



AmerisourceBergen

**JP Morgan**

**Healthcare Conference**

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## Comment Regarding Forward Looking Statements

Certain of the statements contained in this presentation are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements are based on management’s current expectations and are subject to uncertainty and change in circumstances. Among the factors that could cause actual results to differ materially from those projected, anticipated or implied are the following: changes in pharmaceutical market growth rates; the loss of one or more key customer or supplier relationships; changes in customer mix; customer delinquencies, defaults or insolvencies; supplier defaults or insolvencies; changes in pharmaceutical manufacturers’ pricing and distribution policies or practices; adverse resolution of any contract or other dispute with customers or suppliers; federal and state government enforcement initiatives to detect and prevent suspicious orders of controlled substances and the diversion of controlled substances; qui tam litigation for alleged violations of laws and regulations governing the marketing, sale and purchase of pharmaceutical products; changes in U.S. legislation or regulatory action affecting pharmaceutical product pricing or reimbursement policies, including under Medicaid and Medicare; changes in regulatory or clinical medical guidelines and/or labeling for the pharmaceutical products we distribute, including certain anemia products; price inflation in branded pharmaceuticals and price deflation in generics; significant breakdown or interruption of our information technology systems; our inability to implement an enterprise resource planning (ERP) system to handle business and financial processes within AmerisourceBergen Drug Corporation’s operations and our corporate functions without operating problems and/or cost overruns; success of integration, restructuring or systems initiatives; interest rate and foreign currency exchange rate fluctuations; economic, business, competitive and/or regulatory developments in Canada, the United Kingdom and elsewhere outside of the United States, including potential changes in Canadian provincial legislation affecting pharmaceutical product pricing or service fees or regulatory action by provincial authorities in Canada to lower pharmaceutical product pricing or service fees; the impact of divestitures or the acquisition of businesses that do not perform as we expect or that are difficult for us to integrate or control; our inability to successfully complete any other transaction that we may wish to pursue from time to time; changes in tax legislation or adverse resolution of challenges to our tax positions; increased costs of maintaining, or reductions in our ability to maintain, adequate liquidity and financing sources; volatility and deterioration of the capital and credit markets; and other economic, business, competitive, legal, tax, regulatory and/or operational factors affecting our business generally. Our most recent annual report on Form 10-K, quarterly reports on Forms 10-Q and current reports 8-K (which we may revise or supplement in future reports filed to the SEC) provide additional information about these risks, uncertainties and other matters. We do not undertake to update our forward-looking statements.

