

Perrigo Company Reports Third Quarter Fiscal 2004 Earnings
Revenues Increase 14 Percent; Net Income Increases 26 Percent To \$17.7 Million

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ALLEGAN, Mich.

The Perrigo Company (NASDAQ: PRGO) today announced results for the third quarter and nine months of fiscal 2004 ended March 27, 2004.

	Perrigo Company			
	Third Quarter		Year-To-Date	
	2004	2003	2004	2003
Sales	\$230,740	\$202,616	\$685,639	\$643,352
Net Income	\$17,739	\$14,132	\$72,482	\$49,724
Diluted Shares	72,598	70,601	72,035	70,967
Diluted EPS	\$0.24	\$0.20	\$1.01	\$0.70

Net sales for the third quarter were \$230.7 million, compared with \$202.6 million last year, an increase of 14 percent. Net income was \$17.7 million, or \$0.24 per share, compared with net income of \$14.1 million, or \$0.20 per share, a year ago.

Commenting on third quarter results, Perrigo Chairman, President and Chief Executive Officer, David T. Gibbons, said, "Our third quarter results were driven by strong growth in revenues, coming primarily from new products launched earlier in the year, new products shipping in the current period, and revenue from Peter Black Pharmaceuticals, a United Kingdom-based nutritional business acquired in December 2003. In the quarter, we recorded strong sales of loratadine D24, the store brand equivalent to Claritin-D® 24; had strong initial shipments of loratadine syrup and loratadine quick dissolve tablets; and experienced growth in the vitamin category.

"We are pleased with the excellent results for the quarter and the past nine months. Sales volume to date has exceeded expectations as new products have been well received and we were able to refill the cough and cold product pipeline following December's unusually high peak in demand. The incremental volume has translated into greater leverage with operating income improving by 15 percent to \$90.6 million from \$78.6 million last year. Both sales and profit growth contributed to operating cash flow to date of \$104 million up 27 percent from \$82 million last year."

Net sales for the nine months ended March 27, 2004 were \$685.6 million, an increase of seven percent, compared with \$643.4 million last year. Net income for the nine months was \$72.5 million, or \$1.01 per share, compared with \$49.7 million, or \$0.70 per share, last year. Excluding a tax benefit of \$13.1 million, or \$0.18 per share, in the current year and a favorable lawsuit settlement of \$2 million after-tax, or \$0.03 per share, last year, net income was \$59.4 million, or \$0.83 per share, compared with \$47.7 million, or \$0.67 per share, a year ago.

In the third quarter, the Company received final approval from the U.S. Food and Drug Administration (FDA) for three new products granted through the FDA's Abbreviated New Drug Application (ANDA) process.

1. Ibuprofen Chewable Tablets - In January 2004, the FDA determined that Ibuprofen Chewable Tablets, 50 mg and 100 mg, produced by Perrigo, are bioequivalent to

Children's Motrin® Tablets, 50 mg, and Junior Strength Motrin® Tablets, 100 mg, marketed by McNeil Consumer Products Company. With this approval, Perrigo is eligible for 180 days of market exclusivity. Annual retail sales for the branded products are approximately \$21 million.

2. Naproxen Sodium/Pseudoephedrine Tablets - In March 2004, the FDA determined that Naproxen Sodium and Pseudoephedrine Hydrochloride Extended-release Tablets, 200 mg/120 mg, produced by Perrigo, are bioequivalent to Aleve® Cold and Sinus Extended-release Tablets, 200 mg/120 mg, marketed by Bayer Healthcare, LLC. Annual retail sales for the branded product exceed \$20 million.

3. Miconazole Nitrate Cream - In March 2004, the FDA determined that Miconazole Nitrate Cream USP, 4%/2% Combination Pack, produced by Perrigo, is bioequivalent to Monistat® 3 Combination Pack, marketed by McNeil Personal Products Company. Annual retail sales for the branded product are approximately \$18 million.

Over the past seven months, seven approvals have been granted to the Company and its alliance partners for ANDA products. Annual retail sales for the equivalent national brand products currently exceed \$220 million.

Commenting on the outlook for the fourth quarter and full year, Mr. Gibbons stated, "Consistent with historical seasonality, we expect sequentially lower fourth quarter sales and profits and expect earnings to range from \$0.07 to \$0.09 per share. With year-to-date earnings of \$1.01 per share, including an income tax benefit of \$0.18 per share, we now expect earnings of \$1.08 to \$1.10 for the full year, compared with \$0.76 per share for fiscal 2003, an increase of more than 40 percent.

