



Warner Chilcott Announces Proposed Leveraged Recapitalization Including Special Cash Dividend to Shareholders and Updates Full-Year 2010 Financial Guidance

ARDEE, Ireland, July 30, 2010 /PRNewswire via COMTEX News Network/ -- Warner Chilcott plc (Nasdaq: WCRX) today announced a recapitalization pursuant to which it intends to incur, subject to market and other conditions, \$2.25 billion of new debt to fund a special dividend to Warner Chilcott's ordinary shareholders of \$8.50 per share, or approximately \$2.15 billion in the aggregate. The new debt is expected to be comprised of a combination of senior secured term loans and additional unsecured debt.

The declaration of the special cash dividend is conditioned on the amendment of the Company's existing senior secured credit facilities to permit, among other things, the incurrence of the additional indebtedness needed to fund the special cash dividend. Warner Chilcott intends to declare the special cash dividend upon the successful amendment of the existing credit facilities and after obtaining debt financing under acceptable terms. The Company currently expects to declare and pay the special cash dividend before the end of the third quarter of 2010.

2010 OUTLOOK

The Company is also affirming its previously issued full-year 2010 financial guidance for adjusted total revenue, SG&A expense and income taxes, while adjusting its projections for adjusted gross margin, R&D expense, adjusted net income, adjusted cash net income ("CNI") and adjusted CNI per share. Adjusted total revenue for the full year 2010 is expected to be near the lower end of the current guidance range of \$2.90 billion to \$2.95 billion. The expectation for adjusted CNI for the full-year 2010, **before giving effect to the impact of the proposed recapitalization plan**, has been increased from a range of \$3.30 to \$3.40 per share to a range of \$3.45 to \$3.55 per share. Please refer to the attached exhibit for full details of the Company's 2010 revised financial guidance.

Assuming the successful completion of the proposed recapitalization plan, the Company estimates that its full-year 2010 adjusted CNI would be reduced by \$0.20 to \$0.25 per share. Looking ahead to the full year 2011, the recapitalization is expected to reduce 2011 adjusted CNI by \$0.65 to \$0.70 per share. These anticipated reductions of adjusted CNI per share would result from the estimated increased cash interest expense associated with the issuance of \$2.25 billion of additional debt and the expected repricing impact of the Company's outstanding term debt using current market assumptions. The expected impact on adjusted CNI per share is based on 255 million fully-diluted shares outstanding.

About Warner Chilcott

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

Forward Looking Statements

This press release contains forward-looking statements, including statements concerning the proposed recapitalization plan, incurrence of new debt and payment of a dividend, as well as concerning our operations, our anticipated financial 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 that produce our products or production or regulatory problems with either third party manufacturers or API suppliers 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 health 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, including domestic and foreign health care reform, 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 our acquisition of the global branded pharmaceuticals business from The Procter and Gamble Company; the other risks identified in our periodic filings including our Annual Report on Form 10-K for the year ended December 31, 2009, and from time-to-time in our 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 PUBLIC Limited COMPANY
2010 Full Year Financial Guidance
(In millions of U.S. dollars, except per share amounts)

	Prior Guidance May 2010	Revised Guidance July 2010(1)
Adjusted Total Revenue (2)	\$2,900 to \$2,950	\$2,900 to \$2,950
Adjusted Gross Margin as a % of Adjusted Total Revenue (3)	89% to 90%	90% to 91%
Total SG&A Expense (4)	\$1,200 to \$1,250	\$1,200 to \$1,250
Total R&D Expense (5)	\$180 to \$200	\$160 to \$180
Total Income Tax Provision (6)	12%-13% of EBTA	12%-13% of EBTA
Adjusted Net Income (7)	\$180 to \$205	\$244 to \$269
Adjusted CNI (8)	\$842 to \$867	\$880 to \$905
Adjusted CNI per share (8) (9)	\$3.30 to \$3.40	\$3.45 to \$3.55

(1) The 2010 revised guidance assumes that Roxane (a division of Boehringer Ingelheim Corporation) will not launch a generic Asacol 400 mg product at risk in 2010, accounts for the amendment to the Actonel Collaboration Agreement in April 2010 and does not account for the impact of any future acquisitions or new partnership or in-licensing transactions subsequent to the date hereof. In addition and as noted below, the 2010 revised guidance excludes the LEO Pharma A/S ("LEO") arrangement and the impact of the distribution arrangement with LEO. In addition, the revised guidance does not include the impact of the proposed recapitalization plan.

(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 inventories acquired in the acquisition of the global branded pharmaceuticals business ("PGP") of The Procter and Gamble Company, which was included in cost of sales as the inventory was 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 2010 revised guidance includes actual and anticipated milestone payments to third parties.

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

(7) A reconciliation of 2010 expected GAAP net income to expected adjusted net income excludes the impact of the LEO distribution arrangement and the impact of the write-off of the fair value step-up of acquired PGP inventories.

(8) 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 (\$593 million) and the after tax impact of deferred financing fees (\$43 million).

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

SOURCE Warner Chilcott plc

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