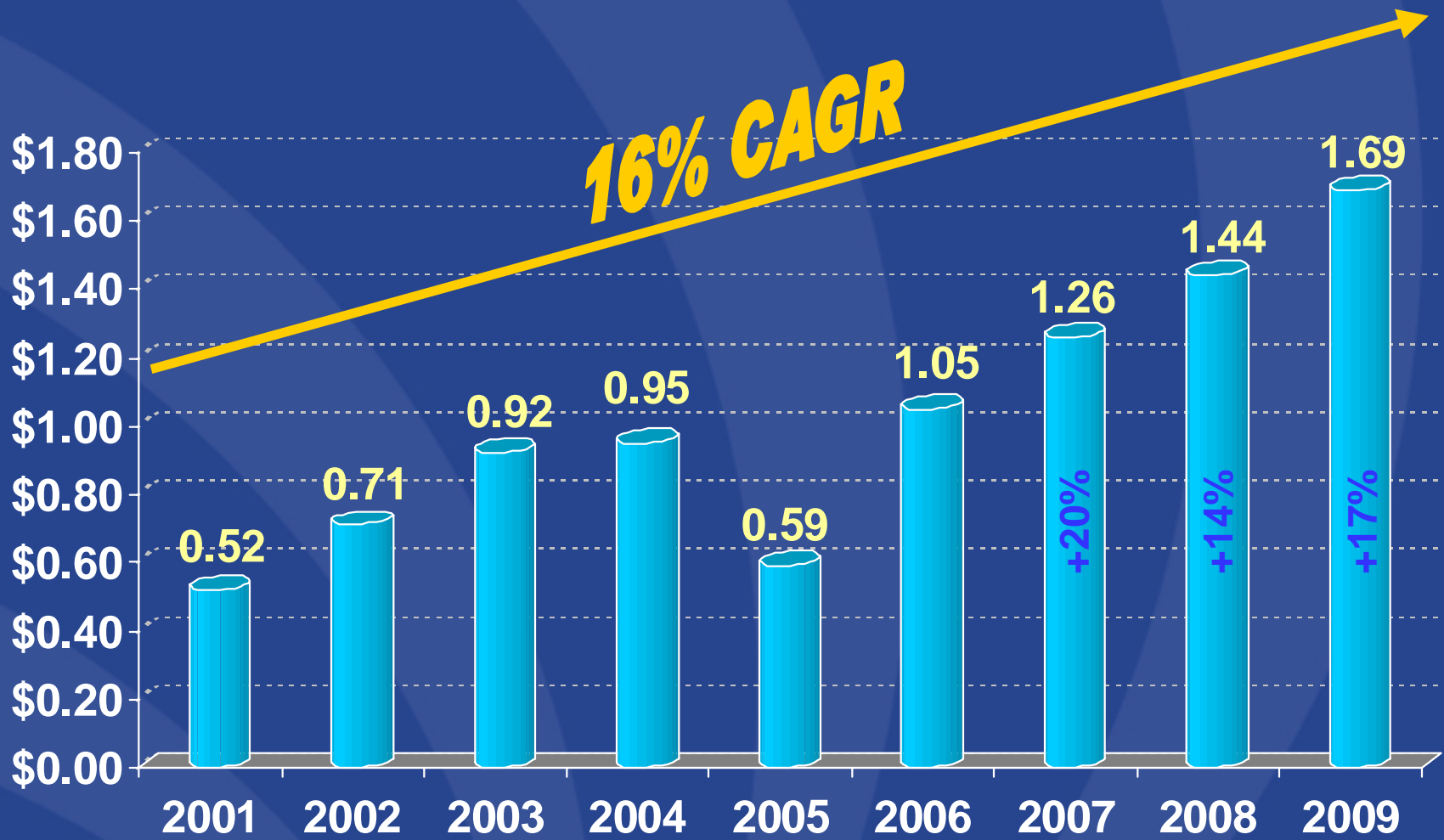
## Consistent Growth

- Positioned in Drug Channel for Growth
  - Diverse customer mix
  - Favorable product mix
- Focused on Growth Areas in Drug Channel
  - Generics
  - Specialty Drugs to Physicians
- Right Investments for Future Growth

# Consistent Growth

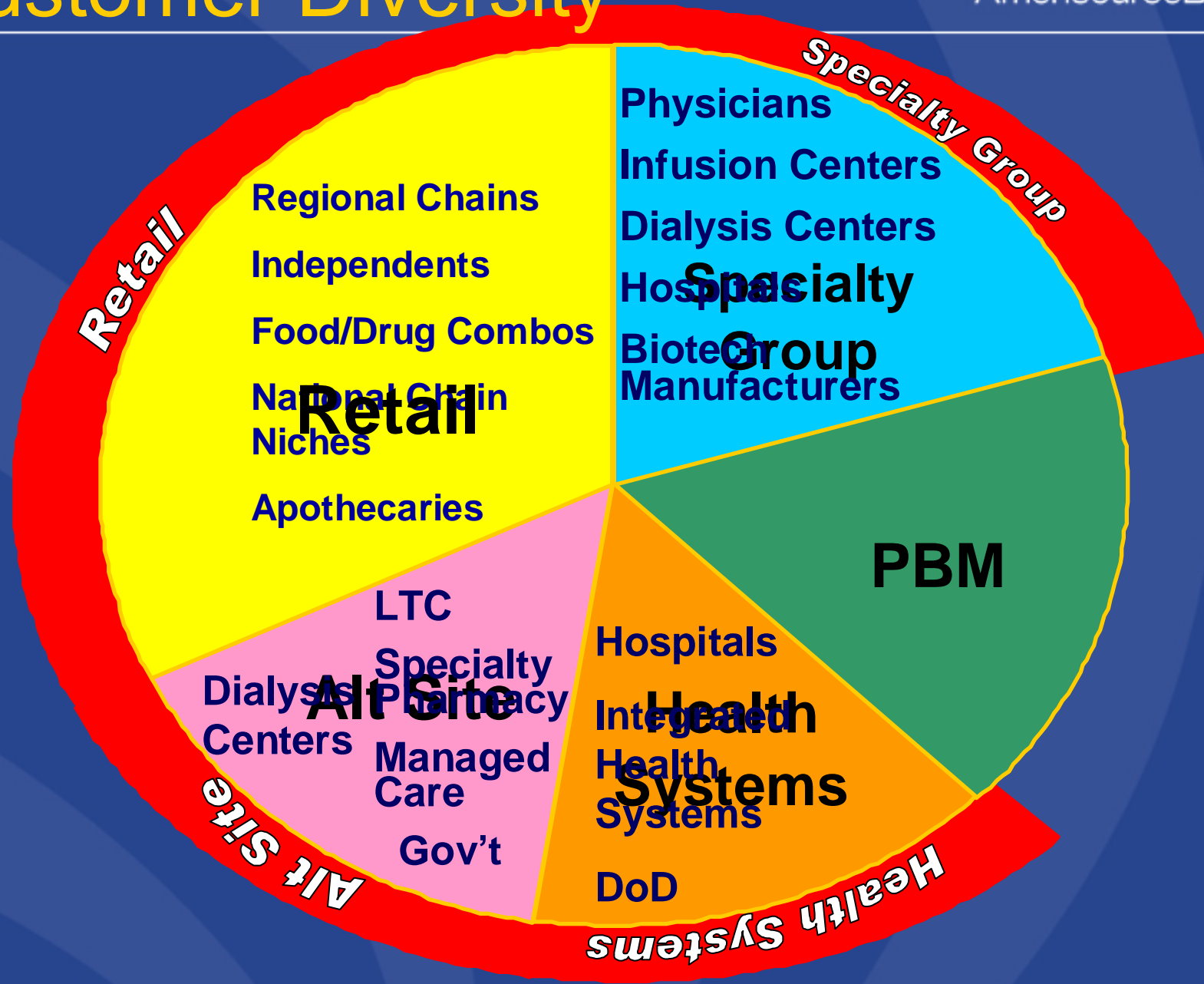


## EPS from Continuing Ops Since Merger



GAAP Basis

# Customer Diversity



## Primary Growth Drivers

### Generics

- Growing Market
- Customer mix advantage
- Differentiated offer
- Services
  - Manufacturers
  - Dispensers
- Broad Sourcing Strategy

