



Warner Chilcott Announces 2010 Financial Guidance

ARDEE, Ireland, Jan 29, 2010 /PRNewswire via COMTEX News Network/ -- Warner Chilcott plc (Nasdaq: WCRX) announced today a view of anticipated full year 2010 results.

Adjusted total revenues for 2010, after excluding the impact of the Company's distribution agreement with LEO Pharma A/S ("LEO"), are expected to be in the range of \$2.9 to \$2.95 billion, and will include a full year of results of The Procter & Gamble Company's global branded pharmaceutical business ("PGP") which Warner Chilcott acquired on October 30, 2009. Adjusted gross margin, as a percentage of adjusted total revenues, is anticipated to be in the range of 88% to 89% in 2010 after excluding the impact of the LEO distribution arrangement and the purchase accounting impact of the step-up of certain PGP inventories acquired on October 30, 2009 which will be recognized in cost of sales as the inventory is sold.

"The PGP acquisition was a transformational event for Warner Chilcott that extended our presence to include many of the major pharmaceutical markets around the world and significantly enhanced the scale and diversity of our business" said Roger Boissonneault, President and Chief Executive Officer of Warner Chilcott. "Our 2010 guidance demonstrates the financial strength we expect the combined company to deliver."

Total selling, general and administrative (SG&A) expenses in 2010, which includes costs associated with the continuing integration of the PGP business, are anticipated to be in the range of \$1.2 to \$1.25 billion. Total R&D spend in 2010 is anticipated to be in the range of \$180 to \$200 million.

Based on the current view, 2010 adjusted net income is expected to be in the range of \$190 to \$215 million. Adjusted cash net income in 2010 is anticipated to be in the range of \$842 to \$867 million. Using 255 million ordinary shares, the Company expects adjusted cash net income per share to be in the range of \$3.30 to \$3.40 per share for the full year 2010. The Company defines "cash net income" as the Company's net income adjusted for the after-tax effects of two non-cash items: amortization of intangible assets and amortization (or write-off) of deferred loan costs related to the Company's debt. References to "adjusted cash net income" are defined as "cash net income" as further adjusted to exclude the impacts associated with the LEO distribution arrangement and the impact of the step-up of certain PGP inventories.

This press release contains financial measures such as "adjusted total revenues," "adjusted gross margin percentage," "adjusted net income," and "adjusted cash net income," that have not been prepared in accordance with Generally Accepted Accounting Principles ("non-GAAP financial measures"). The non-GAAP financial measures should not be considered a substitute for financial measures prepared in accordance with Generally Accepted Accounting Principles ("GAAP"). The Company strongly urges you to review the reconciliations of the anticipated non-GAAP financial measures, including "cash net income," to GAAP financial measures presented in the footnotes at the end of this press release. The Company also strongly urges you to not rely on any single financial measure to evaluate its business.

For a full view of the Company's 2010 financial guidance please refer to the summary at the end of this press release.

Conference Call and Audio Webcast Today

Warner Chilcott will be hosting a conference call and audio webcast on January 29, 2010 at 8:30 a.m. to discuss the 2010 Financial Guidance for all interested parties. You may access the conference call by dialing (888) 710-4016 within the U.S. and Canada, and (913) 312-1507 if you are outside the U.S. and Canada. In addition, a live audio webcast of the call will be available at Warner Chilcott's Investor Relations website at <http://ir.wcrx.com/events.cfm>.

A replay of the conference call will be available for two weeks and can be accessed by dialing (888) 203-1112 from within the U.S. or Canada and (719) 457-0820 if you are located outside the U.S. or Canada. The pass code for the replay is 1732497.

The Company

Warner Chilcott is a leading specialty pharmaceutical company currently focused on the gastroenterology, women's healthcare, dermatology and urology segments of the U.S. and Western European pharmaceuticals markets. Warner Chilcott is a fully integrated company with internal resources dedicated to the development, manufacturing and promotion of its products. WCRX-F.

Warner Chilcott's Forward Looking Statements:

This press release contains forward-looking statements, including statements concerning our operations, our economic performance and financial condition, and our business plans and growth strategy and product development efforts. These statements constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. The words "may," "might," "will," "should," "estimate," "project," "plan," "anticipate," "expect," "intend," "outlook," "believe" and other similar expressions are intended to identify forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. These forward-looking statements are based on estimates and assumptions by our management that, although we believe to be reasonable, are inherently uncertain and subject to a number of risks and uncertainties.

