

# Catalent

## Investors Conference Call

Catalent Pharma Solutions

November 13, 2008

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# Disclaimer Statement

## Forward Looking Statements

This presentation and release contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements generally can be identified by the use of statements that include phrases such as “believe,” “expect,” “anticipate”, “intend”, “estimate”, “plan”, “project”, “foresee”, “likely”, “may”, “will”, “would” or other words or phrases with similar meanings. Similarly, statements that describe our objectives, plans or goals are, or may be, forward-looking statements. These statements are based on current expectations of future events. If underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results could vary materially from Catalent Pharma Solutions’ expectations and projections. Some of the factors that could cause actual results to differ include, but are not limited to, the following: general industry conditions and competition; product or other liability risk inherent in the design, development, manufacture and marketing of our offerings; inability to enhance our existing or introduce new technology or services in a timely manner; economic conditions, such as interest rate and currency exchange rate fluctuations; technological advances and patents attained by competitors; and our substantial debt and debt service requirements that restrict our operating and financial flexibility and impose significant interest and financial costs. For a more detailed discussion of these and other factors, see the information under the caption “Risk Factors” in our Annual Report on Form 10K dated June 30, 2008, filed with the Securities and Exchange Commission on September 29, 2008. All forward-looking statements speak only as of the date of this release or as of the date they are made, and Catalent Pharma Solutions does not undertake to update any forward- looking statements as a result of new information or future events or developments unless required by law.

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The Company's credit facilities and the indentures governing the outstanding notes have certain covenants that use ratios utilizing a measure referred to as Adjusted EBITDA. The supplementary adjustments to EBITDA to derive Adjusted EBITDA may not be in accordance with current SEC practices or the rules and regulations adopted by the SEC that apply to periodic reports filed under the Securities Exchange Act of 1934. Accordingly, the SEC may require that Adjusted EBITDA be presented differently in filings that may be made with the SEC than as presented in this release, or not be presented at all. The most directly comparable US GAAP measure to EBITDA and Adjusted EBITDA is net earnings (loss). Included in this release is a reconciliation of net earnings (loss) to EBITDA and to Adjusted EBITDA.

# Agenda

- **First Quarter Highlights**
- **Business Update**
- **Q1 Financial Performance**
- **Adjusted EBITDA**
- **Cash Flow**
- **Q&A**

# First Quarter Highlights

- **Consolidated financial performance below expectations**
- **Packaging Services: continuing challenges; action plans underway**
- **Growth in Sterile Technologies sales and profitability**
- **Brussels Pre-Filled Syringe facility received first FDA approval**
- **Containing controllable expenditures**
- **New talent hired to help drive improvements**
- **North Raleigh – exploring alternatives; Discontinued Ops**

# Business Update – Oral Technologies

- **Two new high output Zydis® lines in UK progressing well.**
- **New Zydis® line in Somerset approaching product validation pending FDA approval.**
- **Controlled Release demand remains strong, with new product development revenues at an all-time high level.**
- **Rx softgel business performing ahead of expectations with good demand for several high-volume branded products.**
- **Consumer health softgel product demand remains weak due to softening consumer demand in most markets.**

# Business Update – Sterile Technologies

- **FDA product approval at Brussels PFS facility will help to grow an already strong pipeline of opportunities.**
- **Strong flu vaccine campaign at Brussels with 25% growth over previous year.**
- **Modest growth in Q1 Blow-Fill-Seal products with strong pipeline of new projects for future growth.**
- **Slow first quarter for Analytical revenues but increased sales activities expected to drive improvement for the rest of the year.**
- **Continued to work through the Warning Letter at North Raleigh utilizing internal and external resources.**

# Business Update – Packaging Services

- **Commercial Packaging sales and profitability down vs. prior year. Quote activity trending favorably. New senior leadership on board.**
- **Printed Components sales and profitability down vs. prior year primarily in the US. New senior leadership on board.**
- **Headcount and SG&A costs reduced and realigned to better match demand and minimize EBITDA shortfall.**
- **On-Time Delivery and other customer service metrics continue to improve.**
- **Corby, UK facility won “The Best Contract Manufacturing Project” award in this year’s *European Outsourcing Awards*.**

