

FY12 Q2 Earnings Presentation

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Disclaimer Statement

Forward Looking Statements

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 Matters

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.

Disclaimer Statement

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

- Second Quarter Highlights
- Catalent Financial Momentum
- Business Update
- FY'12 Q1 Financial Performance
- FY'12 YTD Financial Performance
- Adjusted EBITDA
- Cash Flow
- Q&A

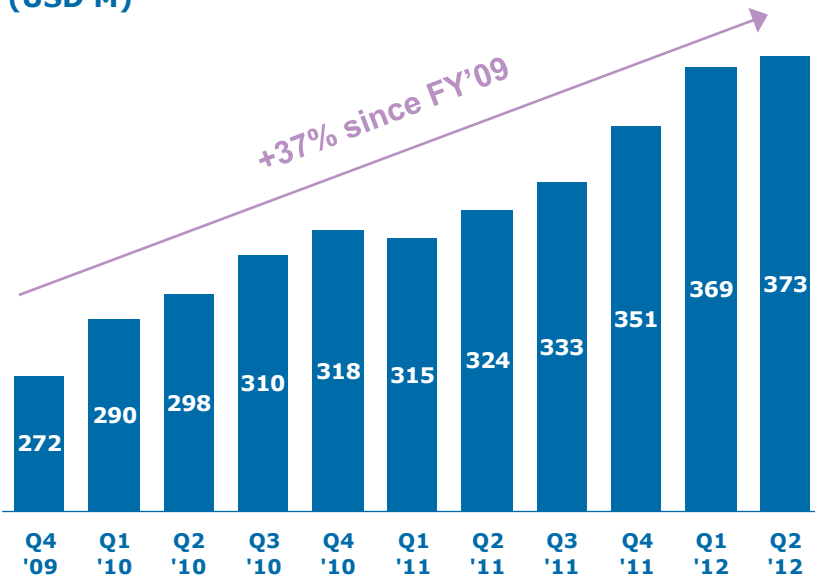
Second Quarter Highlights

- Achieved strong Q2 growth despite Packaging and Sterile challenges:
 - Revenue up 6% at constant currency
 - Gross margin up 10%; Lean focus, favorable product mix shift
 - Adjusted EBITDA of \$87.5 million, LTM \$372.5M
- Double-digit EBITDA growth within Oral Tech and Development & Clinical Services; shortfalls within Sterile Tech and Packaging Services
- Corporate development activity increasing
 - Aptuit CTS purchase expected to close in third fiscal quarter
 - Agreement reached to acquire remaining 49% share of majority-owned R.P. Scherer GmbH & Co. KG
- Corby property & casualty loss: resolution progressing with significant proceeds received in second quarter

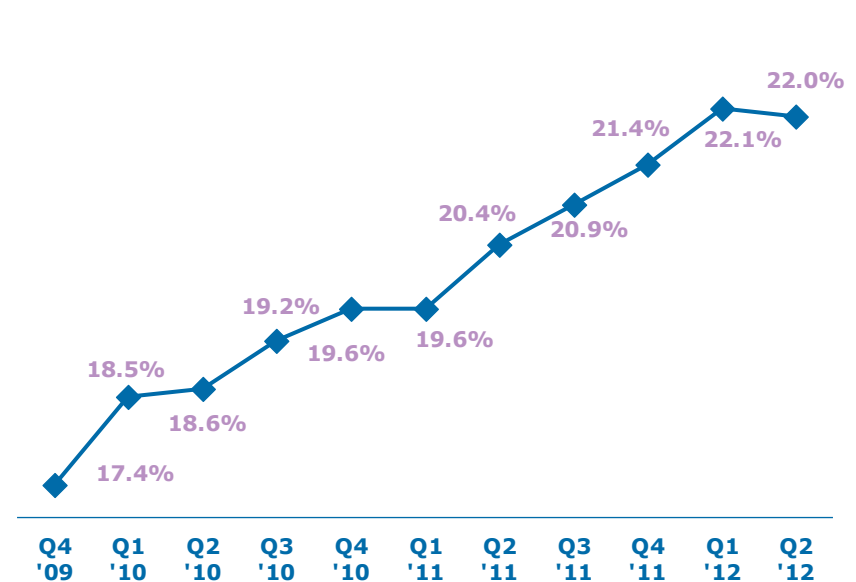
Ten Quarters of Financial Momentum at Catalent

LTM Adjusted EBITDA

(USD M)



