

FY11 Q4 Investor Presentation

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SVP & CFO

09.16.11



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This presentation and release contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements generally can be identified by the use of statements that include phrases such as “believe,” “expect,” “anticipate”, “intend”, “estimate”, “plan”, “project”, “foresee”, “likely”, “may”, “will”, “would” or other words or phrases with similar meanings. Similarly, statements that describe our objectives, plans or goals are, or may be, forward-looking statements. These statements are based on current expectations of future events. If underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results could vary materially from Catalent Pharma Solutions’ expectations and projections. Some of the factors that could cause actual results to differ include, but are not limited to, the following: general industry conditions and competition; product or other liability risk inherent in the design, development, manufacture and marketing of our offerings; inability to enhance our existing or introduce new technology or services in a timely manner; economic conditions, such as interest rate and currency exchange rate fluctuations; technological advances and patents attained by competitors; and our substantial debt and debt service requirements that restrict our operating and financial flexibility and impose significant interest and financial costs. For a more detailed discussion of these and other factors, see the information under the caption “Risk Factors” in our most recent Annual Report on Form 10-K and our other reports filed with the Securities and Exchange Commission. All forward-looking statements speak only as of the date of this release or as of the date they are made, and Catalent Pharma Solutions does not undertake to update any forward- looking statements as a result of new information or future events or developments unless required by law.

Non-GAAP Financial Measures

Management measures operating performance based on consolidated earnings from continuing operations before interest expense, expense/ (benefit) for income taxes and depreciation and amortization and is adjusted for the income or loss attributable to non-controlling interest (“EBITDA from continuing operations”). EBITDA from continuing operations is not defined under US U.S. GAAP and is not a measure of operating income, operating performance or liquidity presented in accordance with U.S. GAAP and is subject to important limitations. Management believes these non-GAAP financial measures provide useful supplemental information for its investors’ evaluation of the Company’s business performance and are useful for period-over-period comparisons of the performance of the Company’s business.

We believe that the presentation of EBITDA from continuing operations enhances an investor’s understanding of our financial performance. We believe this measure is a useful financial metric to assess our operating performance from period to period by excluding certain items that we believe are not representative of our core business and use this measure for business planning purposes. In addition, given the significant investments that we have made in the past in property, plant and equipment, depreciation and amortization expenses represent a meaningful portion of our cost structure. We believe that EBITDA from continuing operations will provide investors with a useful tool for assessing the comparability between periods of our ability to generate cash from operations sufficient to pay taxes, to service debt and to undertake capital expenditures because it eliminates depreciation and amortization expense. We present EBITDA from continuing operations in order to provide supplemental information that we consider relevant for the readers of the financial statements, and such information is not meant to replace or supersede U.S. GAAP measures. Our definition of EBITDA from continuing operations may not be the same as similarly titled measures used by other companies.

As exchange rates are an important factor in understanding period-to-period comparisons, we believe the presentation of results on a constant currency basis in addition to reported results helps improve investors’ ability to understand our operating results and evaluate our performance in comparison to prior periods. Constant currency information compares results between periods as if exchange rates had remained constant period-over-period. We use results on a constant currency basis as one measure to evaluate our performance. In this release, we calculate constant currency by calculating current-year results using prior-year foreign currency exchange rates. We generally refer to such amounts calculated on a constant currency basis as excluding the impact of foreign exchange translation. These results should be considered in addition to, not as a substitute for, results reported in accordance with GAAP. Results on a constant currency basis, as we present them, may not be comparable to similarly titled measures used by other companies and are not measures of performance presented in accordance with GAAP.

In addition, the Company evaluates the performance of its segments based on segment earnings before minority interest, other (income) expense, impairments, restructuring costs, interest expense, income tax (benefit)/expense, and depreciation and amortization (“Segment EBITDA”).

