Company registration number: 00027657

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# The Boots Company PLC
# Strategic report, Directors' report and financial statements
for the year ended 31 March 2014

## Contents

# The Boots Company PLC

## Strategic report
for the year ended 31 March 2014

**Principal activities**
The Company's principal activities during the year were holding Boots brands and intellectual property.

**Business review**
Turnover increased by 6.2% (2013: 2.4%) to £172 million (2013: £162 million). Operating profit decreased by 0.7% (2013: increased by 0.7%) to £138 million (2013: £139 million).

The Company's retained profit for the financial year was £121 million (2013: £153 million).

During the year, the Company impaired its investment in BCM Kosmetik by £5 million to £10.2m.

**Principal risks and uncertainties**
The Company's Directors monitor the overall risk profile of the Company. In addition, the Directors are responsible for determining clear policies as to what the Company considers to be acceptable levels of risk. These policies seek to enable people throughout the Company to use their expertise to identify risks that could undermine performance and to devise ways of bringing them to within acceptable levels. Where the Directors identify risks that are not acceptable, they develop action plans to mitigate them with clear allocation of responsibilities and timescales for completion and ensure that progress towards implementing these plans is monitored and reported upon.

***Impact of regulation***
*Risk*
The Company operates in regulated markets and could be adversely affected by changes to existing regulation, new regulation and/or failure to comply with regulation.

*Mitigation*
The Company seeks to control this type of risk through active involvement in policy-making processes, understanding and contributing to government thinking on regulatory matters and building relationships with regulatory bodies directly and through representation in relevant professional and trade associations.

***Competition***
*Risk*
Changes in market dynamics or actions of competitors or manufacturers could adversely impact the Company. The Company faces competition from direct competitors and alternative supply sources.

*Mitigation*
The Company's strategy is to capitalise on the potential and strength of its leading brands and the trust in which they are held, and to build strong relationships with customers and suppliers. The Company continues to expand the scope of its operations in response to a changing marketplace.

***Health, safety and environmental***
*Risk*
The Company could suffer reputational damage caused by a major health and safety or environmental incident.

*Mitigation*
The Company applies standards which are closely monitored and regularly audited. Health, safety and environmental incidents are logged and analysed in order to learn the necessary lessons. Any major incident is promptly reported to and investigated by the Group's executive committee.

***Product/services***
*Risk*
The Company could be adversely impacted by the supply of defective products or provision of inadequate services. In particular, this could come from allowing the infiltration of counterfeit products into the supply chain, errors in re-labelling of products and contamination or product mishandling issues.

*Mitigation*
The Company has robust purchasing, well developed contractual controls in relation to suppliers and a cohesive product control framework. This includes specific controls for the identification of counterfeit product.

***Increased costs***
*Risk*
Operating costs may be subject to increases outside the control of the Company.

*Mitigation*
The Company uses procurement professionals and sophisticated procurement techniques to purchase goods and services on a national and international basis.

***Change management***
*Risk*
The Company could be affected adversely by the failure to achieve the anticipated commercial, operational and financial benefits from the various change programmes in the course of implementation throughout the Company.

*Mitigation*
The Company has in place robust governance processes to control all key change programmes, including regular programme board and steering group meetings at which progress to achieve the required benefits is monitored rigorously.

## Strategic report (continued)
for the year ended 31 March 2014

**Currency exchange**
*Risk*
The Company has transaction currency exposures relating to services in currencies other than the Company's functional currency.

*Mitigation*
We have rigorous policies and procedures in place to manage and report transaction exposures. Translation exposures are partially mitigated by ensuring that borrowings are denominated in the major currencies in which we operate.

By order of the Board:

**D Foster**
Company Secretary

25 June 2014

# The Boots Company PLC

## Directors' report
for the year ended 31 March 2014

The Directors present their report and the audited financial statements for the year ended 31 March 2014.

**Dividends**
Dividends of £122 million (2013: £149 million) were declared and paid in the year.

**Post balance sheet events**
There have been no significant events since the balance sheet date which should be considered for a proper understanding of these financial statements.

