,496
Packaging & Specialty	**160,557**	137,967
Sales, Marketing & Medical	**213,867**	198,989
	1,830,206	1,746,452
Operating profit before intangible amortisation, acquisition costs and exceptional item		
Healthcare Supply Chain	**48,322**	44,378
Packaging & Specialty	**15,522**	12,278
Sales, Marketing & Medical	**20,575**	20,130
	84,419	76,786
Intangible amortisation	**(13,512)**	(14,534)
Exceptional item	**-**	(9,752)
Acquisition costs	**(3,307)**	-
Operating profit	**67,600**	52,500
Finance income	**8,102**	8,322
Finance expense	**(16,626)**	(16,657)
Profit before tax	**58,986**	44,165
Income tax expense	**(11,373)**	(7,708)
Profit after tax for the financial year	**47,613**	36,457

	2012 €'000	2011 €'000
Operating segment assets		
Healthcare Supply Chain	**593,978**	581,886
Packaging & Specialty	**259,131**	203,475
Sales, Marketing & Medical	**308,174**	155,638
	1,161,283	940,999
Unallocated assets	**3,376**	2,798
	1,164,659	943,797
Geographical analysis of revenue		
Republic of Ireland	**1,116,281**	1,097,992
United Kingdom	**507,175**	483,623
North America	**158,989**	124,217
Continental Europe	**47,761**	40,620
	1,830,206	1,746,452

4. Share of joint ventures' profit after tax

	2012 €'000	2011 €'000
Group share of revenue	**59,437**	618,468
Group share of expenses, inclusive of tax	**(53,430)**	(617,334)
Group share of profit after tax	**6,007**	1,134

The reduction in revenue and expenses on 2011 is attributable to our significant joint venture, UniDrug Distribution Group Limited, accounting for their contractual relationships on an agent basis in 2012.

5. Finance income and expense

	2012 €'000	2011 €'000
Finance income		
Income arising from cash deposits	**787**	1,835
Fair value adjustment to fair value hedges	**2,900**	-
Fair value of cash flow hedges transferred from equity	**4,325**	3,207
Fair value adjustment to guaranteed senior unsecured loan notes	**-**	2,539
Fair value movement on interest rate swaps not designated as hedges	**-**	741
	8,012	8,322
Finance expense		
Interest on overdrafts	**(451)**	-
Interest on bank loans and other loans		
-wholly repayable within 5 years	**(6,237)**	(5,194)
-wholly repayable after 5 years	**(2,153)**	(4,626)
Interest on finance leases	**(31)**	(38)
Unwinding of discount on provisions	**(519)**	(642)
Foreign currency loss on retranslation of guaranteed senior unsecured loan notes	**(4,325)**	(3,207)
Fair value adjustment to guaranteed senior unsecured loan notes	**(2,900)**	-
Fair value adjustment to fair value hedges	**-**	(2,539)
Ineffective portion of cash flow hedges	**(10)**	(411)
	(16,626)	(16,657)
Net finance expense	**(8,614)**	(8,335)

6. Earnings per ordinary share

	2012 €'000	2011 €'000
Profit attributable to the owners of the parent	**47,700**	36,419
Adjustment for amortisation of intangible assets (net of tax)	**9,831**	11,004
Adjustment for acquisition costs (net of tax)	**3,307**	-
Adjustment for exceptional item (net of tax)	**-**	7,761
Earnings adjusted for amortisation of intangible assets, acquisition costs and exceptional item	**60,838**	55,184

	Number of shares	Number of shares
Weighted average number of shares	**238,928,214**	241,134,302
Number of dilutive shares under option	**887,476**	834,662
Weighted average number of shares, including share options	**239,815,690**	241,968,964
Basic earnings per share – cent	**19.96**	15.10
Diluted earnings per share – cent	**19.89**	15.05
Adjusted basic earnings per share - cent*	**25.46**	22.89
Adjusted diluted earnings per share - cent*	**25.37**	22.81

* excluding amortisation of intangible assets, acquisition costs and exceptional item (2011) (net of tax)

Treasury shares have been excluded from the weighted average number of shares in issue used in the calculation of earnings per share.