Under the indentures governing the notes, the Company’s ability to engage in certain activities such as incurring certain additional indebtedness, making certain investments and paying certain dividends is tied to ratios based on Adjusted EBITDA (which is defined as “EBITDA” in the indentures). Adjusted EBITDA is based on the definitions in the Company’s indentures, is not defined under U.S. GAAP, and is subject to important limitations. We have included the calculations of Adjusted EBITDA for the periods presented. Adjusted EBITDA is the covenant compliance measure used in certain covenants under the indentures governing the notes, particularly those governing debt incurrence and restricted payments. Because not all companies use identical calculations, the Company’s presentation of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies.

Agenda

- Fourth Quarter Highlights
- Catalent Financial Momentum
- Aptuit Acquisition: Strategic Rationale
- Business Update
- FY'11 Q4 Financial Performance
- FY'11 Twelve-Month YTD Financial Performance
- Adjusted EBITDA
- Cash Flow
- Q&A

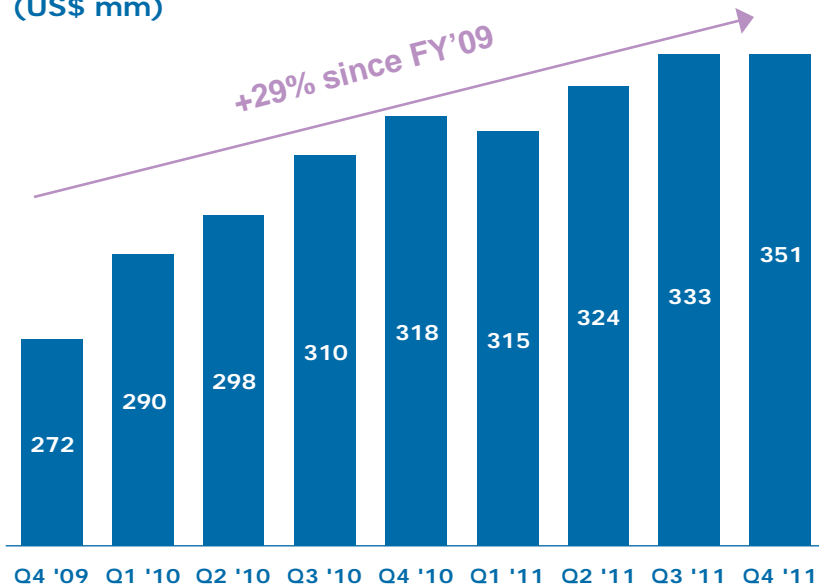
Fourth Quarter Highlights

- Q4 year-over-year growth, despite weakness within Packaging:
 - Revenue up 12%, 4% at constant currency
 - Gross margin up 20%; Lean focus, favorable product mix shift
 - Adjusted EBITDA of \$103.5 million, up 21% vs. PY
- Double-digit EBITDA growth within Oral Technologies, Development & Clinical Services and Sterile Technologies; continued struggles within Packaging Services
- Strong focus on the optimization and enhancement of our business
 - Significant additions to sales and marketing, R&D/Innovation
 - Completed the sale of our Printed Components business
 - Announced agreement to purchase Aptuit CTS business
- Property & casualty loss due to fire - UK Commercial Packaging site

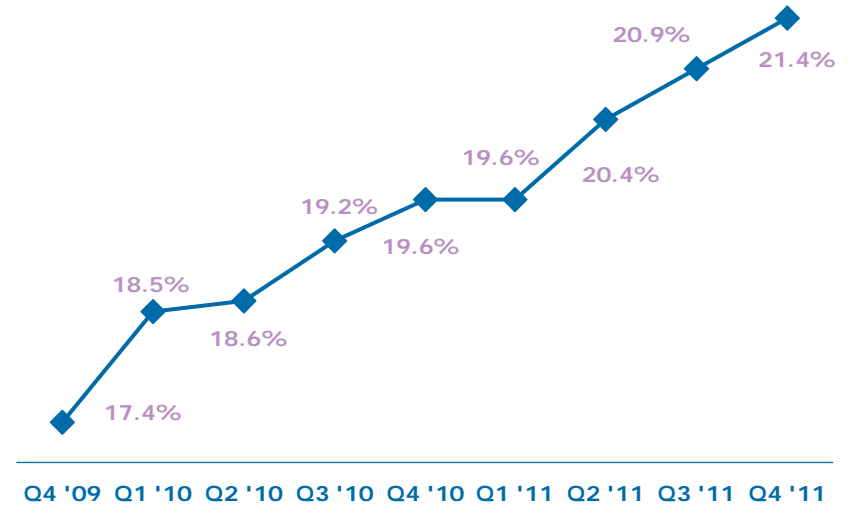
Eight Quarters of Financial Momentum at Catalent

