



## **Perrigo 2010 First Quarter Conference Call**

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November 2, 2009

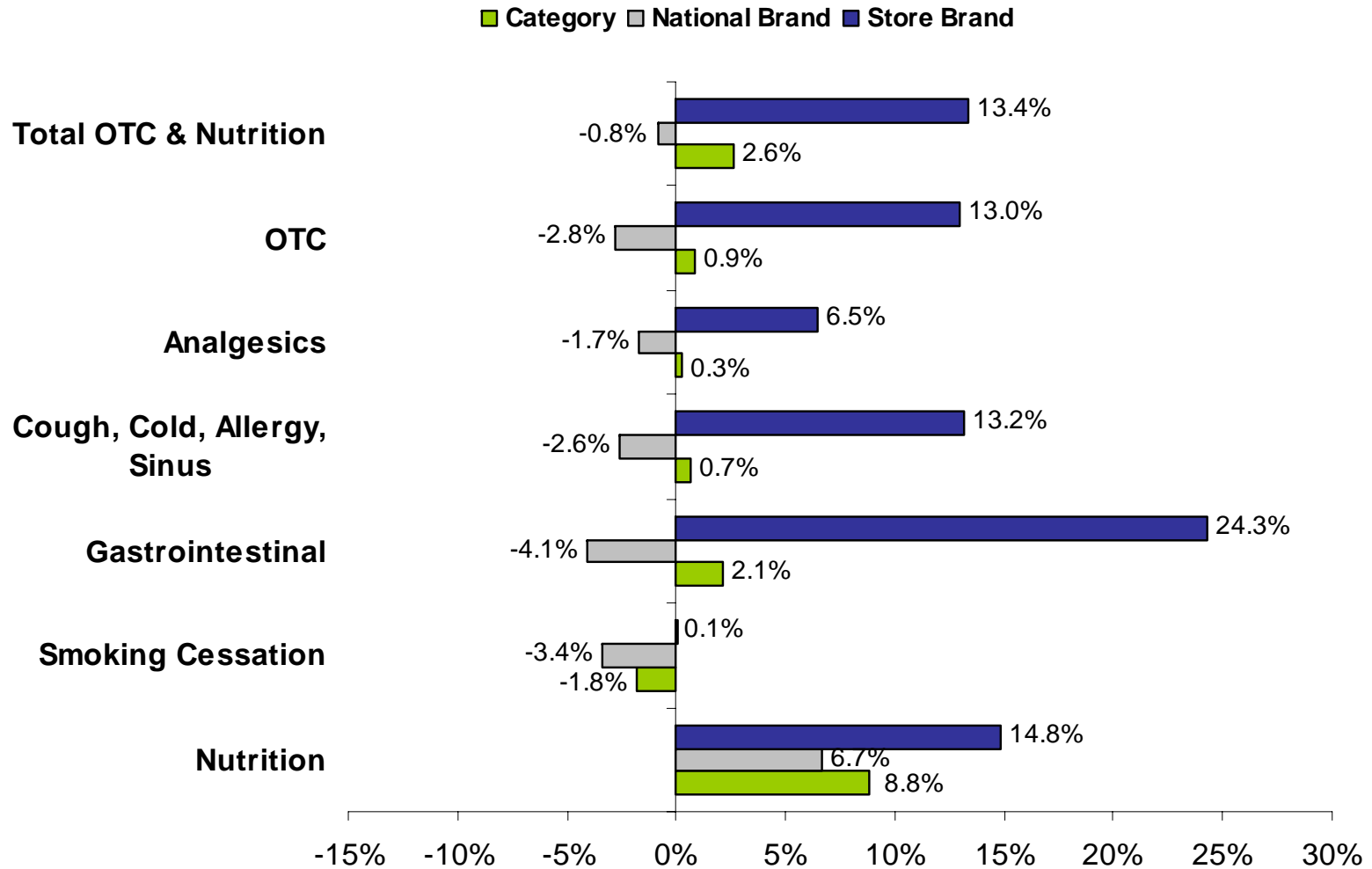
# Forward Looking Statements

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Certain statements in this presentation are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and are subject to the safe harbor created thereby. These statements relate to future events or the Company's future financial performance and involve known and unknown risks, uncertainties and other factors that may cause the actual results, levels of activity, performance or achievements of the Company or its industry to be materially different from those expressed or implied by any forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "believe," "estimate," "predict," "potential" or other comparable terminology. The Company has based these forward-looking statements on its current expectations, assumptions, estimates and projections. While the Company believes these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond the Company's control. These and other important factors, including those discussed under "Risk Factors" in the Company's Form 10-K