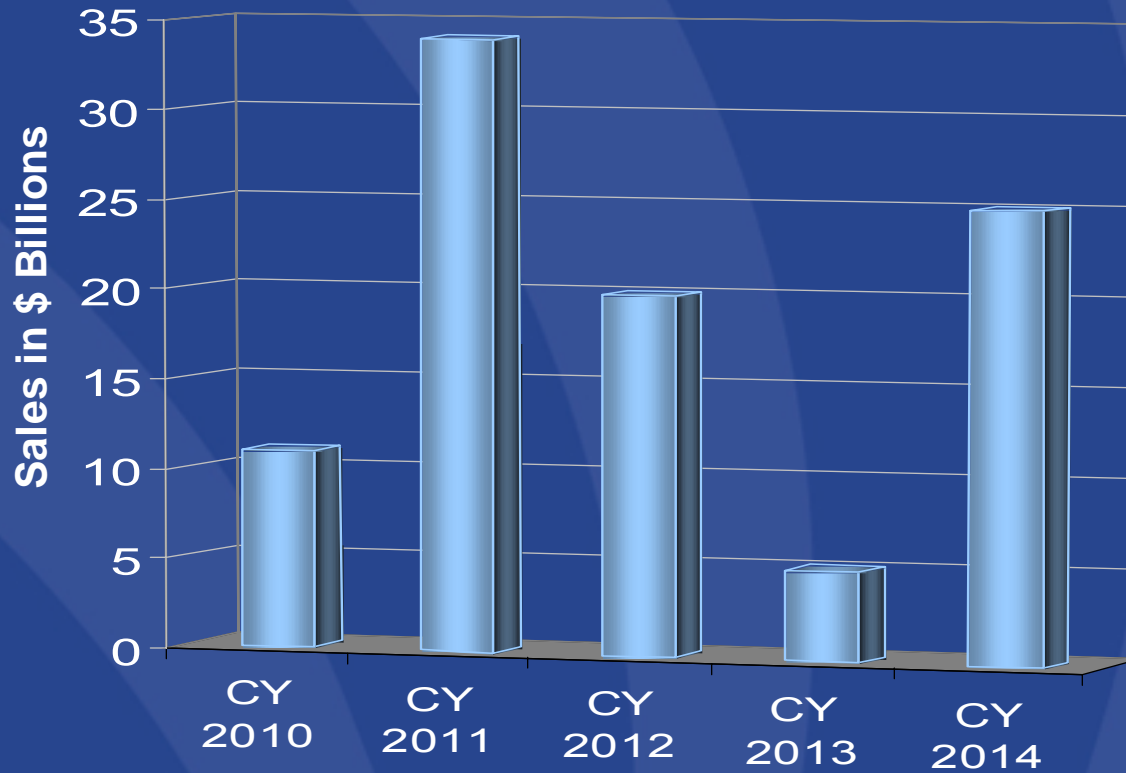
### Specialty Drugs

- Brand and generic
- Physician administered
- Strong Distribution
  - Oncology
  - Nephrology/Plasma
- Services
  - Manufacturers
  - Physicians

# Generic Market Growth Drivers

- Continued Branded Rx patent expirations
- Increased awareness and acceptance
- Government and payers promoting use of generics to reduce Healthcare costs
- Generic dispensing rates continue to rise

## U.S. Patent Expirations



### Top 3 Products Per Year

- Effexor XR®
- Lipitor®
- Plavix®
- Aciphex®
- Nexium®
- Aricept®
- Actos®
- Seroquel®
- Asacol®
- Rituxan®
- Flomax®
- Zyprexa®
- Lexapro®
- Xeloda®
- Cymbalta®

# PRxO<sup>®</sup> Generics

- Formulary that consists of over 7,000 SKUs
  - Value Pricing
  - Portfolio Management
- Increasing penetration in all segments
- Tailored programs
- Focused on customer profitability
- 100 manufacturers in PRxO<sup>®</sup> Generics

## AmerisourceBergen Specialty Group *\$15.6 Billion in Revenue*

- Specialty product distribution & related services primarily to physicians
- Comprehensive commercialization services for biotech manufacturers

- Distribution through all specialty channels
- Outsourced logistics
- Health economics and outcomes analysis
- REMS
- Compliance and persistency programs
- Physician services networks
- Nursing support and clinical call centers
- Infusion services
- Reimbursement management
- Market research

## ABSG Business Units

### Distribution Focused

- Oncology Supply & ION – oncology products & physician services
- ASD Healthcare – Plasma, nephrology, flu vaccine
- Besse Medical – Vaccines, rheumatology, ophthalmology
- ICS – Specialty distribution, 3PL, clinical call center services, REMs

### Services Focused

- Lash Group – Reimbursement services, patient assistance programs, REMS
- Xcenda – Managed markets messaging, outcomes research, strategic consulting
- US Bioservices – Specialty pharmacy, persistency & compliance, infusion
- Innomar Strategies – Specialty pharmaceutical services in Canada

# ABSG Is Undisputed Leader in Specialty Product Distribution

- Largest oncology products distributor and physician services organization in U.S.
  - More than half of all community-based oncologists in the country
- Leading distributor in nephrology/dialysis
- Largest blood plasma products distributor
- Strong position in ophthalmology

