

Perrigo Company Reports First Quarter Fiscal 2001 Earnings of \$0.14 Per Share

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The Perrigo Company (NASDAQ: PRGO) today announced results for the first quarter of fiscal year 2001 ended September 30, 2000.

On a proforma basis, which reflects the ongoing over-the-counter (OTC) pharmaceutical and nutritional lines of business, first quarter sales were \$193.3 million, a one percent decrease from last year's \$194.5 million. The flat year-over-year sales were due to lower vitamin volume and a difficult sales comparison to the successful rollout last year of the Company's nicotine patch product. Including one month's results of the personal care business, which was divested in August 1999, net sales reported for last year's first quarter were \$212.3 million, or \$0.14 per share, as reported last year. On a proforma basis, excluding personal care results for one month, earnings last year were an estimated \$0.13 per share.

"I am pleased to report a good start to fiscal 2001 with solid financial results in our first quarter. During the quarter, we continued our focus on investing for growth, strengthening operations and controlling expenses," stated Perrigo's President and Chief Executive Officer, David T. Gibbons. "I am also pleased with the further strengthening of our balance sheet. Our financial position today is excellent, reflecting the initiatives taken last year to reduce our working capital position. I am confident our balance sheet will continue to be a positive for Perrigo throughout fiscal 2001."

Douglas R. Schrank, Executive Vice President and Chief Financial Officer, noted, "On a proforma basis, gross profit in the quarter approximated a year ago, while operating expense increased slightly due to higher research and development and administrative costs. Management of working capital exceeded expectations as inventories remained in check, receivables were up seasonally and payables were also up as anticipated. Cash flow, including the receipt of a \$16 million income tax refund, was very strong at \$32.6 million. Our strong cash flow has helped us retire our long-term debt going in to this year and we expect excellent cash flow through the balance of fiscal 2001.

"Based on our current expectations, we expect our forecasted earnings for the fiscal 2001 second quarter to be in a range of \$0.14 to \$0.16 per share. For the full year ending June 30, 2001, we expect earnings to be in a range of \$0.42 to \$0.46 per share."

Perrigo will host a conference call to discuss first quarter 2001 results at 11 a.m. (EDT) today. The call and replay will be available via webcast on the Company's web site at <http://www.perrigo.com/investor> . The conference call may also be accessed by phone on a listen-only basis by calling 888-400-7918 and asking for Perrigo's first quarter review. A taped replay of the call will be available beginning at approximately 2:30 p.m. (EDT) Wednesday, October 25. To listen to the replay, call 800-475-6701 (outside the United States, call 320-365-3844) and enter the access number 545192.

Perrigo Company is the nation's largest manufacturer of over-the-counter (non-prescription) pharmaceutical and nutritional products for the store brand market. Store brand products are sold by national and regional supermarket, drugstore and mass merchandise chains under their own labels and compete with nationally advertised brands. The Company's

products include over-the-counter pharmaceuticals, such as analgesics, cough and cold remedies, antacids, laxatives, feminine hygiene and smoking cessation products, and nutritional products, such as vitamins, nutritional supplements and nutritional drinks. Visit Perrigo on the Internet at <http://www.perrigo.com/> .

Note: Certain statements in this press release are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended and are subject to the safe harbor created thereby. Please refer to pages 23-27 of the Company's Form 10-K for the year ended July 1, 2000 for a discussion of certain important factors that relate to forward- looking statements contained in this press release. Although the Company believes that the expectations reflected in any such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct.

PERRIGO COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)
(Unaudited)

	First Quarter	
	2001	2000
Net sales	\$193,333	\$212,320
Cost of sales	146,394	162,527
Gross profit	46,939	49,793
Operating expenses		
Distribution	3,457	4,595
Research and development	3,958	3,517
Selling and administrative	23,091	23,867
	30,506	31,979
Operating income	16,433	17,814
Interest and other, net	(174)	2,462
Income before income taxes	16,607	15,352
Income tax expense	6,073	5,327
Net income	\$10,534	\$10,025
Basic earnings per share	\$0.14	\$0.14
Diluted earnings per share	\$0.14	\$0.14

PERRIGO COMPANY
SELECTED BALANCE SHEET DATA
(In thousands)

	September 30, 2000	July 1, 2000
	(Unaudited)	
Current assets	\$304,645	\$268,645
Property & equipment, net	193,523	193,580
Other assets	23,329	23,839
Total Assets	\$521,497	\$486,064
Current liabilities	\$139,010	\$113,920
Deferred income taxes	18,967	19,462
Minority interest	922	922
Shareholders' equity	362,598	351,760
Total Liabilities and Equity	\$521,497	\$486,064

PERRIGO COMPANY
SELECTED STATEMENT OF CASH FLOWS DATA
(In thousands)
(Unaudited)

	First Quarter	
	2001	2000
Net income	\$10,534	\$10,025
Depreciation and amortization	6,176	5,433
Other operating activities	15,931	(22,757)
Net cash from (for) operating activities	32,641	(7,299)
Additions to property and equipment	(5,810)	(3,766)
Proceeds from sale of assets held for sale	-	31,186
Net cash (for) from investing activities	(5,810)	27,420
Net cash (for) financing activities	(472)	(20,552)
Net Increase (Decrease) in Cash and Cash Equivalents	26,359	(431)
Cash and Cash Equivalents, at Beginning of Period	7,055	1,695
Cash and Cash Equivalents, at End of Period	\$33,414	\$1,264

SOURCE: Perrigo Company

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Website: <http://www.perrigo.com/>

Company News On-Call: <http://www.prnewswire.com/comp/699550.html> or fax, 800-758-5804, ext. 699550

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