

Press release

Strong growth Mediq Direct & Institutional Earnings outlook achieved

Financial highlights of 4th quarter

- Net sales** : down 10% due to disposal of Belgian activities (- 9%) and currency effects (- 2%)
- Operating result** : up 54%; operating result from ordinary activities increased 8%, driven by continuing growth at Direct & Institutional
- Net result** : up from € 2.3 million to € 14.5 million

Operational highlights of 4th quarter

- Direct & Institutional**
- Sales growth of 7%,
 - Operating result up 8% due to strong growth in Denmark and USA
 - One-off reorganisation provision of € 1.7 million at group company for delivery of medical supplies to care institutions in the Netherlands
- Pharmacies Netherlands**
- Pressure on sales and result due to further expansion of preference policy
 - Long-term contracts signed with healthcare insurers for 50% of our customers as alternative to preference policy
 - First phase of reorganisation completed; implementation of second and third phase on track
- Pharmacies International**
- Sales decline due to disposal of Belgian activities and weak zloty
 - Operating result in Poland improved due to restructuring programme

Financial highlights 2009

- Operating result guidance of approximately € 110 million comfortably achieved
- Stable margin at Direct & Institutional
- Outlook 2010: organic revenue growth of 3 to 5% at constant exchange rates.
- Dividend proposal: final dividend of € 0.34, bringing total to € 0.44 per share (pay-out of 35%); an increase of 47%; introduction of elective dividend
- Balance sheet strengthened further by operating cash flow, disposal of Belgian pharmaceutical activities and sale & leaseback Norway

4th quarter 2009	4th quarter 2008	Increase/decrease	(X € 1,000,000)	Full year 2009	Full year 2008	Increase/decrease
634.4	701.3	- 10%	Net sales	2,602.7	2,730.2	- 5%
24.0	22.2	8%	Op. result from ordinary activities *	97.0	102.3	- 5%
25.8	16.8	54%	Operating result	116.1	- 102.9	> 100%
4.1%	2.4%		Operating margin	4.5%	- 3.8%	
- 3.1	- 5.3		Finance income and costs	- 14.6	- 16.1	
0.5	0.0		Results of associates	1.1	- 2.5	
- 7.9	- 8.4		Income tax expense	- 25.8	- 5.9	
15.3	3.1	> 100%	Profit after income tax	76.8	- 127.5	> 100%
14.5	2.3	> 100%	- shareholders (Net result)	74.5	- 127.9	> 100%
0.8	0.8		- minority interests	2.3	0.4	
0.25	0.04	> 100%	Net earnings per share	1.27	- 2.19	> 100%
			Dividend per share	0.44	0.30	47%

* Adjusted for non-operational items (see table on page 4)

Marc van Gelder, CEO:

"Our results for the fourth quarter were governed by two divergent trends: the continuing growth of our direct deliveries to customers in home healthcare settings, and the continuing pressure on the result of Pharmacies Netherlands.

Direct & Institutional reported strong results in the fourth quarter, in line with the full year. The operating margin in this segment, which is so important for Mediq's growth potential, remained stable in 2009. The recent acquisitions, in Denmark and the USA, performed well. In addition, organic sales growth remains strong.

The crisis in the Dutch pharmacy market again had a significant impact on our results, as it did last year. However, in line with our leading market position, we were quick to adapt and modified our business model. We now offer 50% of our customers an alternative to the preference policy. The way forward is beginning to take shape.

The results of 2009 and the strong development of the direct and institutional channel in particular give us sufficient confidence for the year 2010, in which we accordingly expect our revenues to grow by 3 to 5 per cent on an organic basis."

Outlook 2010

- Organic revenue growth of 3 to 5%
- Pharmacies Netherlands: expansion of the preference policy and price adjustments related to the Pharmaceuticals Price Act will lead to a negative effect on operating result of € 16 million in 2010 compared to 2009. This will be compensated by an increase in the dispensing fee (a positive effect of € 9 million) and cost savings from the reorganisation (a positive effect of € 8 million, taking account of a reorganisation provision of € 5 million compared to a provision of € 4 million in 2009).

Financial performance of Mediq

Net sales

4th quarter 2009	4th quarter 2008	Increase/decrease	(X € 1,000,000)	Full year 2009	Full year 2008	Increase/decrease
634.4	701.3	- 10%	Mediq	2.602.7	2.730.2	- 5%
229.3	214.3	7%	Direct & Institutional	881.5	783.4	13%
282.2	282.6	0%	Pharmacies Netherlands	1.070.0	1092.9	- 2%
126.3	207.7	- 39%	Pharmacies International	663.2	869.4	- 24%
- 3.4	- 3.3		Other and eliminations	- 12.0	- 15.5	

Net sales declined 10%. The decrease was caused by the sale of our pharmaceutical activities in Belgium (- 9 %) and the depreciation of the Polish zloty (- 2 %). Sales grew 1% on an organic basis. Sales at Direct & Institutional rose 7%, wholly on an organic basis. Sales at Pharmacies Netherlands were stable as the effect of price decreases was offset by volume growth. Sales at Pharmacies International declined 5% on an organic basis due to the effects of the margin improvement programme and a tightened credit policy in the wholesaling activities.