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 +460 bps; Adjusted EBITDA up more than \$100M

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

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; stronger performance in Latin America
- Zydis[®] sales up more than 40% with EBITDA up 80% vs. prior year primarily due to increased royalties, higher volumes, and improved productivity
- Modest top-line growth for controlled release products, partially offset by unfavorable product mix yields relatively flat EBITDA
- Recently announced the signing of an agreement to acquire the remaining 49% minority share ownership of our R.P. Scherer GmbH & Co. KG subsidiary from Gelita AG (1/30/12)

Business Update – Development & Clinical Services

- Quoting and new business pipeline remains healthy across the segment; strong signings being delivered
- Expanded Analytical Services capabilities with a new lab in the UK; expected to begin generating revenue during Q3
- Clinical Services revenue up nearly 60% vs. prior year with profitability up more than 50%
- Purchase of Aptuit CTS business expected to close in fiscal third quarter; pre-closing integration currently underway

Business Update – Sterile Technologies

Sterile Injectables:

- Sales and EBITDA down significantly versus a strong prior year period
- Shortfall in non-flu demand, backlog spike due to operational issues, unfavorable product mix

Blow-Fill-Seal:

- Revenue performance was in-line with prior-year
- EBITDA significantly higher 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

- Sales down 12% vs. prior year, but EBITDA well above prior year due to cost management and insurance proceeds
- Lower demand for commercial packaging services in North America a continuing challenge; Europe demand level with prior year
- 2011 Corby fire: property casualty (incl. business interruption) claim settled in the second quarter
 - Catalent fully recovered our loss
 - Second quarter benefited from timing-related reimbursement

FY'12 Q2 by Segment

(\$ millions)	Three Months Ended	Three Months Ended	Increase/(Decrease)		Excluding FX Increase/(Decrease)	
	Dec 31, 2011	Dec 31, 2010	\$	%	\$	%
Oral Technologies						
Net Revenue	282.2	261.5	20.7	8%	22.1	8%
Segment EBITDA	72.7	66.6	6.1	9%	6.7	10%
Development & Clinical Services						
Net Revenue	51.1	37.3	13.8	37%	14.0	38%
Segment EBITDA	9.7	7.6	2.1	28%	2.1	28%
Sterile Technologies						
Net Revenue	51.3	58.6	(7.3)	-12%	(7.0)	-12%
Segment EBITDA	6.8	9.4	(2.6)	-28%	(2.6)	-28%
Packaging Services						
Net Revenue	36.7	41.8	(5.1)	-12%	(5.0)	-12%
Segment EBITDA	4.7	(0.2)	4.9	*	4.9	*
Revenue Elimination	(4.8)	(6.0)	1.2	*	1.1	*
Other EBITDA	(3.4)	(10.4)	7.0	*	7.0	*
Combined Total						
Net Revenue	416.5	393.2	23.3	6%	25.2	6%
EBITDA	90.5	73.0	17.5	24%	18.1	25%

FY'12 Q2 YTD by Segment

(\$ millions)	Six Months Ended	Six Months Ended	Increase/(Decrease)		Excluding FX Increase/(Decrease)	
	Dec 31, 2011	Dec. 31, 2010	\$	%	\$	%
Oral Technologies						
Net Revenue	557.1	505.5	51.6	10%	39.8	8%
Segment EBITDA	140.0	118.8	21.2	18%	19.7	17%
Development & Clinical Services						
Net Revenue	95.9	75.4	20.5	27%	19.5	26%
Segment EBITDA	18.2	15.2	3.0	20%	2.7	18%
Sterile Technologies						
Net Revenue	106.9	117.6	(10.7)	-9%	(13.3)	-11%
Segment EBITDA	11.4	15.9	(4.5)	-28%	(4.8)	-30%
Packaging Services						
Net Revenue	77.3	88.1	(10.8)	-12%	(11.0)	-12%
Segment EBITDA	8.8	1.7	7.1	*	7.1	*
Revenue Elimination	(10.2)	(12.7)	2.5	*	2.5	*
Other EBITDA	(17.4)	(35.8)	18.4	*	18.8	*
Combined Total						
Net Revenue	827.0	773.9	53.1	7%	37.5	5%
EBITDA	161.0	115.8	45.2	39%	43.5	38%

Operating Earnings to EBITDA

(\$ Millions)