The following represent some, but not necessarily all, of the factors that could cause actual results to differ from historical results or those anticipated or predicted by our forward-looking statements: our substantial indebtedness; competitive factors in the industry in which we operate (including the approval and introduction of generic or branded products that compete with our products); our ability to protect our intellectual property; a delay in qualifying our manufacturing facilities to produce our products or production or regulatory problems with either third party manufacturers upon whom we may rely for some of our products or our own manufacturing facilities; pricing pressures from reimbursement policies of private managed care organizations and other third party payors, government sponsored healthcare systems, the continued consolidation of the distribution network through which we sell our products, including wholesale drug distributors and the growth of large retail drug store chains; the loss of key senior management or scientific staff; adverse outcomes in our outstanding litigation or an increase in the number of litigation matters to which we are subject; government regulation affecting the development, manufacture, marketing and sale of pharmaceutical products, including our ability and the ability of companies with whom we do business to obtain necessary regulatory approvals; our ability to manage the growth of our business by successfully identifying, developing, acquiring or licensing new products at favorable prices and marketing such new products; our ability to obtain regulatory approval and customer acceptance of new products, and continued customer acceptance of our existing products; changes in tax laws or interpretations that could increase our consolidated tax liabilities; our ability to realize the anticipated opportunities from the acquisition of PGP; and the other risks identified in our periodic filings including our Annual Report on Form 10-K for the year ended December 31, 2008, as amended, and our Current Report on Form 8-K filed on November 2, 2009, as amended; and other risks detailed from time-to-time in our public filings, financial statements and other investor communications.

We caution you that the foregoing list of important factors is not exclusive. In addition, in light of these risks and uncertainties, the matters referred to in our forward-looking statements may not occur. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as may be required by law.

Warner Chilcott plc	
2010 Full Year Financial Guidance	
(U.S. dollars in millions, except per share information)	
	2010 Guidance (1)

Adjusted Total Revenue (2)	\$2,900 to \$2,950
Adjusted Gross Margin as a % of Adjusted Total Revenue (3)	88% to 89%
Total SG&A Expenses (4)	\$1,200 to \$1,250
Total R&D Expenses	\$180 to \$200
Total Income Tax Provision (5)	9% - 10% of EBTA
Adjusted Net Income(6)	\$190 to \$215
Adjusted Cash Net Income ("Adjusted CNI")(7)	\$842 to \$867
Adjusted CNI per Share (7,8)	\$3.30 to \$3.40

(1)The 2010 guidance assumes that Roxane (a division of Boehringer Ingelheim Corporation) will not launch a generic Asacol 400 mg product at risk following the expiration of the 30 month stay in March 2010 and does not account for the impact of any future acquisitions or new partnership or licensing transactions. In addition, and as more fully noted below, the 2010 guidance excludes the LEO arrangement. As a result of this arrangement, until the distribution agreement is terminated, the Company will continue to record revenue and cost of sales related to the LEO products and will recognize a portion of the gain relating to certain inventories of such products as they are sold in 2010.

(2)Adjusted total revenue excludes the impact of the Company's distribution arrangement with LEO.

(3)Adjusted gross margin percentage excludes the amortization and impairments of intangible assets, the impact of the Company's distribution arrangement with LEO and the purchase accounting impact of the step-up of certain PGP inventories acquired on October 30, 2009 which will be included in cost of sales as the inventory is sold.

(4) Total SG&A expense does not include any amount that may be payable in connection with the potential settlement of our outstanding litigation.

(5)The total 2010 tax provision is estimated as a percentage of adjusted earnings before taxes and book amortization (EBTA).

(6)A reconciliation of 2010 expected GAAP net income to expected adjusted net income excludes the impact of the LEO distribution arrangement and the step-up of certain PGP inventories.

(7)A reconciliation of 2010 expected adjusted net income to expected adjusted cash net income adds back the expected after tax impact of the amortization of intangibles (\$581 million) and the after tax impact of deferred financing fees (\$71 million).

(8)Expected adjusted cash net income per share is based on 255 million fully diluted ordinary shares.

SOURCE Warner Chilcott plc

Copyright (C) 2010 PR Newswire. All rights reserved