LTM Adjusted EBITDA

(US\$ mm)



LTM Adjusted EBITDA Margin



- Improved offering mix to higher margin (Oral Tech, Dev't & Clinical)
- Strong base cost discipline enabled by functional re-alignment



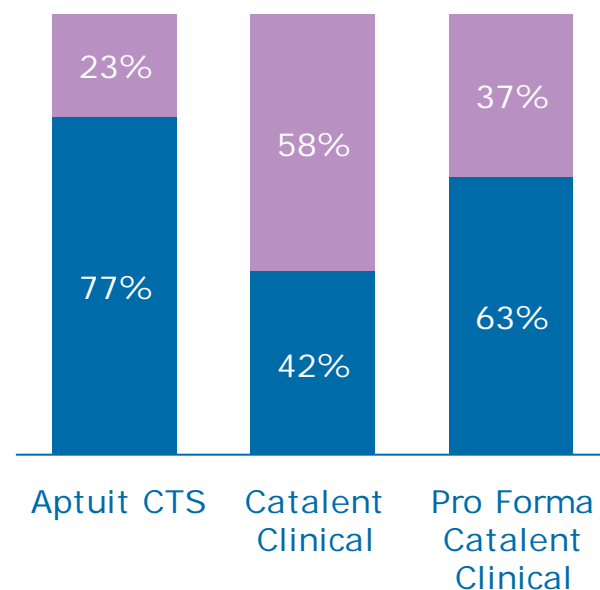
Expanded Adjusted EBITDA margin +400 bps; Adjusted EBITDA up \$79mm

Note: Financials shown pro forma for divestiture of Printed Components business in Q4 FY11

Aptuit Acquisition: Transaction Rationale

- Catalent becomes the #2 global clinical supply solutions provider
- Aptuit's storage & distribution emphasis aligns well with Catalent's in packaging
- Attractive customers, minimal overlaps
- Adds cold chain capacity, other capabilities
- Singapore operation provides a base for Asian expansion
- PDM fills a strategic gap in oral delivery
- Definite scale-up opportunities for Catalent oral dose businesses
- We will create more value by bringing our operational excellence focus to Aptuit

Stg. & Dist. / Mfg. & Pkg.



We have grown our clinical business EBITDA at >10% CAGR over the last 5 years

Business Update – Oral Technologies

- Continued strong demand for Rx softgel products; robust pipeline for future revenue growth
- Sales of nutritional and other consumer health softgel products modestly higher than prior year; trend expected to persist
- Strong demand for controlled release products within North America and Europe; double digit growth in both sales & EBITDA
- Zydis® sales up 11% with EBITDA up 29% vs. prior year mostly due to increases in certain customer product demand/forecasts and focus on improved productivity
- Expansion of softgel capacity in Argentina complete; production volumes continued to ramp-up through the end of FY'11; complete transfer expected in FY'12

Business Update – Sterile Technologies

Sterile Injectables:

- Sales up nearly 50% with EBITDA more than doubling
- Strength in non-flu products with growth from both new and existing products; backlog reduced
- Eleven new pipeline programs signed in FY'11

Blow-Fill-Seal:

- Third quarter revenue performance increased 3% vs. prior year with EBITDA increasing nearly 80% due to favorable product mix and efficiency gains (labor management, scrap reduction)
- Long-term market fundamentals remain attractive; new product pipeline robust, but long development cycle continues to exist

Business Update – Packaging Services

Commercial Packaging:

- Sales down 28% vs. prior year, 8% excluding UK fire impact; EBITDA favorable due to cost management and receipt of insurance proceeds
- Property and casualty loss experienced at our UK based commercial packaging facility; insurance proceeds expected to substantially cover property losses and business interruption
- Flawlessly transferred key existing business from UK fire impacted facility to other Catalent facilities; commended by customers

Printed Components:

- Successful exit of the PC business; transaction closed in Q4
- Provides for continued supply of printed components to Catalent under a multi-year supply contract with additional growth incentives

Business Update – Development & Clinical Services

- Quoting and new business pipeline remains healthy across the segment; strong signings being delivered
- Signed a record 100+ GPEX Biotech deals in FY'11, facility expansion underway
- Clinical Services revenue up 24% vs. prior year with profitability up 41% due to favorable product mix and cost management
- Announced agreement to purchase Aptuit CTS business; an exciting development with significant strategic rationale

FY 2011 Q4 by Segment

(\$ millions)	Three Months Ended	Three Months Ended	Increase/(Decrease)		Excluding FX Increase/(Decrease)	
	Jun 30, 2011	Jun. 30, 2010	\$	%	\$	%
Oral Technologies						
Net Revenue	320.9	280.3	40.6	14%	16.6	6%
Segment EBITDA	95.2	77.2	18.0	23%	11.8	15%
Sterile Technologies						
Net Revenue	58.4	45.1	13.3	29%	9.4	21%
Segment EBITDA	9.4	1.0	8.4	*	7.7	*
Packaging Services						
Net Revenue	31.0	42.3	(11.3)	-27%	(11.6)	-27%
Segment EBITDA	1.0	0.4	0.6	*	0.4	*
Development & Clinical Services						
Net Revenue	46.6	37.9	8.7	23%	6.8	18%
Segment EBITDA	8.4	6.8	1.6	24%	1.0	15%
Revenue Elimination	(8.1)	(3.4)	(4.7)	*	(4.7)	*
Other EBITDA	(34.2)	(1.7)	(32.5)	*	(32.3)	*
Combined Total						
Net Revenue	448.8	402.2	46.6	12%	16.5	4%
EBITDA	79.8	83.7	(3.9)	-5%	(11.4)	-14%

FY 2011 YTD by Segment

(\$ millions)	Twelve Months Ended	Twelve Months Ended	Increase/(Decrease)		Excluding FX Increase/(Decrease)	
	Jun 30, 2011	Jun. 30, 2010	\$	%	\$	%
Oral Technologies						
Net Revenue	1,114.4	1,067.9	46.5	4%	36.3	3%
Segment EBITDA	299.5	265.8	33.7	13%	31.1	12%
Sterile Technologies						
Net Revenue	219.8	218.9	0.9	0%	3.7	2%
Segment EBITDA	31.0	26.8	4.2	16%	4.8	18%
Packaging Services						
Net Revenue	157.2	203.4	(46.2)	-23%	(45.5)	-22%
Segment EBITDA	5.0	11.9	(6.9)	-58%	(6.9)	-58%
Development & Clinical Services						
Net Revenue	175.3	160.0	15.3	10%	16.0	10%
Segment EBITDA	34.0	27.2	6.8	25%	7.0	26%
Revenue Elimination	(26.4)	(24.0)	(2.4)	*	(2.4)	*
Other EBITDA	(103.8)	(295.7)	191.9	*	191.9	*
Combined Total						
Net Revenue	1,640.3	1,626.2	14.1	1%	8.1	0%
EBITDA	265.7	36.0	229.7	638%	227.9	*

Operating Earnings to EBITDA

(\$ Millions)

