



FOR IMMEDIATE RELEASE

**PERRIGO REPORTS RECORD SALES AND INCOME  
FOR FISCAL 2008 FIRST QUARTER;  
INCREASES FULL YEAR GUIDANCE**

- \* First quarter revenue increased \$43 million, or 12 percent, to \$383 million
- \* GAAP net income increased 102 percent to \$34 million, or \$0.36 per share
- \* Investments in Research and Development, up 25% versus last year
- \* Fiscal 2008 earnings guidance increased to between \$1.12 and \$1.22 per share

ALLEGAN, Mich. – Nov. 1, 2007 – The Perrigo Company (Nasdaq: PRGO; TASE) today announced results for its fiscal year 2008 first quarter that ended September 29, 2007.

Perrigo Company  
(in thousands, except per share amounts)

	Fiscal 2008 1 <sup>st</sup> Quarter Ended <u>9/29/07</u>	Fiscal 2007 1 <sup>st</sup> Quarter Ended <u>9/30/06</u>
Sales	\$382,740	\$340,215
Net Income	\$34,019	\$16,882
Diluted EPS	\$0.36	\$0.18
Diluted Shares	94,884	93,273

Sales for the first quarter of fiscal 2008 were \$382.7 million, an increase of twelve percent. Net income was \$34.0 million, or \$0.36 per share, compared with \$16.9 million, or \$0.18 per share, a year ago, which included expense for a product recall of \$0.7 million after-tax, or \$0.01 per share.

Perrigo Chairman and CEO Joseph C. Papa stated, "In the first quarter we achieved both record sales and record earnings. It was another strong new product quarter with \$11 million in new product sales, led by smoking cessation. On top of that, we had more than \$20 million in incremental new business sales due to issues at a competitor. Improvements in supply chain initiatives, quality and

inventory management also helped us deliver higher operating margins. The Rx segment similarly contributed strong operating results, led by our new products acquired from Glades. API again substantially outperformed our expectations, growing over 30 percent from last year in a very competitive marketplace. On top of this, our focus on working capital has paid off with \$28 million of cash flow from operations in the quarter.”

Mr. Papa continued, “We are raising our fiscal year 2008 earnings guidance to \$1.12 to \$1.22 per share, a growth of 26 to 37 percent over adjusted EPS last year. This range is exclusive of the Omeprazole new product launch. Our initial guidance was based, in part, on the public comments of our competitor that they would return to the market in December. With one solid quarter behind us, our team feels more comfortable in our ability to retain this business. With these positive tailwinds we are excited about our prospects for the rest of the year.”

### Consumer Healthcare

Consumer Healthcare segment sales in the first quarter were a record \$268.3 million compared with \$241.8 million in the first quarter last year, an increase of \$26.5 million or 11 percent. The sales increase resulted from \$10 million in revenue from new product sales, approximately \$20 million in incremental new business and gains in non-U.S. businesses that was partially offset by the withdrawal of fiber laxatives and lower vitamin sales.

Operating income was \$29.5 million, compared with \$17.1 million a year ago as a result of higher gross margins from new products, supply chain efficiencies and international growth. Additionally, last year’s quarter included higher inventory costs and costs related to a product recall.

On July 11, the Company announced it had closed its transaction to acquire Qualis, Inc., a manufacturer of store brand pediculicide products that compare to Rid® and Nix®. Shipments began this quarter.

### Rx Pharmaceuticals

The Rx Pharmaceutical segment sales were \$35.0 million, including \$5.8 million in service and royalty revenues, compared with \$31.4 million a year ago. Fiscal 2008 first quarter sales also included \$6.6 million in sales of products acquired from Glades Pharmaceuticals. Operating income was \$7.4 million, up from \$5.8 million last year.

On September 19, the Company announced it had received final approval from the FDA for ciclopirox topical solution, 8% (equivalent to Penlac® Nail Lacquer), indicated for the treatment of fingernail and toenail infections. Shipments began immediately.

### API

The API segment reported sales of \$38.8 million compared with \$29.8 million a year ago, reflecting strong sales in several key products. Operating income was \$7.3 million, compared with \$4.7 million last year, reflecting the higher sales volume and a favorable sales mix.

#### Other

The Other category, consisting of Israel Consumer Products and Israel Pharmaceutical and Diagnostic Products segments, reported sales of \$40.7 million, compared with \$37.2 million a year ago. Operating income was \$2.5 million, compared with \$2.7 million last year.

In the fiscal 2007 first quarter, unallocated expenses were \$0.7 million compared with \$4.5 million a year ago. The decrease was due primarily to a legal settlement.

Perrigo's Chairman and CEO Joseph C. Papa concluded, "I am very pleased with the momentum we have built and am excited about our full year prospects. Our focus on quality, supply chain improvements and improved customer service drove these results. Our on-going investment in R&D continues to add new products with the largest launch in our history expected soon. Looking ahead, Perrigo will continue to make quality healthcare more affordable for our customers and drive value for our shareholders."

Perrigo will host a conference call to discuss fiscal 2008 first quarter results at 10:00a.m. (ET) on Thursday, November 1. The conference call will be available live via web cast to interested parties on the Perrigo website <http://www.perrigo.com> or by phone 888-694-4676, International 973-582-2737, and reference ID# 9363591. A taped replay of the call will be available beginning at approximately 2:30 p.m. (ET) Thursday, November 1, until midnight Friday, November 9, 2007. To listen to the replay, call 877-519-4471, International 973-341-3080, access code 9363591.

Perrigo Company is a leading global healthcare supplier that develops, manufactures and distributes over-the-counter (OTC) and prescription pharmaceuticals, nutritional products, active pharmaceutical ingredients (API) and consumer products. The Company is the world's largest manufacturer of OTC pharmaceutical products for the store brand market. The Company's primary markets and locations of manufacturing facilities are the United States, Israel, Mexico and the United Kingdom. Visit Perrigo on the Internet (<http://www.perrigo.com>).

*Note:* Certain statements in this press release 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 30, 2007, 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 press release 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.

Arthur J. Shannon, Vice President, Investor Relations and Communication  
(269) 686-1709  
E-mail: [ajshannon@perrigo.com](mailto:ajshannon@perrigo.com)

Ernest J. Schenk, Manager, Investor Relations and Communication  
(269) 673-9212  
E-mail: [eschenk@perrigo.com](mailto:eschenk@perrigo.com)