Perrigo will host a conference call to discuss third quarter fiscal 2004 results at 11:00 a.m. (ET) today. The call and replay will be available via webcast on the Company's Web site at www.perrigo.com/investor/ or by phone, toll free, 888-489-0147. A taped replay of the call will be available beginning at approximately 2:30 p.m. (ET) Friday, April 23 until midnight Friday, April 30. To listen to the replay, call 800-642-1687, access code 6891689.

The Company is furnishing this earnings release to the Securities and Exchange Commission via Form 8-K and it is hereby incorporated by reference. The information provided on Form 8-K includes a summary of each non-GAAP financial measure included in this earnings release and the reasons management believes these non-GAAP financial measures are useful to investors.

Perrigo Company is the nation's largest manufacturer of over-the-counter (non-prescription) pharmaceutical and nutritional products sold by supermarket, drug, and mass merchandise chains under their own labels. The Company's products include over-the-counter pharmaceuticals such as analgesics, cough and cold remedies, gastrointestinal, and feminine hygiene products, and nutritional products, such as vitamins, nutritional supplements and nutritional drinks. Visit Perrigo on the Internet (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. These statements relate to future events or the Company's future financial performance and involve known and unknown risks, uncertainties and other factors that may cause the actual results, levels of activity, performance or achievements of the Company or its industry to be materially different from

those expressed or implied by any forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "believe," "estimate," "predict," "potential" or other comparable terminology. Please see the "Cautionary Note Regarding Forward-Looking Statements" on pages 25 - 30 of the Company's Form 10-K for the year ended June 28, 2003 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 these forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. Unless otherwise required by applicable securities laws, the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Claritin® is a registered trademark of Schering-Plough Corporation.

Motrin® is a registered trademark of McNeil Consumer Products Company.

Aleve® is a registered trademark of Bayer Healthcare, LLC.

Monistat® is a registered trademark of McNeil Personal Products Company.

PERRIGO COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share amounts)
(unaudited)

	Third Quarter		Year-To-Date	
	2004	2003	2004	2003
Net sales	\$230,740	\$202,616	\$685,639	\$643,352
Cost of sales	164,108	143,910	487,125	458,671
Gross profit	66,632	58,706	198,514	184,681
Operating expenses				
Distribution	4,117	3,814	11,472	11,924
Research and development		6,685	5,468	18,584
Selling and administration	29,318	26,899	77,831	81,049
Subtotal	40,120	36,181	107,887	109,210
Unusual litigation	-	-	-	(3,128)
Total	40,120	36,181	107,887	106,082
Operating income	26,512	22,525	90,627	78,599
Interest and other, net	(1,206)	(373)	(2,159)	(1,095)
Income before income taxes		27,718	22,898	92,786
Income tax expense		9,979	8,766	20,304
		29,970		29,970
Net income	\$17,739	\$14,132	\$72,482	\$49,724
Earnings per share				
Basic	\$0.25	\$0.20	\$1.03	\$0.71
Diluted	\$0.24	\$0.20	\$1.01	\$0.70
Weighted average shares outstanding				
Basic	70,296	69,337	70,103	69,781
Diluted	72,598	70,601	72,035	70,967
Dividends declared per share	\$0.04	\$0.03	\$0.10	\$0.03

PERRIGO COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	March 27, 2004	June 28, 2003	March 29, 2003
Assets			
Current assets	(unaudited)		(unaudited)

Cash and cash equivalents	\$156,417	\$93,827	\$105,233
Accounts receivable	102,299	87,018	84,973
Inventories	154,847	160,326	156,043
Current deferred income taxes	30,041	32,643	26,828
Prepaid expenses and other current assets	19,846	5,383	6,064
Total current assets	463,450	379,197	379,141
Property and equipment	468,056	429,115	417,673
Less accumulated depreciation	241,724	210,337	206,907
	226,332	218,778	210,766
Goodwill	35,919	35,919	35,919
Non-current deferred income taxes	8,062	3,968	4,209
Other non-current assets	12,884	6,108	6,127
	\$746,647	\$643,970	\$636,162

Liabilities and Shareholders' Equity

Current liabilities

Accounts payable	\$89,289	\$72,186	\$73,489
Notes payable	9,746	8,980	8,741
Payroll and related taxes	35,530	40,535	34,539
Accrued expenses	49,308	36,590	36,469
Accrued income taxes	-	5,568	8,815
Current deferred income taxes	4,095	2,683	3,225
Total current liabilities	187,968	166,542	165,278

