GS1 HUG

Princeton, NJ
November 29-December 1, 2005

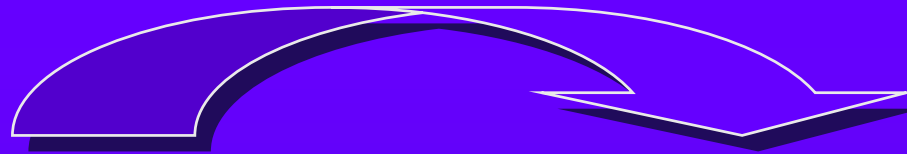# AmerisourceBergen affected operations

- Wholesale distribution
- Contract and re-packaging
- Specialty Distribution
- Pharmacy Distribution
- Automated Storage and Retrieval Systems

ABC Strategy

Learn
Test
Trial
Target Implementation
Value Proposition
Configure Options
Roll out plan
Implementation

Federal and State Legislation
Customer mandates
Manufacturers requirements
Technology Evolution
EPCglobal standards development
ABC Program Implementation Timing
Data communications
Skill building

Activities

- DSN Jan-May 05
  - RFID / pedigree lab
- Unisys Guardian Jul-Sep 05
  - RFID working lab
- VeriSign serialization pilot Active project
  - Serialized product and pedigree with live product from packaging group to customer via ABC DC and customer DC
  - Roll into tagged product phase 2, hopefully after item level frequency is verified by EPCglobal to avoid unnecessary equipment investment

- EPCglobal
  - TWG
  - ILT
  - ATP
  - Serialization
  - Process
- HDMA
  - AIWG
- Evaluating numerous opportunities to pilot tagged product with pharma mfrs.

Goal: Expense Reduction

♦ To reduce losses of out of date product caused by poor stock rotation

♦ To reduce losses from returning In Date product

♦ To increase claims recovery from trucking companies

♦ To enhance ability to identify out of standard conditions and target corrective action

♦ To reduce theft inside/transit

♦ To reduce Customer Returns through product verification

Goal: Productivity Improvement

♦ To locate the right object at the right place, at the right time

♦ To increase automation of buying process due to visibility of product dating and on shelf quantity

♦ To reduced cycle count labor (vaults)

Goal: Inventory Reduction

♦ Elimination of slow moving products through more accurate quantity and dating visibility

♦ Enhance the replenishment process by including product dating considerations

Vaccine Lifespan Dates
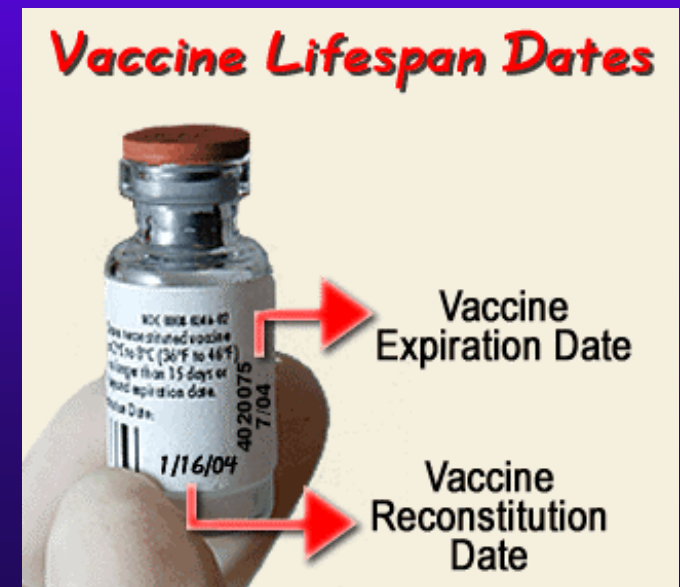
Goal: Better Inventory Management

- IMA Compliance
  - To increase compliance of Returns and Shortage metrics as tolerances are reduced
  - To maximize Days of Supply by increased accuracy of inventory (eliminate over/under stocking)

