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Press release

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FOR IMMEDIATE RELEASE

CATALENT PHARMA SOLUTIONS REPORTS FISCAL 2008 SECOND QUARTER RESULTS

Somerset, NJ – February 12, 2008 – Catalent Pharma Solutions, Inc., one of the leading providers of advanced technologies and outsourced services to the global pharmaceutical, biotechnology and consumer health industry announced its financial results for its second fiscal quarter ended December 31, 2007. Catalent recognized net revenue for the three months then ended of \$464.0 million and EBITDA from continuing operations of \$44.8 million for the same period after giving effect to the Acquisition and related purchase method of accounting adjustments. EBITDA and Adjusted EBITDA as detailed in the attached schedules for the twelve months ended December 31, 2007 were \$57.1 million and \$338.9 million, respectively. EBITDA and Adjusted EBITDA are defined below under "Non-GAAP Financial Matters".

Catalent's President and Chief Executive Officer, John Lowry, said, "It has been ten months since our separation from Cardinal Health, and at the halfway point in our first full fiscal year as a standalone company, we are pleased with our progress. Our efforts to finalize the separation from Cardinal Health continue ahead of schedule, and are nearly complete. In the first half of our 2008 fiscal year, we showed growth in revenue and EBITDA over the same period for our fiscal year 2007 of 10.7% and 27.5%, respectively, owing to strength in our Oral and Sterile Technologies segments. We continue to invest in our manufacturing network and we have significantly increased our investment in product and technology innovation. Our business fundamentals remain strong, and we are building momentum for the second half of our fiscal year 2008 and beyond."



David Eatwell, Catalent's Chief Financial Officer stated, "We are pleased to report another strong quarter for our Sterile Technologies segment, which reported a 22% increase in revenue, and led the way in the growth of this quarter's EBITDA. Strong demand also continued to drive the top line in our Oral Technologies segment, although a non-cash inventory charge of \$10.0 million impacted the EBITDA growth for the quarter. With Adjusted EBITDA for the twelve months ending December 31, 2007 at \$338.9 million, we are pleased with our progress."

The definition of Adjusted EBITDA, which excludes costs related to the separation of Catalent from Cardinal Health, Inc. and costs related to The Blackstone Group's acquisition of Catalent, among other items, and a reconciliation of Adjusted EBITDA to GAAP results are included in this press release.

Results of Operations – Second Fiscal Quarter Ended December 31, 2007

Net revenue for the three months ended December 31, 2007 was \$464.0 million, an increase of \$47.5 million, or 11.4%, compared to \$416.5 million in the same period for 2006. The increase was primarily due to strong demand for Oral Technologies pharmaceutical products and increased volumes and throughput within our Sterile Technologies segment, including increased output from our new sterile facility in Belgium. The weaker U.S. dollar favorably impacted the Company's revenue growth by approximately 6 percentage points.

Gross margin for the three months ended December 31, 2007, was \$107.6 million, including the impact of purchase accounting adjustments of \$2.1 million. During the quarter the Company identified a prior period error of \$11.0 million, including a non-cash inventory charge of \$10.0 million. Excluding both of these items, gross margin was \$120.7 million, an increase of \$13.7 million, or 12.8%, compared to \$107.0 million in the same period for 2006. The increase in gross margin was primarily due to improved utilization within the Sterile Technologies segment and strong demand for the Oral Technologies segment's pharmaceutical products. The weaker U.S. dollar favorably impacted the Company's gross margin growth by approximately 6 percentage points.

Selling, general and administrative expenses for the three months ended December 31, 2007, were \$84.2 million, including the impact of purchase accounting adjustments. Excluding purchase accounting adjustments, SG&A was \$74.1 million, compared to \$73.8 million in the same period for 2006. The savings achieved from operating as a standalone company were offset by the impact of the weaker U.S. dollar which increased the SG&A by \$3.2 million.