Operating result

4 th quarter 2009	4th quarter 2008	Increase/decrease	(X € 1,000,000)	Full year 2009	Full year 2008	Increase/decrease
25.8	16.8	54%	Mediq	116.1	- 102.9	> 100%
19.2	17.8	8%	Direct & Institutional	80.7	68.3	18%
4.2	5.8	- 28%	Pharmacies Netherlands	18.5	- 165.3	> 100%
3.3	- 0.7	> 100%	Pharmacies International	15.4	6.9	> 100%
- 0.9	- 6.1	> 100%	Other	1.5	- 12.8	> 100%

Operating result increased by 54%. Excluding non-operational items (see table on page 4) it increased 8%. Direct & Institutional's operating result increased by € 1.4 million, despite a one-off reorganisation provision of € 1.7 million. Pharmacy International's operating result likewise increased, by € 1.1 million excluding non-operational items. Only Pharmacy Netherlands' operating result declined, due to further price decreases caused by the preference policy.

Operating margin was 4.1%. Adjusted for non-operational items the margin was 3.8% compared to 3.2% in the same period of last year. This was the result of higher margins at Direct & Institutional and Pharmacies International, a higher share of Direct & Institutional in the total sales of the group and a lower margin at Pharmacies Netherlands.

The **net finance costs** were € 2.2 million lower than last year due to a lower average net debt position and a number of one-off items in 2008. The finance costs in the fourth quarter were also lower than in the other quarters of 2009 due to positive effects of forward currency agreements.

Taxation was higher due to the influence of the higher operating result. The **effective tax burden** was substantially lower than in the same period of last year, when several one-off costs were recorded.

Net result increased € 12.2 million to € 14.5 million due to the higher operating result and lower finance costs.

We have further strengthened our **balance sheet**. Net debt fell in the past quarter by € 49 million to € 175 million. The debt cover and the interest cover improved further and are now at 1.3 and 8.9 respectively.

Operating result and net result excluding non-operational items

4th quarter 2009	4th quarter 2008	Increase/decrease	(X € 1,000,000)	Full year 2009	Full year 2008	Increase/decrease
25.8	16.8	54%	Operating result	116.1	- 102.9	> 100%
			less: goodwill impairment ²		- 198.0	
			less: property sale ²		0.6	
	0.3		less: property sale ³		3.9	
0.3			less: net gain sale Belgium ³	7.7		
3.1			less: release of provision ³	3.1		
- 0.6			less: provision for legal claims ³	- 0.6		
			less: net gain sale & lease back ¹	5.6		
			less: property sale ⁴	0.8		
	- 0.4		less: change in defined pension benefit ³		- 0.4	
0.3	- 5.3		less: result of Anzag ⁴	3.8	- 11.3	
- 1.3			less: write-off receivable ⁴	- 1.3		
24.0	22.2	8%	Op. result from ordinary activities	97.0	102.3	- 5%
14.5	2.3	> 100%	Net result	74.5	- 127.9	> 100%
1.4	- 5.4		less: above adjustments after income tax expense	16.9	- 183.3	
			less: goodwill impairment associates		- 3.1	
13.1	7.7	70%	Net result from ordinary activities	57.6	58.5	- 2%

¹ Direct & Institutional

² Pharmacies Netherlands

³ Pharmacies International

⁴ Other

Cash flow statement

4th quarter 2009	4th quarter 2008	Increase/decrease	(X € 1,000,000)	Full year 2009	Full year 2008	Increase/decrease
35.0	34.3	2%	Cash flow from operating activities	104.7	93.8	14%
11.1	- 17.8	> 100%	Cash flow from investing activities	16.9	- 148.5	> 100%
1.1	32.5	> - 100%	Cash flow from financing activities	- 13.0	74.9	> 100%
47.2	49.0	- 4%	Net cash flow	108.6	20.2	> 100%

Cash flow from operating activities was € 35.0 million. The underlying average operational working capital as a percentage of net sales was slightly lower than the same period of last year.

The cash flow from investing activities was € 11.1 million. This was mainly due to the proceeds from the disposal of the pharmaceutical wholesaling activities in Belgium (€ 20.0 million). Capital expenditure for the quarter was € 10.4 million and related mainly to the new distribution centre in Poland, the establishment of the data centre and furniture in the new head office, ICT and primary healthcare centres (Pharmacies NL).

