DCC

Investor Presentation

DCC Healthcare Acquisition of Kent Pharmaceuticals

Kent Pharmaceuticals

20 December 2012

Contents

Glossary of terms

Generics	Generic medicines are copies of a medicine that was originally patented and branded; they can only be marketed once the patent life of the branded product has expired. Generic medicines contain the same active ingredients, are in the same dosage form and are identical in strength to the original medicine.
Beta-Lactam Antibiotics	Beta-Lactam antibiotics are a broad class of antibiotics, consisting of all antibiotic agents that contain a Beta-lactam nucleus in their molecular structures. Examples of beta-lactam antibiotics include penicillins, cephalosporins, carbapenems and monobactams. These have been the most widely used antibiotics in human medicine for decades.
Penicillin V ("Pen V")	Pen V is a narrow spectrum antibiotic. It is recommended for use in the treatment of mild to moderate infections in particular throat infections.
Flucloxacillin ("Floclox")	Fluclox is also a narrow spectrum antibiotic. It is recommended for the treatment of skin and soft tissue infections, respiratory tract infections and other generalised infections.
Amoxicillin	Amoxicillin is a broad spectrum antibiotic for the treatment of commonly occurring bacterial infections such as ear, throat and urinary tract infections, often in children.
API	Active Pharmaceutical Ingredient

DCC Healthcare overview

DCC Healthcare is focused on the provision of products and services in the medical device, pharma and health & beauty sectors

- **DCC Vital (formerly DCC Hospital Supplies & Services)**

  Sales, marketing and distribution of medical device and pharma products and provision of related services in Britain and Ireland

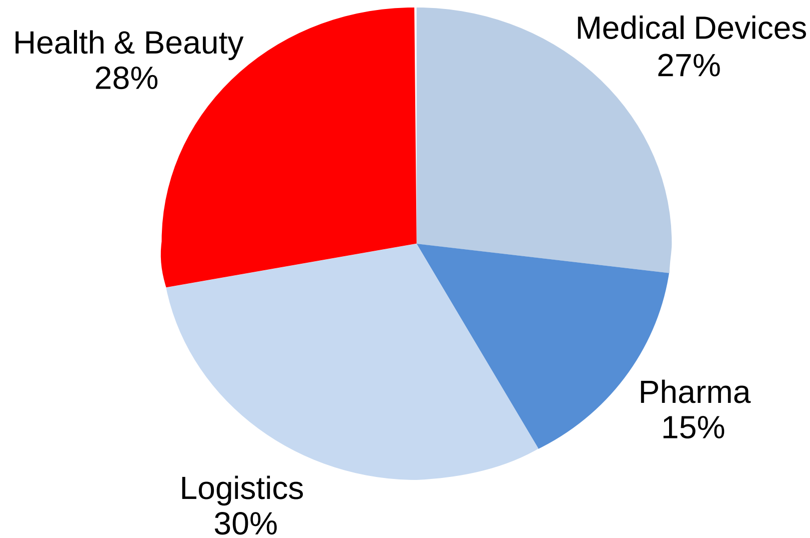
- **DCC Health & Beauty Solutions**

  Provision of outsourced product development, manufacturing, packing and other services to health & beauty brand owners in Europe

  - 5 licensed manufacturing facilities
  - Tablets, capsules, creams, liquids

	2012
Revenue	€330.0m
Operating profit	€23.4m
ROCE	15.4%

Sales by product/service area – FY2012



Global pharma market

- Ageing populations - increased consumption of pharmaceuticals
- Government healthcare reforms and cost saving initiatives driving increased prescribing/dispensing of generic pharmaceuticals
- Strong growth in generics projected
- Established niche products that are a number of years post patent expiry generally show stable demand and pricing patterns
- Requirement for product licence provides barrier to entry
- Pan-EU pharma regulation creates opportunities to leverage product licence ownership
- Highly fragmented market – acquisition opportunities
  - Global market value c.$1 trillion; Top 10 market share c.10%