for the year ended June 27, 2009, as well as the Company's subsequent filings with the Securities and Exchange Commission, may cause actual results, performance or achievements to differ materially from those expressed or implied by these forward-looking statements. The forward-looking statements in this presentation are made only as of the date hereof, and unless otherwise required by applicable securities laws, the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

# All Category Update

**52 Weeks**



Source: IRI FDMx Thru September 21, 2009

# GAAP Financials - From Continuing Operations

## Perrigo Consolidated

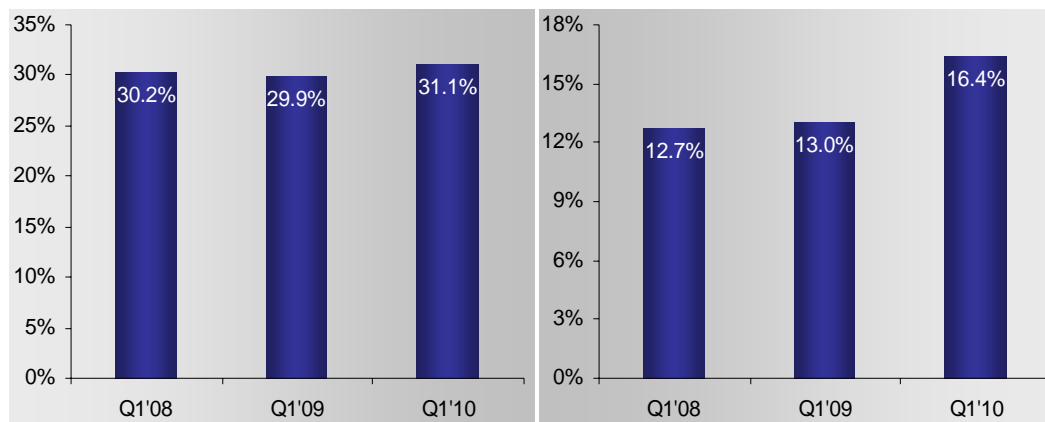
(\$ in millions, except per share amounts)

	Q1 2010	Q1 2009	% Change Y/Y
<b>Net Sales</b>	\$ 528	\$ 456	16%
<b>Cost of Sales</b>	364	320	14%
<b>Gross Profit</b>	164	136	21%
<b>Distribution</b>	7	6	4%
<b>SG&amp;A</b>	52	52	0%
<b>R&amp;D</b>	18	18	1%
<b>Operating Income</b>	87	59	47%
<b>Income from Continuing Ops</b>	\$ 61	\$ 38	59%
<b>Diluted EPS from Continuing Ops</b>	\$ 0.65	\$ 0.41	59%

### Margin Analysis

Gross Margin		
Q1 2010	Q1 2009	Change
31.1%	29.9%	↑ +120 bps
Operating Margin		
Q1 2010	Q1 2009	Change
16.4%	13.0%	↑ +340 bps