	Quarters Ended				LTM	Quarter Ended	LTM
	Dec 31, 2010	Mar 31, 2011	Jun 30, 2011	Sep 30, 2011	Sep 30, 2011	Dec 31, 2011	Dec 31, 2011
Earnings/(loss) from continuing ops	(6.2)	(5.8)	1.5	(5.2)	(15.7)	12.4	2.9
Interest Expense, net	41.2	39.7	44.1	42.1	167.1	41.1	167.0
Income tax expense / (benefit)	9.2	7.9	5.6	3.5	26.2	7.3	24.3
Depreciation and Amortization	30.2	30.4	30.0	29.6	120.2	30.5	120.5
Noncontrolling Interest	(1.4)	(1.8)	(1.5)	0.5	(4.2)	(0.8)	(3.6)
EBITDA	73.0	70.4	79.7	70.5	293.6	90.5	311.1

LTM EBITDA Adjustments

(\$ millions)	Quarters Ended				LTM Sep 30, 2011	Quarter Ended Dec 31, 2011	LTM Dec 31, 2011
	Dec 31, 2010	Mar 31, 2011	Jun 30, 2011	Sep 30, 2011			
EBITDA	73.0	70.4	79.7	70.5	293.6	90.5	311.1
Non-cash stock compensation expense	1.0	0.9	0.6	0.9	3.4	0.8	3.2
Impairment charges and (gain)/loss on sale of assets	(0.5)	3.0	0.4	(0.4)	2.5	(0.4)	2.6
Restructuring and other special items	6.7	7.7	4.6	5.4	24.4	13.9	31.6
Property and casualty losses	-	1.1	10.5	(0.5)	11.1	(14.1)	(3.0)
Unrealized fx loss (included in other, net)	1.5	11.2	2.2	5.3	20.2	(6.6)	12.1
Other (Sponsor's fee, severance)	2.5	2.5	5.5	3.5	14.0	3.4	14.9
Subtotal	84.2	96.8	103.5	84.7	369.2	87.5	372.5
Estimated cost savings					-		-
Adjusted EBITDA					369.2		372.5

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

LTM EBITDA Trend

(\$ millions)	Quarters Ended									
	Dec 31, 2009	Mar 31, 2010	Jun 30, 2010	Sep 30, 2010	Dec 31, 2010	Mar 31, 2011	Jun 30, 2011	Sep 30, 2011	Dec 31, 2011	
EBITDA	75.3	71.2	83.8	42.9	73.0	70.4	79.7	70.5	90.5	
Non-cash stock compensation expense	1.3	1.0	1.4	1.4	1.0	0.9	0.6	0.9	0.8	
Impairment charges and (gain)/loss on sale of assets	0.2	(0.2)	4.7	0.6	(0.5)	3.0	0.4	(0.4)	(0.4)	
Restructuring and other special items	8.4	12.4	13.6	8.0	6.7	7.7	4.6	5.4	13.9	
Other non-recurring/one time items (Sterile Facility Start Up, non cash adjustments)	(0.3)	-	-	-	-	-	-	-	-	
Property and casualty losses	-	-	-	-	-	1.1	10.5	(0.5)	(14.1)	
Unrealized fx (gain)/loss	(13.1)	0.1	(21.9)	10.6	1.5	11.2	2.2	5.3	(6.6)	
Other (Sponsor's fee, severance)	3.5	3.3	4.2	2.9	2.5	2.5	5.5	3.5	3.4	
Adjusted EBITDA, quarter	75.3	87.8	85.8	66.4	84.2	96.8	103.5	84.7	87.5	
Estimated cost savings	-	-	-	-	-	-	-	-	-	
Adjusted EBITDA - Trailing 12 months	297.8	310.1	318.2	315.3	324.2	333.2	350.9	369.2	372.5	

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

FY 2012 Cash Flow (Six Months)

(\$ millions)	<u>Continuing</u>	<u>Discontinued</u>	<u>Total</u>
Net cash provided by/(used in) operations	50.0	-	50.0
Additions PP&E, net	(49.9)	-	(49.9)
Proceeds from insurance related to long lived assets	21.3		21.3
Financing activities			(14.3)
FX on net cash			(8.8)
Increase/(Decrease) in cash			<u>(1.7)</u>
Cash at beginning of period			205.1
Cash at end of period			203.4
Items of note:			
Net cash cycle working capital decrease/(increase)			(13.1)
Cash interest			79.4
Cash taxes			6.2
Revolver at 12/31/11 (\$350 million facility)			-
Net Debt at 12/31/11			2,072.3



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