Financial performance by segment

Direct & Institutional

- Sales growth of 7%, despite lower sales in Germany
- Growth in operating result of 8% due to strong growth in Denmark, the USA and the Netherlands
- One-off reorganisation provision of € 1.7 million at the group company for the delivery of medical supplies to care institutions in the Netherlands

4th quarter 2009	4th quarter 2008	Increase/decrease	(X € 1,000,000)	Full year 2009	Full year 2008	Increase/decrease
79.4	64.7	23%	Direct sales in the Netherlands	284.0	249.0	14%
61.9	63.4	- 2%	Direct sales outside the Netherlands	254.5	211.6	20%
68.6	68.0	1%	Institutional sales in the Netherlands	271.1	254.8	6%
22.1	20.8	6%	Institutional sales outside the Netherlands	82.5	78.8	5%
- 2.7	- 2.6		Eliminations	- 10.6	- 10.8	
229.3	214.3	7%	Net sales	881.5	783.4	13%
19.2	17.8	8%	Operating result	80.7	68.3	18%
8.4%	8.3%		Operating margin	9.2%	8.7%	
20.0	15.3	32%	Cash flow from operating activities	70.7	56.6	25%
-	0.1		Acquisitions	-	100.8	
1.5	3.6	- 58%	Capital expenditure	6.3	13.3	- 53%

Segment sales increased 7% wholly on an organic basis. Sales growth was achieved largely in the Netherlands in the delivery of medical supplies and pharmaceuticals in home healthcare settings, the latter partly under the influence of amendments of a number of existing contracts, as a result of which the method of reporting of sales has changed.

The decrease of sales in the direct channel outside the Netherlands was attributable to our activities in Germany. The conversion of the business model from depots at prescribers to a combination of direct mail and small outlets led to substantial pressure on sales. This was partly offset by sales growth in all other international direct group companies. Sales growth was particularly strong in Denmark and the USA. Sales growth in the institutional channel in the Netherlands was lower than in the preceding quarters due to slower growth in deliveries of pharmaceuticals to hospitals.

In the fourth quarter of 2009, 37% of the segment's sales were achieved outside the Netherlands.

Operating result increased by € 1.4 million, due to strong organic growth of the operating result in Denmark and the USA and the direct activities in the Netherlands. In addition, we recognised a one-off reorganisation provision of € 1.7 million in the quarter at the Dutch group company that delivers pharmaceuticals and medical supplies to hospitals and other care institutions.

Operating margin in the fourth quarter was 8.4%. Excluding the one-off reorganisation provision the margin was 9.1%. The improvement from the fourth quarter of 2008 (when the margin was 8.3%) was primarily due to a higher margin in Denmark and the Dutch direct activities.

Pharmacies Netherlands

- Pressure on sales and result due to further expansion of preference policy.
- Long-term contracts signed with healthcare insurers for 50% of our customers as alternative to preference policy.
- First phase of reorganisation completed; implementation of second and third phase on track.

4th quarter 2009	4th quarter 2008	Increase/decrease	(X € 1,000,000)	Full year 2009	Full year 2008	Increase/decrease
227.2	226.7	0%	Wholesaling sales	852.1	880.5	- 3%
156.9	165.0	- 5%	Pharmacy sales	624.5	628.5	- 1%
- 101.9	- 109.1		Eliminations*	- 406.6	- 416.1	
282.2	282.6	0%	Net sales	1.070.0	1.092.9	- 2%
4.2	5.8	- 28%	Operating result	18.5	- 165.3	> 100%
1.5%	2.1%		Operating margin	1.7%	- 15.1%	
11.9	10.8		Cash flow from operating activities	36.3	39.6	
0.3	9.0		Acquisitions	0.5	12.5	
3.7	8.0		Capital expenditure	12.8	26.6	

* Relates to supplies by wholesaling to group-owned pharmacies

Sales of our wholesaling activities were unchanged. The adverse impact of the further expansion of the preference policy and sharp price competition was offset by a strong increase in the customer base. At the start of the fourth quarter we were able to welcome 45 pharmacies as new customers. Our market share consequently rose compared to the preceding quarter.

Sales at a pharmacy level declined in line with the market. The higher clawback (which had been suspended in the second half of 2008) and the price pressure as a result of the preference policy and the six-monthly price adjustment under the Pharmaceuticals Price Act had a strong negative impact on sales.

Operating result was € 4.2 million, a decline of € 1.6 million compared to the same period of last year. This decline was due to the higher clawback and price pressure, partly compensated by lower operating costs.

Mediq signed a long-term contract in the fourth quarter with healthcare insurer CZ, which offers an alternative to the preference policy. Under the contract, Mediq receives a higher dispensing fee for providing pharmaceutical care in exchange for lower pharmaceutical prices. In addition, the contract also includes agreements on the development of additional healthcare services, for instance the screening and prevention of chronic illnesses such as diabetes and asthma/ COPD or medication checks. We expect to receive an additional fee for these healthcare services. Mediq had previously already signed similar contracts with Zilveren Kruis Achmea and Agis.