### Gross Margin Q1'08-Q1'10    Operating Margin Q1'08-Q1'10



## Non-GAAP Financials\* – From Continuing Operations

<i>(\$ in millions, except per share data)</i>	Q1 2010	Q1 2009	% Change Y/Y
<b>Net Sales</b>	<b>\$ 528.0</b>	<b>\$ 455.5</b>	<b>16%</b>
Reported Gross Profit	164.0	136.0	21%
<i>Inventory step-up</i>	0.2	-	
<b>Adjusted Gross Profit</b>	<b>\$ 164.2</b>	<b>\$ 136.0</b>	<b>21%</b>
Reported Operating Income	\$ 86.6	\$ 59.1	47%
<i>Inventory step-up</i>	0.2	-	
<i>Loss on asset exchange</i>	-	0.6	
<b>Adjusted Operating Income</b>	<b>\$ 86.8</b>	<b>\$ 59.7</b>	<b>45%</b>
Reported Income from Continuing Operations	\$ 61.0	\$ 38.3	59%
<i>Inventory step-up</i> <sup>(1)</sup>	0.2	-	
<i>Loss on asset exchange</i> <sup>(2)</sup>	-	0.6	
<b>Adjusted Income from Continuing Ops</b>	<b>\$ 61.2</b>	<b>\$ 38.9</b>	<b>57%</b>
<b>Adjusted Diluted EPS from Continuing Ops</b>	<b>\$ 0.66</b>	<b>\$ 0.41</b>	<b>61%</b>
Diluted weighted average shares outstanding	93.4	94.6	
<i>Adjusted gross margin</i>	31.1%	29.9%	+120 bps
<i>Adjusted operating margin</i>	16.4%	13.1%	+330 bps

(1) Net of taxes at 25%

(2) No tax impact

## Adjusted Financials\* - From Continuing Operations

### Perrigo Consolidated

(\$ in millions, except per share amounts)

	Q1 2010	Q1 2009	% Change Y/Y	Change as a % to sales
<b>Net Sales</b>	\$ 528	\$ 456	16%	
<i>Adjusted Cost of Sales</i>	364	320	14%	
<b>Adjusted Gross Profit</b>	164	136	21%	+120 bps
<i>Distribution</i>	7	6	4%	
<i>Adjusted SG&amp;A</i>	52	52	1%	
<i>R&amp;D</i>	18	18	1%	
<b>Adjusted Operating Income</b>	87	60	45%	+330 bps
<b>Adjusted Income from Continuing Ops</b>	\$ 61	\$ 39	57%	+300 bps
<b>Adjusted Diluted EPS from Continuing Ops</b>	\$ 0.66	\$ 0.41	61%	

### Margin Analysis

Adjusted Gross Margin		
Q1 2010	Q1 2009	Change
31.1%	29.9%	↑ +120 bps
Adjusted Operating Margin		
Q1 2010	Q1 2009	Change
16.4%	13.1%	↑ +330 bps

# Adjusted Segment Financials\* - From Continuing Operations

## Consumer Healthcare

(\$ in millions)	Q1 2010	Q1 2009	% Change Y/Y	Change as a % to sales
Net Sales	\$ 437	\$ 366	19%	
Cost of Sales	311	257	21%	
Gross Profit	126	109	16%	-90 bps
Adjusted Operating Expenses	55	50	11%	
Adjusted Operating Income	\$ 71	\$ 60	19%	Flat

### Margin Analysis

Gross Margin		
Q1 2010	Q1 2009	Change
28.9%	29.8%	↓ -90 bps
Adjusted Operating Margin		
Q1 2010	Q1 2009	Change
16.3%	16.3%	Flat

### Margin Pressures

- Negative impact from foreign exchange
- Contract manufacturing expansion



- Unfavorable mix of certain products



### Positive Offsets

- New product sales
- Improved material costs



- Operating expense leverage on incremental sales



# Segment Financials - From Continuing Operations

## Rx Pharmaceuticals

(\$ in millions)	Q1 2010	Q1 2009	% Change Y/Y	Change as a % to sales
Net Sales	\$ 47	\$ 33	42%	
Cost of Sales	25	22	11%	
Gross Profit	22	11	104%	+1440 bps
Operating Expenses	8	9	-12%	
Operating Income	\$ 14	\$ 2	699%	+2490 bps

### Margin Analysis

Gross Margin		
Q1 2010	Q1 2009	Change
47.5%	33.1%	↑ +1440 bps
Operating Margin		
Q1 2010	Q1 2009	Change
30.3%	5.4%	↑ +2490 bps

### Positive Impacts

- Increased sales of higher margin products
- Strong ORx growth
- Manufacturing efficiencies
- SG&A leverage on increased product sales
- Favorable changes in Fx rates



# Segment Financials - From Continuing Operations



## API

(\$ in millions)	Q1 2010	Q1 2009	% Change Y/Y	Change as a % to sales
Net Sales	\$ 30	\$ 34	-12%	
Cost of Sales	19	25	-22%	
Gross Profit	11	9	16%	+850 bps
Operating Expenses	7	9	-22%	
Operating Income	\$ 4	\$ 0	762%	+1120 bps

