AmerisourceBergen Signs Agreement to Purchase AutoMed Technologies, Inc.; Largest Pharmaceutical Distributor Adds Automated Pharmacy Dispensing Capability

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VALLEY FORGE, Pa., Jun 20, 2002 (BUSINESS WIRE) -- AmerisourceBergen Corporation (NYSE:ABC) the largest pharmaceutical services company in the U.S. dedicated solely to the pharmaceutical supply chain, today announced that it has signed a definitive agreement to purchase AutoMed Technologies, Inc., a leading provider of automated pharmacy dispensing equipment, for approximately $120 million in cash.

The agreement also includes incentive payments based on AutoMed achieving earnings targets over the next two-and-a-half years. AutoMed, which is headquartered in the Chicago area and privately held, anticipates revenues of over $60 million in calendar year 2002. AmerisourceBergen expects the purchase to be slightly accretive immediately upon completion of the transaction and anticipates closing the transaction in late summer.

"This acquisition enhances our position in the pharmaceutical supply chain by delivering a pharmacy automation solution that all our customers can use to improve their businesses," said R. David Yost, AmerisourceBergen's President and Chief Executive Officer. "From small community pharmacies and drugstore chains to hospital systems and long-term care facilities, AutoMed has an automation solution for every size and type of pharmacy."

"AutoMed is uniquely positioned in the pharmacy automation marketplace. Combining software, equipment and workflow design, AutoMed has the only truly integrated pharmacy automation solution," said Kurt J. Hilzinger, AmerisourceBergen's Executive Vice President and Chief Operating Officer. "With AutoMed, our customers can reduce the cost of drug dispensing, improve dispensing accuracy and address staffing pressures."

"Joining AmerisourceBergen gives us the platform and resources to rapidly grow this business," said Duane S. Chudy, AutoMed's President. "With only about 10 percent of retail pharmacies automated and less than half of outpatient hospital pharmacies using automation, we are very excited about the market opportunities that are ahead for us and our customers as part of AmerisourceBergen."

Using modular equipment and interfacing software, AutoMed's dispensing solutions focus on optimizing the workflow within any pharmacy. The company provides equipment and software that count and dispense oral solid pharmaceuticals as well as single unit ready-to-label items such as ointments and inhalers. These modular dispensing units come in a variety of sizes, include bar-coding capability, and in larger units can also cap the patient container or vial in a patented process and attach the printed prescription label. AutoMed software is capable of interfacing with all pharmacy software systems, and the company supports all of its units with a service contract and the packaging and paper consumables used in the equipment.

For retail pharmacies, AutoMed can automate over 80 percent of all prescriptions entering a pharmacy, improving efficiency by reducing costs, increasing prescription turn-around times, and maintaining staffing levels as prescriptions grow. The company has counting solutions small enough to fit on a countertop, and systems that can fill more than 50,000 prescriptions a day. For example, a mid-size unit accurately stores, counts and dispenses up to 64 different oral solid medications, continuously manages inventory, stages up to nine pre-counted prescriptions and takes up only five square feet. Bar coding and scanning also ensure greater accuracy in dispensing the prescriptions.

In the hospital and long-term care markets, where customers are focused on reducing costs, improving dispensing accuracy, and relieving staffing pressures, AutoMed solutions provide bar-coded, unit-dose dispensing that interfaces with bedside charting systems, and faster, more exact in-pharmacy dispensing. In hospitals, AutoMed systems package medications for both traditional cart distribution as well as automated point-of-use storage and distribution systems. In long-term care, AutoMed provides compliance packaging for both nursing home and assisted living environments, delivering prescriptions in packets that organize medications in the sequence and amounts that each patient should take them.

Mail order operations also use AutoMed workflow design and equipment for high-speed, automated packaging and labeling of prescriptions.

In addition, large central fill operations, such as the new Sacramento, Calif., facility run jointly by AmerisourceBergen and Longs Drugs, use AutoMed workflow designs and equipment to rapidly and accurately fill prescriptions for numerous pharmacies at a central location.

Concluded Yost. "Since the merger that created AmerisourceBergen, we have stated our commitment to use our scale and resources to help our customers run their businesses better. The AutoMed acquisition supports that commitment. We continue to be focused solely on the pharmaceutical supply channel."

About AmerisourceBergen

AmerisourceBergen (NYSE:ABC) is the largest pharmaceutical services company in the United States dedicated solely to the pharmaceutical supply chain. It is the leading distributor of pharmaceutical products and services to the hospital systems/acute care market, alternate care and mail order facilities, independent community pharmacies, and regional chain pharmacies. The Company is also a leader in the institutional pharmacy marketplace. With more than $39 billion in annualized operating revenue, AmerisourceBergen is headquartered in Valley Forge, PA, and employs more than 13,000 people serving over 25,000 customers.

About AutoMed

Established in 1994, AutoMed Technologies, Inc. is a privately held corporation supporting pharmacy operations worldwide with the most advanced pharmacy automation prescription fulfillment and distribution systems available designed to significantly increase the efficiency of any pharmacy. AutoMed is the only company serving every segment of the pharmacy market, including retail drug stores, hospitals, long-term care facilities, mail order and e-commerce.

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