

Company registration number 02548412



Alliance UniChem Overseas Holdings
Directors' report and financial statements
for the year ended 31 March 2012

Contents

Directors' report	1
Statement of Directors' responsibilities in respect of the Directors' report and the financial statements	2
Independent auditor's report	3
Profit and loss account	4
Statement of total recognised gains and losses	4
Balance sheet	5
Notes to the financial statements	6

Alliance UniChem Overseas Holdings

Directors' report

for the year ended 31 March 2012

The Directors present their report and the audited financial statements for the year ended 31 March 2012

Principal activities

The Company is an investment holding company within the Alliance Boots GmbH group ("Group")

Business review

The Company's profit for the financial year is £12,699,000 (2011 £8,598,000)

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

Going concern

The Company has net current liabilities of £20,447,000 but has considerable financial resources available. As disclosed in note 9, it has a committed loans with a fellow group undertaking of €140,000,000 and NOK106,000 which matures on 31 March 2014. In addition to this a revolving credit facility of £23,500,000 is also provided to the Company by a fellow group undertaking which matures on 31 March 2014. Therefore the Directors consider that the Company has adequate resources to remain in operation for the foreseeable future, and have continued to adopt the going concern basis for preparing the financial statements

Principal risks and uncertainties

The Company's Directors monitor the overall risk profile of the Company. In addition, the Directors of the Group are responsible for determining clear policies as to what the Group considers to be acceptable levels of risk. These policies seek to enable people throughout the Group to use their expertise to identify risks that could undermine performance and to devise ways of bringing them within acceptable levels. Where the Directors of the Group 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.

There are no business risks for the Company necessary for an understanding of the development, performance or position of the business other than the financial risks detailed below.

Financial instruments

The Company is exposed to currency, credit and interest rate risk. The Group's treasury function manages these risks at a group level in accordance with Group Treasury Policy including the use of financial instruments for the purpose of managing these risks. Group risks are discussed in the Group's Annual Report, which does not form part of this report.

Dividends

An interim dividend of £18,688,000 (2011 £12,183,000) was declared and paid in the year.

Directors

The following served as Directors during the year:

A Clare
M Delve
F Standish

The Group places Directors' and Officers' insurance centrally and provides coverage for Directors' and Officers' liability exposure.

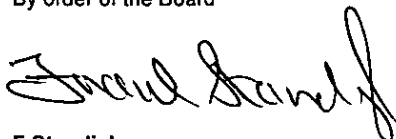
Auditors

Pursuant to section 487 of the Companies Act 2006, the auditors were deemed to be reappointed and KPMG Audit Plc will therefore continue in office.

Statement as to disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

By order of the Board



F Standish
Company Secretary
29 June 2012

Registered Office

2 The Heights
Brooklands
Weybridge
Surrey
KT13 0NY

Registered in England and Wales No. 02548412

Alliance UniChem Overseas Holdings

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

for the year ended 31 March 2012

The Directors are responsible for preparing the 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 the Directors 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 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 Alliance UniChem Overseas Holdings

We have audited the financial statements of Alliance UniChem Overseas Holdings for the year ended 31 March 2012 set out on pages 4 to 9. 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 2, 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 (APB'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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 2012 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.

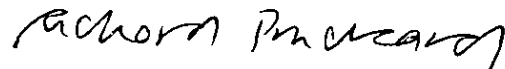
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period 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.



