

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the action you should take, you are recommended to consult your stockbroker, bank manager, solicitor, accountant or other professional adviser who, if you are taking advice in Ireland, is authorised or exempted under the Investment Intermediaries Act 1995 or the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended) or, if you are taking advice in the United Kingdom, is authorised under the Financial Services and Markets Act 2000 (as amended) of the United Kingdom or, if you are taking advice other than in Ireland or the United Kingdom, is an appropriately authorised independent adviser.

If you have sold or otherwise transferred all of your shares in UDG Healthcare plc, please forward this document and the enclosed Form of Proxy to the purchaser or transferee or the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee as soon as possible. If you sell or have sold or otherwise transferred only part of your holding of UDG Healthcare plc shares, you should retain this document.

For a discussion of certain risk factors which should be taken into account when considering whether to vote in favour of the Resolution, see Part 2 (Risk Factors) of this document.

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## **UDG HEALTHCARE PLC**

*(Incorporated and registered in Ireland under the Companies Act 2014 with registered number 12244)*

### **Proposed Disposal of United Drug Supply Chain Services, United Drug Sangers, TCP Group and MASTA**

and

### **Notice of Extraordinary General Meeting**

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**Your attention is drawn to the letter from the Chairman of UDG Healthcare plc on pages 4 to 10 of this document, which contains the unanimous recommendation of the Directors that you vote in favour of the Resolution described herein. You should read this document in its entirety and consider whether to vote in favour of the Resolution in light of the information contained in this document.**

Notice of an Extraordinary General Meeting of UDG Healthcare plc, to be held at 12 noon on 13 October 2015 at The Clyde Court Hotel, Lansdowne Road, Ballsbridge, Dublin 4, Ireland is set out at the end of this document. Shareholders will find enclosed a Form of Proxy for use at the Extraordinary General Meeting. Shareholders are requested to complete and return the Form of Proxy whether or not they intend to be present at the meeting. To be valid, Forms of Proxy should be completed and signed in accordance with the instructions printed thereon and returned by post or by hand so as to reach the Registrars, Computershare Investor Services (Ireland) Limited, P.O. Box 954, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland, as soon as possible and, in any event, by no later than 12 noon on 11 October 2015. Alternatively you may appoint a proxy electronically and related instructions are set out on the Form of Proxy. Crest members who wish to appoint a proxy or proxies via the CREST electronic proxy appointment service should refer to note 4 on page 39 of this document. Return of a Form of Proxy will not preclude a Shareholder from attending and voting at the meeting in person.

Goldman Sachs, which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for UDG Healthcare plc and for no one else in relation to the Disposal and will not be responsible to anyone other than UDG Healthcare plc for providing the protections afforded to its clients or for providing advice in relation to the Disposal or any other matters referred to or described in this Circular.

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### EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication date of Circular . . . . .	21 September 2015
Latest time and date for receipt of Forms of Proxy for use at the Extraordinary General Meeting . . . . .	12 p.m. on 11 October 2015
Latest time and date for receipt of CREST Proxy Instructions for use at the Extraordinary General Meeting . . . . .	12 p.m. on 11 October 2015
Extraordinary General Meeting . . . . .	12 p.m. on 13 October 2015
Expected Completion of the Disposal . . . . .	by 31 March 2016

**Notes:**

- (1) Each of the times and dates in the above timetable is based on current expectations and is subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by a Regulatory Information Service and will be available on [udghealthcare.com/investor-centre](http://udghealthcare.com/investor-centre).
- (2) All references in this document are to Dublin times unless otherwise stated.

## FORWARD LOOKING STATEMENTS

This document contains certain forward-looking statements, beliefs or opinions, including statements with respect to the Group's or the Continuing Group's business, financial condition and results of operations. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "plans", "anticipates", "continues", "expects", "intends", "may", "will", "would", "could" or "should" or, in each case, their negative or other various or comparable terminology or by discussions of strategy, plans, objectives, goals, future events or intentions. These statements are made by the Directors in good faith based on the information available to them at the date of this document and reflect the Directors' beliefs and expectations. By their nature these statements involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, developments in the global economy, changes in regulation and government policies, spending and procurement methodologies, currency fluctuations, the complexity of separating significant business systems and support services and certain reorganisation steps as a consequence of the Disposal, potential customer, supplier and employee reaction to the Disposal, the reduction in scale of the Continuing Group's business following the Disposal and other factors discussed in Part 2 (*Risk Factors*) of this document.

No representation or warranty is made that any of these statements or forecasts will come to pass or that any forecast results will be achieved. Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements in this document speak only as of their respective dates, reflect the Directors' current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's or the Continuing Group's operations and growth strategy. You should specifically consider the factors identified in this document which could cause actual results to differ before making any decision in relation to the Disposal. Subject to the requirements of the FCA, the London Stock Exchange, the Listing Rules and the Disclosure and Transparency Rules (and/or any regulatory requirements) or applicable law, the Company explicitly disclaims any obligation or undertaking publicly to release the result of any revisions to any forward-looking statements in this document that may occur due to any change in the Company's expectations or to reflect events or circumstances after the date of this document.

## PRESENTATION OF FINANCIAL INFORMATION

References to "£" are to the lawful currency of the United Kingdom.

References to "\$" are to the lawful currency of the United States of America.

References to "€" are to the lawful currency of Ireland pursuant to the provisions of the Economic and Monetary Union Act 1998.

References to "JPY" are to the lawful currency of Japan.

Percentages in tables may have been rounded and accordingly may not add up to 100 per cent. Certain financial data has been rounded and, as a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data.

The information presented in Part 4 (*Financial Information on the Disposed Businesses*) has been prepared in relation to the MASTA Business and the Sangers Business by using the £:€ average and spot rates at each reporting date. The information presented in Part 5 (*Unaudited Pro-forma Financial Information*) in relation to the MASTA Business and the Sangers Business has been prepared using a £:€ exchange rate of 0.7295 as at 31 March 2015.

## PART 1—LETTER FROM THE CHAIRMAN OF UDG HEALTHCARE PLC

UDG Healthcare plc



*(Registered in Ireland under the Companies Act 2014 with registered number 12244)*

Peter Gray (Chairman)	<b>Registered Office</b>
Liam FitzGerald (Chief Executive)	UDG Healthcare plc
Alan Ralph (Chief Financial Officer)	UDG Healthcare House
Brendan McAtamney (Chief Operating Officer)	Magna Drive
Chris Corbin (Managing Director: Ashfield Commercial & Medical Services)	Magna Business Park
Chris Brinsmead	Citywest Road
Gerard van Odijk	Dublin 24
Lisa Ricciardi	Ireland
Philip Toomey	
Linda Wilding	

21 September 2015

To the holders of the Ordinary Shares and, for information only, to Option Holders

Dear Shareholder,

### **PROPOSED SALE OF UNITED DRUG SUPPLY CHAIN SERVICES, UNITED DRUG SANGERS, TCP GROUP AND MASTA**

**AND**

### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

#### **1. Introduction**

##### **Overview**

On 18 September 2015, the Company announced that it had entered into an agreement to dispose of the United Drug Supply Chain Services businesses<sup>(1)</sup> that form part of UDG's Supply Chain Services Division; and the MASTA Business, which forms part of the Ashfield Commercial & Medical Services Division, to McKesson for an aggregate consideration on a cash and debt free basis of €407.5 million in cash (the "**Disposal**").

Due to the size of the Disposal, under the Listing Rules the Disposal constitutes a "Class 1" transaction and is, therefore, conditional upon the approval of Shareholders. All consents required from lenders under the Group's finance facilities to permit the Disposal were received on 24 August 2015.

An Extraordinary General Meeting of the Company is to be held at 12 noon on 13 October 2015 for the purposes of approving the Disposal. The notice convening the Extraordinary General Meeting is set out at the end of this document. If the Resolution is passed at the Extraordinary General Meeting, Completion is currently expected to take place following receipt of competition clearance which is anticipated to be received by 31 March 2016. The Resolution being an ordinary resolution must be passed by a simple majority of votes cast by Shareholders who vote at the Extraordinary General Meeting, either in person or by proxy. If the Resolution is not approved, the Disposal cannot proceed.

The purpose of this document is to: (i) provide you with information on the Disposal; (ii) explain the background to and reasons for the Disposal and why the Board believes the Disposal is in the best interests of UDG and its Shareholders as a whole; and (iii) recommend that Shareholders vote in favour of the Resolution at the Extraordinary General Meeting.

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(1) United Drug Supply Chain Services businesses comprises the wholesale and pre-wholesale businesses in the Republic of Ireland, the United Drug Sangers business in Northern Ireland and the TCP Group in the Republic of Ireland. The United Drug Supply Chain Services businesses to be disposed of do not include the Aquilant Business.

**Shareholders should read the whole of this Circular and not only rely on the information set out in this letter.** You will find definitions for capitalised terms used in this letter and the rest of this Circular in Part 9 (*Definitions*) of this Circular.

## **2. Background to and reasons for the Disposal**

As noted in our annual reports over many years, the Company has been engaged in a diversification strategy, recognising that in its original core business of pharmaceutical wholesaling and pre-wholesaling, the opportunities for growth were limited due to its market leading position in Ireland, and the fact that other attractive wholesaling markets outside Ireland were already well-served by much larger global entities. This diversification strategy has gained greater momentum in recent years, with the result that the original supply chain services business is no longer the largest contributor to profits and increasingly we have been able to identify attractive acquisition opportunities in our other business areas. In 2014, we sold our share of the UK based pre-wholesaling joint venture business, UniDrug (now known as Alloga UK), to Alliance Boots and we foresaw the potential that as the global pharmaceutical supply chain sector continues to consolidate, our original Irish businesses could be attractive to the global players.

The pharmaceutical supply chain market is in the process of consolidation throughout Europe. While the origins of UDG lie in its wholesale business, and whereas for many years we achieved excellent growth through market share gains and a buoyant Irish market, in more recent years this segment has shown little growth despite continuing market share gains as margins have been under continuous pressure. As a result, and after several years of strategic analysis, the Board believes that the Disposal would allow these businesses to prosper under the ownership of a more integrated international wholesaler / retailer, and allow the Company to continue to focus on its higher-growth divisions which are engaged in higher value added activities across developed markets.

In light of the above decision, the Company announced on 18 September 2015 that it had entered into an agreement with respect to the disposal of the United Drug Supply Chain Services businesses<sup>2</sup> that form part of UDG's Supply Chain Services Division; and the MASTA Business, which forms part of the Ashfield Commercial & Medical Services Division, to McKesson, for an aggregate consideration on a cash and debt free basis of €407.5 million in cash.

The Board believes that the proposed cash and debt free price of €407.5 million is an attractive value for the business, which fully recognises UDG's leading market positions in the Republic of Ireland ("ROI") and Northern Ireland ("NI"). The price represents a multiple of 13.4 times Adjusted EBITA for the Disposed Businesses of €30.3 million for the year to 30 September 2014.

## **3. Summary of Terms of the Disposal**

The Company has agreed to dispose of a number of its businesses to McKesson for a headline consideration, payable in cash on Completion, of €407.5 million. The final consideration is subject to the adjustments and provisions described below. The Disposed Businesses comprise:

- the United Drug Supply Chain Services businesses;<sup>(2)</sup> and
- the MASTA Business.

A share purchase agreement ("SPA") between UDG and certain of its subsidiaries and a German-incorporated company within the McKesson group was entered into in relation to the Disposal on 18 September 2015. The principal terms of the SPA are described in more detail in Part 3 (*Summary of the Transaction Agreements*) of this Circular.

The final consideration payable under the SPA will be adjusted upwards or downwards on a €-for-€ basis by reference to completion accounts of the Disposed Businesses which will be prepared by the Purchaser within 45 business days of Completion to reflect in full the difference between estimated and actual working capital, net third party debt and intra-group payables, each as at the Completion Date.

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(2) United Drug Supply Chain Services businesses comprises the wholesale and pre-wholesale businesses in the Republic of Ireland, the United Drug Sangers business in Northern Ireland and the TCP Group in the Republic of Ireland. The United Drug Supply Chain Services businesses to be disposed of do not include the Aquilant Business.