The standard fee for dispensing a prescription pharmaceutical has been set at € 7.91 for 2010 compared to € 7.28 for 2009. If the pharmacy and healthcare insurer agree accordingly, the fee can be departed from up to a maximum fee of € 10.00 compared to € 7.94 in 2009. The difference between € 7.91 and € 10.00 can be used to reward additional paid healthcare services.

The changing market conditions entail consequences for the way in which we organise our operations. The workforce reduction by 250 FTEs initiated in mid-2008 has now been completed (actual reduction: 279 FTEs). The implementation of the second and third phase of the reorganisation process, which together are to achieve a workforce reduction of 200 FTEs, are on track.

Progress has likewise been achieved in implementing the strategy to increase sales. Mediq Pharmacy's nationwide marketing campaign is successful: un-aided brand awareness has improved from 7% at the end of 2008 to 34%. In addition, sales from non-prescription pharmaceuticals have increased 8% compared to the fourth quarter of 2008.

The number of pharmacies decreased in the fourth quarter by two to 225 (of which 217 consolidated). The roll-out of the Mediq Pharmacy formula at our own pharmacies has been virtually completed. The number of Mediq pharmacy franchises has increased to 16 (an increase of 1 compared to the end of the third quarter of 2009).

Pharmacies International

- Sales decrease due to disposal of Belgian activities and weak zloty
- Operating result in Poland improved due to restructuring programme
- One-off costs as part of the start-up of national distribution centre in Poland

4th quarter 2009	4th quarter 2008	Increase/ decrease	(X € 1,000,000)	Full year 2009	Full year 2008	Increase/ decrease
111.3	131.8	- 16%	Wholesaling sales Poland	440.6	571.7	- 23%
-	59.9	- 100%	Wholesaling sales Belgium ¹	167.7	237.6	- 29%
37.8	38.1	- 1%	Pharmacy sales Poland	134.7	153.5	- 12%
-	2.0	-100%	Pharmacy sales Belgium ²	4.3	7.2	- 40%
- 22.8	- 24.1		Eliminations	- 84.1	- 100.6	
126.3	207.7	- 39%	Net sales	663.2	869.4	- 24%
3.3	- 0.7	> 100%	Operating result	15.4	6.9	> 100%
2.6%	- 0.3%		Operating margin	2.3%	0.8%	
5.3	4.6	15%	Cash flow from operating activities	0.8	2.7	- 70%
-	2.3		Acquisitions	-	5.2	
1.5	1.0	50%	Capital expenditure	8.3	3.0	> 100%

¹ sold as of 1 October 2009

² sold as of 1 August 2009

The net sales of the segment declined by 39%. This decrease was caused by the disposal of our pharmacy activities in Belgium (-29%), the depreciation of the Polish zloty (- 5%) and an organic decrease of 5%.

The strong fall of the zloty resulted in a decrease of the sales of wholesaling activities by 16%. In local currency, sales fell by 8% due to the margin improvement programme and a tightened credit policy.

Sales at our pharmacy chain rose 9% in local currency, wholly on an organic basis. This growth was slightly higher than the market. The further roll-out of the Mediq Pharmacy formula and the loyalty programme contributed to this. The strong decline of the zloty resulted in a net decline of 1%.

The operating result adjusted for non-operational items increased by € 1.1 million. Lower sales were compensated by lower costs as a result of the restructuring programme, a higher average gross margin and a number of one-off costs in the same period of last year. Excluding non-operational items the result was lower than in the preceding quarters owing to a number of one-off costs relating to the start-up of our new distribution centre, for which a number of additional employees were temporarily contracted. The non-operational items in this quarter, which totalled € 2.8 million, related to the closure of a legal procedure in Poland and the consequent recovery of the related receivable and the

settlement of the disposal of the pharmaceutical activities in Belgium. We have completed the restructuring programme in Poland, which had been ongoing since early 2008.

The number of pharmacies remained level in the fourth quarter, at 192. In the past quarter, 34 of our pharmacies were converted to Mediq Pharmacies (bringing the total at the end of 2009 to 126).

Other

4th quarter 2009	4th quarter 2008	Increase/ decrease	(X € 1,000,000)	Full year 2009	Full year 2008	Increase/ decrease
- 3.4	- 3.3		Net sales (including eliminations)	- 12.0	- 15.5	
- 0.9	- 6.1		Operating result	1.5	- 12.8	
3.7	0.6		Capital expenditure	5.5	1.7	

Income on activities not allocated to segments is reported under 'Other'. At € 0.3 million the result from our 6% interest in the German pharmaceutical wholesaler Andreae-Noris Zahn A.G (Anzag) was € 5.6 million higher than in the same period of last year. Additionally, an amount of € 1.3 million was written off for a receivable from Belgian customers. Capital expenditure in the fourth quarter related to the establishment of the data centre and furniture in the new head office, which we moved into at the end of December.