EBITDA from continuing operations for the three months ended December 31, 2007, was \$44.8 million, a decrease of \$4.3 million or 8.8 %, compared to the same period in 2006. Compared to the same period in 2006, the Sterile Technologies segment increased EBITDA by \$4.2 million to \$4.6 million due to increased volumes and improved utilization of facilities, including the ramp-up of our new facility in Brussels. EBITDA for the Oral Technologies segment decreased by \$5.0 million compared to the same period in 2006, primarily due to an inventory charge and other adjustments of \$11.0 million, of which \$10.0 million was non-cash. Our Packaging Services segment's EBITDA was \$19.7 million, an increase of \$1.6 million, or 8.8 %, compared to the same period in 2006, with increased demand in Europe and for clinical services offsetting weaker demand for packaging and printed components within the U.S.

The Acquisition

On April 10, 2007, an entity controlled by affiliates of The Blackstone Group acquired from Cardinal Health, Inc. ("Cardinal") certain businesses of the Pharmaceutical Technologies and Services segment of Cardinal, which now constitute the Company, for an aggregate purchase price of approximately \$3.3 billion (the "Acquisition"). The Company has performed an evaluation of the fair values of the real and personal property, inventory and certain identifiable intangible assets in connection with the purchase price allocation related to the Acquisition. The valuation study resulted in a fair value step-up to real and personal property, inventory and certain identifiable intangible assets. Catalent is in the process of finalizing its purchase accounting information. In connection with the Acquisition, Catalent entered into a senior secured credit facility, consisting of an approximate \$1.4 billion aggregate principal term loan, a \$350.0 million revolving credit facility and issued \$565.0 million of 9 ½%/ 10 ¼% Senior PIK-Election Notes due 2015 and EUR 225.0 million of 9 ¾% euro-denominated (\$300.3 million dollar equivalent) Senior Subordinated Notes due 2017.

Non-GAAP Financial Matters

In addition to disclosing financial results that are determined in accordance with US GAAP, Catalent discloses EBITDA and Adjusted EBITDA, which are non-GAAP measures. You should not consider EBITDA or Adjusted EBITDA as an alternative to operating or net earnings, determined in accordance with US GAAP, as an indicator of Catalent's operating performance, or as an alternative to cash flows from operating activities, determined in accordance with US GAAP, as an indicator of cash flows, or as a measure of liquidity. EBITDA is calculated by the sum of earnings before interest, taxes, depreciation and amortization.



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 ("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 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.

Conference Call/ Webcast

The Company has scheduled a webcast on February 12th beginning at 10:30 a.m. (EST) to review the results. To access the call and slide presentation, go to the Investor Center at www.catalent.com. A replay and transcript will also be available from the Investor Center at www.catalent.com following the call.

About Catalent

Headquartered in Somerset, New Jersey, Catalent is one of the leading providers of advanced technologies, and development, manufacturing and packaging services for pharmaceutical, biotechnology and consumer healthcare companies in nearly 100 countries. The company applies its local market expertise and technical creativity to advance treatments, change markets and enhance patient outcomes. Catalent employs approximately 10,000 people at more than 30 facilities worldwide and generates more than \$1.7 billion in annual revenue. For more information, visit www.catalent.com.



Catalent Pharma Solutions
Condensed Statements of Earnings
(unaudited, in millions)

	<u>Successor</u>	<u>Predecessor</u>	<u>Change</u>	
	Three Months Ended December 31, 2007	Three Months Ended December 31, 2006	\$	%
Net revenue	\$ 464.0	\$ 416.5	\$ 47.5	11.4%
Cost of products sold	356.4	309.5	46.9	15.2%
Gross margin	107.6	107.0	0.6	0.6%
Selling, general and administrative expenses	84.2	73.8	10.4	14.1%
Impairment charges and (gain)/ loss on sale of asset	-	0.9	(0.9)	-100.0%
Restructuring and other special items	9.0	5.9	3.1	52.5%
Operating earnings	14.4	26.4	(12.0)	-45.5%
Interest expense, net	52.0	1.0	51.0	N.M.
Other, net	10.6	(0.2)	10.8	N.M.
(Loss)/ earnings before income taxes	(48.2)	25.6	(73.8)	N.M.
Income tax benefit	(19.6)	(4.1)	(15.5)	N.M.
Minority interest expense, net of tax	0.6	2.0	(1.4)	-70.0%
(Loss)/earnings from continuing operations	(29.2)	27.7	(56.9)	N.M.
Loss from discontinued operations, net of tax	(1.0)	(9.2)	8.2	-89.1%
Net (loss)/ earnings	\$ (30.2)	\$ 18.5	\$ (48.7)	N.M.