UK Generics market overview

- Total UK pharma market
  - Approximately £13.5 billion in value
  - Retail pharmacy c.75% / hospital c.25%
- Generic prescribing relatively high
  - By volume 67%, by value 21%; (Source: British Generic Manufacturers' Association)
- Leading generic pharma companies in UK – Teva, Actavis, Kent, Bristol Laboratories
- Retail/wholesale landscape:
  - Major retail/wholesale groups - Alliance Boots, Celesio (AAH/Lloyds), Phoenix, The Co-op
  - Regional retail/wholesale groups, "short line" wholesalers
  - Pharmacies within supermarkets
  - Independent pharmacies
- Security of supply is critical for retailers/wholesalers
- Products sold through retail pharmacy are typically reimbursed by NHS
  - Reimbursement price determined by NHS Drug Tariff mechanism
  - Selling prices from generic companies driven by market economics

DCC Healthcare's existing Pharma activities

Activities	• Sales, marketing & distribution of innovative and generic products • Outsourced compounding services for Irish hospitals • Regulatory services (product registration, pharmacovigilance, QA/QC, medical information, business development support)
Channels to market	• Hospitals in Ireland and Britain • Retail pharmacy in Britain and Ireland • Homecare in Ireland
Products	• Oncology, haematology, antibiotics, pain management, respiratory, paediatric nutrition, addiction, emergency medicine • Own and third party products
Supplier base	• Includes Cipla, Fresenius, Grifols, Hikma, Martindale, Rosemont, Sandoz
Scale	• Approx 100 product licences, sales of c.€55m, 68 employees

DCC's pharma development to date

FY2002
Acquisition of Technopharm
Sales €8m

FY03 to 06:
- Compounding facility established
- UK market launch

FY07 to 09:
- Compounding expansion
- NHS contract wins

FY12 + 13:
- Neolab trade and assets
- IS Pharma Irish portfolio + sales force
- Management team strengthened
- National homecare contract win

