

AmeriSource Completes Acquisition of C. D. Smith Healthcare

July 8, 1999

MALVERN, Pa.--(BUSINESS WIRE)--July 8, 1999--AmeriSource Health Corporation (NYSE:AAS), one of the nation's leading pharmaceutical distributors, announced today that it has completed the acquisition of C. D. Smith Healthcare, Inc. a full-service regional pharmaceutical distributor.

Shareholders of C. D. Smith approved the sale to AmeriSource at its shareholders' meeting yesterday.

C. D. Smith, headquartered in St. Joseph, Missouri, ranks among the top 10 largest pharmaceutical distributors in the U.S. and has one of the strongest market shares among all distributors in its core Midwestern U.S. territory.

With annual operating revenue approaching \$800.0 million for its fiscal year ended February 1999, C. D. Smith posted a compounded annual growth rate of 52.5% over the last three years. Strategically, C. D. Smith provides a well-established customer base for AmeriSource in the important Midwestern and New England regions.

"The C. D. Smith acquisition is consistent with our growth plan and goal to be stronger in key regions throughout the country. This important acquisition represents the formation of a synergistic partnership that's a win-win all the way around," said R. David Yost, AmeriSource President and CEO.

He continued, "This acquisition reflects our commitment to maximize operating performance as we build on a solid business that extends our position as an industry leader.

Culturally, our management style and marketing strategies provide our respective customers with unparalleled service and, as a result of this business combination, the C. D. Smith customers may now lever our value added services to boost their competitive power."

As previously announced, AmeriSource will offer C. D. Smith shareholders a fixed exchange of 2.69 million shares of its common stock for all of the outstanding common shares of C. D. Smith. AmeriSource will also assume \$80 million in long-term debt for a total transaction value of \$149.4 million based on AmeriSource's closing stock price of \$25.81 on July 8, 1999.

The combination has been structured as a tax-free transaction and will be accounted for as a pooling of interests. Accordingly, AmeriSource will restate its historical financial results in the fourth quarter of fiscal 1999.

AmeriSource Health Corporation is a Fortune 200 company with revenue of \$8.7 billion for fiscal 1998. The Company is one of the nation's leading pharmaceutical distributors and serves the healthcare industry from a nationwide network of 22 strategically located distribution centers. News and additional information about AmeriSource are available at www.amerisource.com

Certain information contained in this press release includes forward-looking statements (as defined in Section 27A of the Securities Act and Section 21E of the Exchange Act) that reflect the Company's current views with respect to future events and financial performance.

Certain factors such as competitive pressures, success of restructuring initiatives, continued industry consolidation, changes in customer mix, changes in pharmaceutical manufacturers' pricing and distribution policy, the loss of one or more key customer or supplier relationships and other matters contained in the company's Form 10-K for fiscal year 1998 and other public documents could cause actual results to differ materially from those in the forward-looking statements.

The Company assumes no obligation to update the matters discussed in this press release.

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