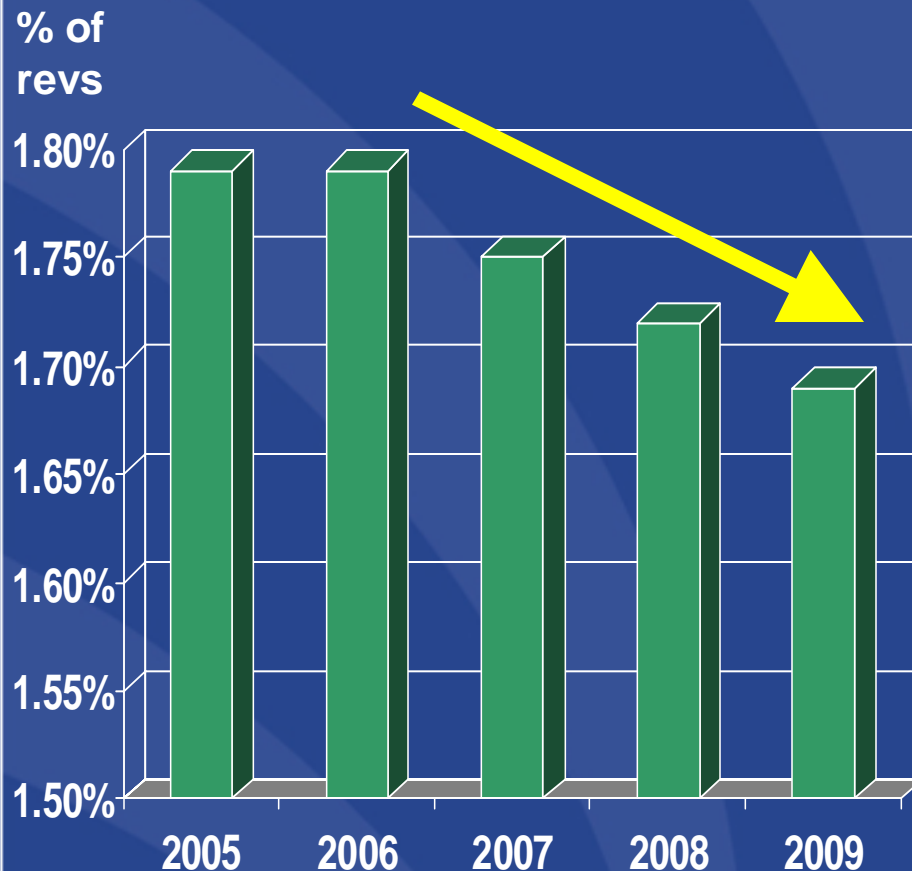
# ABSG Is Market-Leading Services Provider

- Over 10 million unique patient contacts across 80 unique manufacturer programs
- Over 1,700 seat call center capability—reimbursement and nursing professionals
- Over 750 consulting projects with 90+ pharmaceutical, biotech and medical device companies in 2009
- Advisory boards and case-based market research—over 6,000 physicians and 400 private payer/manager care leaders in 2009

## ABC Cost Discipline

### Operating Expenses

### CE2 Philosophy



### Customer Efficiency & Cost Effectiveness

- Grow Revenues faster than expenses
  - Streamlined organization
  - Consolidated services
- Continuous Improvement

## The Future

### The Changes

- 100% Fee For Service
- BT/ ERP completed
- Universal health coverage

### ABC Opportunity

- More predictability
- Customer efficiency
- More drug utilization
- Generics & Biosimilars → Value-added services
- Compliance Packaging → Packaging leadership
- Manufacturer concentration → More efficiency