Catalent Pharma Solutions
Selected Segment Financial Data
(unaudited, in millions)

	<u>Successor</u>	<u>Predecessor</u>	<u>Change</u>	
	Three Months Ended December 31, 2007	Three Months Ended December 31, 2006	\$	%
Oral Technologies				
Net revenue	\$ 256.9	\$ 230.6	\$ 26.3	11.4%
Segment EBITDA	50.5	55.5	(5.0)	-9.0%
Sterile Technologies				
Net revenue	74.1	60.7	13.4	22.1%
Segment EBITDA	4.6	0.4	4.2	N.M.
Packaging Services				
Net revenue	143.7	134.7	9.0	6.7%
Segment EBITDA	19.7	18.1	1.6	8.8%
Intersegment Eliminations				
Net Revenue	(10.7)	(9.5)	(1.2)	12.6%
Other				
Unallocated costs	(30.0)	(24.9)	(5.1)	20.5%
Combined Total				
Net revenue	464.0	416.5	47.5	11.4%
EBITDA	\$ 44.8	\$ 49.1	\$ (4.3)	-8.8%

N.M. - percentage not meaningful.



**Catalent Pharma Solutions
Condensed Statements of Earnings**

(unaudited, in millions)

	Successor	Predecessor	Change	
	Six Months Ended December 31, 2007	Six Months Ended December 31, 2006	\$	%
Net revenue	\$ 902.0	\$ 815.0	\$ 87.0	10.7%
Cost of products sold	689.4	621.4	68.0	10.9%
Gross margin	212.6	193.6	19.0	9.8%
Selling, general and administrative expenses	158.5	148.1	10.4	7.0%
Impairment charges and (gain)/ loss on sale of asset	0.4	3.1	(2.7)	-87.1%
Restructuring and other special items	13.3	8.0	5.3	66.3%
Operating earnings	40.4	34.4	6.0	17.4%
Interest expense, net	101.3	2.6	98.7	N.M.
Other, net	19.8	-	19.8	N.M.
(Loss)/ earnings before income taxes	(80.7)	31.8	(112.5)	N.M.
Income tax benefit	(44.0)	(3.8)	(40.2)	N.M.
Minority interest expense, net of tax benefit	0.3	2.2	(1.9)	-86.4%
(Loss)/ earnings from continuing operations	(37.0)	33.4	(70.4)	N.M.
Loss from discontinued operations, net of tax	(4.5)	(13.8)	9.3	-67.4%
Net (loss)/ earnings	\$ (41.5)	\$ 19.6	\$ (61.1)	N.M.

**Catalent Pharma Solutions
Selected Segment Financial Data**

(unaudited, in millions)

	Successor	Predecessor	Change	
	Six Months Ended December 31, 2007	Six Months Ended December 31, 2006	\$	%
Oral Technologies				
Net revenue	\$ 492.1	\$ 447.0	\$ 45.1	10.1%
Segment EBITDA	99.9	97.6	2.3	2.4%
Sterile Technologies				
Net revenue	144.6	116.6	28.0	24.0%
Segment EBITDA	10.7	(4.7)	15.4	N.M.
Packaging Services				
Net revenue	285.4	272.5	12.9	4.7%
Segment EBITDA	40.5	35.1	5.4	15.4%
Intersegment Eliminations				
Net Revenue	(20.1)	(21.1)	1.0	-4.7%
Other				
Unallocated costs	(48.5)	(47.5)	(1.0)	2.1%
Combined Totals				
Net revenue	902.0	815.0	87.0	10.7%
EBITDA	102.6	80.5	22.1	27.5%

N.M. - percentage not meaningful.