## Margin Analysis

Gross Margin		
Q1 2010	Q1 2009	Change
35.2%	26.7%	↑ +850 bps
Operating Margin		
Q1 2010	Q1 2009	Change
12.5%	1.3%	↑ +1120 bps

## Positive Impacts

- Improved plant efficiencies
  - New product sales
  - Product mix
- 
- Execution of cost management initiatives
  - Favorable changes in foreign exchange rates
- 

# Adjusted Segment Financials\* - From Continuing Operations

## Other

(\$ in millions)	Q1 2010	Q1 2009	% Change Y/Y	Change as a % to sales
Net Sales	\$ 14	\$ 22	-38%	
Adjusted Cost of Sales	9	15	-44%	
Adjusted Gross Profit	5	7	-26%	+600 bps
Operating Expenses	3	5	-27%	
Adjusted Operating Income	\$ 1	\$ 2	-23%	+210 bps

## Margin Analysis

Adjusted Gross Margin		
Q1 2010	Q1 2009	Change
35.9%	29.9%	↑ +600 bps

Adjusted Operating Margin		
Q1 2010	Q1 2009	Change
10.4%	8.3%	↑ +210 bps

### Positive Impacts

- Favorable product mix of certain existing products



- Continued cost management activities



### Partial Negative Offsets

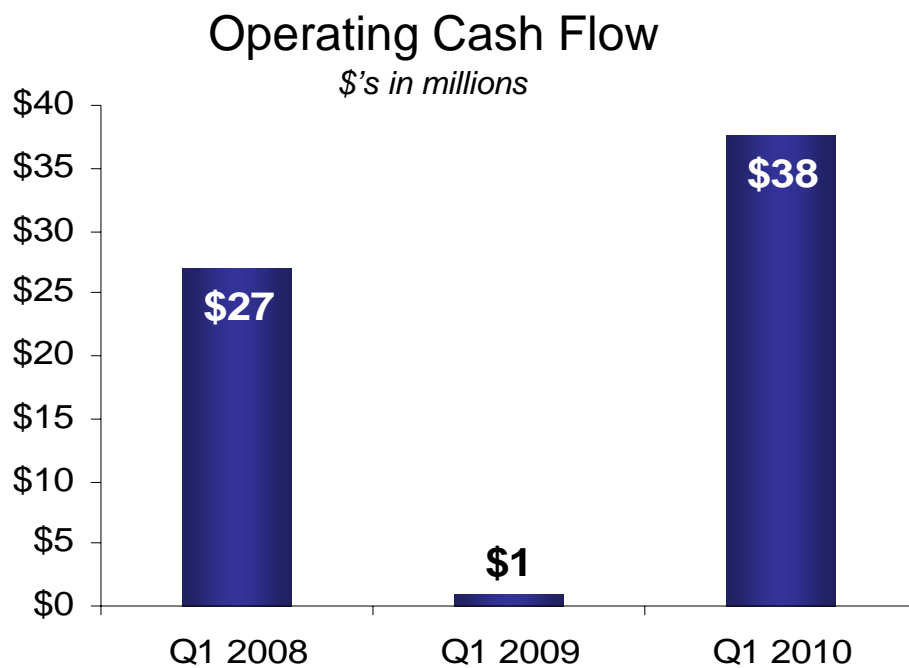
- Lower sales volume of existing products
- Unfavorable changes in Fx rates