Dividend

The dividend proposal for 2009 is € 0.44 per share, compared to € 0.30 for 2008. The increase in the dividend of 47% is in line with the increase in the net result, excluding the goodwill impairment in 2008. It corresponds to a pay-out of 35% and is therefore in line with our target. Of the dividend, € 0.10 per share has already been distributed as interim dividend.

In addition, it will be proposed to the General Meeting of Shareholders on 8 April to offer shareholders a choice with effect from the final dividend for 2009 between dividends in cash or in shares. Further information on this proposal will be available in the Agenda for the General Meeting of Shareholders, to be published on 1 March.

Conference call

A press conference will be held today at 10.00 a.m. at the head office of Mediq, Hertogswetering 159, Utrecht.

At 12 noon, a meeting for investment analysts will be held at the same venue. This meeting can be followed live as a video webcast on www.mediq.com. The PowerPoint-presentation used at the meeting can also be downloaded from the website.

A conference call for investors will be hosted at 3 p.m., access number + 31 10 29 44 224. A replay of the call will be available for one week after the call via + 31 10 29 44 210, access code 18 06 12 #.

Financial calendar

The 2009 annual report will be published on 1 March on www.mediq.com. Printed copies will be available around mid-March.
Results for the first quarter of 2010 will be published on 28 April 2010 at 7.30 a.m. (Central European Time).

Note for the editor/not to be published

For more information:

Investor Relations:

Catrien van Buttingha Wichers

T +31 (0)(0)30 282 13 25

M +31 (0)6 5339 3665

annegees.van.linge@mediq.com

Press:

Annegees van Linge

T +31 (0)(0)30 282 13 2525

M +31 (0)6 4610 5682

annegees.van.linge@mediq.com

www.mediq.com

Mediq is a retail and distribution company for pharmaceuticals and medical supplies. Mediq is active in three channels: operating pharmacies and wholesaling (*Pharmacies*), providing medical supplies for home healthcare and related services (*Direct*), and marketing and distributing pharmaceuticals and medical supplies to hospitals and nursing homes (*Institutional*). Mediq focuses on the consumer, supplying products through whatever channel the consumer wishes. As well as being the market leader in the Netherlands, Mediq has operations in Poland, the United States, Germany, Belgium, Denmark, Norway, Hungary and Switzerland. The company employs approximately 7,800 people. Mediq is listed on Euronext Amsterdam.

This press release contains forward-looking statements. Forward-looking statements are always based on assumptions and estimates relating to uncertain events over which Mediq NV has no control. They concern, for example, measures taken by the Dutch and other governments, currency movements, price fluctuations, changes in law and regulations, legal precedents, market developments and operating policies of healthcare insurers. Mediq NV would like to stress that the contents of this press release are based on the information that is currently available. The future can always deviate from expectations.

Annex 1: Highlights result full year 2009

Sales decreased by 5% (€ 128 million) to € 2,603 million in 2009, of which -4% was attributable to foreign exchange rate effects and -1% to the net effect of the acquisition of Byram Healthcare (Direct & Institutional) and the disposal of the Belgian pharmaceutical activities (Pharmacies International). On an organic basis, sales remained stable. The segment Direct & Institutional achieved sales growth of 13%, of which 8% organic. Sales at Pharmacies Netherlands were pressured by price decreases on generic pharmaceuticals. Sales at Pharmacies International fell 24%, mainly due to the depreciation of the Polish zloty (-13%) and the disposal of our Belgian pharmaceutical activities (-7%).

Operating result rose by € 219.0 million, mainly due to the effect of the goodwill impairment at Pharmacies Netherlands in 2008. Excluding all non-operational items, operating result was 5% lower. This was primarily due to price decreases on generic pharmaceuticals due to the preference policy and the one-off reorganisation provision at Pharmacies Netherlands. Direct & Institutional's operating result increased by € 12.4 million.

The sales increase at **Direct & Institutional** of 13% was driven by growth on an organic basis (9%) as well as from acquisitions (4%). The foreign exchange rate effect was negligible. The major part of growth from acquisitions derived from the acquisition of Byram Healthcare in the USA as of 25 March 2008. Organic growth was particularly strong in the Dutch market for deliveries of biopharmaceuticals in home healthcare settings and deliveries of medical supplies in home healthcare settings in Denmark and the USA.

The operating result was € 80.7 million, up € 12.4 million. Of this increase, € 5.6 million came from the book gain on the sale & leaseback of a property in Norway. The remaining € 6.8 million is the effect of both organic growth and acquisitions.