The Disposal is conditional upon, inter alia: (i) approval by Shareholders of the Resolution, which is being proposed as an ordinary resolution at the Extraordinary General Meeting; and (ii) clearance from the applicable competition authorities.

The Board expects that, subject to the approval of the Resolution by the Shareholders, the conditions will be satisfied and that Completion will occur following receipt of competition clearance which is currently anticipated to be received by 31 March 2016.

#### **4. Information on the Disposed Businesses**

United Drug Supply Chain Services comprises the wholesale and pre-wholesale businesses in the ROI and the United Drug Sangens business in NI. The wholesale and United Drug Sangens businesses provide time-critical delivery of pharmaceutical and other healthcare products to retail and hospital pharmacies throughout the island of Ireland. The pre-wholesale business provides distribution, logistical and associated commercial services to pharmaceutical, biotech and consumer companies. Each of the businesses are market leaders in their respective markets.

TCP Group provides “Direct to Patient Services”<sup>(3)</sup> in the ROI delivering care in the patient’s home including dispensing and distribution of pharmaceutical products, nursing services and waste management.

MASTA (Medical Advisory Service for Travellers Abroad)<sup>(4)</sup> is a leading UK service provider in the travel health field, specialising in the sale and distribution of travel and Influenza vaccines. MASTA offers its services through travel health clinics, partner clinics, independent pharmacies, GP practices and occupational health establishments.

In the twelve months ended 30 September 2014, these businesses generated revenues of €1,362,678,000 and Adjusted EBITA of €30,323,000. As at 31 March 2015, these businesses had gross assets of €1,034,582,000.

A summary of the trading results for the three years ending 30 September 2014 and first half results for 2015 is set out in Part 4 (*Financial Information on the Disposed Businesses*) of this Circular.

#### **5. Information on McKesson**

McKesson is incorporated under the laws of the State of Delaware, USA, with its principal executive offices in San Francisco, USA. McKesson’s shares are listed on the New York Stock Exchange. McKesson is currently ranked 11th on the FORTUNE 500 and delivers pharmaceuticals, medical supplies and healthcare information technology.

#### **6. Use of Proceeds and Financial Effects of the Disposal on the Company**

The Company is expected to receive net cash proceeds (after deductions of transaction taxes, fees and other transactional costs of approximately €25 million, together with certain separation-related costs of approximately €5 million, but prior to post-Completion adjustments) of approximately €377.5 million.

Immediately following completion of the Disposal, the net cash proceeds arising from the Disposal will be deposited with banks or other financial institutions of which approximately €139 million<sup>(5)</sup> will be applied to repay the Group’s current utilisation of the RCF. In applying the net proceeds, the Continuing Group intends to comply with the undertakings it has given in the Note Purchase Agreements in respect of its US private placement notes. The RCF and the Note Purchase Agreements are summarised at paragraphs 9.1(b) and (c) respectively of Part 7 (*Additional Information*) of this Circular.

As part of its ongoing strategic planning, UDG has ambitious growth plans for the future. It is therefore intended that, in the short to medium term, the balance of the net proceeds will be utilised to realise the strategic priorities of the Continuing Group, including the pursuit of further strategic M&A opportunities, as discussed further at paragraph 9 below. The Board will keep under review the Group’s capital

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(3) The results of the TCP Group have been reported as part of the Supply Chain Services Division since 1 October 2013, prior to which the TCP Group results were included in the Sharp Packaging Services Division.

(4) The results of the MASTA Business have been reported as part of the Ashfield Commercial & Medical Services Division since 1 October 2013, prior to which the MASTA Business’s results were included in the Sharp Packaging Services Division.

(5) \$158.5 million converted to €139.0 million at USD/EUR exchange rate of 1.14 as at 18 September 2015.



structure and potential for shareholder returns over the medium term, depending on operating performance and the availability of these value creating investment opportunities.

The basis of calculation of the financial effects of the Disposal on the Group is set out in Part 5 (*Unaudited Pro Forma Financial Information*) of this Circular. The pro forma net cash position of the Group as at 31 March 2015 (assuming the Disposal had occurred at that date) including debt is €102.6 million.

## **7. Chief Executive Officer Transition**

The Company also announced on 18 September 2015 that the Chief Executive Officer, Liam FitzGerald, had informed the Board that he plans to retire on 31 March 2016, stating that after 15 years as Chief Executive Officer pursuing the transformation of the Group, he saw the Disposal as the culmination of his efforts and the right time to hand over to his successor. It was also announced that the Chief Operating Officer, Brendan McAtamney, would succeed him. In addition, the Board agreed with Mr. FitzGerald that after his retirement as Chief Executive Officer he would remain on the Board in a consulting role until September 2016, to support the transition and the continued strategic development of the Group.

## **8. Dividend**

The Company expects to continue its 25 year progressive dividend policy and for the 2016 dividend per share (“DPS”) to increase over the 2015 DPS.

## **9. Information on the Continuing Group**

### ***Overview of the Continuing Group***

Following the Disposal, the Continuing Group’s business will consist of outsourced commercialisation services to international healthcare clients primarily in the areas of packaging, sales, marketing, communications and medical services. Demand for specialised outsourced services in these areas from the healthcare industry has been increasing in recent years and the Directors expect this trend to continue.

### ***Activities of the Continuing Group***

The Continuing Group will comprise:

- Ashfield Commercial & Medical Services; a global leader in the provision of outsourced commercialisation, marketing and communication services to the healthcare industry. Ashfield has operations across Europe, the UK, North America, and Japan and has a small presence in South America. Outsourcing services include:
  - Multi-channel sales & marketing solutions
  - Healthcare communications
  - Meetings & event management
  - Clinical nursing solutions
  - Medical affairs & regulatory services
- Sharp Packaging Services; a “pack-to-market” solutions business providing clinical and commercial packaging, storage, logistics and project management services to the pharmaceutical and biotech industry. With packaging facilities in the US and Europe, Sharp Packaging Services is well positioned to offer innovative global solutions. This business includes:
  - Commercial packaging
  - Clinical trials packaging & logistics
  - Product serialisation
- Aquilant Specialist Healthcare Services; a leading distributor of specialist medical, pharmaceutical and scientific products and services providing outsourced sales, marketing, distribution and engineering services to its clients. This business operates in the Republic of Ireland, the UK and the Netherlands and includes:
  - Medical device sales & distribution

- Specialist pharmaceutical sales and distribution
- Scientific products sales, distribution & service

### ***Strategic Priorities***

The strategy of the Group is to focus on maximising Shareholder value from outsourced commercialisation services, by capitalising on its existing market leading positions as the demand for specialist outsourced services in the healthcare sector increases, driving higher levels of growth and profitability.

Following the Disposal, the Continuing Group's priorities will therefore be to:

- develop further and strengthen our existing market positions in higher-growth and higher-margin activities;
- address scale gaps and geographic gaps in key service markets to capitalise fully on the Continuing Group's growth opportunities;
- acquire additional complementary services which enhance the Continuing Group's position in its chosen markets; and
- re-align its administrative functions to reflect the new focus of the Continuing Group.

### ***Future Value Creation***

The Board will continue to assess other value creation opportunities on an ongoing basis to ensure all of its businesses offer attractive returns and to create additional value for Shareholders in combination with the rest of the Continuing Group.

## **10. Current Trading and Future Prospects of the Continuing Group**

### ***Current trading and prospects***

On 6 August 2015 the Company published a trading update for the three months ended 30 June 2015. The following update on current trading and the prospects of the Company has been substantially extracted from that announcement.

#### *Ashfield Commercial & Medical Services*

Trading continues to be strong, with operating profit well ahead of the same quarter last year. The trading performance across Ashfield in the quarter was consistent with the first six months of the year, with robust profit growth in Healthcare Communications and the European commercial businesses.

During the quarter we sold the non-core Speakers Bureau business which we acquired as part of the KnowledgePoint360 acquisition in 2014.

#### *Sharp Packaging Services*

Divisional operating profits in the third quarter are significantly ahead of the prior year. The strong Sharp US performance in the first half of 2015 continued into the third quarter as we continue to benefit from increased demand in bottling, biotech and new packaging formats. The expansion of the Allentown campus in Pennsylvania is proceeding on plan, with the first phase of packaging suites due to become operational in the second half of 2016.

Sharp Europe improved on the prior year and made a small trading loss in the period. We continue to re-align the Sharp Europe cost base with current business activity, while maintaining appropriate capacity for expected business growth.

The dispute in respect of the September 2013 demand for \$15m under a purported guarantee by Sharp Clinical Services (UK) Limited in relation to a bond issued in 2010 by its previous owner Bilcare Limited, is no longer being pursued by the bondholders, bringing the matter to a satisfactory conclusion.



## *Supply Chain Services*

United Drug performed in line with expectations in the quarter. Aquilant performed well in the period with operating profit ahead of 2015. Overall divisional operating profits were behind the same quarter last year due to the disposal of our interest in the UniDrug joint venture in 2014.

### **Profit forecast**

On 6 August 2015, the Company also announced that it was reiterating guidance for constant currency adjusted diluted earnings per share (“EPS”)<sup>(6)</sup> for the year to 30 September 2015 of between 7% and 9% ahead of last year.

Further, the average 2014 financial year exchange rates were €1 = £0.8194 and \$1.3574. Based on the average exchange rates for the first nine months of the financial year ending 30 September 2015 of €1 = £0.7518 and \$1.1615, reported EPS growth will be in the range of 18% to 20%, up from a previously guided range of 16% to 18%.

Further information on the profit forecast assumptions can be found in Part 6 (*Group Profit Forecast*) of this Circular.

### **11. Risk Factors**

For a discussion of the risks and uncertainties which you should take into account when considering whether to vote in favour of the Resolution, please refer to Part 2 (*Risk Factors*) of this Circular.

### **12. Additional information**

Your attention is drawn to the additional information set out in Part 7 (*Additional Information*) of this Circular. You should read the whole of this document and not rely solely on the key or summarised information as set out in this letter.

### **13. Extraordinary General Meeting**

A notice convening the Extraordinary General Meeting to be held at 12 noon on 13 October 2015 at The Clyde Court Hotel, Lansdowne Road, Ballsbridge, Dublin 4, Ireland is set out on pages 38 to 40 of this Circular. A Form of Proxy to be used in connection with the Extraordinary General Meeting is enclosed.

As a Class 1 transaction, the Company requires the approval of Shareholders to proceed with the Disposal. Completion is therefore conditional, amongst other conditions set out in paragraph 1.2 of Part 3 (*Summary of the Transaction Agreements*) of this Circular, on the passing of the Resolution at the Extraordinary General Meeting.

The full text of the Resolution, which will be proposed as an ordinary resolution at the Extraordinary General Meeting, is set out in the Notice of Extraordinary General Meeting. To be approved, the majority of votes cast must be in favour of the Resolution. Please refer to the notes contained in the Notice of Extraordinary General Meeting for more information on how Shareholders can vote on the Resolution.

### **14. Action to be taken**

If you are a Shareholder, you will find enclosed with this document a Form of Proxy for use at the Extraordinary General Meeting or at any adjournment thereof. Whether or not you propose to attend the meeting in person, you are requested to complete the Form of Proxy in accordance with the instructions printed thereon and to return it as soon as possible, but in any event so as to be received by the Company’s registrars, Computershare Investor Services (Ireland) Limited, P.O. Box 954, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland, no later than 12 noon on 11 October 2015.

If you hold your Shares in CREST, you may appoint a proxy by completing and transmitting a CREST proxy instruction form so that it is received by Computershare Investor Services (Ireland) Limited (under CREST participant ID 3RA50) by no later than 12 noon on 11 October 2015. The time of receipt will be taken to be the time from which Computershare Investor Services (Ireland) Limited is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The completion and return of a Form of Proxy or completion and transmission of a CREST proxy instruction will not prevent you from attending the Extraordinary General Meeting and voting in person if you wish to do so.

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(6) Earnings per share before the amortisation of acquired intangible assets, acquisition costs and exceptional items (net of tax).