Catalent Pharma Solutions
Reconciliation of Net Earnings/(Loss) to EBITDA and Adjusted EBITDA
(unaudited, in millions)

	<u>Successor</u> Six Months Ended December 31, 2007	<u>Successor</u> April 10, 2007 to June 30, 2007	<u>Predecessor</u> January 1, 2007 to April 9, 2007	<u>Combined</u> Twelve Months Ended December 31, 2007
Earnings/ (loss) from continuing operations	\$ (37.0)	\$ (147.0)	\$ 4.0	\$ (180.0)
Interest expense	101.3	44.1	6.3	151.7
Income tax (benefit) expense	(44.0)	(21.2)	1.8	(63.4)
Depreciation and amortization	82.3	37.2	29.3	148.8
EBITDA	\$ 102.6	\$ (86.9)	\$ 41.4	57.1
Equity compensation				26.7
Impairment charges and loss/(gain) on sale of asset				(4.2)
Purchase accounting and Restructuring related items				194.5
Other non-recurring/ one-time items				26.0
Estimated cost savings				21.7
Other adjustments				6.0
Sponsor monitoring fee				7.2
Disposition adjustments				3.9
Adjusted EBITDA				\$ 338.9



Catalent Pharma Solutions
Condensed Balance Sheets
(unaudited, in millions)

	<u>As of December 31, 2007</u>	<u>As of June 30, 2007</u>
ASSETS		
Current assets:		
Current assets	\$ 653.6	\$ 693.9
Assets held for sale from discontinued operations	73.9	82.3
Total current assets	<u>727.5</u>	<u>776.2</u>
Property and equipment, net	1,050.9	1,056.1
Other non-current assets, including intangible assets	<u>2,053.8</u>	<u>2,030.0</u>
Total assets	<u><u>\$ 3,832.2</u></u>	<u><u>\$ 3,862.3</u></u>
LIABILITIES and EQUITY		
Current liabilities:		
Current portion of long-term obligations and other short-term borrowings	\$ 48.7	\$ 36.4
Current liabilities	300.0	289.1
Liabilities from discontinued operations	<u>26.4</u>	<u>36.1</u>
Total current liabilities	375.1	361.6
Long-term obligations, less current portion	2,324.1	2,275.6
Other non-current liabilities	229.4	314.5
Commitments and contingencies		
Total equity	<u>903.6</u>	<u>910.6</u>
Total liabilities and equity	<u><u>\$ 3,832.2</u></u>	<u><u>\$ 3,862.3</u></u>



Catalent Pharma Solutions
Condensed Statements of Cash Flows

(unaudited, in millions)

	<u>Successor</u>	<u>Predecessor</u>
	Six Months Ended December 31, 2007	Six Months Ended December 31, 2006
Cash flows from operating activities		
Net cash (used in)/ provided by operating activities from continuing operations	\$ (35.1)	\$ 82.5
Net cash used in by operating activities from discontinued operations	<u>(0.8)</u>	<u>(0.5)</u>
Net cash (used in)/ provided by operating activities	<u>(35.9)</u>	<u>82.0</u>
Cash flows from investing activities		
Proceeds from sale of assets	0.3	11.7
Additions to property and equipment	<u>(37.5)</u>	<u>(33.5)</u>
Net cash used in investing activities from continuing operations	(37.2)	(21.8)
Net cash used in investing activities from discontinued operations	<u>(1.1)</u>	<u>(1.8)</u>
Net cash used in investing activities	<u>(38.3)</u>	<u>(23.6)</u>
Cash flows from financing activities		
Net change in debt	3.4	(6.4)
Equity contribution	14.1	4.5
Net transfers to Cardinal Health, Inc. and affiliates	-	<u>(28.4)</u>
Net cash provided by/(used in) financing activities from continuing operations	17.5	(30.3)
Net cash used in financing activities from discontinued operations	-	-
Net cash provided by/(used in) financing activities	<u>17.5</u>	<u>(30.3)</u>
Effect of foreign currency translation on cash	33.5	4.7
Net (decrease)/ increase in cash and equivalents	(23.2)	32.8
Cash and equivalents at beginning of period	<u>82.7</u>	<u>133.6</u>
Cash and equivalents at end of period	<u>\$ 59.5</u>	<u>\$ 166.4</u>