Goal: Improved Asset Tracking

♦ To increase visibility of location of Lift Trucks, Scanners, pallets and key operating tools

♦ To reduce cost for lost totes (over 600M in circ.)
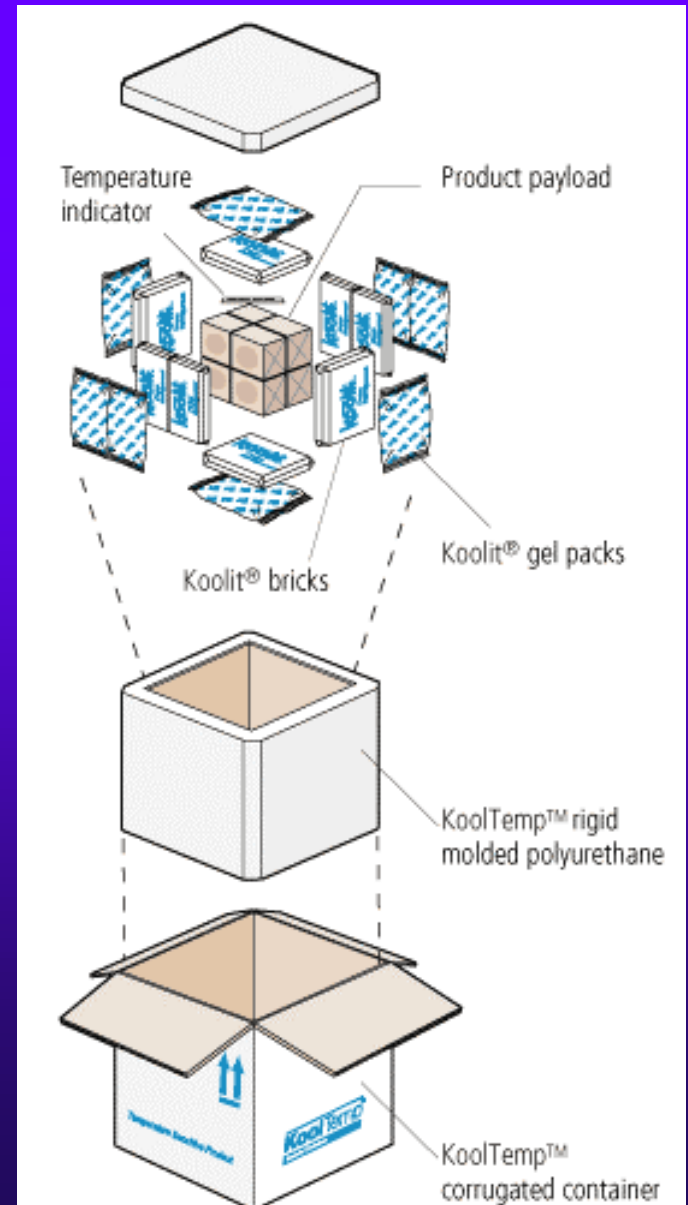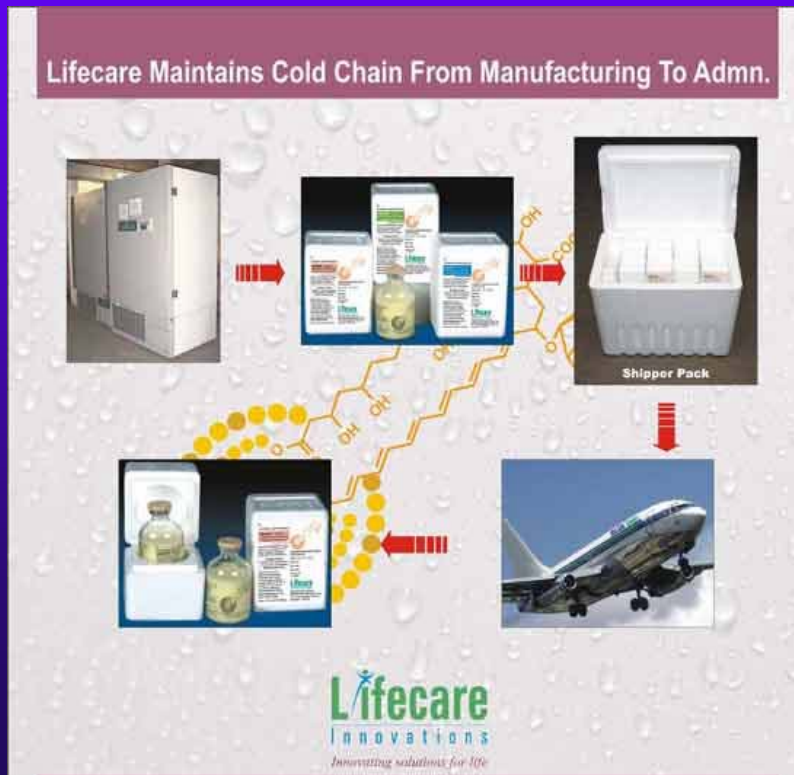