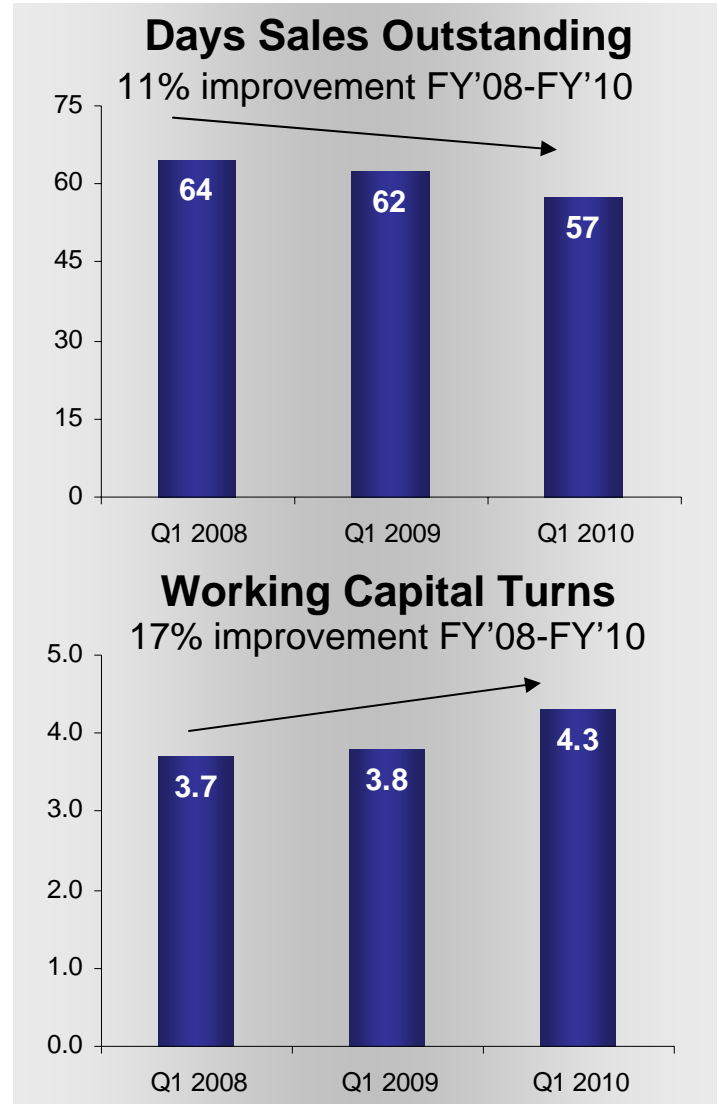
- Unfavorable changes in foreign currency exchange rates