	Quarters Ended				LTM	Quarter Ended	LTM
	Jun 30, 2010	Sep 30, 2010	Dec 31, 2010	Mar 31, 2011	Mar 31, 2011	Jun 30, 2011	Jun 30, 2011
Income/(Loss)	10.0	(28.8)	(6.4)	(5.8)	(31.0)	1.5	(39.5)
Interest Expense, net	38.8	40.6	41.1	39.7	160.2	44.1	165.5
Income tax expense / (benefit)	6.3	1.4	9.2	7.9	24.8	5.6	24.1
Depreciation and Amortization	31.0	28.9	30.2	30.4	120.5	30.0	119.5
Noncontrolling Interest	(2.3)	0.8	(1.4)	(1.8)	(4.7)	(1.5)	(3.9)
EBITDA	83.8	42.9	72.7	70.4	269.8	79.7	265.7

LTM EBITDA Adjustments

(\$ millions)	Quarters Ended				LTM Mar 31, 2011	Quarter Ended Jun 30, 2011	LTM Jun 30, 2011
	Jun 30, 2010	Sep 30, 2010	Dec 31, 2010	Mar 31, 2011			
EBITDA	83.8	42.9	72.7	70.4	269.8	79.7	265.7
Non-cash stock compensation expense	1.4	1.4	1.0	0.9	4.7	0.6	3.9
Impairment charges and (gain)/loss on sale of assets	4.7	0.6	(0.5)	3.0	7.8	0.4	3.5
Restructuring and other special items	13.6	8.0	6.7	7.7	36.0	4.6	27.0
Property and casualty losses	-	-	-	1.1	1.1	10.5	11.6
Unrealized fx loss (included in other, net)	(21.9)	10.6	1.5	11.2	1.4	2.2	25.5
Other (Sponsor's fee, severance)	4.2	2.9	2.8	2.5	12.4	5.5	13.7
Subtotal	85.8	66.4	84.2	96.8	333.2	103.5	350.9
Estimated cost savings					-		-
Adjusted EBITDA					333.2		350.9

Note: Historical financials shown pro forma for divestiture of Printed Components business in Q4 FY'11

LTM EBITDA Trend

(\$ millions)	Quarters Ended							
	Sep 30, 2009	Dec 31, 2009	Mar 31, 2010	Jun 30, 2010	Sep 30, 2010	Dec 31, 2010	Mar 31, 2011	Jun 30, 2011
EBITDA	(209.3)	75.3	71.2	83.8	42.9	72.7	70.4	79.7
Non-cash stock compensation expense	(1.1)	1.3	1.0	1.4	1.4	1.0	0.9	0.6
Impairment charges and (gain)/loss on sale of assets	244.0	0.2	(0.2)	4.7	0.6	(0.5)	3.0	0.4
Restructuring and other special items	2.5	8.4	12.4	13.6	8.0	6.7	7.7	4.6
Other non-recurring/one time items (Sterile Facility Start Up, non cash adjustments)	0.1	(0.3)	-	-	-	-	-	-
Property and casualty losses	-	-	-	-	-	-	1.1	10.5
Unrealized fx (gain)/loss	31.1	(13.1)	0.1	(21.9)	10.6	1.5	11.2	2.2
Other (Sponsor's fee, severance)	2.0	3.5	3.3	4.2	2.9	2.8	2.5	5.5
Adjusted EBITDA, quarter	69.3	75.3	87.8	85.8	66.4	84.2	96.8	103.5
Estimated cost savings								
Adjusted EBITDA - Trailing 12 months	289.9	297.8	310.1	318.2	315.3	324.2	333.2	350.9

Note: Historical financials shown pro forma for divestiture of Printed Components business in Q4 FY'11

FY 2011 Cash Flow (Twelve Months)

(\$ millions)	<u>Continuing</u>	<u>Discontinued</u>	<u>Total</u>
Net cash provided by/(used in) operations	114.7	(15.0)	99.7
Additions PP&E, net	(88.5)	38.1	(50.4)
Financing activities			(26.1)
FX on net cash			17.9
Increase/(Decrease) in cash			<u>41.1</u>
Cash at beginning of period			164.0
Cash at end of period			205.1
Items of note:			
Net cash cycle working capital decrease/(increase)			(18.0)
Cash interest			157.6
Cash taxes			20.6
Revolver at 6/30/11 (\$350 million facility)			-
Net Debt at 6/30/11			2,142.2



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