## **15. Recommendation**

The Board considers the terms of the Disposal to be in the best interests of Shareholders as a whole and, accordingly, unanimously recommends that Shareholders vote in favour of the Resolution, as they intend to do in respect of their own beneficial holdings which as at 18 September 2015, being the latest practicable date prior to publication of this Circular, amounted in aggregate to 3,101,620 Ordinary Shares, representing approximately 1.27 per cent of the Ordinary Shares in issue.

The Board, which has been so advised by Goldman Sachs as sponsor, considers the terms of the Disposal to be fair and reasonable so far as Shareholders are concerned. In providing financial advice to the Board, Goldman Sachs has relied upon the commercial assessments of the Directors.

Yours faithfully

Peter Gray  
*Chairman*

## PART 2—RISK FACTORS

Shareholders should consider the risks and uncertainties described below, together with all other information set out in this document, fully and carefully before deciding whether to vote in favour of the Resolution at the Extraordinary General Meeting.

If any or a combination of the following risks and uncertainties materialise, the business, financial condition and results of operations of the Continuing Group could be adversely affected. The Directors consider the following to be the material risks in relation to the Disposal, the new material risks to the Group as a result of the Disposal, the existing material risks which may be impacted by the Disposal and the material risks to the Group if the Disposal were not to proceed. However, these should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties. Additional risks and uncertainties currently unknown to UDG Healthcare plc or the Directors, or which UDG Healthcare plc or the Directors currently deem immaterial, may also have an adverse effect on the business, financial condition and results of operations of the Continuing Group. The information given is as at the date of this Circular and, except as required by the FCA, the London Stock Exchange, the Listing Rules, the Disclosure and Transparency Rules or any other applicable law or regulation, will not be updated.

### 1. RISKS ASSOCIATED WITH THE DISPOSAL

#### ***The Disposal is subject to the receipt of certain third party approvals***

In addition to the approval of the Resolution by the Shareholders at the Extraordinary General Meeting, Completion is subject to the receipt of merger control clearance by the European Commission (and/or, if the transaction is referred (in whole or part) to a national competition authority in the EU whose merger control consent is required prior to Completion, the relevant consent of that authority) and any other merger control clearances required outside the EU. There can be no certainty that these approvals will be obtained on terms which are satisfactory to UDG and the Purchaser, or at all, in which case the conditions to the Share Purchase Agreement will not be satisfied and the Disposal will not complete. If the Disposal does not complete the Group may not be able to implement its strategy of diversifying away from its original core business of pharmaceutical wholesaling and pre-wholesaling and focusing on its higher-growth divisions as described in paragraph 2 of Part 1 (*Letter from the Chairman of UDG Healthcare plc*) of this Circular.

#### ***Warranties and indemnities in the Share Purchase Agreement and Deed of Tax Covenant***

The Share Purchase Agreement contains certain general and tax warranties from the Sellers in favour of the Purchaser which are customary for an agreement of this nature. In addition, the Share Purchase Agreement contains indemnities from the Sellers in favour of the Purchaser, as detailed in paragraph 1.4.2 of Part 3 (*Summary of the Transaction Agreements*) of the Circular. The Deed of Tax Covenant contains customary indemnities in respect of pre-Completion tax liabilities of the Disposed Businesses. The aggregate liability in respect of all claims under the Share Purchase Agreement and Deed of Tax Covenant shall not exceed the aggregate consideration of €407.5 million. If the Continuing Group is required in the future to make payments under any of these warranties or indemnities the costs of such payments could have an adverse effect on its business, financial condition and results of operations. Further details of the Share Purchase Agreement and Deed of Tax Covenant, including the indemnities, are set out in Part 3 (*Summary of the Transaction Agreements*) of this Circular.

#### ***Complexity of separation***

The process of separating the Disposed Businesses from the Continuing Group will be complex, involving the separation of significant business systems and support services and certain reorganisation steps. On or prior to Completion, the Company will enter into the Transition Agreement with the Purchaser pursuant to which each of the Company and the Purchaser will agree to provide certain critical services to each other for a period of up to nine months following Completion while this separation is taking place. The complexity of the separation could have a negative impact on the functioning of the business of the Continuing Group and result in a longer timeframe than is currently anticipated to complete the process and this would cause the Continuing Group to incur additional separation costs, which could adversely affect its financial position and results of operations. Further details of the Transition Agreement are set out in Part 3 (*Summary of the Transaction Agreements*) of this Circular.

### ***Customer, supplier and employee reaction to the Disposal***

As a listed company, UDG is required to publicise the Disposal in advance of Completion (including by the publication of this Circular). Customers and suppliers of the Group may view the Disposal unfavourably and consequently could reduce their trading with the Group, or cease trading with the Group altogether and/or seek to amend the terms on which they trade with the Group, in each case prior to Completion. Furthermore, the uncertainty caused by the need to satisfy conditions precedent to Completion could negatively affect the relationship of the Group with key customers and suppliers, and could cause employee attrition. These factors could have an adverse effect on the cashflow, operating results and financial position of the Group and could also have a negative impact on the Continuing Group's key customer relationships following Completion.

## **2. RISKS ASSOCIATED WITH THE CONTINUING GROUP**

### ***The Continuing Group's operations will be reduced in scale***

The Continuing Group will be more reliant on its continuing operations in its Ashfield Commercial & Medical Services, Sharp Packaging Services and Aquilant Specialist Healthcare Services businesses and will be materially smaller in scale following Completion. As a result of its reduction in scale, the Continuing Group may consequently be more susceptible to adverse developments in the industries and markets in which it operates. The greater sensitivity to fluctuations in the remaining markets may have an adverse effect on the cashflow, operating results and financial position of the Continuing Group.

### ***Execution of future strategy***

The Continuing Group is subject to certain risks associated with business development activity, including acquisitions which are central to its strategy. In addition, future growth of the Continuing Group will require its organisational design and infrastructure to develop in line with the needs of an evolving group and its developing businesses. A failure to execute the Continuing Group's future strategy (as described in paragraphs 2, 6 and 9 of Part 1 (*Letter from the Chairman of UDG Healthcare plc*) of this Circular) may adversely affect the Continuing Group's business, results of operations, financial conditions or prospects.

### ***Key employees***

The success of the Continuing Group depends on effective management teams committed to achieving a superior performance in each division and on attracting, retaining and developing suitably qualified and motivated employees. There can be intense competition for personnel from other companies and organisations and there may at any time be shortages in the availability of appropriately skilled people at all levels. The reduction in size and diversification of the Continuing Group following the Disposal may make the Continuing Group more reliant on key employees and make it more difficult to attract and retain talented employees which could have an adverse effect on the business of the Continuing Group.

## **3. RISKS RELATED TO THE DISPOSAL NOT PROCEEDING**

### ***Possible financial effects of the Disposal not proceeding***

If the Disposal does not complete, any uncertainty regarding the future of the United Drug Supply Chain Services businesses within the Group could have a de-stabilising effect on key customer and supplier relationships which may have an adverse effect on the cashflow, operating results and financial position of the Group.

### ***No assurance of future sale***

The Board is of the opinion that the Disposal is in the best interests of Shareholders as a whole and currently provides the best opportunity to realise an attractive value for the Disposed Businesses. If the Resolution is not approved by Shareholders, the Disposal will not proceed at this time. If the Disposal does not complete the Group's ability to realise value from a sale of the Disposed Businesses may be prejudiced in the future.

***Effect on the employees of the Disposed Businesses***

If the Disposal does not proceed there is a risk that the Disposed Businesses may be unable to retain key employees and attract new employees. The performance of the Disposed Businesses within the Continuing Group could be negatively affected by this risk and this could adversely affect the Continuing Group's future prospects, financial position or results of operations.

***Transaction costs and termination fee***

UDG Healthcare plc has incurred costs in relation to the negotiation of the Disposal and preparation for the separation of the Disposed Businesses from the Continuing Group and these will be incurred irrespective of whether or not the Disposal proceeds. Furthermore, if the Disposal does not proceed as a result of certain circumstances having arisen, the Company may be required to pay a termination fee to the Purchaser as described in paragraph 1.6 of Part 3 (*Summary of the Transaction Agreements*) of this Circular.

## PART 3—SUMMARY OF THE TRANSACTION AGREEMENTS

On 18 September 2015, the Company announced that it (as one of the Sellers and together with the other Sellers) had entered into an agreement with the Purchaser to sell the Disposed Businesses to the Purchaser. Completion is conditional upon the approval of Shareholders and the satisfaction of certain other conditions precedent as set out below. The following is a summary of the principal terms of the Transaction Agreements.

### 1. Share Purchase Agreement

The principal terms of the Share Purchase Agreement (the “SPA”) are as follows:

#### 1.1 Consideration

The purchase price payable to UDG at Completion on a debt and cash free basis is €407.5 million (the “Purchase Price”). The Purchase Price paid by the Purchaser to the Sellers on Completion will be adjusted upwards or downwards on a €-for-€ basis by reference to completion accounts of the Disposed Businesses which will be prepared by the Purchaser within 45 business days of Completion to reflect in full the difference between estimated and actual working capital, net third party debt and intra-group payables, each as at the Completion Date.

#### 1.2 Conditions precedent

Completion of the Disposal is subject to and conditional upon the following conditions being fulfilled:

- (a) the passing of the Resolution by Shareholders at the Extraordinary General Meeting on or prior to 18 November 2015 (the “EGM Condition”);
- (b) the European Commission taking a decision (or being deemed to have taken a decision) under Council Regulation (EC) 139/2004 declaring the Disposal compatible with the common market, or the European Commission referring the Disposal back in part or in its entirety to the Competition and Consumer Protection Commission or another national competition authority of a Member State of the European Union, and the appropriate clearances being obtained; and
- (c) to the extent that a merger control or competition law notification or approval of any other jurisdiction is required, the Purchaser receiving confirmation that the Disposal has been notified or approval obtained (as applicable) (together with paragraph (b) above, the “Competition Condition”).

If the Competition Condition has not been satisfied by 31 December 2016, the Purchaser has undertaken to the Sellers that, provided there has not been a breach of any fundamental warranty and the Sellers have cooperated with the Purchaser in relation to the competition clearance process, it will nonetheless pay the Purchase Price to the Sellers who will, subject to applicable law and any prior ruling of a relevant competition authority, transfer the title to the shares in the Disposed Businesses to a nominee of the Purchaser. If the Sellers are prevented from making such transfer by applicable law or a prior ruling of a relevant competition authority, they will retain and operate the Disposed Businesses until such time as the competition clearances are received; in such circumstances, the Purchaser will still be required to pay the Purchase Price to the Sellers.

#### 1.3 Completion

The SPA provides that Completion shall take place on the first business day of the calendar month after the last of the above conditions has been fulfilled (or if the conditions are fulfilled later than the fifteenth day of the relevant month, on the first business day of the next following calendar month) or such other date as may be agreed by the Sellers and the Purchaser.

#### 1.4 Warranties and Indemnities

##### 1.4.1 Warranties

The SPA contains warranties given by the Sellers with respect to the Disposed Businesses that are customary for a transaction of this nature including, amongst others, with respect to: title to the relevant shares, capacity, authority, corporate information, financial information and accounting records, conduct of business, borrowings, benefits and obligations under business contracts, ownership of



assets, employees and pensions, the pre-sale intra-group reorganisation (the “**Reorganisation**”), no insolvency, real estate, competition, environmental liabilities, intellectual property, IT systems, health & safety, compliance with laws, regulations and permits and insurance and relating to tax matters.

Under the SPA, the liability of the Sellers in respect of any breach of the warranties is limited by certain limitations which include, but are not limited to:

- (a) that the Sellers shall not be liable in respect of a general warranty claim unless notice of it is given in writing within two years following Completion, except that for a warranty claim relating to tax matters the time limit is 30 days after the fifth anniversary of Completion in respect of any target entities incorporated in Ireland, and 30 days after the seventh anniversary of Completion in respect of any target entities incorporated in the United Kingdom;
- (b) that the Sellers shall not be liable in respect of a general warranty claim unless the aggregate amount of the Sellers’ liability for all claims notified (which each individually exceed €100,000) exceeds €4,000,000, in which case the Sellers shall be liable for all such warranty claims;
- (c) that the Sellers shall not be liable in respect of a tax warranty claim unless the aggregate amount of the Sellers’ liability for all claims notified exceeds €100,000, in which case the Sellers shall be liable for all such warranty claims; and
- (d) the monetary caps (as further described in paragraph 1.4.3 below).