# Cash Flow & Working Capital

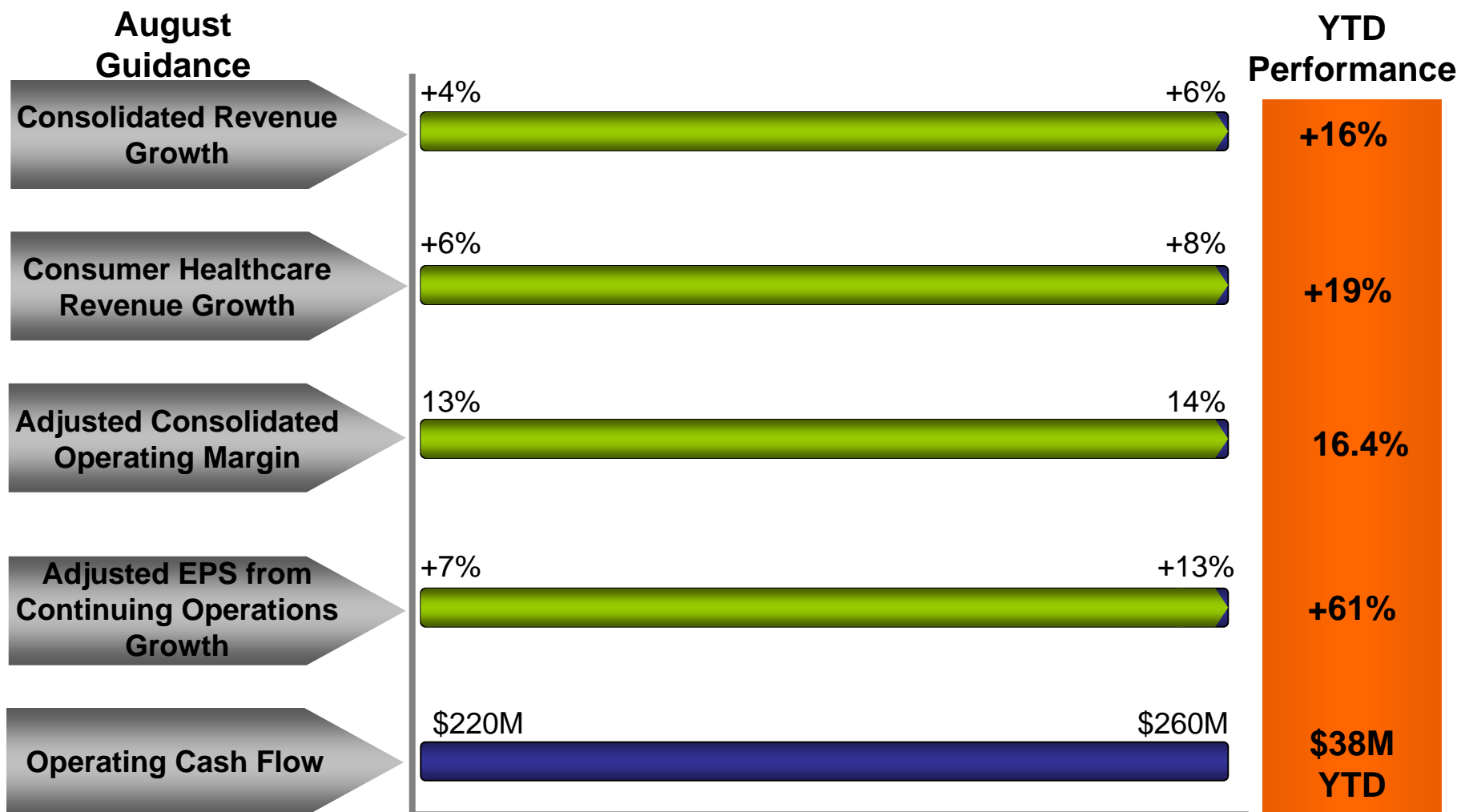


- Record first quarter operating cash flow
- Strong during a quarter that is historically low due to cough, cold inventory build



# Perrigo FY10 Aug. Guidance Tracking Year-to-Date

- From Continuing Operations



## Perrigo FY10 Revised Guidance - *From Continuing Operations*

Consolidated Revenue Growth	7% to 10% from Fiscal 2009
Adj. Consolidated Operating Margin	14% to 16% of Net Sales
Consumer Healthcare Revenue Growth	8% to 10% from Fiscal 2009
Cash Flow from Operations	\$240M to \$280M
Estimated Effective Worldwide Tax Rate	Approximately 27%
Adj. EPS from Continuing Operations	\$2.35 to \$2.45 (26% to 31% Y/Y Growth*)

\*Growth as compared to adjusted fiscal 2009 EPS from continuing operations

# Perrigo Tailwinds

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**Strong cough, cold, flu season**

**No competition in Omeprazole**

**Strong nicotine lozenge sales**

**Improved operational efficiencies**

**Strong Rx performance**

**Retailer promotion**

**Raising Full Year  
Adjusted EPS  
guidance from  
\$2.00-\$2.12  
to  
\$2.35-\$2.45**



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## Appendix

# Table I

**Table I**  
**PERRIGO COMPANY**  
**SEGMENT INFORMATION**  
(in thousands)  
(unaudited)

	First Quarter*	
	2010	2009
<b>Segment Net Sales</b>		
Consumer Healthcare	\$ 437,321	\$ 366,202
Rx Pharmaceuticals	47,077	33,175
API	30,056	34,243
Other	13,547	21,928
Total	<u>\$ 528,001</u>	<u>\$ 455,548</u>
<b>Segment Operating Income (Loss)</b>		
Consumer Healthcare	\$ 71,360	\$ 59,115
Rx Pharmaceuticals	14,260	1,784
API	3,750	435
Other	1,194	1,816
Unallocated expenses	(3,995)	(4,063)
Total	<u>\$ 86,569</u>	<u>\$ 59,087</u>

\*All information based on continuing operations.