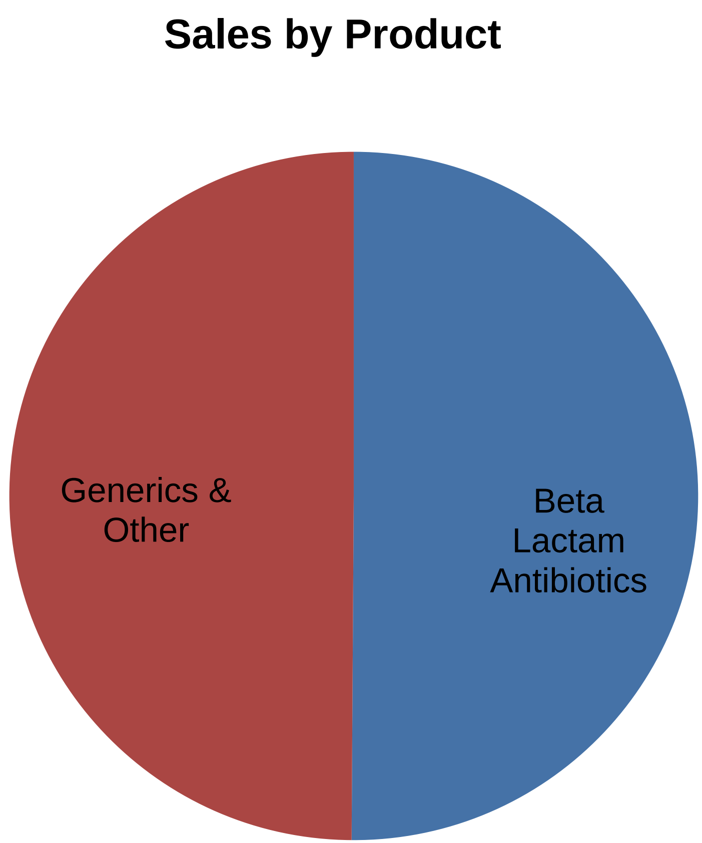
Current sales run rate c.€55m

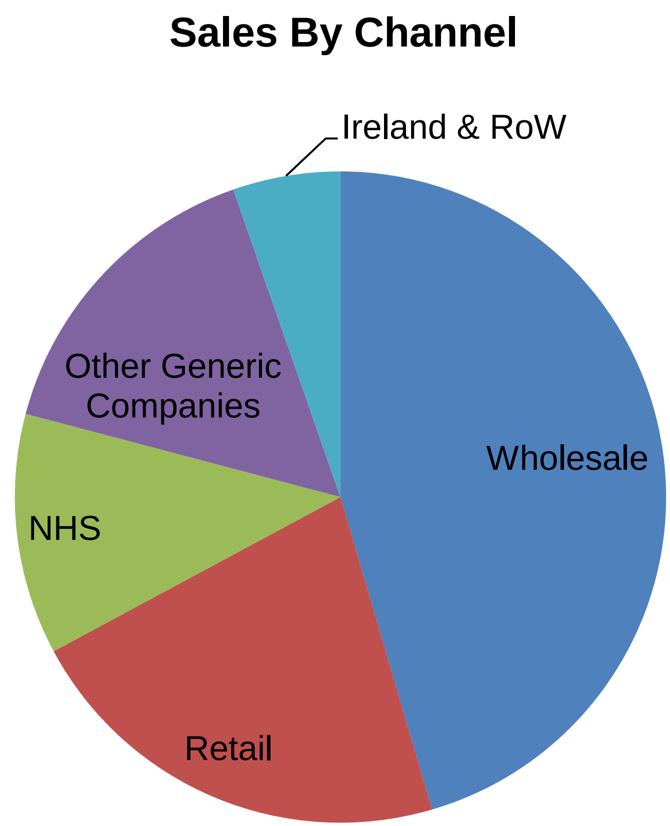
Kent business overview

- An established leading distributor of generic pharmaceuticals in Britain
- Particular focus on beta-lactam antibiotics
  - vertically integrated with specialist manufacturing facility in Ireland
- Broad product range with c.600 product licences
- Broad customer base of wholesale/retail pharmacy groups, independent pharmacies, major generic companies, hospitals, international distributors
- 304 employees across 3 locations – Ashford (head office), Measham (warehousing/distribution), Roscommon (manufacturing and regulatory)
- Financials: sales £73.3m, adjusted EBITDA £8.7m, adjusted EBIT £7.6m

(adjusted to exclude non-recurring items)

Kent Sales (year ended 31 Aug 2012)





Kent business strengths

- Product licence owner for majority of portfolio
- Specialist beta-lactam manufacturing facility – close to market
- Broad market reach and customer relationships in Britain
- Strong commercial management capability
  - Deep British market knowledge and experience
- Substantial regulatory and portfolio development team
- API sourcing

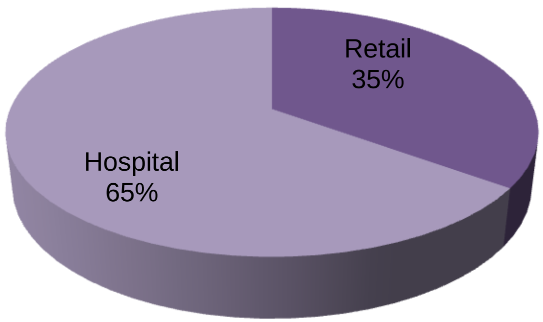
Kent integration plan

- Combine Kent Pharma with existing DCC pharma activities to create a substantial pharma business with revenues approaching €150 million
  - Led by DCC Vital’s Pharma MD
- Product portfolio and sales force integration
- One enlarged regulatory and product development team
  - Engine for future growth
- DCC Vital’s ERP system to be rolled out to Kent Pharma
- Investment in international business development resources over time

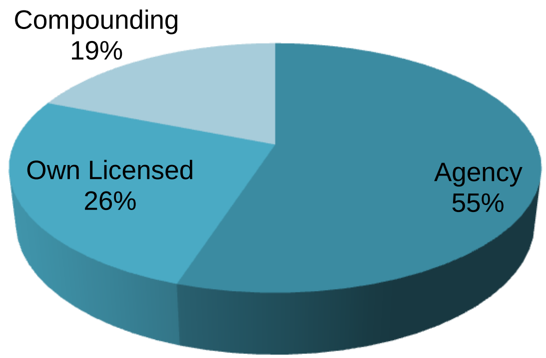
Pro-forma shape of the combined business