#### 1.4.2 *Indemnities*

In accordance with the terms of the SPA (which include certain limitations and exceptions), the Sellers will indemnify the Purchaser for any losses and other costs and liabilities incurred by the Purchaser or any members of its group, or any target entities in connection with:

- (a) the Reorganisation; and
- (b) certain financial, employee, litigation, regulatory, property and pensions matters identified by the Purchaser during the course of its due diligence.

#### 1.4.3 *Monetary Caps*

Under the SPA, the following limitations apply in respect of the warranties and indemnities:

- (a) there is a cap of 50% of the Purchase Price (prior to any adjustments) in respect of claims for a breach of general warranties;
- (b) there is a cap of 50% of the Purchase Price (prior to any adjustments) in respect of losses in connection with indemnified matters (other than the indemnities in respect of the Reorganisation which are subject only to the cap described at paragraph (d) below);
- (c) there is a cap of 50% of the Purchase Price (prior to any adjustments) in respect of claims for breaches of the tax warranties or claims under the Deed of Tax Covenant (other than tax claims relating to the Reorganisation, which are subject only to the cap described at paragraph (d) below); and
- (d) subject to (a), (b), and (c) above, a cap of 100% of the Purchase Price (prior to any adjustments) applies in respect of the aggregate of all claims under the general warranties, the fundamental warranties, the Reorganisation indemnities and other indemnified matters, under the tax warranties and the Deed of Tax Covenant, and in respect of all other claims under the SPA.

#### 1.5 *Undertakings*

The Sellers have given certain pre-Completion undertakings including, amongst others, the following:-

- (a) to use all reasonable endeavours to satisfy the EGM Condition, provide assistance to the Purchaser in satisfying the Competition Condition and to keep the Purchaser informed as to any event or circumstance that would be likely to result in any condition precedent not being satisfied at all or before 31 December 2016 (which date may be extended in accordance with the terms of the SPA);
- (b) to cause the Disposed Businesses to be conducted in the ordinary and usual course of business and to maintain its trade between the date of the SPA and the Completion Date; and

- (c) for a period of two years following the Completion Date, (subject to certain exceptions) not to, without the prior written consent of the Purchaser: (i) carry on or be engaged, employed, concerned or interested in any business activities, that compete with the business of the Disposed Businesses; (ii) canvass, solicit, approach or entice away any officer, employee or consultant of the Disposed Businesses; or (iii) canvass, solicit, approach or entice away any customer or supplier of the Disposed Businesses.

### 1.6 **Termination**

The SPA may be terminated where there is a breach of a fundamental warranty which has not been remedied by 31 December 2016. Fundamental warranties include warranties that relate to capacity, authority, title, no insolvency, no encumbrance and no breach of third party agreements.

A termination fee in the amount of €15 million is payable to the Purchaser in circumstances where:

- (a) the Company sells any of the Disposed Businesses (whether by way of asset sale or share sale) to a third party;
- (b) the Directors modify, qualify or withdraw their recommendation to vote in favour of the Resolution; or
- (c) the Extraordinary General Meeting is cancelled or is postponed or adjourned to a date later than 18 November 2015.

The Company is liable to make a contribution of €5 million to the Purchaser for its costs and expenses in connection with the Disposal if the Resolution is not passed by Shareholders at the Extraordinary General Meeting, and provided that the termination fee is not payable under paragraphs (a) to (c) above.

### 1.7 **Guarantee**

The Company has agreed to guarantee all of the obligations of the other Sellers under the Transaction Agreements.

A parent company guarantee has been agreed by McKesson guaranteeing the obligations of the Purchaser under the SPA (including the payment of the Purchase Price).

### 1.8 **Governing Law and Dispute Resolution**

The SPA is governed by the laws of Ireland. The courts of Ireland will have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with the SPA (including non-contractual claims and disputes).

## 2. **Deed of Tax Covenant**

In conjunction with the SPA, the Sellers and the Purchaser have agreed the form of the Deed of Tax Covenant which will be entered into on the Completion Date. Under the terms of the Deed of Tax Covenant, the Sellers have agreed to a customary covenant in favour of the Purchaser in respect of all pre-Completion tax liabilities of the members of the Disposed Businesses that are being transferred under the SPA. The liability of the Sellers for this covenant is limited by the monetary caps described in paragraphs 1.4.3(c) and (d) above and is subject to certain customary exclusions. The Sellers shall not be liable in respect of a claim under the Deed of Tax Covenant unless notice of it is given in writing within 30 days after the fifth anniversary of the end of the accounting period in which Completion occurs of the relevant target entity in respect of any target entities incorporated in Ireland, and 30 days after the seventh anniversary of the end of the accounting period in which Completion occurs of the relevant target entity in respect of any target entities incorporated in the United Kingdom.

## 3. **Transition Agreement**

On Completion the Company and the Purchaser will enter into a Transition Agreement relating to certain services to be shared between the Continuing Group and the Disposed Businesses for a period post-Completion whilst separation activities take place.

The Transition Agreement is a mutual agreement for the provision of transition services by the Company to the Purchaser and vice versa in respect of certain IT, administrative and facilities services (the “**Services**”), and governs the separation of shared IT infrastructure, administrative human resource

functions and facilities services. The precise scope of the Services to be provided under the Transition Agreement will be agreed in the period prior to the Completion Date. The Services will be delivered in accordance with a detailed implementation plan to be agreed and will be overseen by a steering committee containing representatives of UDG and McKesson. The Services are to be delivered at a service level equivalent to that on which the Services were provided intra-group prior to Completion.

The Services will be provided for a period of up to nine months from the Completion Date subject to customary early termination rights including the ability to terminate for convenience on not less than 60 days' notice in respect of IT Services and not less than 30 days' notice in respect of any other Service. The Company and the Purchaser will give cross indemnities in the Transition Agreement which are customary for an agreement of this nature in respect of legislation governing the potential transfer of employees providing the Services. The liability of each of the parties under the Transition Agreement is capped at €2,000,000, subject to customary exclusions.

#### **PART 4—FINANCIAL INFORMATION ON THE DISPOSED BUSINESSES**

The Disposed Businesses do not constitute a standalone reporting entity and accordingly statutory financial statements were not prepared or audited for the Disposed Businesses as a single entity. Whilst each of the Disposed Businesses are wholly owned by UDG Healthcare plc, separate consolidated financial statements were not prepared with respect to the Disposed Businesses.

The following historical financial information relating to the Group's interest in the Disposed Businesses has been extracted without material adjustment from the consolidation schedules that underlie the Group's audited consolidated financial statements for the financial years ended 30 September 2014, 30 September 2013 and 30 September 2012 and from the unaudited consolidated interim financial statements for the financial period ended 31 March 2015.

The financial information in this Part 4 of this Circular has been prepared in accordance with International Financial Reporting Standards ("IFRS") and their interpretations approved by the IASB as adopted by the European Union. The accounting policies used are consistent with the accounting policies adopted in the Group's consolidated financial statements for each of the financial periods presented.

The financial information contained in this Part 4 has been prepared solely for the purpose of this Circular and does not constitute statutory financial statements within the meaning of the Companies Acts. The audited consolidated statutory financial statements of the Group in respect of the years ended 30 September 2014, 30 September 2013 and 30 September 2012 have been delivered to the Companies Registration Office. The auditors' report in respect of those statutory financial statements for the three years ended 30 September 2014 were unqualified.

It is not possible to present a meaningful allocation of interest and tax as these items are managed centrally by UDG Healthcare plc and not on a subsidiary by subsidiary basis. Therefore, the financial information presented has only been prepared to a profit before interest and tax level.

The financial information reflects the Disposed Businesses' contribution to the Group during the years and period presented, applying the relevant Group accounting policies.

KPMG were the auditors of the Group in respect of the three years to 30 September 2014.

Shareholders should read the whole of this document and not rely solely on the summarised financial information contained in this Part 4 of this Circular.

## Financial Information

### 1. The Disposed Businesses Combined Income Statements for the period ended 31 March 2015 and the years ended 30 September 2014, 30 September 2013 and 30 September 2012

	Period ended 31 March 2015 €'000	Years ended		
		30 September 2014 €'000	30 September 2013 €'000	30 September 2012 €'000
<b>Revenue</b> . . . . .	<b>685,260</b>	<b>1,362,678</b>	<b>1,384,822</b>	<b>1,381,155</b>
Cost of sales . . . . .	(637,013)	(1,266,246)	(1,288,643)	(1,289,616)
<b>Gross profit</b> . . . . .	<b>48,247</b>	<b>96,432</b>	<b>96,179</b>	<b>91,539</b>
Distribution expenses . . . . .	(34,366)	(65,779)	(62,975)	(57,833)
Administrative expenses . . . . .	(4,158)	(8,152)	(5,452)	(4,623)
Other operating expenses . . . . .	(285)	(330)	—	—
<b>Operating profit before exceptional items and amortisation of acquired intangible assets</b> . . . . .	<b>9,438</b>	<b>22,171</b>	<b>27,752</b>	<b>29,083</b>
Exceptional items . . . . .	(844)	(9,763)	(1,249)	—
Amortisation of acquired intangible assets .	(238)	(433)	(433)	(630)
<b>Profit before interest and tax</b> . . . . .	<b>8,356</b>	<b>11,975</b>	<b>26,070</b>	<b>28,453</b>

**Note:**

Adjusted EBITA being operating profit before interest, tax, administrative expenses charged from UDG, exceptional items and amortisation of acquired intangible assets for the Disposed Businesses was:-

Profit before interest and tax . . . . .	8,356	11,975	26,070	28,453
Administrative expenses charged by UDG . . . . .	4,158	8,152	5,452	4,623
Exceptional items . . . . .	844	9,763	1,249	—
Amortisation of acquired intangible assets . . . . .	238	433	433	630
<b>Adjusted EBITA</b> . . . . .	<b>13,596</b>	<b>30,323</b>	<b>33,204</b>	<b>33,706</b>

## 2. The Disposed Businesses Net Asset Statement as at 31 March 2015 and 30 September 2014

	As at 31 March 2015 €'000	As at 30 September 2014 €'000
<b>Assets</b>		
<b>Non-current</b>		
Property, plant & equipment . . . . .	81,583	80,228
Goodwill . . . . .	781	730
Intangible assets . . . . .	29,846	20,128
Deferred income tax assets . . . . .	1,400	1,156
<b>Total non-current assets</b> . . . . .	<b>113,610</b>	<b>102,242</b>
<b>Current</b>		
Inventories . . . . .	108,494	112,205
Trade and other receivables <sup>(1)</sup> . . . . .	783,209	719,892
Cash and cash equivalents . . . . .	28,809	46,408
Current income tax assets . . . . .	460	—
<b>Total current assets</b> . . . . .	<b>920,972</b>	<b>878,505</b>
<b>Total assets</b> . . . . .	<b>1,034,582</b>	<b>980,747</b>
<b>Liabilities</b>		
<b>Non-current</b>		
Employee benefits . . . . .	(4,048)	(3,250)
Deferred income tax liabilities . . . . .	(9)	(19)
<b>Total non-current liabilities</b> . . . . .	<b>(4,057)</b>	<b>(3,269)</b>
<b>Current</b>		
Interest bearing loans and borrowings . . . . .	(6)	(9)
Trade and other payables <sup>(1)</sup> . . . . .	(607,121)	(575,349)
Current income tax liabilities . . . . .	—	(911)
<b>Total current liabilities</b> . . . . .	<b>(607,127)</b>	<b>(576,269)</b>
<b>Total liabilities</b> . . . . .	<b>(611,184)</b>	<b>(579,538)</b>
<b>Net assets</b> . . . . .	<b>423,398</b>	<b>401,209</b>

**Note:**

- (1) As at 31 March 2015, trade and other receivables includes intercompany balances of €575,907,000 due from the Continuing Group to the Disposed Businesses and trade and other payables includes intercompany balances of €367,589,000 due to the Continuing Group by the Disposed Businesses. The net assets of the Disposed Businesses at 31 March 2015 excluding these intercompany balances were €215,080,000.