**Directors**
The following served as Directors during the year:

| | |
|---|---|
| M Dench | (Appointed 30 September 2013) |
| D Foster | |
| K Murphy | (Appointed 30 September 2013) |
| A Gourlay | (Resigned 30 September 2013) |
| M Muller | (Resigned 30 September 2013) |

**Auditor**
KPMG Audit Plc resigned as auditor of the Company on 8 April 2014 pursuant to section 516 of the Companies Act 2006. On 9 April 2014 KPMG LLP were appointed as auditor of the Company.

**Disclosure of information to the auditor**
The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

By order of the Board:

**D Foster**
Company Secretary

25 June 2014

Registered office:
Nottingham
NG2 3AA

Registered in England and Wales No. 00027657

## Statement of Directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements

for the year ended 31 March 2014

The Directors are responsible for preparing the Strategic report, Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

# Independent auditor's report
to the members of The Boots Company PLC

We have audited the financial statements of The Boots Company PLC for the year ended 31 March 2014 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditor**
As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

**Opinion on financial statements**
In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**
In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Mark Flanagan (Senior Statutory Auditor)**
**for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants
St Nicholas House
31 Park Row
Nottingham
NG1 6FQ

26 June 2014

## Profit and loss account
for the year ended 31 March 2014

| | Notes | 2014 £million | 2013 £million |
|---|---|---|---|
| **Turnover** | **2** | **172** | 162 |
| **Operating profit** | **2** | **138** | 139 |
| Income from shares in Group undertakings | | **15** | 46 |
| Interest receivable and similar income | **4** | **1** | 1 |
| **Profit on ordinary activities before taxation** | | **154** | 186 |
| Tax on profit on ordinary activities | **5** | **(33)** | (33) |
| **Profit for the financial year** | | **121** | 153 |

There were no recognised gains and losses for the current and preceding financial years other than the profit of £121 million (2013: £153 million) shown above. Accordingly, no statement of recognised gains and losses is presented.

There is no difference between the reported profit shown above and the profit for the year restated on an historical cost basis. Accordingly, no note of historical cost profits is presented.

The amounts presented for the current and preceding financial years are derived from continuing operations.

The notes on pages 8 to 12 form part of the Company's financial statements.

# The Boots Company PLC

## Balance sheet
as at 31 March 2014

| | Notes | 2014 £million | 2013 £million |
|---|---|---|---|
| **Fixed assets** | | | |
| Tangible assets | 7 | 1 | 4 |
| Investments | 8 | 1,190 | 1,195 |
| | | 1,191 | 1,199 |
| **Current assets** | | | |
| Debtors: including £nil (2013: £3 million) due after more than one year | 9 | 115 | 108 |
| Current asset investments | 10 | 16 | 15 |
| | | 131 | 123 |
| Creditors: amounts falling due within one year | 11 | (24) | (23) |
| **Net current assets** | | 107 | 100 |
| **Net assets** | | 1,298 | 1,299 |
| **Capital and reserves** | | | |
| Called up share capital | 13,14 | 209 | 209 |
| Share premium account | 14 | 254 | 254 |
| Capital redemption reserve | 14 | 57 | 57 |
| Capital contribution reserve | 14 | 177 | 177 |
| Profit and loss account | 14 | 601 | 602 |
| **Shareholder's funds** | | 1,298 | 1,299 |

The notes on pages 8 to 12 form part of the Company's financial statements.

These financial statements were approved by the Board on 25 June 2014 and were signed on its behalf by:

**K Murphy**
Director

Registered in England and Wales No. 00027657

# Notes to the financial statements
for the year ended 31 March 2014

## 1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

**Basis of preparation**
The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost convention.

Alliance Boots GmbH ("the Group"), the intermediate parent entity, includes the Company's assets, liabilities and results in its own publicly-available consolidated financial statements. Under FRS 1 (Revised 1996), 'Cash flow statements', the Company is therefore exempt from the requirement to prepare a cash flow statement. In addition, under SSAP 25, 'Segmental Reporting', the Company is exempt from the requirement to present segmental information on the grounds that Alliance Boots GmbH includes segmental information in its own publicly-available consolidated financial statements in compliance with IFRS 8, 'Operating Segments'.

The Company's voting rights are wholly controlled within the Group and, consequently, the Company is exempt under FRS 8, 'Related party Disclosures', from disclosing transactions with entities that are part of the Group or investees of the Group qualifying as related parties.

The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements and deliver them to the Registrar of Companies. The financial statements therefore present information about the Company as an individual undertaking and not about its Group.