Non-current deferred income taxes	26,315	25,484	29,355
Other non-current liabilities	5,490	3,520	3,193

Shareholders' equity

Preferred stock, without par value, 10,000 shares authorized	-	-	-
Common stock, without par value, 200,000 shares authorized	99,622	88,990	82,564
Unearned compensation	(631)	(111)	(262)
Accumulated other comprehensive income	3,801	1,282	348
Retained earnings	424,082	358,263	355,686
Total shareholders' equity	526,874	448,424	438,336
	\$746,647	\$643,970	\$636,162

Supplemental Disclosures of Balance

Sheet Information

Allowance for doubtful accounts	\$7,606	\$10,242	\$9,907
Allowance for inventory	\$22,493	\$21,717	\$19,806
Working capital	\$275,482	\$212,655	\$213,863
Preferred stock, shares issued	-	-	-
Common stock, shares issued	70,595	70,034	69,425

PERRIGO COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Year-To-Date	
	2004	2003
Cash Flows From Operating Activities		
Net income	\$72,482	\$49,724
Adjustments to derive cash flows		
Depreciation and amortization	21,270	19,777
Compensation - stock options	3,848	3,998
Deferred income taxes	35	3,108
Changes in operating assets and liabilities, net of amounts acquired in a business acquisition		
Accounts receivable	(11,150)	(2,845)
Inventories	13,551	(712)
Accounts payable	13,074	(750)
Payroll and related taxes	(5,001)	3,195
Accrued income taxes	(5,572)	718

Accrued expenses	9,879	4,038
Other	(8,208)	1,682
Net cash from operating activities	104,208	81,933

Cash Flows For Investing Activities

Additions to property and equipment	(18,638)	(19,458)
Issuance of note receivable	(10,000)	-
Acquisition of a business	(12,061)	-
Investment in equity subsidiaries	(2,000)	(1,233)
Net cash for investing activities	(42,699)	(20,691)

Cash Flows From (For) Financing Activities

Borrowings (repayments) of short-term debt, net	789	776
Tax benefit of stock transactions	813	153
Issuance of common stock	7,911	1,353
Repurchase of common stock	(1,940)	(33,682)
Cash dividends	(6,664)	(1,737)
Net cash from (for) financing activities	909	(33,137)

Net Increase in Cash and Cash Equivalents	62,418	28,105
Cash and Cash Equivalents at beginning of period	93,827	76,824
Effect of exchange rate changes on cash	172	304
Cash and Cash Equivalents at end of period	\$156,417	\$105,233

Supplemental Disclosures of Cash Flow Information

Cash paid during the year for		
Interest	\$467	\$598
Income taxes	\$25,188	\$26,854

PERRIGO COMPANY
SEGMENT INFORMATION
(in thousands)
(unaudited)

	Third Quarter		Year-To-Date	
	2004	2003	2004	2003
Segment Sales				
Consumer Healthcare	\$203,964	\$183,560	\$617,477	\$583,913
UK Operations	21,789	11,039	49,417	36,223
Mexico Operations	4,987	8,017	18,745	23,216
Pharmaceuticals	-	-	-	-
Total	\$230,740	\$202,616	\$685,639	\$643,352
Segment Operating Income				
Consumer Healthcare	\$28,771	\$21,020	\$91,538	\$74,360
UK Operations	159	624	1,493	2,402
Mexico Operations	(771)	881	600	1,837
Pharmaceuticals	(1,647)	-	(3,004)	-
Total	\$26,512	\$22,525	\$90,627	\$78,599

PERRIGO COMPANY
RECONCILIATION OF NON-GAAP MEASURES
(in thousands, except per share amounts)
(unaudited)

	Third Quarter		Year-To-Date	
	2004	2003	2004	2003
Net income (GAAP)	\$17,739	\$14,132	\$72,482	\$49,724
Less: income tax benefit	-	-	13,100	-
Less: unusual litigation, net of tax	-	-	-	2,000
Net income before income tax benefit and unusual litigation	\$17,739	\$14,132	\$59,382	\$47,724
Earnings per share:				
Basic	\$0.25	\$0.20	\$0.85	\$0.68
Diluted	\$0.24	\$0.20	\$0.83	\$0.67

Weighted average shares outstanding:

Basic	70,296	69,337	70,103	69,781
Diluted	72,598	70,601	72,035	70,967

SOURCE: Perrigo Company

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Web site: <http://www.perrigo.com/>

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