# Table II

**Table II**  
**PERRIGO COMPANY**  
**RECONCILIATION OF NON-GAAP MEASURES**  
(in thousands, except per share amounts)  
(unaudited)

	<b>First Quarter*</b>		<b>% Change</b>
	<b>2010</b>	<b>2009</b>	
Net sales	\$ 528,001	\$ 455,548	16%
Reported gross profit	\$ 163,994	\$ 135,987	21%
Inventory step-up	212	-	
Adjusted gross profit	<u>\$ 164,206</u>	<u>\$ 135,987</u>	21%
Adjusted gross profit %	31.1%	29.9%	
Reported operating expenses	\$ 77,425	\$ 76,900	1%
Loss on asset exchange	-	(639)	
Adjusted operating expenses	<u>\$ 77,425</u>	<u>\$ 76,261</u>	2%
Adjusted operating expenses %	14.7%	16.7%	
Reported operating income	\$ 86,569	\$ 59,087	47%
Inventory step-up	212	-	
Loss on asset exchange	-	639	
Adjusted operating income	<u>\$ 86,781</u>	<u>\$ 59,726</u>	45%
Adjusted operating income %	16.4%	13.1%	
Reported income from continuing operations	\$ 61,025	\$ 38,307	59%
Inventory step-up (1)	159	-	
Loss on asset exchange (2)	-	639	
Adjusted income from continuing operations	<u>\$ 61,184</u>	<u>\$ 38,946</u>	57%
Diluted earnings per share from continuing operations			
Reported	\$ 0.65	\$ 0.41	59%
Adjusted	\$ 0.66	\$ 0.41	61%
Diluted weighted average shares outstanding	93,396	94,568	

\*All information based on  
17 continuing operations

- (1) Net of taxes at 25%  
(2) No tax impact

# Table II Continued

**Table II (Continued)**  
**REPORTABLE SEGMENTS**  
**RECONCILIATION OF NON-GAAP MEASURES**  
(in thousands)  
(unaudited)

	First Quarter*		% Change
	2010	2009	
<b>Consumer Healthcare</b>			
Net sales	\$ 437,321	\$ 366,202	19%
Reported operating expenses	\$ 55,029	\$ 50,192	10%
Loss on asset exchange	-	(639)	
Adjusted operating expenses	<u>\$ 55,029</u>	<u>\$ 49,553</u>	11%
Adjusted operating expenses %	12.6%	13.5%	
Reported operating income	\$ 71,360	\$ 59,115	21%
Loss on asset exchange	-	639	
Adjusted operating income	<u>\$ 71,360</u>	<u>\$ 59,754</u>	19%
Adjusted operating income %	16.3%	16.3%	
<b>Other</b>			
Net sales	\$ 13,547	\$ 21,928	-38%
Reported gross profit	\$ 4,653	\$ 6,555	
Inventory step-up	212	-	
Adjusted gross profit	<u>\$ 4,865</u>	<u>\$ 6,555</u>	-26%
Adjusted gross profit %	35.9%	29.9%	
Reported operating income	\$ 1,194	\$ 1,816	-34%
Inventory step-up	212	-	
Adjusted operating income	<u>\$ 1,406</u>	<u>\$ 1,816</u>	-23%
Adjusted operating income %	10.4%	8.3%	

\*All information based on  
18 continuing operations

# Table III

**Table III**  
**PERRIGO COMPANY**  
**RECONCILIATION OF NON-GAAP MEASURES**  
(in thousands)  
(unaudited)

Segments	First Quarter*		Adjustment -		First Quarter*		% Change
	Reported Cost of Sales		Inventory Step-Up		Adjusted Cost of Sales		
	2010	2009	2010	2009	2010	2009	
Consumer Healthcare	\$310,933	\$256,895	\$ -	\$ -	\$310,933	\$256,895	21%
Rx Pharmaceuticals	24,700	22,194	-	-	24,700	22,194	11%
API	19,480	25,100	-	-	19,480	25,100	-22%
Other	8,894	15,372	(212)	-	8,682	15,372	-44%
Total	<u>\$364,007</u>	<u>\$319,561</u>	<u>\$ (212)</u>	<u>\$ -</u>	<u>\$363,795</u>	<u>\$319,561</u>	14%

\*All information based on  
19 continuing operations

# Table IV

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**Table IV**  
**FY 2010 GUIDANCE**  
**RECONCILIATION OF NON-GAAP MEASURES**  
(unaudited)

	<u>Full Year</u> <u>Fiscal 2010 Guidance</u>
Reported earnings per share from continuing operations range	\$2.22 - \$2.32
Charge associated with inventory step-up	\$0.005
Charge associated with acquired research and development	\$0.123
Adjusted earnings per share from continuing operations range	<u>\$2.35 - \$2.45</u>