**Going concern**
The Company has net assets and generates positive cash flows and expects this to continue in future periods. Based on these facts, the Company's Directors have assessed that there is no material uncertainty surrounding the going concern of the entity. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Foreign currencies**
Transactions denominated in non-sterling currencies are recorded at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in non-sterling currencies at the balance sheet date are translated at the exchange rates ruling at that date. Non-monetary assets and liabilities denominated in non-sterling currencies are translated using the exchange rates at the date of the underlying transactions. Exchange gains or losses are included in the profit or loss account.

**Turnover**
Turnover shown on the face of the profit and loss account is derived from royalty payments in line with contractual agreements.

**Tangible fixed assets**
*Cost*
All tangible fixed assets are stated at cost less accumulated depreciation and impairment losses.

*Depreciation*
Depreciation of tangible fixed assets is provided to write off the cost, less residual value, in equal instalments over their expected useful economic lives as follows:

- Plant and machinery – 3 to 10 years; and
- Fixtures, fittings, tools and equipment – 3 to 20 years.

Residual values, where material, and remaining useful economic lives are reviewed annually and adjusted if appropriate.

*Disposals*
Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit and loss account. Any impairment in the value of fixed assets is recognised immediately.

**Investments**
Investments are stated at cost less provision for impairment.

**Impairment of assets**
The Company's fixed assets are reviewed at each balance sheet date to determine whether events or changes in circumstances exist that indicate that their carrying amount may not be recoverable. If such an indication exists, the fixed asset's recoverable amount is estimated. The recoverable amount is the higher of a fixed asset's net realisable value and its value in use. An impairment loss is recognised in the profit and loss account for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable income, referred to as income generating units ("IGU").

The recoverable amounts of the IGUs are determined from value in use calculations which use discounted pre tax cash flows for a period of five years taken from approved budgets and three year forecasts, and extrapolated cash flows for the periods beyond these using estimated long term growth rates. The key assumptions are:

- **Long term average growth rates** are used to extrapolate cash flows. These are determined with reference to both internal approved budgets and forecasts and available external long term growth data for both the country and sector of each IGU.
- **Discount rates** are calculated separately for each IGU and reflect the individual nature and specific risks relating to the market in which it operates.
- **Gross margins** are based on past performance and management's expectations of market development. No improvements to margins beyond periods covered by approved budgets and forecasts have been assumed.

## Notes to the financial statements (continued)
for the year ended 31 March 2014

### 1. Accounting policies (continued)

**Share capital**
*Equity instruments*
An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Accordingly, a financial instrument is treated as equity if:

- there is no contractual obligation to deliver cash or other financial assets or to exchange financial assets or liabilities on terms that may be unfavourable; and
- the instrument is a non-derivative that contains no contractual obligation to deliver a variable number of shares or is a derivative that will be settled only by the Group exchanging a fixed amount of cash or other assets for a fixed number of the Company's own equity instruments.

Equity instruments are recorded as share capital and share premium, as applicable, net of tax-effected share issue costs. To the extent that this definition is not met, the proceeds of any issue are classified as a financial liability.

*Dividends*
Dividends on equity instruments classified as part of shareholders' funds are recognised as appropriations in the reconciliation of movements in shareholders' funds. Dividends unpaid at the balance sheet date are only recognised at that date to the extent that they are appropriately authorised by the shareholders of the Company and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

**Taxation**
*Current taxation*
Current tax is recognised at the amount expected to be paid or recovered for the period based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

*Deferred taxation*
Deferred tax is recognised on all timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are only recognised to the extent that it is more likely than not there will be suitable taxable profits against which the underlying timing differences can reverse. Deferred tax liabilities are not recognised in respect of corporation tax on chargeable gains arising on the disposal of assets where that gain is expected to be deferred indefinitely.

Deferred tax is measured on a non-discounted basis at the average rates expected to apply in the periods when the timing differences are expected to reverse using the tax rates and laws enacted or substantively enacted at the balance sheet date.