7. Property, plant and equipment

	Land and buildings €'000	Plant and equipment €'000	Motor vehicles €'000	Computer equipment €'000	**Total €'000**
Cost					
At 1 October 2011	75,629	68,656	3,800	23,332	171,417
Acquired during the year	342	3,041	1,090	559	5,032
Additions in year	34,936	14,431	77	13,922	63,366
Disposals in year	(26)	(2,140)	(2,159)	(762)	(5,087)
Translation adjustment	3,426	2,449	(453)	1,048	6,470
At 30 September 2012	**114,307**	**86,437**	**2,355**	**38,099**	**241,198**
Depreciation					
At 1 October 2011	13,884	40,222	2,701	13,708	70,515
Depreciation charge for the year	2,876	8,578	260	4,110	15,824
Eliminated on disposal	(26)	(1,561)	(1,629)	(615)	(3,831)
Translation adjustment	717	1,486	42	344	2,589
At 30 September 2012	**17,451**	**48,725**	**1,374**	**17,547**	**85,097**
Carrying amount					
At 30 September 2012	**96,856**	**37,712**	**981**	**20,552**	**156,101**
30 September 2011	61,745	28,434	1,099	9,624	100,902

8. Movement in goodwill, intangible assets, investment in joint ventures & associates and assets classified as held for resale

	Goodwill €'000	Intangible assets €'000	Investment in joint ventures & associates €'000	Assets classified as held for sale €'000	**Total €'000**
Balance at 1 October 2011	222,226	40,419	20,036	9,243	**291,924**
Acquired during the year (note 12)	84,120	35,697	177	-	**119,994**
Profit on sale of joint venture	-	-	-	300	**300**
Amortisation of intangible assets	-	(13,512)	-	-	**(13,512)**
Share of joint ventures' profit after tax	-	-	6,007	-	**6,007**
Dividends received from joint ventures	-	-	(4,248)	-	**(4,248)**
Sale of investment	-	-	-	(9,570)	**(9,570)**
Translation adjustment	14,259	1,860	2,266	27	**18,412**
Balance at 30 September 2012	**320,605**	**64,464**	**24,238**	-	**409,307**

On 17 October 2011, the Group disposed of its 50% shareholding in Medco Health Solutions [Ireland] Limited to Medco Health Solutions, Inc. for a consideration of £8.2 million. This gave rise to a gain of €300,000 being the difference between the fair value of the previously held asset at the date of sale and the consideration received. The gain has been included within the administration expenses in the Group Income Statement.

9. Other reserves

	Cash flow hedge €'000	Share based payment €'000	Foreign exchange €'000	Treasury shares €'000	Capital redemption reserve €'000	**Total €'000**
Balance at 1 October 2011	1,914	6,193	(63,598)	(5,892)	228	**(61,155)**
Effective portion of cash flow hedges	(2,132)	-	-		-	**(2,132)**
Deferred tax on cash flow hedges	266	-	-		-	**266**
Share based payment expense	-	766	-	-	-	**766**
Release from share based payment reserve	-	(68)	-	-	-	**(68)**
Loss on hedge of net investment in foreign operations	-	-	(2,131)	-	-	**(2,131)**
Translation adjustment	-	3	29,959	-	-	**29,962**
Release of treasury shares on vesting	-	(16)	-	16	-	**-**
Share buyback	-	-	-	(1,040)	-	**(1,040)**
Cancellation of treasury shares	-	-	-	1,040	22	**1,062**
Balance at 30 September 2012	**48**	**6,878**	**(35,770)**	**(5,876)**	**250**	**(34,470)**

