Annual results
for the year ended 31 March 2013

Press conference
15 May 2013
Regulatory statement

Origination of information
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Annual results 2012/13

“A transformational year for Alliance Boots”
Alliance Boots and Walgreens form strategic partnership
Joint agreement with AmerisourceBergen
“Alliance Boots has again delivered double digit growth in underlying profit after tax…
...while at the same time generating a strong cash flow”
Health & Beauty Division

[Image of a Boots store front]
Pharmaceutical Wholesale Division
Delivering higher profits year after year

Trading profit
£million

<table>
<thead>
<tr>
<th>Year</th>
<th>Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>08/09</td>
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</tr>
<tr>
<td>09/10</td>
<td>906</td>
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<tr>
<td>11/12</td>
<td>1,192</td>
</tr>
<tr>
<td>12/13</td>
<td>1,265</td>
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</tbody>
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Underlying profit (after tax)
£million

<table>
<thead>
<tr>
<th>Year</th>
<th>Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>08/09</td>
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<tr>
<td>09/10</td>
<td>617</td>
</tr>
<tr>
<td>10/11</td>
<td>635</td>
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<tr>
<td>11/12</td>
<td>714</td>
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<tr>
<td>12/13</td>
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</table>

Prior year figures have been re-stated for the adoption of the revised IAS19 Employee Benefits standard
George Fairweather
Group Finance Director
Group financial highlights
Year ended 31 March 2013

Revenue:  c.£22.4bn
- down 2.6% (up 0.6% constant currency)

Trading profit:  £1,265m
- up 6.1% (up 7.4% constant currency)

Underlying profit (after tax):  £805m
- up 12.7%

Statutory profit:  £741m
- up 25.0%
Group financial highlights
Year ended 31 March 2013

Cash generated from operations: £1,648m

Net borrowings reduction: £1,124m
- to c.£5.9bn
Health & Beauty Division
Year ended 31 March 2013

Revenue:  c.£7.5bn
- down 2.5% (down 2.1% constant currency)

Trading margin:  11.6%
- up 1.0pp

Trading profit:  £865m
- up 6.8% (up 7.0% constant currency)
Health & Beauty – UK
Year ended 31 March 2013

Revenue:  c.£6.5bn
- down 2.4%

Trading margin:  12.4%
- up 1.3pp

Trading profit:  £813m
- up 8.8%

Comprises Boots UK and Boots Opticians
Boots UK
Year ended 31 March 2013

Revenue: c.£6.2bn

- Beauty & Toiletries: 35%
- Dispensing: 36%
- Lifestyle: 15%
- Retail Health: 14%
Boots UK - Dispensing
Year ended 31 March 2013

Items dispensed: 222m
- down 0.8% like for like
Total retail revenue: up 0.3%

Retail Health: up 1.3%

Beauty & Toiletries: up 1.2%

Boots Advantage Card: 17.9m active members
Optical / hearingcare
Year ended 31 March 2013

Boots Opticians
- like for like revenue up 2.7%
- higher spectacle sales

Boots hearingcare
- partnership with Sonova
Health & Beauty - International
Year ended 31 March 2013

Revenue: £935m
down 3.1%
(-0.1% constant currency)

Trading profit: £52m
down 17.5%
(-14.3% constant currency)

Net 26 stores added during year
Health & Beauty - International
Year ended 31 March 2013

Product sales to US retailers
- up c.12%

No7 launched in Walgreens
- new Hollywood store

Dairy Farm trial
- in select Mannings health and beauty stores in Hong Kong
Pharmaceutical Wholesale Division
Year ended 31 March 2013

Revenue: £16.4bn
- down 2.7% (up 1.5% constant currency)

Trading margin: 2.7%
- up 0.2pp

Trading profit: £435m
- up 5.1% (up 8.2% constant currency)
Pharmaceutical Wholesale Division
Associates and joint ventures
Year ended 31 March 2013

Share of underlying post tax earnings: £39m

Alliance Healthcare Russia
- acquired in November 2012

Guangzhou Pharmaceuticals Corp.
- performed well

Nanjing Pharmaceutical
- intention to acquire 12% equity interest
Joint synergy programme
Year ended 31 March 2013

Programme progressing well

Walgreens Boots Alliance Development JV
- established in Switzerland

Synergies in line with expectations
- our share: c.£14m pre tax (net of direct costs)
Net finance costs and tax
Year ended 31 March 2013

Underlying net finance costs: £320m
- down £64m

Underlying tax charge: £179m

Tax paid: £114m
- up £31m
  - up £38m in UK

Prior year figures have been re-stated for the adoption of the revised IAS19 Employee Benefits standard
Cash flow and balance sheet
Year ended 31 March 2013

Cash generated from operations: £1,648m

Cash capital expenditure: £200m

Acquisition related expenditure: £84m
Net borrowings and equity
Year ended 31 March 2013

Net borrowings reduced by £1,124m
- to c.£5.9bn

Existing borrowing facilities extended
- c.£5.2bn extended by 2-3 years

Facility amendments
- to facilitate full combination with Walgreens

Equity: £5.7bn
Financial outlook
Alex Gourlay
Chief Executive,
Health & Beauty Division
Increasing our range of healthcare services
Developing our multi-channel offer
Launching innovative new products
Launching innovative new products
Launching innovative new products
Launching innovative new products
Launching innovative new products
Increasing sales of Boots product brands across the world
Ornella Barra
Chief Executive,
Pharmaceutical Wholesale Division
Our unparalleled scale and market presence

Wholesale operations in 20 countries*

* including associates & joint ventures
Further developing our new business model
Further developing our new business model
Developing our offering for manufacturers
Improving the health and wellbeing of the communities we serve
Transforming our industry
Transforming our industry

Partnering with pharmaceutical manufacturers across the globe
Transforming our industry

Internationalising our unique product brands
Transforming our industry

Building our network in geographies with long-term growth potential
Transforming our industry

We have the vision... creativity... and management expertise...
Annual results 2012/13

“A transformational year for Alliance Boots”
Alliance Boots GmbH
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