Richard Pinckard (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants
15 Canada Square
Canary Wharf
London, E14 5GL
29 June 2012

Alliance UniChem Overseas Holdings

Profit and loss account

for the year ended 31 March 2012

	Notes	2012 £'000	2011 £'000
Operating result	2	-	-
Income from shares in group undertakings		18,688	12,184
Interest payable and similar charges	3	(5,931)	(4,980)
Profit on ordinary activities before taxation		12,757	7,204
Tax (charge)/credit on profit on ordinary activities	4	(58)	1,394
Profit for the financial year		12,699	8,598

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

The notes on pages 6 to 9 form part of the Company's financial statements

Statement of total recognised gains and losses

for the year ended 31 March 2012

	Notes	2012 £'000	2011 £'000
Profit for the financial year		12,699	8,598
Net foreign exchange loss on foreign equity investments	11	(3,000)	(1,220)
Total recognised gains for the financial year		9,699	7,378

Alliance UniChem Overseas Holdings

Balance sheet

as at 31 March 2012

	Notes	2012 £'000	2011 £'000
Fixed assets			
Investments	6	176,351	185,348
Current assets			
Debtors	7	762	459
Current liabilities			
Creditors amounts falling due within one year	8	(21,209)	(14,917)
Net current liabilities		(20,447)	(14,458)
Total assets less current liabilities		155,904	170,890
Creditors amounts falling due after more than one year	9	(117,363)	(123,360)
Net assets		38,541	47,530
Capital and reserves			
Called up share capital	10, 11	30	30
Profit and loss account	11	38,511	47,500
Shareholders' funds		38,541	47,530

The notes on pages 6 to 9 form part of the Company's financial statements

These financial statements were approved by the Board on 29 June 2012 and were signed on its behalf by



M Delve
Director

Alliance UniChem Overseas Holdings

Notes to the financial statements

for the year ended 31 March 2012

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 UK Generally Accepted Accounting Practice, and under the historical cost convention

Alliance Boots GmbH, 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

The Company's voting rights are wholly controlled within the Alliance Boots GmbH group ("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

The Directors consider that the Company has adequate resources to remain in operation for the foreseeable future, and have continued to adopt the going concern basis for preparing the 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

The foreign exchange exposure related to those equity investments in group undertakings denominated in foreign currencies is hedged through the use of foreign currency loans made to group undertakings. Exchange gains and losses arising on the translation of such investments are taken directly to reserves. Exchange differences arising on the translation of foreign currency borrowings are offset in reserves to the extent of the exchange differences arising on the retranslated equity investments. Where the exchange differences relating to foreign currency borrowings exceed the exchange differences relating to foreign currency equity investments, the residual difference is taken to the profit and loss account

Investments

Investments are stated at cost less provision for impairment

Interest payable and similar charges

Interest payable and similar charges comprise interest payable on borrowings, calculated using the effective interest rate, financing fees, fair value movements on applicable derivative financial instruments and net exchange movements related to financing items

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

Loans

Loans are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, loans are stated at amortised cost with any difference between cost and redemption value being recognised in the profit and loss account over the period of the loans on an effective interest basis

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

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 Company exchanging a fixed amount of cash or other assets for a fixed number of its 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

Alliance UniChem Overseas Holdings

Notes to the financial statements (continued)

for the year ended 31 March 2012

1 Accounting policies (continued)

Dividends

Interim 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 as a liability 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.

2 Result from operations

Auditor's remuneration

The 2012 fee for the audit of these financial statements was borne by a fellow group undertaking. The amount allocated that would have been incurred is £1,000 (2011: £1,500).

Staff numbers and costs

The Directors have not received any remuneration for their services to the Company either during the current or prior year. There were no employees during the year (2011: nil).

3 Interest payable and similar charges

	2012 £'000	2011 £'000
Interest payable to group undertakings	5,931	4,980
	5,931	4,980

4 Tax (charge)/credit on profit on ordinary activities

An analysis of the tax (charge)/credit for the year ended 31 March 2012 is presented as follows:

	2012 £'000	2011 £'000
Current tax		
<i>United Kingdom ("UK") corporation tax</i>		
Corporation tax on income for the year at 26% (2011: 28%)	1,542	1,394
Adjustment in respect of prior periods	(1,600)	-
Tax (charge)/credit on profit on ordinary activities	(58)	1,394

The current tax (charge)/credit for the year is lower than (2011: lower than) the standard rate of corporation tax of 26% (2011: 28%). The differences are explained below:

	2012 £'000	2011 £'000
Profit on ordinary activities before tax	12,757	7,204
Current tax at 26% (2011: 28%)	(3,317)	(2,017)
Effects of:		
Non-taxable income	4,859	3,411
Adjustment in respect of prior periods	(1,600)	-
Total current tax (charge)/ credit as above	(58)	1,394

Factors that may affect future current and total tax charges

During the year to 31 March 2012, the UK Government substantively enacted a reduction in the corporation tax rate to 24%, effective from 1 April 2012. It was also announced that the rate would reduce by 1% over each of the next two years to 22%. These further changes to the tax rate have not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

5 Dividends

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

	2012 £'000	2011 £'000
Interim dividends paid	18,688	12,183
	18,688	12,183

Alliance UniChem Overseas Holdings

Notes to the financial statements (continued)

for the year ended 31 March 2012

6 Fixed asset investments

	Shares in subsidiary undertakings £'000
Cost	
At 1 April 2011	185,348
Additions	-
Foreign exchange loss on foreign equity investments	(8,997)
At 31 March 2012	176,351

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

	Percentage interest in ordinary share capital held	Country of operation	Country of incorporation	Main activity
Boots Norge A S	100	Norway	Norway	Pharmacy-led health and beauty retailing
Alliance Apotheek B V	100	The Netherlands	The Netherlands	Retail pharmacy operator
Alliance Healthcare B V	100	The Netherlands	The Netherlands	Pharmaceutical wholesaling and distribution
Alliance Healthcare s r o	97.1	Czech Republic	Czech Republic	Pharmaceutical wholesaling and distribution
Alliance Healthcare Norge A S	100	Norway	Norway	Pharmaceutical wholesaling and distribution

Except for Alliance Healthcare Norge A S, the principal subsidiaries noted above are indirectly held

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

7 Debtors

	2012 £'000	2011 £'000
Corporation tax recoverable	762	459
	762	459

8 Creditors amounts falling due within one year

	2012 £'000	2011 £'000
Amounts owed to group undertakings	21,209	14,917
	21,209	14,917

A revolving credit facility is provided to the Company by a fellow group undertaking. The facility at 31 March 2012 was for £23,500,000, and this expires on 31 March 2014. Amounts drawn down under the facility are interest bearing, and at 31 March 2012 £21,209,000 was drawn down (2011 £14,917,000)

9 Creditors amounts falling due after one year

	2012 £'000	2011 £'000
Amounts owed to group undertakings	117,363	123,360
	117,363	123,360

Amounts owed to group undertakings represents amounts loaned under a multicurrency agreement with a fellow Group undertaking. The total loans comprises €140,000,000 and NOK106,000 respectively, is interest bearing, and matures on 31 March 2014

10 Called up share capital

	2012 £'000	2011 £'000
Allotted, called up and fully paid		
30,001 ordinary shares of £1 each	30	30

Alliance UniChem Overseas Holdings

Notes to the financial statements (continued) for the year ended 31 March 2012

11. Reconciliation of movements in equity shareholders' funds

	Called up share capital £'000	Profit and loss account £'000	Total £'000
At 1 April 2010	30	52,305	52,335
Retained profit for the financial year	-	8,598	8,598
Equity dividends paid	-	(12,183)	(12,183)
Net foreign exchange movement on foreign equity investments	-	(1,220)	(1,220)
At 1 April 2011	30	47,500	47,530
Retained profit for the financial year	-	12,699	12,699
Equity dividends paid	-	(18,688)	(18,688)
Net foreign exchange movement on foreign equity investments	-	(3,000)	(3,000)
At 31 March 2012	30	38,511	38,541

12 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 2012 the gross borrowings outstanding under the Agreements in aggregate (including the impact of currency translation and capitalised interest) were £8,790 million (2011: £8,851 million).

13 Ultimate parent undertaking

At 31 March 2012 the Company's immediate parent company was Alliance UniChem Investments 4 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.