	Cash flow hedge €'000	Share based payment €'000	Foreign exchange €'000	Treasury shares €'000	Capital redemption reserve €'000	**Total €'000**
Balance at 1 October 2010	1,026	5,883	(59,875)	(6,248)	-	(59,214)
Effective portion of cash flow hedges	1,015	-	-	-	-	1,015
Deferred tax on cash flow hedges	(127)	-	-	-	-	(127)
Share based payment expense	-	1,154	-	-	-	1,154
Release from share based payment reserve	-	(484)	-	-	-	(484)
Loss on hedge of net investment in foreign operations	-	-	(98)	-	-	(98)
Translation adjustment	-	(4)	(3,625)	-	-	(3,629)
Release of treasury shares on vesting	-	(356)	-	356	-	-
Share buyback	-	-	-	(10,467)	-	(10,467)
Cancellation of treasury shares	-	-	-	10,467	228	10,695
Balance at 30 September 2011	1,914	6,193	(63,598)	(5,892)	228	(61,155)

10. Net debt

	As at 30 September 2012 €'000	As at 30 September 2011 €'000
Current assets		
Cash at bank and short term deposits	**71,919**	108,256
Derivative financial assets	**1,791**	1,338
Non-current assets		
Derivative financial assets	**1,585**	1,460
Current liabilities		
Interest bearing loans and borrowings	**(200)**	(200)
Finance leases	**(405)**	(276)
Bank overdrafts	**(1,078)**	-
Derivative financial instruments	**(781)**	(604)
Non-current liabilities		
Interest bearing loans and borrowings	**(285,239)**	(221,386)
Finance leases	**(150)**	(311)
Derivative financial instruments	**(5,141)**	(9,744)
	(217,699)	(121,467)

11. Provisions

	Deferred & contingent consideration €'000	Onerous leases €'000	Redundancy costs €'000	**Total €'000**
Balance at 1 October 2011	11,628	1,678	5,658	**18,964**
Arising on acquisition	38,105	-	-	**38,105**
Utilised during the year	(1,741)	(1,299)	(5,447)	**(8,487)**
Release to income statement	(250)	(249)	(211)	**(710)**
Unwinding of discount	519	-	-	**519**
Translation adjustment	480	68	27	**575**
Balance at 30 September 2012	**48,741**	**198**	**27**	**48,966**

12. Acquisition of subsidiary undertakings

During the year, the Group completed five acquisitions:

- On 26 June 2012, the Group acquired the entire issued share capital of Watermeadow Medical Limited and Watermeadow Consulting Inc., a leading healthcare communications and consultancy company providing services that include medical writing and preparation of promotional and educational materials typically for products pre-launch.

- On 26 July 2012, the Group agreed, subject to merger control, to acquire the entire issued share capital of Pharmexx GmbH ("Pharmexx"), a leading international trading company and provider of logistics and services in the pharmaceutical sector. With effect from 12 September 2012, United Drug assumed control over, and financial risk in, all of the Pharmexx group of companies not subject to ongoing competition clearances. The Irish and UK businesses continued to operate independently from the Group until clearance was received from the Irish Competition Authority. On 9 November 2012, clearance was received and the acquisition will complete on 20 November 2012.

- On 28 August 2012, the Group acquired the entire issued share capital of Drug Safety Alliance Inc. ("DSA") and Synopia RXLLC ("Synopia"). DSA provides safety and risk management services supporting pharmaceuticals, biotech, medical device, animal and consumer health organisations. The services include all the activities related to the detection, assessment, analysis and reporting of adverse drug reactions. Synopia provides market access services, which seek to accelerate the access and positioning of medicine in the payer market and include market research, payer strategy development and account management.

- On 31 August 2012, the Group acquired the UK and US clinical services business (combined "Bilcare Global Clinical Supplies"). Bilcare Global Clinical Supplies is a leading clinical trials materials business providing services to global pharmaceuticals and biotech manufacturers and clinical research organisations from facilities in the US and UK. The services include the formulation, development, packaging, labeling and supply chain management of drugs used in the clinical trials process.

