

Company registration number: 2548412

Alliance UniChem Overseas Holdings
Directors' report and financial statements
for the year ended 31 March 2009

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Alliance UniChem Overseas Holdings

Directors' report

for the year ended 31 March 2009

The Directors present their report and the audited financial statements for the year ended 31 March 2009.

Principal activities

The Company is a holding company within the AB Acquisitions Holdings Limited group.

Business review

Profit on ordinary activities before taxation for the year was £11,099,000 (2008: loss on ordinary activities before taxation £6,186,000).

The Company's retained profit for the financial year was £11,914,000 (2008: retained loss £4,330,000).

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

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 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.

Directors

The following served as Directors during the year:

M Delve

K McCoy

Political and charitable donations

No political or charitable donations were made during the current or prior year.

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 review, which does not form part of this report.

Auditors

KPMG Audit Plc were appointed auditors during the year and will be proposed for reappointment in accordance with s485 of the Companies Act 2006.

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

22 May 2009

Registered Office:

2 The Heights
Brooklands
Weybridge
Surrey
KT13 0NY

Registered in England and Wales No. 2548412

Alliance UniChem Overseas Holdings

Directors' responsibilities statement

for the year ended 31 March 2009

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice). The financial statements are required by law to 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 judgments 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1985. 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 auditors' report to the members of Alliance UniChem Overseas Holdings

We have audited the financial statements of Alliance UniChem Overseas Holdings ('the Company') for the year ended 31 March 2009 which comprise the Profit and loss account, the Statement of total recognised gains and losses, the Balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Directors' responsibilities statement on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed. We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2009 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants and Registered Auditor
London
United Kingdom
Date: 22 May 2009

Alliance UniChem Overseas Holdings

Profit and loss account

for the year ended 31 March 2009

	Notes	2009 £'000	2008 £'000
Operating loss	2	-	(1)
Income from shares in group undertakings		15,917	-
Interest payable and similar charges	3	(4,818)	(6,185)
Profit/(loss) on ordinary activities before taxation		11,099	(6,186)
Tax on profit/(loss) on ordinary activities	4	815	1,856
Profit/(loss) for the financial year		11,914	(4,330)

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.

Alliance UniChem Overseas Holdings

Statement of total recognised gains and losses

for the year ended 31 March 2009

	Notes	2009 £'000	2008 £'000
Profit/(loss) for the financial year		11,914	(4,330)
Net foreign exchange gain on foreign equity investments	9	5,327	11,035
Total recognised gains for the financial year		17,241	6,705

Alliance UniChem Overseas Holdings

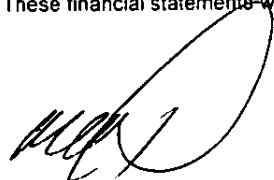
Balance sheet

as at 31 March 2009

	Notes	2009 £'000	2008 £'000
Fixed assets			
Investments	5	195,659	165,398
Current assets			
Debtors	6	145	209
Creditors: amounts falling due after more than one year	7	(131,741)	(118,785)
Net assets		64,063	46,822
Capital and reserves			
Called up share capital	8,9	30	30
Profit and loss account	9	64,033	46,792
Shareholders' funds		64,063	46,822

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

These financial statements were approved by the Board on 22 May 2009 and were signed on its behalf by:



M Delve
Director

22 May 2009

Alliance UniChem Overseas Holdings

Notes to the financial statements

for the year ended 31 March 2009

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice, and under the historical cost convention, as modified by the revaluation of certain assets and/or liabilities required or permitted by the Companies Act 1985 under the alternative accounting rules.

AB Acquisitions Holdings Limited ('ABAH'), the ultimate parent undertaking of the Alliance Boots Group ('the Group'), 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 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 also qualifies on this basis for the exemption from presenting financial instruments disclosures in accordance with FRS 29, 'Financial Instruments: Disclosures'. The disclosures required by FRS 29 are included in the Group's publicly-available consolidated financial statements.

The Company is exempt under section 228 of the Companies Act 1985 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.

Currency

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.