***ABC: Continually Well Positioned***



AmerisourceBergen

**Mike DiCandilo**

**Executive Vice President &  
Chief Financial Officer**

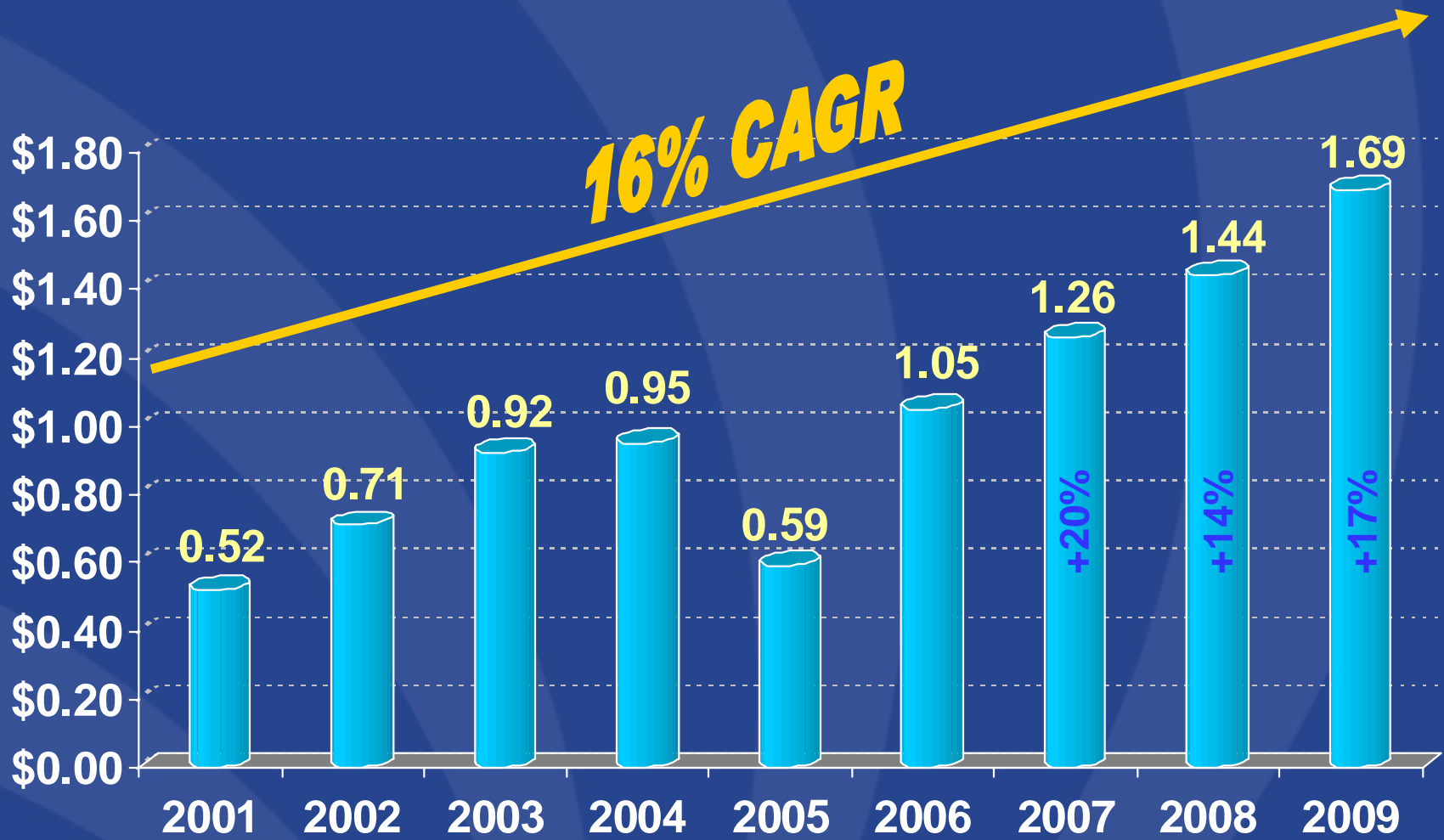
# Long Term Financial Goals

- EPS growth of approximately 15%
- Revenue growth with market
- Operating margin expansion
- ROIC > WACC
- Free cash flow approximates net income
- Minimum 30% of free cash returned to shareholders