## PART 5—UNAUDITED PRO-FORMA FINANCIAL INFORMATION

### Section A: Unaudited pro forma financial information relating to the Group

The unaudited pro forma statement of net assets of the Group (the “**pro forma financial information**”) has been prepared to illustrate the effect of the proposed disposal of the Disposed Businesses on the consolidated net assets of the Group as at 31 March 2015 as if the proposed disposal had taken place on that date.

The pro forma financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and therefore does not represent the Group’s actual financial position or results.

The pro forma financial information has been prepared on the basis set out in the notes below and is based on the unaudited balance sheet of the Group as at 31 March 2015 and the financial information on the Disposed Businesses included in Part 4 (*Financial Information on the Disposed Businesses*) of this Circular. The pro forma financial information has been prepared in accordance with the requirements of items 1 to 6 of Annex II of the Prospectus Directive Regulation as applied by Listing Rule 13.3.3R and has been prepared in a manner consistent with the accounting policies of the Group for the financial period ended 31 March 2015.

Shareholders should read the whole of this document and not rely solely on the pro forma financial information contained in this Part 5 of this Circular.

KPMG’s report on the unaudited pro forma financial information is set out in Section B of this Part 5 of this Circular.

	Adjustments					Unaudited statement of net assets of UDG <sup>(6)</sup> €'000
	UDG as at 31 March 2015 <sup>(1)</sup> €'000	Disposed Businesses as at 31 March 2015 <sup>(2)</sup> €'000	Net Disposal Proceeds <sup>(3)</sup> €'000	Inter-group elimination <sup>(4)</sup> €'000	Goodwill & intangibles <sup>(5)</sup> €'000	
<b>Assets</b>						
<b>Non-current assets</b>						
Property, plant & equipment . . . . .	193,902	(81,583)	—	—	—	112,319
Goodwill . . . . .	381,384	(781)	—	—	(14,369)	366,234
Intangible assets . . . . .	147,134	(29,846)	—	—	(1,017)	116,271
Investment in joint ventures and associates .	21,752	—	—	—	—	21,752
Derivative financial instruments . . . . .	29,601	—	—	—	—	29,601
Deferred income tax assets . . . . .	10,374	(1,400)	—	—	—	8,974
Employee benefits . . . . .	15,882	—	—	—	—	15,882
<b>Total non-current assets . . . . .</b>	<b>800,029</b>	<b>(113,610)</b>	<b>—</b>	<b>—</b>	<b>(15,386)</b>	<b>671,033</b>
<b>Current assets</b>						
Inventories . . . . .	169,048	(108,494)	—	—	—	60,554
Trade and other receivables . . . . .	431,943	(783,209)	—	575,907	—	224,641
Cash and cash equivalents . . . . .	145,461	(28,809)	406,303	—	—	522,955
Current income tax assets . . . . .	4,822	(460)	—	—	—	4,362
Derivative financial instruments . . . . .	4,799	—	—	—	—	4,799
<b>Total current assets . . . . .</b>	<b>756,073</b>	<b>(920,972)</b>	<b>406,303</b>	<b>575,907</b>	<b>—</b>	<b>817,311</b>
<b>Total assets . . . . .</b>	<b>1,556,102</b>	<b>(1,034,582)</b>	<b>406,303</b>	<b>575,907</b>	<b>(15,386)</b>	<b>1,488,344</b>
<b>Liabilities</b>						
<b>Non-current liabilities</b>						
Interest bearing loans and borrowings . . . .	(453,925)	—	—	—	—	(453,925)
Provisions . . . . .	(15,593)	—	—	—	—	(15,593)
Employee benefits . . . . .	(34,896)	4,048	—	—	—	(30,848)
Deferred income tax liabilities . . . . .	(33,613)	9	—	—	142	(33,462)
<b>Total non-current liabilities . . . . .</b>	<b>(538,027)</b>	<b>4,057</b>	<b>—</b>	<b>—</b>	<b>142</b>	<b>(533,828)</b>
<b>Current liabilities</b>						
Interest bearing loans and borrowings . . . .	(837)	6	—	—	—	(831)
Trade and other payables . . . . .	(420,601)	607,121	—	(367,589)	—	(181,069)
Current income tax liabilities . . . . .	(4,851)	—	—	—	—	(4,851)
Provisions . . . . .	(9,735)	—	—	—	—	(9,735)
<b>Total current liabilities . . . . .</b>	<b>(436,024)</b>	<b>607,127</b>	<b>—</b>	<b>(367,589)</b>	<b>—</b>	<b>(196,486)</b>
<b>Total liabilities . . . . .</b>	<b>(974,051)</b>	<b>611,184</b>	<b>—</b>	<b>(367,589)</b>	<b>142</b>	<b>(730,314)</b>
<b>Net assets . . . . .</b>	<b>582,051</b>	<b>(423,398)</b>	<b>406,303</b>	<b>208,318</b>	<b>(15,244)</b>	<b>758,030</b>
<b>Net (Debt)/Cash<sup>(8)</sup> . . . . .</b>	<b>(274,901)</b>	<b>(28,803)</b>	<b>406,303</b>	<b>—</b>	<b>—</b>	<b>102,599</b>

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**Notes:**

- (1) The net assets of the Group have been extracted from the unaudited balance sheet as at 31 March 2015 as published in the Group's interim results dated 13 May 2015.
- (2) The Disposed Businesses net assets have been extracted without adjustment from Part 4 (*Financial Information on the Disposed Businesses*) of this Circular.
- (3) The net proceeds comprise:

	<u>€'000</u>
Gross disposal proceeds . . . . .	407,500
Disposed Businesses net cash on balance sheet at 31 March 2015 . . . . .	28,803
Estimated transaction taxes, fees and other costs . . . . .	(25,000)
Estimated separation related costs . . . . .	(5,000)
	<u>406,303</u>

- (4) Intercompany balances between the Disposed Businesses and the Continuing Group will either be settled pre-Completion or as part of the cash-free/debt-free mechanism on Completion. There will be no net cash impact arising from this settlement on the Continuing Group. The intercompany balances have been extracted, without adjustment, from the consolidation schedules that underlie the Group's unaudited consolidated interim financial statements for the financial period ended 31 March 2015.
- (5) This adjustment relates to the de-recognition of goodwill and intangible assets which arose on the original acquisition of the Disposed Businesses and has been extracted, without adjustment, from the consolidation schedules that underlie the Group's unaudited consolidated interim financial statements for the financial period ended 31 March 2015.
- (6) No adjustment has been made to the unaudited pro-forma statement of net assets to reflect the trading results of the Disposed Businesses or the Continuing Group since 31 March 2015.
- (7) In addition, no adjustment has been made to the unaudited pro-forma statement of net assets to reflect the difference between the actual working capital of the Disposed Businesses as at 31 March 2015 and the target working capital level at Completion.
- (8) Net cash comprises the sum of Cash and cash equivalents, Interest bearing loans and borrowings and Derivative financial instruments (both current and non-current elements).

## **Section B: Report of KPMG on the unaudited pro forma financial information**

The Directors  
UDG Healthcare plc  
UDG Healthcare House  
Magna Drive  
Magna Business Park  
Citywest Road  
Dublin 24  
Ireland



21 September 2015

Dear Sir or Madam:

### **UDG Healthcare plc**

We report on the pro forma financial information (the 'Pro forma financial information') set out in Part 5 of the Class 1 circular dated 21 September 2015, which has been prepared on the basis described in notes 1 to 8, for illustrative purposes only, to provide information about how the proposed disposal of United Drug Supply Chain Services, United Drug Sangers, TCP Group and MASTA might have affected the financial information presented on the basis of the accounting policies adopted by UDG Healthcare plc in preparing the unaudited condensed consolidated interim financial statements for the financial period ended 31 March 2015. This report is required by paragraph 13.3.3R of the Listing Rules of the Financial Conduct Authority and is given for the purpose of complying with that paragraph and for no other purpose.

### **Responsibilities**

It is the responsibility of the directors of UDG Healthcare plc to prepare the Pro forma financial information in accordance with paragraph 13.3.3R of the Listing Rules of the Financial Conduct Authority.

It is our responsibility to form an opinion, as required by paragraph 7 of Annex II of the Prospectus Directive Regulation, as to the proper compilation of the Pro forma financial information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to Ordinary shareholders as a result of the inclusion of this report in the Class 1 circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Listing Rule 13.4.1R(6) of the Financial Conduct Authority, consenting to its inclusion in the Class 1 circular.

### **Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board of the United Kingdom and Ireland. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the directors of UDG Healthcare plc.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of UDG Healthcare plc.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

**Opinion**

In our opinion:

- the Pro forma financial information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of UDG Healthcare plc.

Yours faithfully

KPMG  
*Chartered Accountants*  
*Dublin, Ireland*

## PART 6—GROUP PROFIT FORECAST

### 1. PROFIT FORECAST

On 6 August 2015, the Company released a trading update in which it announced that it was reiterating guidance for constant currency adjusted diluted earnings per share (“EPS”)<sup>(7)</sup> for the year to 30 September 2015 of between 7% and 9% ahead of last year.

Further, the average 2014 financial year exchange rates were €1 = £0.8194 and \$1.3574. Based on the average exchange rates for the first nine months of the financial year ending 30 September 2015 of €1 = £0.7518 and \$1.1615, reported EPS growth will be in the range of 18% to 20%, up from a previously guided range of 16% to 18%.

### 2. VALIDITY OF THE PROFIT FORECAST

The Board has considered and re-confirms the profit forecast announced on 6 August 2015 (the “**Profit Forecast**”).

### 3. BASIS OF PREPARATION

The Profit Forecast is based on the unaudited condensed interim financial statements for the six month period ended 31 March 2015 (which are incorporated by reference into this document), the unaudited management accounts for the three month period ended 30 June 2015 which formed the basis for the interim management statement issued on 6 August 2015, and a forecast for the three month period ended 30 September 2015.

The Profit Forecast is not of ‘profit before tax’ as the Directors consider ‘constant currency adjusted diluted earnings per share’ and ‘reported adjusted diluted earnings per share’ to be more appropriate measures of the performance of UDG as they reflect the underlying profitability of the Group after taking into account charges for taxation.

The Profit Forecast has been properly compiled on the basis of the assumptions set out below and has been prepared on a basis consistent with the accounting policies adopted by UDG Healthcare plc in the preparation of its audited consolidated financial statements for the year ended 30 September 2014 (which are incorporated by reference into this document).

### 4. PRINCIPAL ASSUMPTIONS UNDERLYING THE PROFIT FORECAST

The Profit Forecast includes the results from the Disposed Businesses. The Profit Forecast has been prepared on the basis of the following assumptions.

Factors within the control or influence of the Directors:

- There will not be any acquisitions or disposals prior to 30 September 2015.

Factors outside the control or influence of the Directors:

- There will be no material change in the ownership and control of UDG;
- There will be no material change to the Group’s customers’ obligations or their ability or willingness to meet their obligations to the Group from that currently anticipated by the Directors;
- There will be no material change in current trading conditions;
- There will be no material change in legislation or regulatory requirements impacting the Group’s operations or accounting policies;
- There will not be any changes in general trading and economic conditions in the countries in which the Group operates or trades which would materially affect the Group’s business;
- There will be no business interruptions that materially affect the Group, its major suppliers or its major customers by reason of technological faults, natural disasters, industrial disruption, civil disturbance or government action; and
- There will be no material change to the competitive environment leading to an adverse impact on consumer preferences or the capacity of the business to penetrate new markets.

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(7) Earnings per share before the amortisation of acquired intangible assets, acquisition costs and exceptional items (net of tax)



## PART 7—ADDITIONAL INFORMATION

### 1. RESPONSIBILITY

The Company and the Directors whose names are set out on page 4 accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

### 2. UDG HEALTHCARE PLC

The Company was incorporated in Ireland on 19 January 1948 with registered number 12244 under the name The United Drug and Chemical Company Limited. The name of the Company was changed to United Drug Limited on 8 September 1977, to United Drug public limited company on 4 December 1985 (the date of the Company's re-registration as a public company) and to UDG Healthcare plc on 26 September 2013. The registered office of the Company is UDG Healthcare plc, UDG Healthcare House, Magna Drive, Magna Business Park, Citywest Road, Dublin 24, Ireland (telephone number +353 1 463 2300). The principal laws and legislation under which the Company operates is the Companies Act.