Interest receivable and similar income

Interest receivable and similar income comprises interest receivable on funds invested, calculated using the effective interest rate, fair value movements on applicable derivative financial instruments and net exchange movements related to funds invested.

Interest payable and similar charges

Interest payable and similar charges comprises 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.

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.

Alliance UniChem Overseas Holdings

Notes to the financial statements (continued)

for the year ended 31 March 2009

1. Accounting policies (continued)

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. Operating loss

Operating loss is stated after charging:

	2009 £'000	2008 £'000
Net foreign exchange loss	-	1

The 2009 audit fee was borne by a fellow group undertaking. The amount allocated that would have been incurred is £1,500 (2008: £1,500).

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 (2008: nil).

3. Interest payable and similar charges

	2009 £'000	2008 £'000
Interest payable to group undertakings	4,818	6,185

Alliance UniChem Overseas Holdings

Notes to the financial statements (continued)

for the year ended 31 March 2009

4. Tax on profit/(loss) on ordinary activities

An analysis of the tax credit for the year is presented as follows:

	2009 £'000	2008 £'000
Current tax		
<i>United Kingdom ('UK') corporation tax</i>		
Corporation tax on income for the year at 28% (2008: 30%)	(4,633)	1,856
Double taxation relief	5,448	-
Tax on profit/(loss) on ordinary activities	815	1,856

The current tax credit for the year varies from the standard rate of corporation tax of 28% (2008: 30%) for the reasons set out in the following reconciliation:

	2009 £'000	2008 £'000
Profit/(loss) on ordinary activities before tax	11,099	(6,186)
Current tax at 28% (2008: 30%)	(3,108)	1,856
Effects of:		
Impact of overseas taxation	3,923	-
Total current tax credit as above	815	1,856

The standard rate of corporation tax in the UK changed to 28% with effect from 1 April 2008.

Alliance UniChem Overseas Holdings

Notes to the financial statements (continued) for the year ended 31 March 2009

5. Fixed asset investments

	Shares in subsidiary undertakings £'000
Cost	
At 1 April 2008	165,398
Foreign exchange gain on foreign equity investments	30,261
At 31 March 2009	195,659

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
Alliance UniChem B.V.	100%	The Netherlands	Holding company
Holtung A.S.	100%	Norway	Pharmaceutical wholesaler
Prewos 1 S.A.	100%	Luxembourg	Holding company

As permitted by section 231(5) of the Companies Act 1985, only principal undertakings are shown. A complete list of all subsidiary undertakings is filed with the Company's annual return.

6. Debtors

	2009 £'000	2008 £'000
Corporation tax	145	209

7. Creditors: amounts falling due after one year

	2009 £'000	2008 £'000
Amounts owed to group undertakings	131,741	118,785

Amounts owed to group undertakings represents amounts loaned under a multicurrency agreement. Interest is payable at commercial interest rates.

Alliance UniChem Overseas Holdings

Notes to the financial statements (continued) for the year ended 31 March 2009

8. Called up share capital

	2009 £'000	2008 £'000
Authorised		
500,000 ordinary shares of £1 each	500	500
1,448,980 fixed rate cumulative preference shares of £100 each	144,898	144,898
Allotted, called up and fully paid		
30,001 ordinary shares of £1 each	30	30

9. Reconciliation of movements in equity shareholders' funds

	Share capital £'000	Profit and loss account £'000	Total £'000
At 1 April 2007	30	40,087	40,117
Retained loss for the financial year	-	(4,330)	(4,330)
Net foreign exchange movement on foreign equity investments	-	11,035	11,035
At 1 April 2008	30	46,792	46,822
Retained profit for the financial year	-	11,914	11,914
Net foreign exchange movement on foreign equity investments	-	5,327	5,327
At 31 March 2009	30	64,033	64,063

10. 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 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 2009 the gross borrowings outstanding under the Agreements in aggregate (including the impact of currency translation and capitalised interest) were £8,876 million (2008: £8,465 million).

11. Ultimate parent undertaking

At 31 March 2009 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.