# Consistent Growth



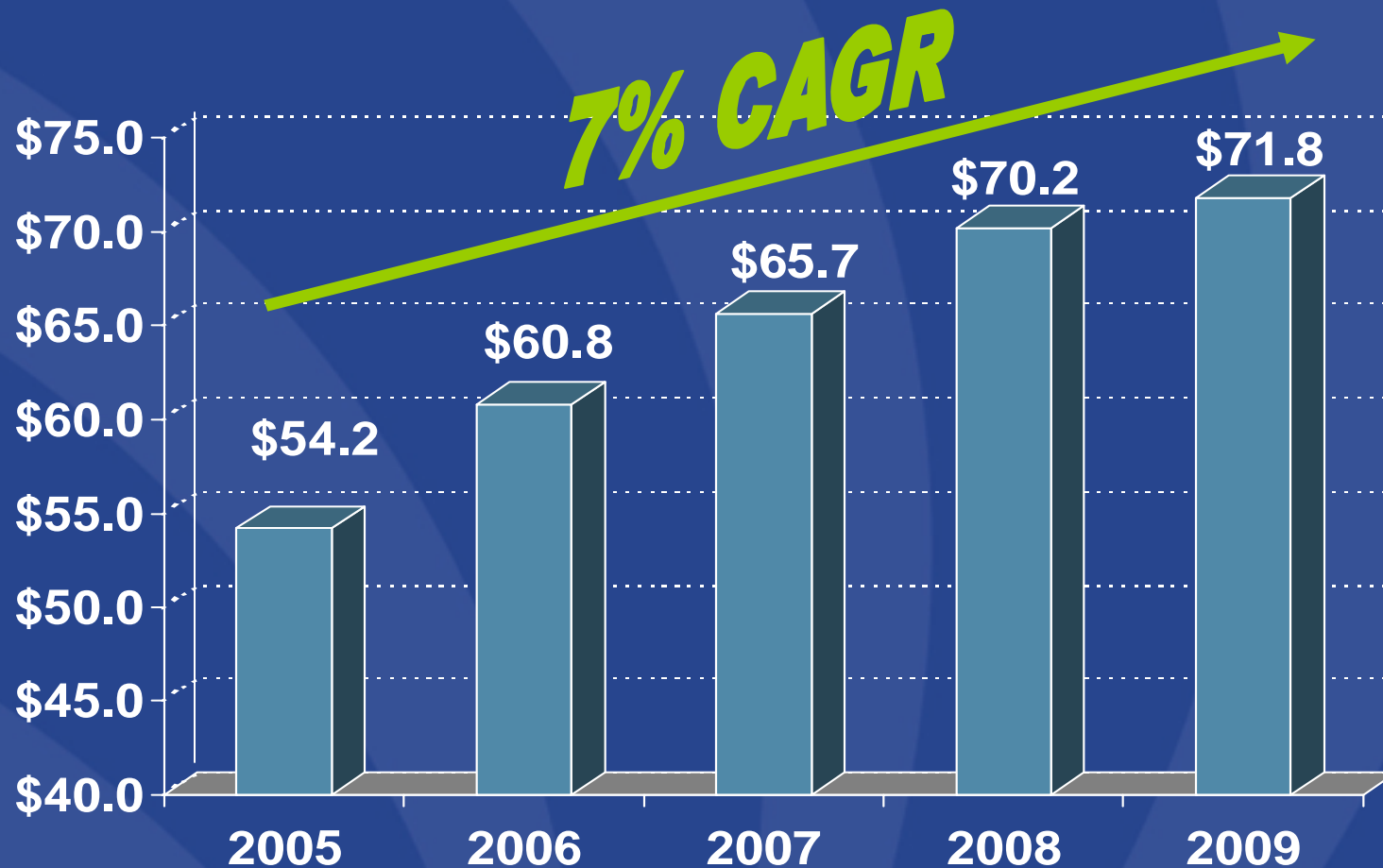
## EPS from Continuing Ops Since Merger



GAAP Basis

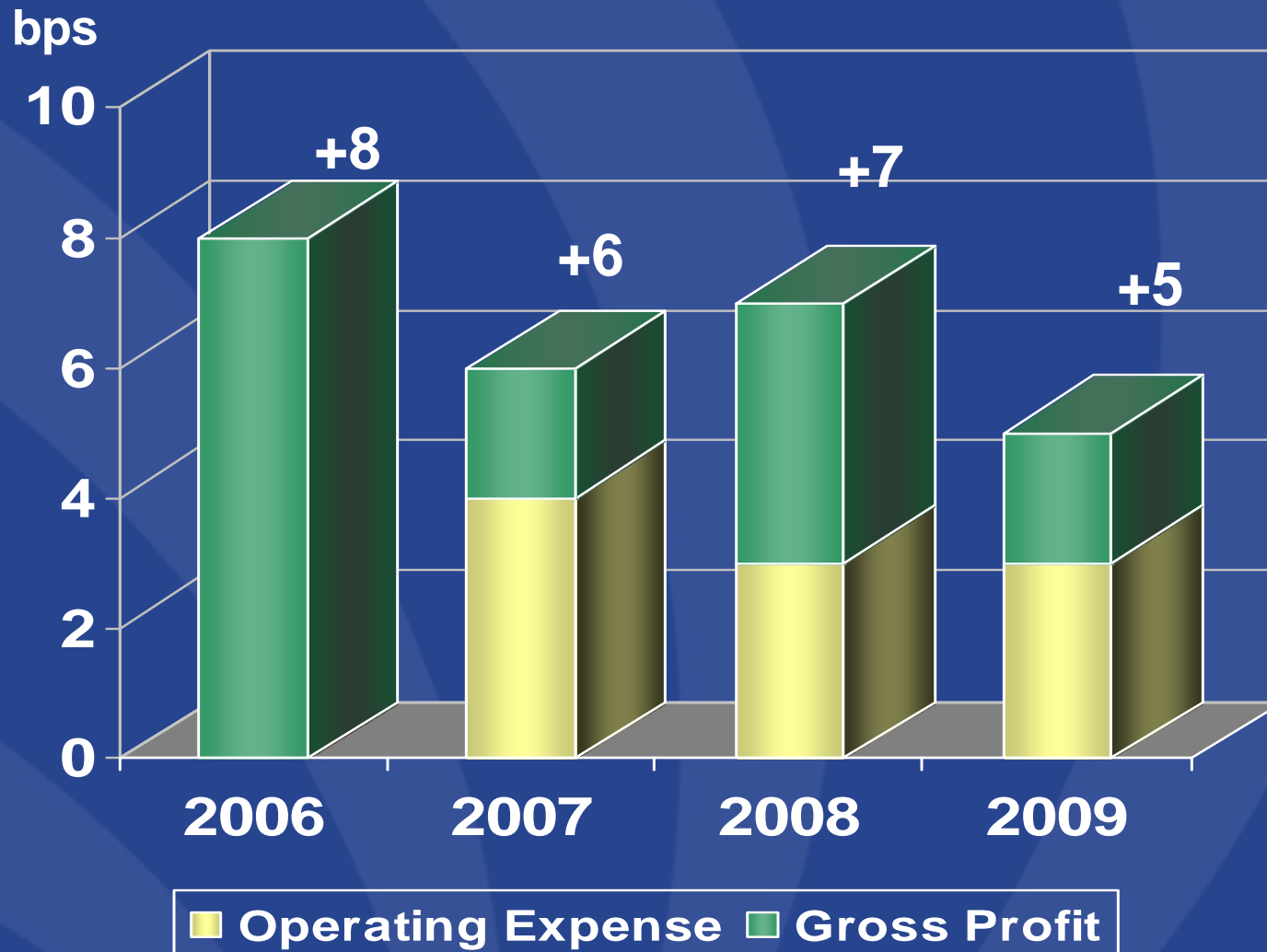
# Consistent Growth

## Revenues

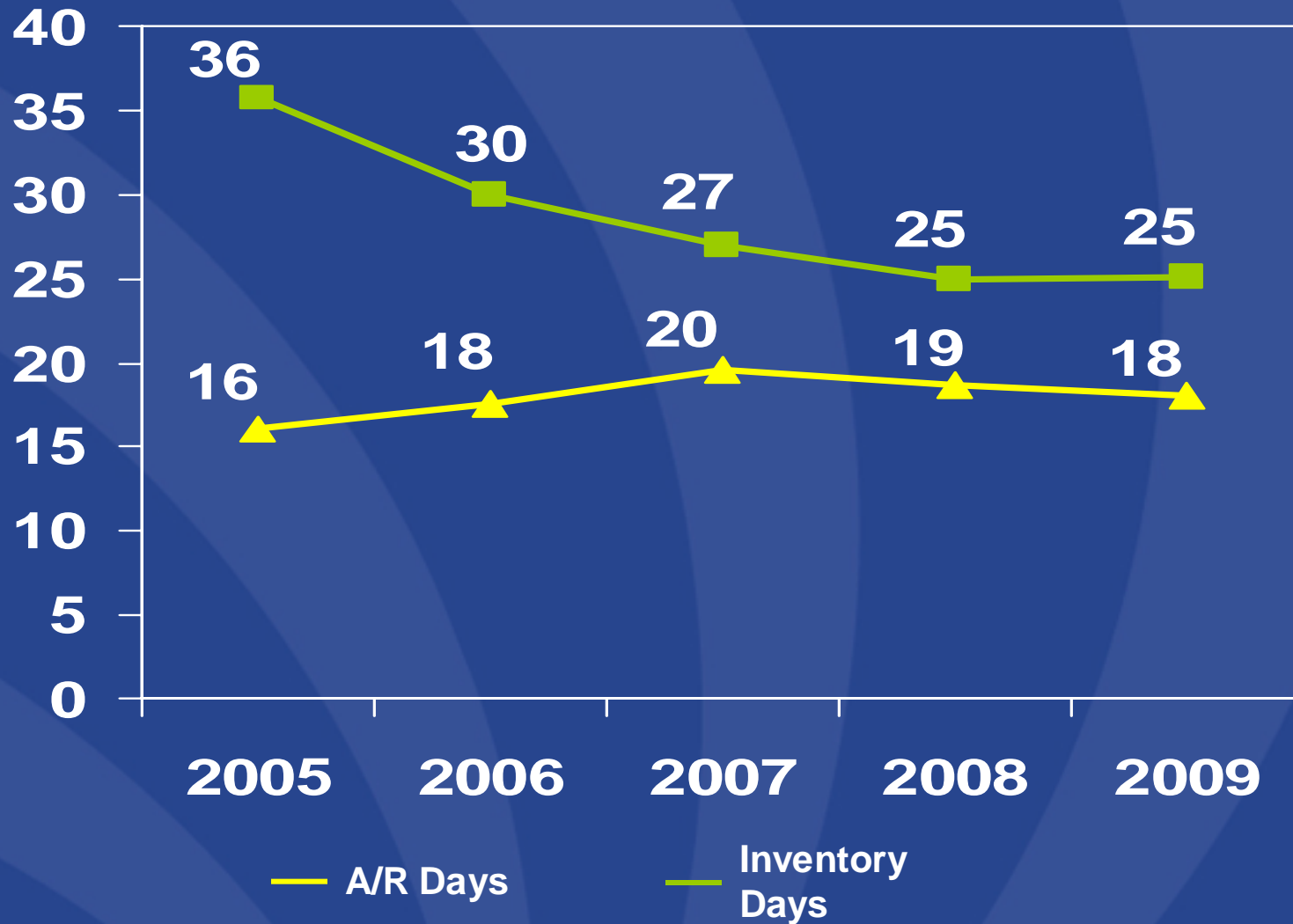


# Consistent Growth

## Operating Margin Expansion

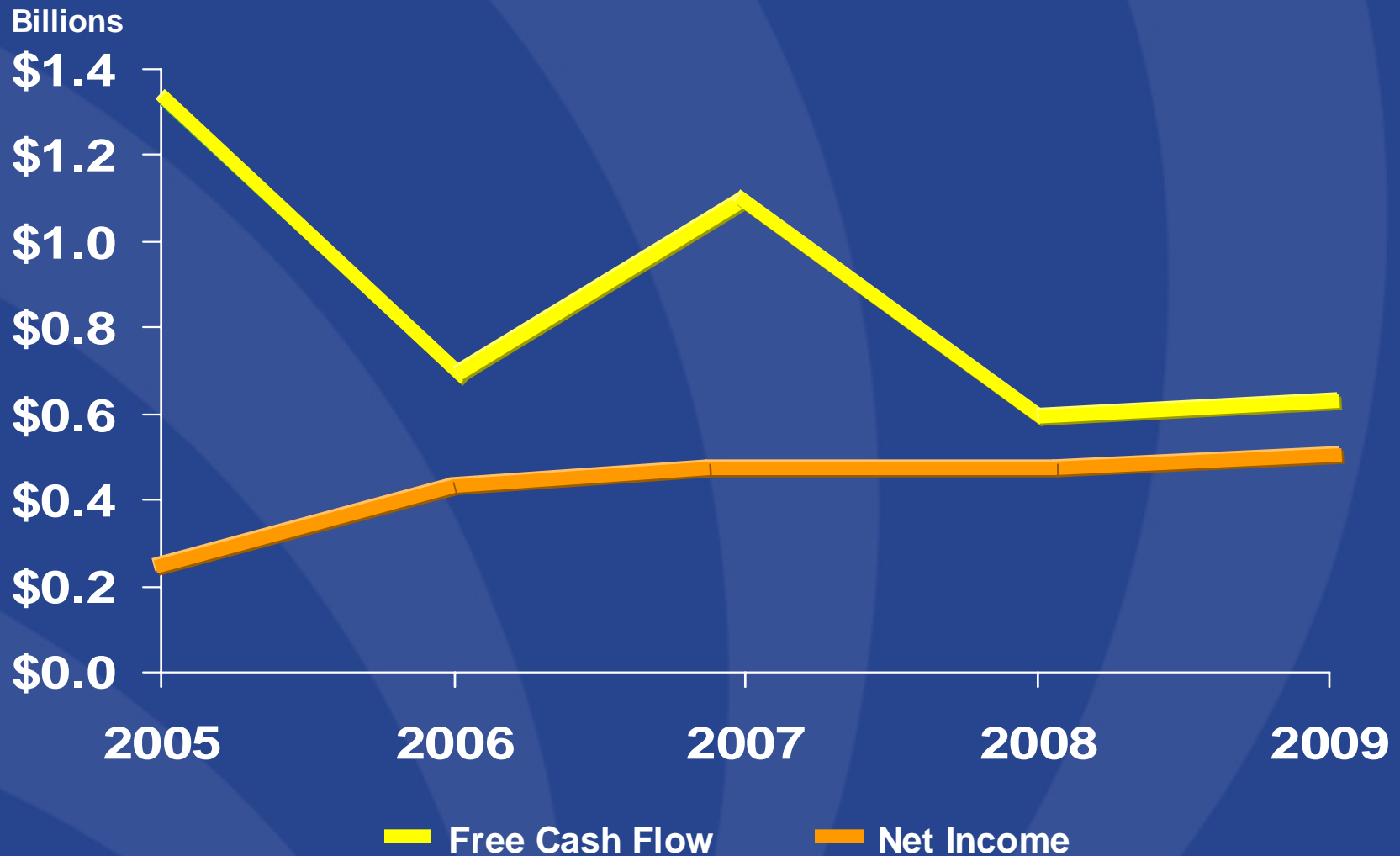


## Asset Management



# Consistent Growth

## Cash Generation and Net Income



## FY 2009 Results

- Record Diluted EPS From Cont. Ops. of \$1.69, Up 17% ✓
- Record Revenue of \$71.8 Billion, Up 2% ✓
- Operating Margin 1.23% Up 5 bps ✓
- Free Cash Flow: \$638 million ✓
- \$450 Million of Share Repurchase ✓

✓ **Met or Exceeded FY 2009 Guidance**

## Fiscal Year 2010 Targets

- Diluted EPS of \$1.82 to \$1.92, up 8% to 14%, comfortable with higher end of range
  - Q1 EPS will exceed the current consensus estimate of \$0.43 by several cents