### 3. DIRECTORS' AND OTHERS' INTERESTS

#### 3.1 Directors' Interests

- (a) As at 18 September 2015 (being the latest practicable date prior to publication of this Circular), the interests of the Directors in the share capital of the Company were as follows:

Name	Number of Ordinary Shares	Percentage of issued share capital
Peter Gray . . . . .	100,000	0.041
Liam FitzGerald . . . . .	820,017	0.335
Brendan McAtamney . . . . .	50,000	0.020
Alan Ralph . . . . .	153,588	0.063
Chris Corbin . . . . .	1,862,681	0.761
Chris Brinsmead . . . . .	15,000	0.006
Gerard van Odiijk . . . . .	—	—
Lisa Ricciardi . . . . .	16,000	0.007
Philip Toomey . . . . .	84,334	0.034
Linda Wilding . . . . .	—	—

- (b) As at 18 September 2015 (being the latest practicable date prior to the publication of this Circular), the Directors held the following options in respect of Ordinary Shares under the terms of the Long Term Incentive Plan:

Name	Date Awarded	Number of Ordinary Shares	Exercise Price	Vesting Date	Expiry Date
Chris Corbin . . . . .	24.05.12	69,387	€0.05	24.05.15	23.05.19
	07.12.12	107,462	€0.05	07.12.15	06.12.19
	28.02.14	77,212	€0.05	28.02.19	27.02.21
	17.12.14	77,772	€0.05	17.12.19	16.12.21
Liam FitzGerald . . . . .	24.05.12	165,702	€0.05	24.05.15	23.05.19
	07.12.12	172,563	€0.05	07.12.15	06.12.19
	28.02.14	125,362	€0.05	28.02.19	27.02.21
	17.12.14	122,865	€0.05	17.12.19	16.12.21
Brendan McAtamney . . . . .	28.02.14	93,911	€0.05	28.02.19	27.02.21
	17.12.14	92,041	€0.05	17.12.19	16.12.21
Alan Ralph . . . . .	24.05.12	64,439	€0.05	24.05.15	23.05.19
	07.12.12	100,661	€0.05	07.12.15	06.12.19
	28.02.14	87,973	€0.05	28.02.19	27.02.21
	17.12.14	86,220	€0.05	17.12.19	16.12.21

- (c) As at 18 September 2015 (being the latest practicable date prior to the publication of this Circular), the Directors held the following options in respect of Ordinary Shares under the terms of the Executive Share Option Scheme:

<u>Name</u>	<u>Date Awarded</u>	<u>Number of Ordinary Shares</u>	<u>Exercise Price</u>	<u>Vesting Date</u>	<u>Expiry Date</u>
<i>Basic Tier Share Options</i>					
Chris Corbin . . . . .	23.06.06	45,000	€3.32	23.06.09	22.06.16
	20.06.07	45,000	€4.06	n/a	19.06.17
Liam FitzGerald . . . . .	20.06.07	100,000	€4.06	n/a	19.06.17
Alan Ralph . . . . .	23.06.06	45,000	€3.32	23.06.09	22.06.16
	20.06.07	45,000	€4.06	n/a	19.06.17
<i>Second Tier Share Options</i>					
Chris Corbin . . . . .	23.06.06	40,000	€3.32	n/a	22.06.16
	20.06.07	40,000	€4.06	n/a	19.06.17
Liam FitzGerald . . . . .	23.06.06	90,000	€3.32	n/a	22.06.16
	20.06.07	80,000	€4.06	n/a	19.06.17
Alan Ralph . . . . .	23.06.06	40,000	€3.32	n/a	22.06.16
	20.06.07	45,000	€4.06	n/a	19.06.17

### 3.2 Interests of Major Shareholders

As at 18 September 2015 being the latest practicable date prior to the publication of this Circular, so far as the Company is aware, the following are the only holdings of the Company that directly or indirectly represent 3 per cent or more of the issued ordinary share capital of the Company:

<u>Name of Shareholder</u>	<u>No of Ordinary Shares currently held</u>	<u>Percentage of issued share capital</u>
FMR LLC (Fidelity) . . . . .	23,998,101	9.81%
FIL Limited (Fidelity) . . . . .	16,694,772	6.82%
M&G Investment Management . . . . .	12,600,770	5.15%
Blackrock Investment Management (UK) Limited . . . . .	8,900,662	3.64%

Save as disclosed in this paragraph 3.2, the Company is not aware of and has not been notified of any shareholding representing, directly or indirectly, 3 per cent or more of the share capital of the Company. The Company is not aware of any person who directly or indirectly, jointly or severally, exercises or could exercise, control over the Company.

## 4. DIRECTORS' SERVICE CONTRACTS

Save as set out below, there are no existing or proposed service agreements between any Director and any Group company.

### 4.1 Executive Director Service Contracts

Liam FitzGerald's service contract can be terminated by him giving six months' notice or by the Company giving twelve months' notice. The Company has retained the right to make payment to the director in respect of salary and other emoluments in lieu of the notice period. Mr FitzGerald may, in certain circumstances, be entitled to terminate his employment with the Company on a change of control of the Company. In this scenario, he is entitled to a payment equal to the base salary, annual bonus and pension contribution paid to him in the year immediately preceding the termination date.

Brendan McAtamney and Alan Ralph's service contracts can be terminated by either party giving twelve months' notice. The Company has retained the right to make payment to either director in respect of salary and other contractual entitlements in lieu of the notice period.

Chris Corbin's service contract can be terminated by either party giving twelve months' notice.

## **4.2 Non-Executive Directors Letters of Appointment**

The terms of engagement of non-executive directors are set out in letters of appointment. Non-executive directors are currently appointed for an initial three year term subject to satisfactory performance and annual re-election by shareholders at annual general meetings. The appointment can be terminated by either party on giving one month's notice.

Each of the non-executive directors was last elected or re-elected at the Company's most recent annual general meeting on 3 February 2015.

## **5. WORKING CAPITAL**

The Company and the Directors are of the opinion that, taking into account the net proceeds of the Disposal and the facilities available to the Continuing Group, the working capital available to the Continuing Group is sufficient for its present requirements, that is, for the period of at least twelve months following the date of this document.

## **6. RELATED PARTY TRANSACTIONS**

Save as disclosed in the notes to the audited consolidated financial statements of the Company for the financial years ended 30 September 2012, 2013 and 2014 and the un-audited condensed financial statements of the Company for the six months to 31 March 2015, each of which is incorporated by reference into this Circular, the Company has not entered into any related party transaction during the period covered by the historical financial information incorporated by reference up to the date of this Circular.

## **7. SIGNIFICANT CHANGE**

### **7.1 Continuing Group**

There has been no significant change in the financial or trading position of the Continuing Group since 31 March 2015, being the date to which the last published interim financial statements of the Company were prepared.

### **7.2 Disposed Businesses**

There has been no significant change in the financial or trading position of the Disposed Businesses since 31 March 2015, the date to which the financial information on the Disposed Businesses set out in Part 4 (*Financial Information on the Disposed Businesses*) of this document has been prepared.

## **8. LITIGATION**

### **8.1 Continuing Group**

There are no, nor have there been any, governmental, legal or arbitration proceedings (nor is the Company aware of any such proceedings which are pending or threatened) during the 12 months preceding the date of this document which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Continuing Group and/or the Company.

### **8.2 Disposed Businesses**

There are no, nor have there been any, governmental, legal or arbitration proceedings (nor is the Company aware of any such proceedings which are pending or threatened) during the 12 months preceding the date of this document which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Disposed Businesses.

## **9. MATERIAL CONTRACTS**

### **9.1 Continuing Group**

The following is a summary of material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by any member of the Continuing Group: (i) within the two years immediately preceding the date of this document and are, or may be, material; or (ii) which contain

any provision under which any member of the Continuing Group has an obligation or entitlement which is, or may be, material to the Continuing Group as at the date of this document:

(a) *Transaction Agreements*

Details of the Share Purchase Agreement and other Transaction Agreements are set out in Part 3 (*Summary of the Transaction Agreements*) of this Circular.

(b) *Revolving Credit Facility*

On 25 September 2014 the Company and certain subsidiaries of the Company as borrowers and guarantors entered into a €210,000,000 multicurrency revolving credit facility (“**RCF**”) with (1) The Governor and Company of the Bank of Ireland, (2) Ulster Bank Ireland Limited (3) Danske Bank A/S and (4) HSBC Bank plc (together the “**Lenders**”). The RCF is available until 30 November 2019 and can be used for general corporate purposes. Under the RCF, the borrowers and guarantors have given certain representations, undertakings and covenants to the lenders customary for an agreement of this nature.

The Company has obtained the consent of the Lenders to the Disposal and consequently the RCF remains available to the Company until 30 November 2019.

In addition, the Lenders have consented to the resignation of each of United Drug (Wholesale) Limited, Sangers (Northern Ireland) Limited and MASTA Limited (being members of the Disposed Businesses) as borrowers and/or guarantors under the RCF, such resignations to be effective as from the Completion Date.

(c) *US Private Placements*

(i) *2014 issuance and shelf facility*

On 30 September 2014 (1) United Drug Finance Limited as issuer (“**UDFL**”) and (2) the Company as principal guarantor entered into a Note Purchase, Guaranty and Private Shelf Agreement (“**2014 Note Purchase Agreement**”) under which UDFL issued €10,000,000 in principal amount of 2.64 per cent Series A Guaranteed Senior Unsecured Notes due 30 September 2026 in a US private placement, and arranged a shelf facility to issue up to \$62,120,000 (or euro equivalent) additional notes in the three years following the date of the 2014 Note Purchase Agreement with maturity dates of up to 12 years. Certain subsidiaries of the Company have also entered into subsidiary guarantee agreements guaranteeing the obligations of UDFL under the notes.

The terms of the 2014 Note Purchase Agreement require that the net proceeds of any disposal of a substantial part of the Group’s total assets must be either re-invested in the purchase or development of assets for use in the Group over a two year period commencing one year before and ending one year after the completion of the disposal or applied in repaying financial indebtedness of the Group (in which case UDFL would be required to make an offer to the holders of the notes to acquire a pro rata share of their notes at par). A failure to comply with this undertaking would be an event of default giving noteholders the ability to serve a notice accelerating the notes and terminating the facility.

(ii) *2013 issuance*

On 25 September 2013 (1) UDFL as issuer and (2) the Company as principal guarantor entered into a Note Purchase and Guaranty Agreement (“**2013 Note Purchase Agreement**”) under which UDFL issued the following series of notes in a US private placement: (i) \$105,000,000 in principal amount of 4.48 per cent Series A Guaranteed Senior Unsecured Notes due 25 September 2023; (ii) \$35,000,000 in principal amount of 4.59 per cent Series B Guaranteed Senior Unsecured Notes due 25 September 2025; (iii) €12,000,000 in principal amount of 3.45 per cent Series C Guaranteed Senior Unsecured Notes due 25 September 2023; and (iv) €11,000,000 in principal amount of 3.50 per cent Series D Guaranteed Senior Unsecured Notes due 25 September 2025. Certain subsidiaries of the Company have also entered into subsidiary guarantee agreements guaranteeing the obligations of UDFL under the notes.

The 2013 Note Purchase Agreement does not include a shelf facility to issue additional notes but is otherwise in materially the same terms as the 2014 Note Purchase Agreement, including as to the application of net proceeds of any substantial disposals of assets.

(iii) *2010 issuance*

On 7 September 2010 (1) UDFL as issuer and (2) the Company as principal guarantor entered into a Note Purchase and Guaranty Agreement (“**2010 Note Purchase Agreement**”) under which UDFL issued the following series of notes in a US private placement: (i) \$65,000,000 in principal amount of 4.70 per cent Series A Guaranteed Senior Unsecured Notes due 7 September 2017; and (ii) \$65,000,000 in principal amount of 5.25 per cent Series B Guaranteed Senior Unsecured Notes due 7 September 2020. Certain subsidiaries of the Company have also entered into subsidiary guarantee agreements guaranteeing the obligations of UDFL under the notes.