# FY2008 Q1 by Segment

(\$ millions)	Three Months	Three Months	Increase/(Decrease)		Excluding FX		
	Ended	Ended			Increase/(Decrease)		
	September 30, 2008	September 30, 2007	\$	%	\$	%	
<b>Oral Technologies</b>							
Net Revenue	237.2	235.2	2.0	0.9%	(4.2)	-1.8%	
Segment EBITDA	44.1	49.4	(5.3)	-10.7%	(5.6)	-11.4%	
<b>Sterile Technologies</b>							
Net Revenue	74.7	67.6	7.1	10.5%	4.5	6.7%	
Segment EBITDA	9.2	6.5	2.7	41.5%	1.9	29.2%	
<b>Packaging Services</b>							
Net Revenue	116.4	141.7	(25.3)	-17.9%	(26.2)	-18.5%	
Segment EBITDA	7.3	20.8	(13.5)	-64.9%	(13.6)	-65.5%	
Revenue Elimination	(11.2)	(9.4)	(1.8)	19.1%	(1.9)	20.2%	
Other EBITDA	40.4	(57.3)	97.7	*	98.0	*	
<b>Combined Total</b>							
Net Revenue	417.1	435.1	(18.0)	-4.1%	(27.8)	-6.4%	
EBITDA	101.0	19.4	81.6	*	80.6	*	

\* % not meaningful

# Operating Earnings to EBITDA

(\$ Millions)	Quarters Ended				LTM	Quarter Ended	LTM
	September 30, 2007	December 31, 2007	March 31, 2008	June 30, 2008	June 30, 2008	September 30, 2008	September 30, 2008
Income / (Loss) from continuing operations	(32.3)	(39.2)	(65.7)	(318.9)	(456.1)	21.8	(402.0)
Interest Expense, net	49.3	52.0	51.7	48.2	201.2	48.3	200.2
Income tax benefit	(37.4)	(27.7)	(26.4)	10.2	(81.3)	(7.3)	(51.2)
Depreciation and Amortization	39.8	40.7	42.0	35.8	158.3	38.2	156.7
EBITDA	19.4	25.8	1.6	(224.7)	(177.9)	101.0	(96.3)

# LTM EBITDA Adjustments

(\$ millions)	Quarters Ended				LTM June 30, 2008	Quarter Ended September 30, 2008	LTM September 30, 2008
	September 30, 2007	December 31, 2007	March 31, 2008	June 30, 2008			
EBITDA	\$ 19.4	\$ 25.8	\$ 1.6	\$ (224.7)	\$ (177.9)	\$ 101.0	\$ (96.3)
Equity Compensation	1.8	2.2	3.0	1.2	8.2	1.4	7.8
Impairment charges and (gain)/loss on sale of assets	0.4	-	-	316.6	317.0	0.1	316.7
Purchase accounting, restructuring and other special items	4.3	9.0	7.4	3.0	23.7	2.6	22.0
Other non-recurring/one time items (Sterile Facility Start Up, non cash adjustments)	1.7	10.4	(2.6)	(1.7)	7.8	3.5	9.6
Unrealized fx loss (included in other,net)	44.9	33.9	72.1	8.6	159.5	(59.2)	55.4
Other (Minority interest expense, Sponsor's fee, severance, franchise taxes)	2.2	3.8	5.6	7.0	18.6	4.6	21.0
Disposition adjustments	(0.9)	2.7	(0.1)	0.2	1.9	-	2.8
Subtotal	73.8	87.8	87.0	110.2	358.8	54.0	339.0
Estimated cost savings					2.3		1.5
Adjusted EBITDA					\$ 361.1		\$ 340.5

# FY2008 Cash Flow

(\$ millions)	<u>Continuing</u>	<u>Discontinued</u>	<u>Total</u>
Net cash provided by/(used in) operations	14.1	0.7	14.8
Additions PP&E, net	(14.9)	(0.4)	(15.3)
Financing Activities			(4.2)
FX on net cash			(4.3)
Decrease in cash			<u>(9.0)</u>
Cash at beginning of period			72.4
cash at end of period			63.4
<b>Items of note:</b>			
Net working capital decrease			3.4
Cash interest			(24.4)
Cash taxes			(3.7)
Revolver at 9/30/08			-
Net Debt at 9/30/08			2,289.8



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