- Total revenue growth of 5% to 7%
  - Q1 greater than 10%
- Operating Margin expansion – flat to low single digit basis points
- Free cash flow of \$500 to \$575 Million
  - Includes CapEx of  $\cong$  \$140 Million
- Share Repurchases of approximately \$350 Million
  - Average shares down about 5%

# EPS Growth Estimate

	<u>FY 09</u>	<u>FY 10</u>	<u>FY 10 Drivers</u>
Revenue Growth	2%	5-7%	<ul style="list-style-type: none"> <li>·Market growth 3-5%</li> <li>·New business 2%</li> <li>·Front-ended, Q1&gt;10%</li> </ul>
Margin Expansion	<u>5%</u>	<u>0-3%</u>	<ul style="list-style-type: none"> <li>+Expense leverage</li> <li>+Generics</li> <li>-Customer mix, Kaiser</li> <li>-Business Transformation</li> </ul>
Op Inc Growth	7%	5-10%	
Cash Deployment	<u>10%</u>	<u>3-4%</u>	<ul style="list-style-type: none"> <li>·Share repurchase \$350 million</li> <li>·Net interest expense -- \$400 million bond</li> </ul>
EPS Growth	<u><u>17%</u></u>	<u><u>8-14%</u></u>	<ul style="list-style-type: none"> <li>1Q highest growth</li> <li>4Q lowest growth</li> </ul>

## Fiscal 2010 Capital Deployment

### *What's Available?*

- \$1.0 billion of cash @ 9/30/09 (\$500 million available)
- Free Cash Flow of \$500-\$575 million expected for FY10
- Net \$100 million provided by \$400 million bond issuance
- Total available for investment about \$1.1 billion - \$1.2 billion, excluding additional borrowing capacity

### *Where to deploy?*

- \$350 million of shares expected to be repurchased in FY10 (\$568 million authorized)
- \$90 million for dividend (increased 33%)
- \$660-\$760 million available for further investment

***Significant Financial Flexibility***

## Consistent Growth

Positioned in Channel for Growth

Focused on Growth Areas in Drug Channel

Right Investments for Future Growth