The 2010 Note Purchase Agreement does not include a shelf facility to issue additional notes but is otherwise in materially the same terms as the 2014 Note Purchase Agreement, including as to the application of net proceeds of any substantial disposals.

(iv) *2004 issuance*

On 21 July 2004 (1) UDFL as issuer and (2) the Company as principal guarantor entered into a Note Purchase and Guaranty Agreement (“**2004 Note Purchase Agreement**”) under which UDFL issued various series of notes in a US private placement of which \$22,000,000 in principal amount of 5.85 per cent Series C Guaranteed Senior Unsecured Notes due 21 July 2016 remain outstanding. Certain subsidiaries of the Company have also entered into subsidiary guarantee agreements guaranteeing the obligations of UDFL under the notes.

The 2004 Note Purchase Agreement was amended by agreement among UDFL, the Company and the noteholders on 22 September 2010. The 2004 Note Purchase Agreement (as amended) does not include a shelf facility to issue additional notes but is otherwise in materially the same terms as the 2014 Note Purchase Agreement, including as to the application of net proceeds of any substantial disposals.

(d) *CMIC Joint Venture in Japan*

A joint venture corporation was established in Japan between UDG Corporation (“**UDGH Corp**”) and CMIC Holdings Co., Ltd (“**CMIC**”) in October 2014 to service the Japanese contract sales organisation (“**CSO**”) market. By a share purchase agreement entered into on 26 September 2014 (and completed on 1 October 2014) UDGH Corp acquired 49.99% of the issued and outstanding shares of CMIC-MPSS Co., Ltd (“**JV Co**”) held by CMIC for consideration of JPY 724 million. The JV Co is subject to a shareholders’ agreement dated 22 October 2014 entered into between (1) UDGH Corp, (2) CMIC and (3) JV Co which contains provisions which are customary for an agreement of this nature regulating the constitution and operation of JV Co. Additionally, JV Co entered into a marketing services agreement with an affiliate company of CMIC whereby that affiliate company will provide marketing services to JV Co in Japan in respect of the CSO market. The marketing services agreement was entered into on 22 October 2014 for an initial term of two years and contains representations, undertakings and warranties that are customary for an agreement of this nature.

(e) *The Expansis Acquisition*

Pursuant to a sale and purchase agreement dated 31 July 2013 between (1) Grupo Expansis, SL, (2) Mr. José Luis Casteig Ayestaran (3) Mrs María del Carmen Blanco Méndez and (4) Pharmexx International Spain, SL (“**Pharmexx**”), being a member of the Continuing Group, Pharmexx acquired the entire issued share capital of Grupo Expansis, SL and Grupo Trebalia SL for an initial consideration of €7.9 million with deferred consideration of up to €5 million payable (if certain milestones are achieved) on either 31 March 2016 or 30 September 2016. The acquisition completed on 10 September 2013.

(f) *The M.C.G. Acquisition*

Pursuant to an asset purchase agreement dated 29 August 2013 between (1) M.C.G. Medical Communications Group Inc. (“**MCG**”) and (2) Ashfield Healthcare Canada Inc. (“**Ashfield**”), and intervened to by Jason Erickson, Joel Erickson, Daryl Erickson and Daryl Erickson Holdings Inc. Ashfield acquired substantially all of the assets and operations of MCG, for a total consideration of approximately €11.2 million.

(g) *The KnowledgePoint360 Acquisition*

Pursuant to a securities purchase agreement dated 26 February 2014 between (1) KnowledgePoint360 US Intermediate Holdings LLC (the “**US Seller**”), (2) KnowledgePoint 360 UK HoldCo Limited (the “**UK Seller**”), (3) KnowledgePoint 360 Group LLC (the “**US Target**”), (4) KnowledgePoint 360 UK AcquisitionCo Limited (the “**UK Target**”), (5) KnowledgePoint 360 Parent Holdings, (6) Magna Healthcare Inc (the “**US Buyer**”), (7) United Drug (UK) Holdings Limited (“**UD(UK)**”) and (8) the Company, the US Buyer acquired from the US Seller the entire issued share capital of the US Target and UD(UK) acquired from the UK Seller the entire issued share capital of the UK Target for an aggregate consideration of approximately €105 million.

(h) *Galliard and Nyxeon Acquisitions*

Pursuant to a sale and purchase agreement dated 7 July 2014 between (1) the shareholders of MFRHRC Holdings Limited (“**MFRHRC**”) and (2) UD(UK), UD(UK) acquired the entire issued share capital of MFRHRC for a total consideration of up to £13 million. The initial consideration was £6.5 million with deferred consideration of up to £6.5 million payable (if certain milestones are achieved) over a period of three years.

(i) *Arjun Products and Specials Lab Disposals*

Pursuant to a sale and purchase agreement dated 11 February 2014 between (1) UD(UK), (2) the Company, (3) PCCA (UK) Holdings Limited and (4) Professional Compounding Centers of America Inc., the Company disposed of the entire issued share capital of Arjun Products Limited, Craig & Hayward Limited and The Specials Laboratory Holdings Limited for an aggregate consideration of £23.5 million.

The Company provided customary non-competition, non-solicitation and confidentiality undertakings.

## 9.2 The Disposed Businesses

The following is a summary of material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by any member of the Disposed Businesses: (i) within the two years immediately preceding the date of this document and are, or may be, material; or (ii) which contain any provision under which any member of the Disposed Businesses has an obligation or entitlement which is, or may be, material to the Disposed Businesses as at the date of this document:

### *The UniDrug Disposal of Joint Venture Stake*

Pursuant to a share purchase agreement dated 15 August 2014 between (1) Sangers (Northern Ireland) Limited (“**Sangers**”), (2) Alliance Boots Holdings Limited (“**Alliance Boots**”) and (3) the Company, Sangers disposed of its 50% shareholding in UniDrug Distribution Group Limited for a total consideration of £66 million.

Sangers and the Company jointly and severally provided customary non-competition, non-solicitation and confidentiality undertakings and Sangers provided customary warranties and indemnities to Alliance Boots.

## 10. CONSENTS

Goldman Sachs has given and not withdrawn its written consent to the inclusion of its name in this document in the form and context in which it appears.



KPMG, has given and has not withdrawn its written consent to the inclusion in this document of its report set out in Part 5 (*Unaudited Pro-forma Financial Information*) and references to its report and its name in the form and context in which they appear.

## **11. INCORPORATION BY REFERENCE**

The following documents (or parts of documents) are incorporated by reference in, and form part of, this Circular:

- (a) UDG Healthcare plc interim financial report 2015;
- (b) UDG Healthcare plc annual reports and accounts 2014;
- (c) UDG Healthcare plc annual reports and accounts 2013;
- (d) United Drug plc annual reports and accounts 2012.

Part 8 (*Checklist of information incorporated by reference*) of this Circular sets out the location of references to the above documents within this Circular.

## **12. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Pinsent Masons LLP, 30 Crown Place, Earl Street, London, EC2A 4ES and at the offices of A&L Goodbody, IFSC, North Wall Quay, Dublin 1 from the date of this document up to and including the date of the Extraordinary General Meeting:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the consent letters referred to in paragraph 10 of this Part 7;
- (c) the Annual Reports and Accounts of the Company, including the audited consolidated accounts for the three years ended 30 September 2014, 30 September 2013 and 30 September 2012;
- (d) the interim financial report of the Company, including the un-audited condensed interim financial statements for the six months ended 31 March 2015;
- (e) the report of KPMG on the unaudited pro-forma financial information for the Continuing Group prepared by KPMG and set out in Part 5 of this document;
- (f) the Share Purchase Agreement and Deed of Tax Covenant; and
- (g) this document and the Form of Proxy.

Dated: 21 September 2015

## PART 8—CHECKLIST OF INFORMATION INCORPORATED BY REFERENCE

The Interim Results 2015, the Annual Report 2014, the Annual Report 2013 and the Annual Report 2012 are available for inspection in accordance with paragraph 12 of Part 7 (*Additional Information*) of this Circular and contain information which is relevant to this Circular. These documents are also available on UDG’s website at [udghealthcare.com/investor-centre](http://udghealthcare.com/investor-centre).

The table below sets out the various sections of such documents which are incorporated by reference into this Circular so as to provide the information required under the Listing Rules. No part of the Interim Results 2015, the Annual Report 2014, the Annual Report 2013 or the Annual Report 2012 is incorporated by reference herein except as expressly stated below.

<u>Reference Document</u>	<u>Information Incorporated by Reference</u>	<u>Document Page References</u>	<u>Page References in this Document</u>
United Drug plc Annual Report 2012 . . . . .	Note 30 (Related parties) to the audited Group Financial Statements for the financial year ended 30 September 2012	100	29
UDG Healthcare plc Annual Report 2013 . . . . .	Note 30 (Related parties) to the audited Group Financial Statements for the financial year ended 30 September 2013	116	29
UDG Healthcare plc Annual Report 2014 . . . . .	The audited Group Financial Statements for the financial year ended 30 September 2014 (together with the notes thereto)	76 to 129	26 and 29
UDG Healthcare plc Interim Results 2015 . . . . .	Note 16 (Related parties) to the unaudited condensed interim financial statements for the six months ended 31 March 2015	27	29

## PART 9—DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

“Adjusted EBITA” . . . . .	earnings before interest, tax, administrative expenses allocated from UDG, amortisation of acquired intangible assets, acquisition costs and exceptional items;
“Aquilant Business” . . . . .	the Aquilant Specialist Healthcare Services business of the Group as described on page 7 of this document;
“Ashfield Commercial & Medical Services” . . . . .	the Ashfield Commercial & Medical Services Division of the Group as described on page 7 of this document;
“Board” or “Directors” . . . . .	the board of directors of the Company as at the date of this document whose names are set out on page 4 of this document;
“CCPC” . . . . .	the Competition and Consumer Protection Commission;
“Circular” . . . . .	this document dated 21 September 2015;
“Companies Act” . . . . .	the Republic of Ireland Companies Act 2014 and every statutory extension, modification or re-enactment thereof from time to time in force;
“Completion” . . . . .	completion of the Disposal;
“Completion Date” . . . . .	the date on which Completion takes place;
“Continuing Group” . . . . .	the Group excluding the Disposed Businesses;
“CREST” . . . . .	the relevant system in respect of which Euroclear is the operator (as defined in the Regulations);
“CREST Proxy Instruction” . . . . .	the instruction whereby CREST members send a CREST message appointing a proxy to the meeting and instructing the proxy on how to vote;
“Deed of Tax Covenant” . . . . .	the deed of tax covenant in respect of certain pre-completion tax liabilities of the Disposed Businesses as described in paragraph 2 of Part 3 ( <i>Summary of the Transaction Agreements</i> ) of this document;
“Disclosure and Transparency Rules” . . . . .	the disclosure and transparency rules made by the FCA pursuant to Part 6 of FSMA;
“Disposal” . . . . .	the proposed disposal of the Disposed Businesses by UDG Healthcare plc to McKesson pursuant to the Share Purchase Agreement;
“Disposed Businesses” . . . . .	together (1) United Drug Supply Chain Services (2) the Sangers Business, (3) TCP Group and (4) the MASTA Business. The United Drug Supply Chain Services businesses to be disposed of do not include the Aquilant Business;
“Euroclear” . . . . .	Euroclear UK & Ireland Limited;
“Extraordinary General Meeting” . . . . .	the extraordinary general meeting of the Company to be held at 12 noon on 13 October 2015 at The Clyde Court Hotel, Lansdowne Road, Ballsbridge, Dublin 4, Ireland convened by the Notice;