Sales at **Pharmacies Netherlands** fell by 2% due to price decreases on generic pharmaceuticals due to the preference policy and due to fierce price competition in our wholesaling activities. Operating result increased by € 183.8 million due to the goodwill impairment at Pharmacies Netherlands in 2008. Excluding this and other non-operational items, operating result decreased by € 13.6 million. The decrease was attributable to a narrowing of the gross profit margin due to the preference policy and the one-off reorganisation provision of € 4.1 million. This was partly compensated by the higher dispensing fee and more prescription lines.

Sales at **Pharmacies International** fell 24%. The devaluation of the zloty caused a decrease of 13% and the sale of our Belgian activities led to a decline of 7%. The remainder was due to lower organic sales. Sales of the Polish wholesaling activities declined 5% in local currency due to the margin improvement programme and a tighter credit policy. Sales of our pharmacies rose 8% in local currency, due wholly to organic growth in line with the market.

Operating result was € 15.4 million, € 8.5 million higher than in 2008. This was partly due to the book gain of € 7.7 million on the disposal of our Belgian activities. Excluding all non-operational items, operating result rose € 1.8 million. The sales decrease and negative currency effects were more than offset by an improved gross margin and lower costs as a result of the restructuring programme.

Operating result of the **Other** segment increased by € 14.3 million. The result from our 6% interest in Anzag was a gain of € 3.8 million, up € 15.1 million.

Annex 2: glossary of terms

Preference policy

Under the preference policy pursued by healthcare insurers, an insurer reimburses only specific labels in a group of identically-operating pharmaceuticals. The lowest-priced pharmaceuticals are designated for reimbursement. Pharmaceuticals with the same active agent and the same dosage that are more expensive no longer qualify for reimbursement unless in the GP's view there is a need to prescribe this different, more expensive variant.

Dispensing fee

A standardised fee that pharmacists are permitted to charge for their services to customers or their healthcare insurers for each pharmaceutical supplied on a prescription.

The dispensing fee set by the Dutch Healthcare Authority (NZa) has been € 7.28 since the start of 2009. If a pharmacy and healthcare insurer have entered into a contract with each other the dispensing fee may be departed from up to a maximum of € 7.94.

Both fees were increased with effect from January 2010 after an assessment by the Dutch Healthcare Authority established that income from the sale of pharmaceuticals decreased sharply in 2008 and 2009 as a consequence of healthcare insurers' preference policy. The average dispensing fee for 2010 has been set at € 7.91. Parties may depart in 2010 from this amount up to a maximum of € 10.00. The difference between € 7.91 and € 10.00 can be applied to reward mutual agreements, for instance to develop additional care services and implement quality criteria.

Clawback

Since the end of the 1990s, pharmacies' purchasing margin has been reduced by means of a discount on the fee paid by the healthcare insurer (or the customer) to the pharmacy. This is known as the clawback and amounts to 6.82% on a permanent basis, with a maximum of € 6.80. During 2009 and 2010 the percentage has been temporarily raised to 8.53%, with a maximum of € 6.80 per prescription item. This is to provide compensation for the temporary suspension of the clawback during the second half of 2008.

The clawback applies exclusively to pharmaceuticals that are only supplied on prescription.

The fee paid to the pharmacist by the customer or their insurer on balance amounts to the list price of pharmaceuticals minus the clawback plus dispensing fee plus 6% VAT.

4th quarter 2009	4th quarter 2008	(X € 1,000,000)	Full year 2009	Full year 2008
634.4	701.3	Net sales	2,602.7	2,730.2
497.9	557.3	Cost of sales	2,056.7	2,187.0
136.5	144.0	Gross profit	546.0	543.2
4.9	- 7.4	Other income	26.4	1.4
69.9	72.3	Personnel costs	281.0	278.4
6.9	7.2	Depreciation and amortisation	26.2	27.2
-	0.3	Impairment of goodwill	-	198.3
38.8	40.0	Other operating expenses	149.1	143.7
115.6	119.8	Total operating expenses	456.3	647.5
25.8	16.8	Operating result	116.1	- 102.9
1.2	0.5	Finance income	1.0	0.9
- 4.3	- 5.8	Finance costs	- 15.6	- 17.1
- 3.1	- 5.3	Net finance costs	- 14.6	- 16.2
0.5	0.0	Results of associates	1.1	- 2.5
23.2	11.5	Profit before income tax	102.6	- 121.6
- 7.9	- 8.4	Income tax expense	- 25.8	- 5.9
15.3	3.1	Profit after income tax	76.8	- 127.5
		Attributable to:		
14.5	2.3	Shareholders (Net result)	74.5	- 127.9
0.8	0.8	Minority interests	2.3	0.4
15.3	3.1	Total	76.8	- 127.5
		(X € 1)		
0.25	0.04	Earnings per share attributable to shareholders	1.27	- 2.19
0.25	0.03	Diluted earnings per share attributable to shareholders	1.27	- 2.19