12. Acquisition of subsidiary undertakings (continued)

The acquisitions of Pharmexx and Bilcare have been deemed to be material transactions and separate disclosure of the fair values of the identifiable assets and liabilities has therefore been made. None of the remaining business combinations completed during the year were considered sufficiently material to warrant separate disclosure of the fair values attributable to those combinations.

Goodwill is attributable to the future economic benefits arising from assets which are not capable of being individually identified and separately recognised. The significant factors giving rise to the goodwill include the value of the workforce and management teams within the businesses acquired and the enhancement of the competitive position of the Group in the marketplace and the strategic premium paid by United Drug plc to create the combined Group.

The intangible assets arising on the acquisitions are primarily related to the trade names, customer relationships and technology.

The fair value of the assets and liabilities acquired (excluding net cash acquired) were as follows:

	Pharmexx €'000	Bilcare €'000	Others €'000	2012 Total €'000	2011 Total €'000
Assets					
Non-current assets					
Property, plant and equipment	966	3,367	699	5,032	830
Intangible assets – other intangible assets	7,000	12,680	16,017	35,697	8,567
Investment in associate	177	-	-	177	-
Total non-current assets	8,143	16,047	16,716	40,906	9,397
Current assets					
Inventories	1,242	360	-	1,602	173
Financial asset*	2,568	-	-	2,568	-
Trade and other receivables**	31,132	7,099	6,760	44,991	6,417
Total current assets	34,942	7,459	6,760	49,161	6,590
Liabilities					
Non-current liabilities					
Deferred income tax liabilities	(2,100)	(1,026)	(1,681)	(4,807)	(2,479)
Total non-current liabilities	(2,100)	(1,026)	(1,681)	(4,807)	(2,479)
Current liabilities					
Trade and other payables	(20,643)	(4,309)	(2,209)	(27,161)	(14,397)
Current income tax liabilities	(1,069)	(260)	(444)	(1,773)	-
Total current liabilities	(21,712)	(4,569)	(2,653)	(28,934)	(14,397)
Identifiable net assets acquired	19,273	17,911	19,142	56,326	(889)
Intangible assets – goodwill	24,200	30,440	29,480	84,120	20,610
Total consideration (enterprise value)	43,473	48,351	48,622	140,446	19,721
Satisfied by:					
Cash	32,269	48,848	30,343	111,460	20,957
Fair value of previously held 50% interest in TCP	-	-	-	-	3,620
Net cash acquired	(4,866)	(497)	(3,756)	(9,119)	(8,909)
Net cash outflow	27,403	48,351	26,587	102,341	15,668
Deferred & contingent acquisition consideration*	16,070	-	22,035	38,105	4,053
Total consideration	43,473	48,351	48,622	140,446	19,721

* The financial asset classified as a current asset represents the fair value of the net assets of the UK and Republic of Ireland subsidiaries of Pharmexx GmbH. The Group did not assume control of these subsidiaries until competition approval was obtained from the Irish Competition Authority. On 9 November 2012, the approval was received and the acquisition will complete on 20 November 2012.

** The deferred consideration with respect to Pharmexx, that is payable to the selling shareholders, is matched by a receivable in the acquired balance sheet of Pharmexx from the selling shareholders.

12. Acquisition of subsidiary undertakings (continued)

The initial assignment of fair values to identifiable net assets acquired has been performed on a provisional basis in respect of a number of the business combinations above given the timing of closure of these transactions. Any amendments to these fair values within the twelve month timeframe from the date of acquisition will be disclosed in the 2013 Annual Report as stipulated by IFRS 3.

The acquisition related costs for these acquisitions which amount to €3,307,000 are presented separately on the Group income statement. In the prior year, €199,847 of acquisition costs were incurred and these were included in administration expenses in the Group income statement.