Existing DCC pharma

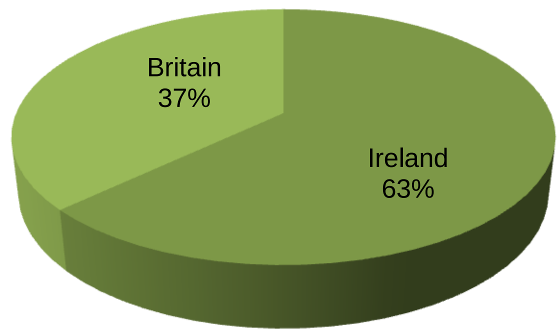
Sales by Channel



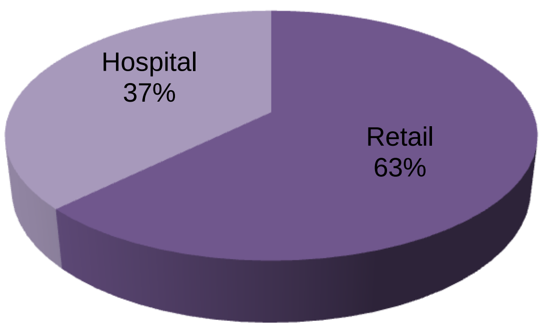
Sales by Product Type

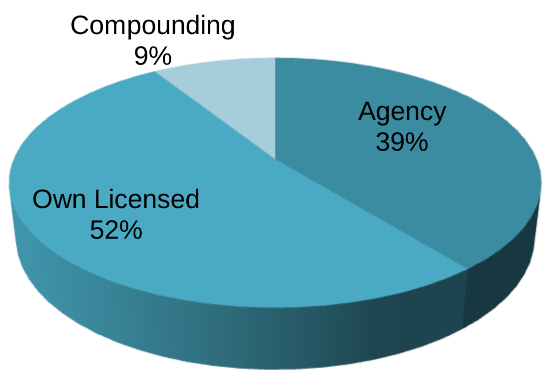


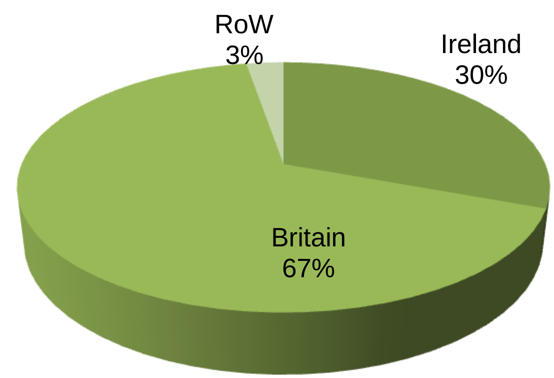
Sales by Geography



Combined Business







Strategic Fit - Synergies & Growth Opportunities

- Strong British market presence
  - Combined Kent/ DCC pharma entity would be a leader in British generics market
- Opportunity to accelerate British sales and profit growth
  - Increased market reach for existing DCC pharma products
  - Strength of combined portfolio - comprehensive product offering for retail pharmacy
- DCC management process
  - More rigorous business review process
  - More focused portfolio development activity
- European/MENA development platform
  - Leverage existing product licences
  - Attract product in-licensing opportunities of scale

Transaction details

- Enterprise valuation of £58m
  - 7.6 x FY2012 adjusted EBIT
  - 6.6 x FY2012 adjusted EBITDA
  - Net tangible operating assets at 31 August 2012 of £21.5m

- £2.5m of management's consideration deferred
  - Represents material proportion of the net transaction proceeds of the Kent Managing Director and Commercial Director
  - Maximum aggregate deferred consideration of £5.5m

Summary

- Material step forward for DCC Healthcare
- Acquisition in line with DCC Healthcare's stated strategy for development in pharma
- Short term synergy and continuing growth opportunities in Britain
- Medium term growth opportunities internationally
- Platform and magnet for in-licensing and bolt on acquisition opportunities