(X € 1,000,000)	31 December 2009	31 December 2008
Non-current assets		
Property, plant and equipment	123.9	131.9
Investment property	2.2	2.6
Goodwill	293.5	301.1
Other intangible assets	34.6	37.8
Investments in associates	7.2	7.0
Pension asset	5.4	-
Deferred tax	25.9	22.0
Receivables	5.8	8.7
Financial assets at fair value through profit or loss	16.7	13.5
	515.2	524.6
Current assets		
Inventories	210.6	224.2
Trade receivables	263.7	304.4
Corporate income tax	1.2	1.8
Other receivables	36.1	32.9
Derivative financial instruments	-	-
Cash and cash equivalents	109.7	28.4
	621.3	591.7
Non-current assets held for sale	2.9	0.8
	624.2	592.5
Total assets	1,139.4	1,117.1
Equity		
Share capital	107.2	105.9
Reserves	331.4	259.0
Total	438.6	364.9
Minority interests	15.5	14.1
Total equity	454.1	379.0
Non-current liabilities		
Borrowings	195.5	280.1
Derivative financial instruments	8.9	7.9
Deferred tax	14.4	12.2
Retirement benefit obligations	2.4	17.8
Other provisions	1.7	3.9
	222.9	321.9
Current liabilities		
Credit institutions	1.7	25.4
Borrowings due within one year	82.0	1.7
Derivative financial instruments	1.3	0.9
Trade payables and other current liabilities	329.9	364.1
Corporate income tax	9.8	6.4
Other taxes and social security charges	20.7	12.1
Other provisions	17.0	5.6
	462.4	416.2
Total equity and liabilities	1,139.4	1,117.1

4th quarter 2009	4th quarter 2008	(X € 1,000,000)	Full year 2009	Full year 2008
25.8	16.8	Operating result	116.1	- 102.9
		Adjusted for:		
4.9	5.0	Depreciation of non-current assets	18.2	18.3
2.0	2.3	Amortisation of intangible assets	8.1	8.9
0.0	0.3	Impairment of goodwill	0.0	198.3
		Profit on sale group companies	- 7.5	-
- 0.6	0.1	Profit on sale of non-current assets	- 7.5	- 3.5
- 0.5	5.3	Profit on investments	- 4.0	11.2
		Movements:		
5.4	0.2	Movements in provisions	3.0	- 3.9
- 17.8	- 23.7	Movements in inventories	5.7	- 16.6
- 4.5	- 5.4	Movements in current receivables	17.2	- 20.2
33.8	36.4	Movements in current liabilities	- 2.3	26.6
48.5	37.3	Operating cash flow	147.0	116.2
- 3.6	- 5.2	Finance costs paid	- 15.0	- 15.8
- 9.9	2.2	Tax paid on operating result	- 27.3	- 6.6
35.0	34.3	Cash flow from operating activities	104.7	93.8
- 10.4	- 13.1	Additions to non-current assets	- 33.0	- 44.6
- 0.3	- 9.1	Acquisitions less cash and cash equivalents	- 0.5	- 118.4
0.9	0.8	Finance income received	0.4	0.6
0.1	0.0	Dividends received	1.5	2.3
20.0	0.0	Sale of group companies	21.6	-
0.6	1.5	Disposals of non-current assets	24.1	8.5
- 0.6	0.1	Loans granted	- 0.7	- 3.5
0.9	1.9	Payments received on loans	3.6	5.8
- 0.1	0.1	Tax paid on investing activities	- 0.1	0.8
11.1	- 17.8	Cash flow from investing activities	16.9	- 148.5
-	-	Proceeds form share issues	1.3	3.1
-	-	Converted by shareholders	- 0.5	- 1.9
-	-	Treasury shares	-	- 7.4
-	-	Dividends paid	- 13.5	- 31.6
1.1	32.2	Proceeds from borrowings	1.5	114.0
0.2	0.1	Repayments of borrowings	- 0.9	- 1.0
- 0.2	0.2	Movements in minority shareholders	- 0.9	- 0.3
1.1	32.5	Cash flow from financing activities	- 13.0	74.9
47.2	49.0	Net cash flow	108.6	20.2
		Reconciliation with the balance sheet		
47.2	49.0	Net cash flow	108.6	20.2
0.7	2.6	Foreign exchange differences in net short-term debt	- 3.5	- 5.1
47.9	51.6	Sub-total	105.1	15.1
		Net short-term debt at beginning of period:		
71.3	13.8	Cash and cash equivalents	28.4	11.9
11.2	62.5	Credit institutions	25.5	24.0
- 60.1	48.7		- 2.9	12.1
		Net short-term debt at end of period:		
109.7	28.3	Cash and cash equivalents	109.7	28.4
1.7	25.4	Credit institutions	1.7	25.4
- 108.0	- 2.9		- 108.0	- 3.0
47.9	51.6	Movement net short-term debt on balance	105.1	- 15.1