### 2. Profit from operations

| | **2014 £million** | 2013 £million |
|---|---|---|
| **Turnover** | **172** | 162 |
| **Cost of sales** | **(5)** | (4) |
| **Gross profit** | **167** | 158 |
| **Distribution costs** | **(29)** | (19) |
| **Operating profit** | **138** | 139 |

Operating profit is stated after charging:

| | **2014 £million** | 2013 £million |
|---|---|---|
| Depreciation of tangible fixed assets | | |
| - owned assets | **1** | - |
| Impairment of investment | **5** | - |

**Auditor's remuneration**
The 2014 fee for the audit of these financial statements was borne by a fellow Group undertaking. The amount allocated that would have been incurred is £8,000 (2013: £8,000). Amounts receivable by the Company's auditor in respect of non-audit services provided to the Company were £nil (2013: £nil).

### 3. Staff numbers and costs

There were no staff employed by the Company during the year (2013: none).

Directors' remuneration was paid on behalf of the Company by a fellow Group undertaking.

## Notes to the financial statements (continued)
for the year ended 31 March 2014

**4. Interest receivable and similar income**

| | 2014 £million | 2013 £million |
|---|---|---|
| Interest receivable | **1** | 1 |

**5. Tax on profit on ordinary activities**

An analysis of the tax charge for the year ended 31 March 2014 is presented as follows:

| | 2014 £million | 2013 £million |
|---|---|---|
| **Current tax** | | |
| *United Kingdom ('UK') corporation tax* | | |
| Corporation tax on income for the period at 23% (2013: 24%) | 33 | 33 |
| **Tax on profit on ordinary activities** | **33** | 33 |

The current tax charge for the financial year is lower (2013: lower) than the standard rate of corporation tax of 23% (2013: 24%). The differences are explained below:

| | 2014 £million | 2013 £million |
|---|---|---|
| Profit on ordinary activities before tax | **154** | 186 |
| Current tax at 23% (2013: 24%) | **35** | 45 |
| | | |
| Effects of: | | |
| Expenses not deductible/(income not taxable) for tax purposes | **1** | (1) |
| Non-taxable dividends received from UK companies | **(3)** | (11) |
| Total current tax charge as above | **33** | 33 |

**Factors that may affect future current and total tax charges**

During the year to 31 March 2014, the UK Government substantively enacted a reduction in the corporation tax rate to 21%, effective from 1 April 2014 and to 20% from 1 April 2015. This will reduce the company's future current tax charge accordingly.

**6. Dividends**

The Company's paid and proposed dividends are presented as follows:

| | 2014 £million | 2013 £million |
|---|---|---|
| **Dividends paid in the year** | | |
| Dividends paid | **122** | 149 |

**7. Tangible fixed assets**

| | Plant and machinery £million | Fixtures, fittings, tools and equipment £million | Total £million |
|---|---|---|---|
| **Cost** | | | |
| At 1 April 2013 | 19 | 6 | 25 |
| Disposals | (19) | (4) | (23) |
| **At 31 March 2014** | **-** | **2** | **2** |
| | | | |
| **Depreciation** | | | |
| At 1 April 2013 | 17 | 4 | 21 |
| Charge for the year | - | 1 | 1 |
| Disposals | (17) | (4) | (21) |
| **At 31 March 2014** | **-** | **1** | **1** |
| | | | |
| **Net book value** | | | |
| At 31 March 2013 | 2 | 2 | 4 |
| **At 31 March 2014** | **-** | **1** | **1** |

## Notes to the financial statements (continued)
for the year ended 31 March 2014

### 8. Fixed asset investments

| | Shares in subsidiary undertakings £million | Other investments £million | Total £million |
|---|---|---|---|
| **Cost** | | | |
| At 1 April 2013 | 1,193 | 2 | 1,195 |
| Impairment | (5) | - | (5) |
| **At 31 March 2014** | **1,188** | **2** | **1,190** |

During the year, the Company impaired its investment in BCM Kosmetik by £5 million.

The Company's principal subsidiary undertakings at the balance sheet date are presented as follows:

| | Percentage held by the Company or subsidiary undertakings | Country of incorporation | Main activity |
|---|---|---|---|
| AB Property Holdings Limited | 100 | Cayman Islands | Holding Company |

As permitted by Section 410 of the Companies Act 2006, only principal undertakings are shown. A complete list of all subsidiary undertakings is filed with the Company's annual return.