The Group's results for the year ended 30 September 2012 includes the following amounts in respect of the businesses acquired during the year:

	Pharmexx €'000	Bilcare €'000	Others €'000	Total €'000
Revenue	10,063	1,494	4,494	**16,051**
Gross profit	9,761	451	1,742	**11,954**
Distribution expenses	(9,902)	(391)	(1,007)	**(11,300)**
Other operating expenses*	(114)	(192)	(329)	**(635)**
Operating (loss)/profit	(255)	(132)	406	**19**
Net interest expense	(47)	(124)	(16)	**(187)**
(Loss)/profit before tax	(302)	(256)	390	**(168)**
Income tax	90	96	(93)	**93**
(Loss)/profit after tax	**(212)**	**(160)**	**297**	**(75)**

*Other operating expenses consists of amortisation of intangible assets

Had these acquisitions been effected on 1 October 2011, the combined Group would have recorded total revenues of €1,984,599,000 and profit after interest and tax for the financial year of €42,990,000.

13. Employee benefits

	Employee benefit asset €'000	Employee benefit liability €'000	Employee benefit Total €'000
Employee benefit asset/(liability) at 1 October 2011	12,209	(18,099)	(5,890)
Current service cost	(918)	(801)	(1,719)
Interest on scheme obligations	(182)	(2,768)	(2,950)
Expected return on scheme assets	1,064	2,164	3,228
Contributions paid	-	2,193	2,193
Actuarial (loss)/gain	845	(7,367)	(6,522)
Curtailment gain	-	2,981	2,981
Translation adjustment	601	(354)	247
Employee benefit asset/(liability) at 30 September 2012	**13,619**	**(22,051)**	**(8,432)**

As set out in the consolidated financial statements for the year ended 30 September 2011, the Group operates a number of defined benefit pension schemes which are funded by the payments of contributions to separately administered trust funds. The employee benefit asset relates to the United States pension scheme and the employee benefit liability relates to the Republic of Ireland and Northern Ireland pension schemes. The actuarial loss during the current year primarily relates to a change in the discount rates in respect of all the pension schemes. The decrease in the discount rate is reflective of changes in bond yields during the year. A number of other assumptions used to derive the actuarial valuations at 30 September 2012 have changed from the assumptions used at 30 September 2011.

13. Employee benefits (continued)

The principal assumptions are as follows:

	Republic of Ireland Schemes		Northern Ireland Scheme		United States Scheme	
	2012	2011	**2012**	2011	**2012**	2011
Rate of increase in salaries	**3.00%**	3.00%	**-**	4.00%	**2.75%-4.00%**	2.75%-4.00%
Rate of increase in pensions	**0-2.00%**	0-2.00%	**1.80-3.00%**	1.90-3.30%	**0.00%**	0.00%
Inflation rate	**2.00%**	2.00%	**2.35%**	2.60%	**2.75%**	2.75%
Discount rate	**4.00%**	5.25%	**4.35%**	5.05%	**3.40%**	4.70%

14. Dividends

The Board has proposed a final dividend for 2012 of 6.56 cent per share, which gives a total dividend of 9.04 cent for 2012. This dividend has not been provided for in the balance sheet at 30 September 2012, as there was no present obligation to pay the dividend at the end of the reporting period. During the financial year, the final dividend for 2011 (6.25 cent per share) and the interim dividend for 2012 (2.48 cent per share), were paid giving rise to a reduction in shareholders' funds of €20,845,000.

15. Related parties

The Group trades in the normal course of business with its joint venture undertakings. The aggregate value of these transactions is not material in the context of the Group's financial results.

Other than key management personnel compensation in the form of short-term employee benefits, post-employment benefits and equity compensation benefits, there were no other material key management related party transactions.

16. Going concern

The directors believe that the Company and the Group as a whole have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the preliminary announcement.

17. Board Approval

This announcement was approved by the Board of Directors of United Drug plc on 13 November 2012.