Segment reporting – results per segment

	Direct & Institutional		Pharmacies Netherlands		Pharmacies International		Total Operating Segments		Holding & Eliminations		Consolidated	
(X € 1,000,000)	Q4 2009	Q4 2008	Q3 2009	Q4 2008	Q4 2009	Q4 2008	Q4 2009	Q4 2008	Q4 2009	Q4 2008	Q4 2009	Q4 2008
Net sales, third parties	226.1	211.5	282.0	282.3	126.3	207.5	634.4	701.3	-	-	634.4	701.3
Net sales, intercompany	3.2	2.8	0.2	0.3	0.0	0.2	3.4	3.3	- 3.4	- 3.3	-	-
Total net sales	229.3	214.3	282.2	282.6	126.3	207.7	637.8	704.6	- 3.4	- 3.3	634.4	701.3
Cost of sales plus operating expenses	- 210.1	- 196.5	- 278.0	- 276.8	- 123.0	- 208.4	- 611.1	- 681.7	2.5	- 2.7	- 608.6	- 684.5
Operating result	19.2	17.8	4.2	5.8	3.3	- 0.7	26.7	22.9	- 0.9	- 6.1	25.8	16.8
Finance income and costs	0.3	- 1.9	- 2.1	- 6.4	- 0.4	- 0.6	- 2.2	- 8.9	- 0.9	3.6	- 3.1	- 5.3
Results of associates	-	-	0.5	- 0.0	0.0	0.0	0.5	0.0	-	-	0.5	0.0
Profit before income tax	19.5	15.9	2.6	- 0.6	2.9	- 1.3	25.0	14.0	- 1.8	- 2.5	23.2	11.5
Total assets	370.8	383.4	505.8	622.7	201.5	246.5	1,078.1	1,252.7	61.3	- 135.6	1,139.4	1,117.1
- Of which income tax	7.4	11.1	22.2	12.6	1.9	1.9	31.5	25.6	- 4.3	- 1.8	27.2	23.8
Total liabilities	314.6	335.3	575.9	615.5	122.0	163.7	1,012.5	1,114.5	- 326.5	- 376.5	685.3	738.0
- Of which income tax	13.9	14.3	19.2	11.8	2.6	3.5	35.7	29.6	- 11.5	- 11	24.2	18.6
Total investments in associates	-	-	7.0	6.6	-	0.3	7.0	6.9	0.2	0.2	7.2	7.1
Acquisitions	0.0	0.1	0.3	9.0	0.0	2.3	0.3	11.4	-	-	0.3	11.4
Additions to non-current assets	1.5	3.6	3.7	8.0	1.5	1.0	6.7	12.6	3.7	0.6	10.4	13.1
Amortisation of intangible assets	1.6	1.6	0.3	0.6	0.1	0.1	2.0	2.2	-	-	2.0	2.2
Depreciation of property, plant and equipment	1.0	1.0	2.9	2.9	0.7	0.7	4.6	4.6	0.3	0.3	4.9	4.9
Operating margin	8.4%	8.3%	1.5%	2.1%	2.6%	- 0.3%					4.1%	2.4%
Capital employed	210.3	233.2	329.3	346.4	103.4	110.4	643.0	690.0	26.3	16.1	669.3	706.1
Return on average capital employed	36.2%	29.3%	5.2%	6.8%	12.8%	- 2.3%					15.2%	9.4%

* Eliminations between Pharmacies Netherlands and Pharmacies International are not reported separately

Segment reporting – results per country

	Netherlands		Poland		Belgium		Germany		Denmark		United States		Other		Consolidated	
(X € 1,000,000)	Q4 2009	Q4 2008	Q4 2009	Q4 2008	Q4 2009	Q4 2008	Q4 2009	Q4 2008	Q4 2009	Q4 2008	Q4 2009	Q4 2008	Q4 2009	Q4 2008	Q4 2009	Q4 2008
Net sales	424.8	408.7	126.3	147.0	-	61.8	15.1	18.1	24.5	22.8	28.6	28.1	15.1	14.7	634.4	701.3
Capital employed	368.2	383.3	103.4	93.1	-	17.3	47.7	44.7	40.6	41.4	96.6	104.2	12.8	22.1	669.3	706.1
Total assets	598.2	505.0	201.2	193.4	-	68.7	104.6	108.4	64.2	60.6	114.0	118.1	57.2	62.9	1,139.4	1,117.1
Acquisitions	0.3	9.1	-	2.3	-	-	-	-	-	-	-	-	-	-	0.3	11.4
Additions to non-current assets	7.9	9.7	1.5	1.2	-	0.2	-	0.1	0.3	0.2	0.7	0.3	-	1.4	10.4	13.1