### 9. Debtors

| | 2014 £million | 2013 £million |
|---|---|---|
| **Falling due within one year:** | | |
| Amounts owed by Group undertakings | **110** | 104 |
| Other debtors | **2** | 1 |
| Corporation tax recoverable | **3** | - |
| | **115** | 105 |
| **Falling due after more than one year:** | | |
| Other debtors | **-** | 3 |
| **Total debtors** | **115** | 108 |

### 10. Current asset investments

| | 2014 £million | 2013 £million |
|---|---|---|
| Listed investments | **16** | 15 |

### 11. Creditors: amounts falling due within one year

| | 2014 £million | 2013 £million |
|---|---|---|
| Amounts owed to Group undertakings | **6** | 1 |
| Accruals and deferred income | **2** | 2 |
| Corporation tax payable | **16** | 20 |
| | **24** | 23 |

### 12. Deferred tax

At 31 March 2014 the Company had capital losses totalling £138 million (2013: £146 million) which are available for offset against future chargeable gains arising in the Company or in other Group undertakings. A deferred tax asset of £28 million (2013: £34 million) relating to these losses has not been recognised in these financial statements.

# Notes to the financial statements (continued)
for the year ended 31 March 2014

**13. Called up share capital**

| | 2014 £million | 2013 £million |
|---|---|---|
| **Allotted, called up and fully paid** | | |
| 836,022,397 ordinary shares of 25p each | **209** | 209 |

**14. Reconciliation of movements in equity shareholders' funds**

| | Called up share capital £million | Share premium account £million | Capital redemption reserve £million | Capital contribution reserve £million | Profit and loss account £million | Total £million |
|---|---|---|---|---|---|---|
| At 1 April 2012 | 209 | 254 | 57 | 177 | 598 | 1,295 |
| Profit for the financial year | - | - | - | - | 153 | 153 |
| Equity dividends paid | - | - | - | - | (149) | (149) |
| At 1 April 2013 | 209 | 254 | 57 | 177 | 602 | 1,299 |
| Profit for the financial year | - | - | - | - | 121 | 121 |
| Equity dividends paid | - | - | - | - | (122) | (122) |
| **At 31 March 2014** | **209** | **254** | **57** | **177** | **601** | **1,298** |

**15. Contingent liabilities**

On 21 December 2007, the Company became a Guarantor under both a £8,270 million multi-currency Senior Facilities Agreement and a £750 million multi-currency Subordinated Facility Agreement (together the Agreements) between, amongst others, AB Acquisitions Limited (a fellow subsidiary undertaking within the Alliance Boots GmbH Group) as a Borrower and Deutsche Bank AG as the Facility Agent for the Lenders. As a Guarantor under the Agreements, the Company has guaranteed the liabilities of fellow subsidiary undertakings within the Alliance Boots GmbH Group under the Agreements.

As at 31 March 2014 the gross borrowings outstanding under the Agreements in aggregate (including the impact of currency translation and capitalised interest) were £8,357 million (2013: £8,836 million).

The Company has entered into an arrangement with its bank under which its current account balances are netted on a daily basis with those of the other participating Group companies for the purposes of charging or crediting interest. Under this arrangement, each participating company agrees that it is jointly and severally liable to the bank, with each participating company, for the aggregate overdraft balances on current accounts of all participating companies. Each of the participating company's liability is limited to the amount of any positive cash balance it has in its current accounts with the bank on the day netting takes place. At 31 March 2014, the Company was contingently liable under this arrangement for a total amount of £nil (2013: £nil).

**16. Ultimate parent undertaking**

At 31 March 2014 the Company's immediate parent company was Alliance Boots Holdings Limited and its ultimate parent company and controlling party was AB Acquisitions Holdings Limited. AB Acquisitions Holdings Limited is also the parent undertaking of the largest group in which the Company is consolidated.

AB Acquisitions Holdings Limited is incorporated in Gibraltar, and its registered office is 57/63 Line Wall Road, Gibraltar. AB Acquisitions Holdings Limited is jointly controlled by Alliance Santé Participations S.A., and certain funds advised by Kohlberg Kravis Roberts & Co. L.P., S. Pessina, and O. Barra, who are Directors of Alliance Boots GmbH, are also Directors of Alliance Santé Participations S.A., which is ultimately owned by a family trust.

The smallest group in which the results of the Company are consolidated is that headed by Alliance Boots GmbH, a company incorporated in Switzerland. The consolidated financial statements of this group are available from the Alliance Boots website at www.allianceboots.com.