“Executive Share Option Scheme” . . .	a share option scheme operated by the Company for the grant of options (subject to performance conditions) to key executives (the last of such awards having been made in 2009);
“FCA” . . . . .	the Financial Conduct Authority of the United Kingdom;
“Form of Proxy” . . . . .	the form of proxy for use by Shareholders in connection with the Extraordinary General Meeting;
“FSMA” . . . . .	the Financial Services and Markets Act 2000 of the United Kingdom;
“Goldman Sachs” . . . . .	Goldman Sachs International;
“Group” . . . . .	UDG Healthcare plc and its subsidiary undertakings;
“KPMG” . . . . .	KPMG;
“Listing Rules” . . . . .	the listing rules of the FCA;
“London Stock Exchange” . . . . .	London Stock Exchange plc;
“Long Term Incentive Plan” . . . . .	an incentive share plan operated by the Company for the grant of share awards (subject to performance conditions) to key executives;
“McKesson” . . . . .	McKesson Corporation;
“MASTA Business” or “MASTA” . . .	means the UK provider of travel health advice and vaccinations and independent wholesale supplier of travel and Influenza vaccinations in the UK;
“Notice” . . . . .	the Notice of Extraordinary General Meeting set out at the end of this document;
“Note Purchase Agreements” . . . . .	collectively the 2014 Note Purchase Agreement, 2013 Note Purchase Agreement, 2010 Note Purchase Agreement and the 2004 Note Purchase Agreement, each as defined paragraph 9.1(c) of Part 7 ( <i>Additional Information</i> ) of this Circular;
“Option Holders” . . . . .	holders of options to acquire Ordinary Shares;
“Ordinary Shares” . . . . .	ordinary shares of €0.05 each in the capital of the Company;
“Prospectus Directive Regulation” . .	Commission Regulation (EC) No 809/2004;
“Purchaser” . . . . .	McKesson Deutschland GmbH & Co. KGaA (being a subsidiary undertaking of McKesson);
“RCF” . . . . .	the multicurrency revolving credit facility available to the Group as summarised in paragraph 9.1(b) of Part 7 ( <i>Additional Information</i> ) of this Circular;
“Regulations” . . . . .	the Companies Act 1990 (Uncertificated Securities) Regulations 1996 (S.I. No. 68 of 1996);
“Regulatory Information Service” . . .	one of the regulatory information services authorised by the Irish Stock Exchange and/or the FCA to receive, process and disseminate regulated information from listed companies;
“Resolution” . . . . .	the resolution set out in the Notice;
“Sangers Business” or “United Drug Sangers” . . . . .	the business and undertakings collectively trading as United Drug Sangers in Northern Ireland together providing distribution services to pharmacies, retailers, hospitals, GPs and other customers;

“Sellers” . . . . .	together, the Company, United Drug Distributors Limited, United Drug Ayrtons (Dublin) Limited, Dublin Drug Company Limited, United Drug (UK) Holdings Limited and Alchem plc (each being members of the Continuing Group);
“Share Purchase Agreement” or “SPA” . . . . .	the share purchase agreement for the Disposal as described in Part 3 ( <i>Summary of the Transaction Agreements</i> ) of this document;
“Shareholder(s)” . . . . .	holder(s) of Ordinary Shares;
“Sharp Packaging Services” . . . . .	the Sharp Packaging Services Division of the Group as described on page 7 of this document;
“Stock Exchange” . . . . .	the London Stock Exchange;
“TCP Group” . . . . .	the business and undertakings collectively trading as TCP Group through Temperature Controlled Pharmaceuticals Limited and its subsidiaries providing “Direct to Patient Services” in the ROI delivering care in the patient’s home including dispensing and distribution of pharmaceutical products, nursing services and waste management;
“Transaction Agreements” . . . . .	the Share Purchase Agreement, the Deed of Tax Covenant and the Transition Agreement;
“Transition Agreement” . . . . .	the transition and separation services agreement as described in paragraph 3 of Part 3 ( <i>Summary of the Transaction Agreements</i> ) of this document;
“UDG” or the “Company” . . . . .	UDG Healthcare plc;
“United Drug Supply Chain Services” . . . . .	the business and undertakings collectively trading as United Drug Supply Chain Services in Ireland together providing distribution services to pharmacies, retailers, hospitals, GPs and other customers; and
“United Kingdom” or “UK” . . . . .	the United Kingdom of Great Britain and Northern Ireland.

## NOTICE OF EXTRAORDINARY GENERAL MEETING

### UDG Healthcare plc

*(Registered in Ireland under the Companies Act 2014 with registered number 12244)*

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**Extraordinary General Meeting**”) of UDG Healthcare plc (the “**Company**”) will be held at 12 noon on 13 October 2015 at The Clyde Court Hotel, Lansdowne Road, Ballsbridge, Dublin 4, Ireland to consider and, if thought fit, pass the following Ordinary Resolution:

“THAT the disposal of the Disposed Businesses, on the terms set out in the Transaction Agreements (both terms as defined in the circular to shareholders dated 21 September 2015 (the “**Circular**”)), be and is hereby approved and the Directors (or a committee of the Directors) be and are hereby authorised to waive, amend, vary or extend any of the terms of the Transaction Agreements (provided that any such waiver, modification, amendment, variation or extension is not material) and to do all things as they may consider at their sole discretion to be necessary or desirable to implement and give effect to, or otherwise in connection with, the Disposal and any matters incidental to the Disposal.”

By order of the Board

Michael Gannon  
Company Secretary  
UDG Healthcare House  
Magna Drive  
Magna Business Park  
Citywest Road  
Dublin 24  
Ireland

21 September 2015

Notes:

- (1) A shareholder entitled to attend, speak, ask questions and vote at the Extraordinary General Meeting is entitled to appoint one or more proxies to attend, speak, ask questions and vote on his/her behalf provided each proxy is appointed to exercise rights attached to different shares held by that shareholder. A shareholder acting as an intermediary on behalf of one or more clients may grant a proxy to each of its clients or their nominees provided each proxy is appointed to exercise rights attached to different shares held by that shareholder. A proxy need not be a member of the Company. If you wish to appoint more than one proxy please contact the Company's registrar, Computershare Investor Services (Ireland) Limited ("**Registrar**") at P.O. Box 954, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland or telephone +353 1 447 5100. A proxy attending the Extraordinary General Meeting may be requested to produce evidence of identity.
- (2) To be effective, the Form of Proxy duly completed and executed, together with any power of attorney or other authority under which it is executed, or a copy of such authority certified notarially or by a practicing solicitor in the Republic of Ireland, must be deposited with Computershare Investor Services (Ireland) Limited, either electronically or by post at the address set out above so as to be received not less than 48 hours before the time appointed for the Extraordinary General Meeting or any adjournment of the meeting or (in the case of a poll taken otherwise than at or on the same day as the Extraordinary General Meeting or adjourned Extraordinary General Meeting) at least 48 hours before the taking of the poll at which it is to be used. Any alteration to the Form of Proxy must be initialled by the person who signs it.
- (3) Shareholders may appoint a proxy electronically by accessing the Registrar's website, [www.eproxyappointment.com](http://www.eproxyappointment.com). You will require your Control Number, Shareholder Reference Number (SRN) and PIN number as printed on your Form of Proxy. Full details of the procedures, including voting instructions are given on the website.
- (4) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Extraordinary General Meeting and any adjournment of the meeting by using the procedures set out in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Computershare Investor Services (Ireland) Limited (ID 3RA50) not less than 48 hours before the time appointed for the Extraordinary General Meeting or any adjournment of the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to a proxy appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that their CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Companies Act, 1990 (Uncertificated Securities) Regulations, 1996.

- (5) In the case of a corporation, the Form of Proxy must be either executed under its common seal, signed on its behalf by a duly authorised officer or attorney, or submitted in accordance with Note 2 above.
- (6) The appointment of a proxy does not prevent a registered shareholder from attending, speaking, asking questions and voting at the Extraordinary General Meeting should they wish to do so.
- (7) Pursuant to Section 1095 of the Companies Act 2014 and Regulation 14 of the Companies Act, 1990 (Uncertificated Securities) Regulations, 1996, the Company hereby specifies that only those shareholders registered in the Register of Members of the Company as at close of business on 11 October 2015 ('the Record Date') (or in the case of an adjournment as at close of business on the day which is two days before the date of the adjourned Extraordinary General Meeting) shall be entitled to attend, speak, ask questions and vote at the Extraordinary General Meeting in respect of the number of shares registered in their names at the time. Changes to entries in the Register of Members after that time will be disregarded in determining the right of any person to attend and/or vote at the Extraordinary General Meeting.
- (8) As a shareholder, you have several ways to exercise your right to vote:
  - (i) by attending the Extraordinary General Meeting in person;
  - (ii) by appointing (either electronically or by returning a completed Form of Proxy) the Chairman or another person as a proxy to vote on your behalf;
  - (iii) by appointing a proxy via the CREST system if you hold your shares in CREST.



In the case of joint shareholders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other registered shareholder(s) and, for this purpose, seniority will be determined by the order in which the names stand in the Register of Members.

- (9) Shareholders entitled to attend the Extraordinary General Meeting have the right to ask questions relating to items on the agenda of the Extraordinary General Meeting and have such questions answered by the Company, subject to any reasonable measures the Company may take to ensure identification of the shareholder and unless:
  - (i) answering the question would interfere unduly with the preparation of the Extraordinary General Meeting or involve the disclosure of confidential information; or
  - (ii) the answer has already been given on the Company's website in a question and answer forum; or
  - (iii) it appears to the Chairman of the Extraordinary General Meeting that it is undesirable in the interests of good order of the meeting that the question be answered.
- (10) In addition to Note 9, before the Extraordinary General Meeting, a member may also submit a question in writing by sending a letter and evidence of their shareholding at least two business days prior to the Extraordinary General Meeting by post to the Company Secretary (at the Company's registered office).
- (11) Should you not receive a Form of Proxy, or should you wish to be sent copies of documents relating to the meeting, you may request this by telephoning the Company's Registrar on +353 1 447 5100 or by writing to the Company Secretary at the address set out above.
- (12) The total number of issued Ordinary Shares on the date of this Notice of Extraordinary General Meeting is 244,654,014 Ordinary Shares. On a vote on a show of hands, every member present in person and every proxy has one vote (but no individual shall have more than one vote). On a poll every member shall have one vote for every share carrying rights of which he is the holder.
- (13) Where a poll is taken at an Extraordinary General Meeting any member, present in person or by proxy, holding more than one share is not obliged to cast all his/her votes in the same way.
- (14) Ordinary resolutions are required to be passed by a simple majority of members voting in person or by proxy.
- (15) On any other business which may properly come before the Extraordinary General Meeting, or any adjournment thereof, and whether procedural or substantive in nature (including without limitation any motion to amend a resolution or adjourn the meeting) not specified in this Notice of Extraordinary General Meeting, the proxy will act at his/her discretion.

#### **Other resolutions**

- (16) The Extraordinary General Meeting is being convened to consider the specific resolution as incorporated in this Notice of Extraordinary General Meeting. As the text of this resolution is set out in this Notice of Extraordinary General Meeting, Section 1104(1)(b) of the Companies Act 2014 (which provides that a member or a group of members holding 3 per cent. of the issued share capital, representing at least 3 per cent. of the total voting rights of all members who have a right to vote at the meeting, have a right to table a draft resolution for an item on the agenda of an extraordinary general meeting) is accordingly inapplicable.
- (17) Subject to the Companies Act 2014 no amendment to a resolution (other than an amendment to correct a patent error or an amendment recommended by the Directors) may be considered or voted upon unless:
  - (i) at least 48 hours prior to the time appointed for holding the meeting or adjourned meeting at which the resolution is to be proposed, notice in writing of the terms of the amendment and intention to move same has been lodged with the Company Secretary (at the Company's registered office); or
  - (ii) the Chairman in his absolute discretion decides that it may be considered or voted upon; and
  - (iii) the resolution as amended will still be such that adequate notice of the intention to pass the same can be deemed to have been given to all persons entitled to receive such notice in accordance with the Articles.
- (18) A copy of this Notice of Extraordinary General Meeting, details of the total number of shares and voting rights at the date of this Notice and copies of documentation relating to this Extraordinary General Meeting can be obtained from the Company's website, [udghealthcare.com/investor-centre](http://udghealthcare.com/investor-centre).