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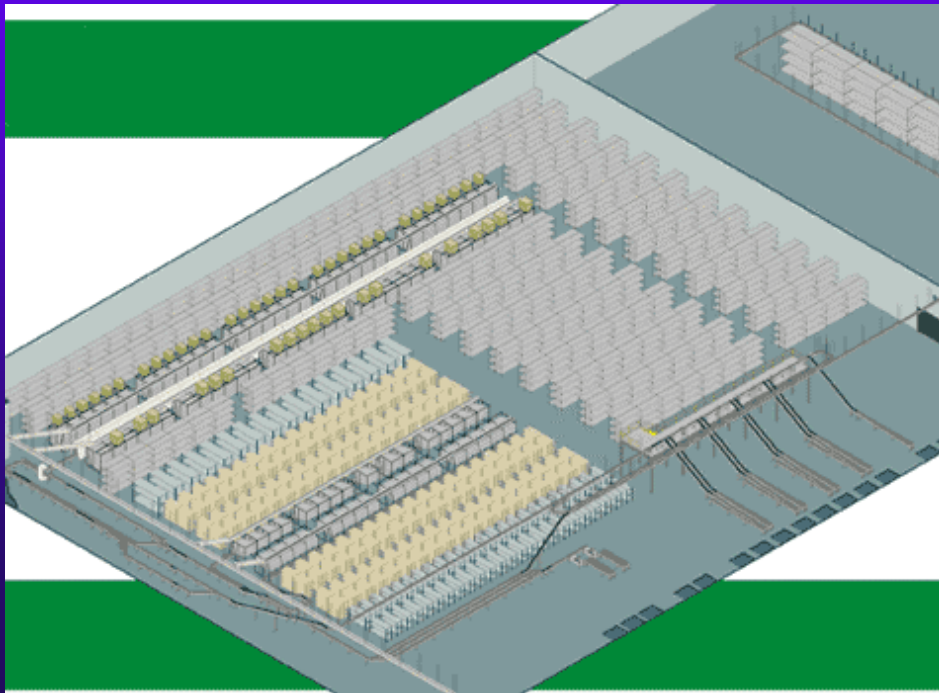
Repackaging

♦ Both pedigree and RFID will boost confidence in the reliability of repackaging

Cold Chain

➤ Item visibility in receiving with unopened packs

Lifecare Maintains Cold Chain From Manufacturing To Admn.

Shipper Pack

Lifecare
Innovations
Innovating solutions for life

Temperature indicator

Product payload

Koolit® bricks

Koolit® gel packs

KoolTemp™ rigid molded polyurethane

KoolTemp™ corrugated container

Cold Chain

➢ Working in concert with existing devices
➢ Increase visibility of items and their status
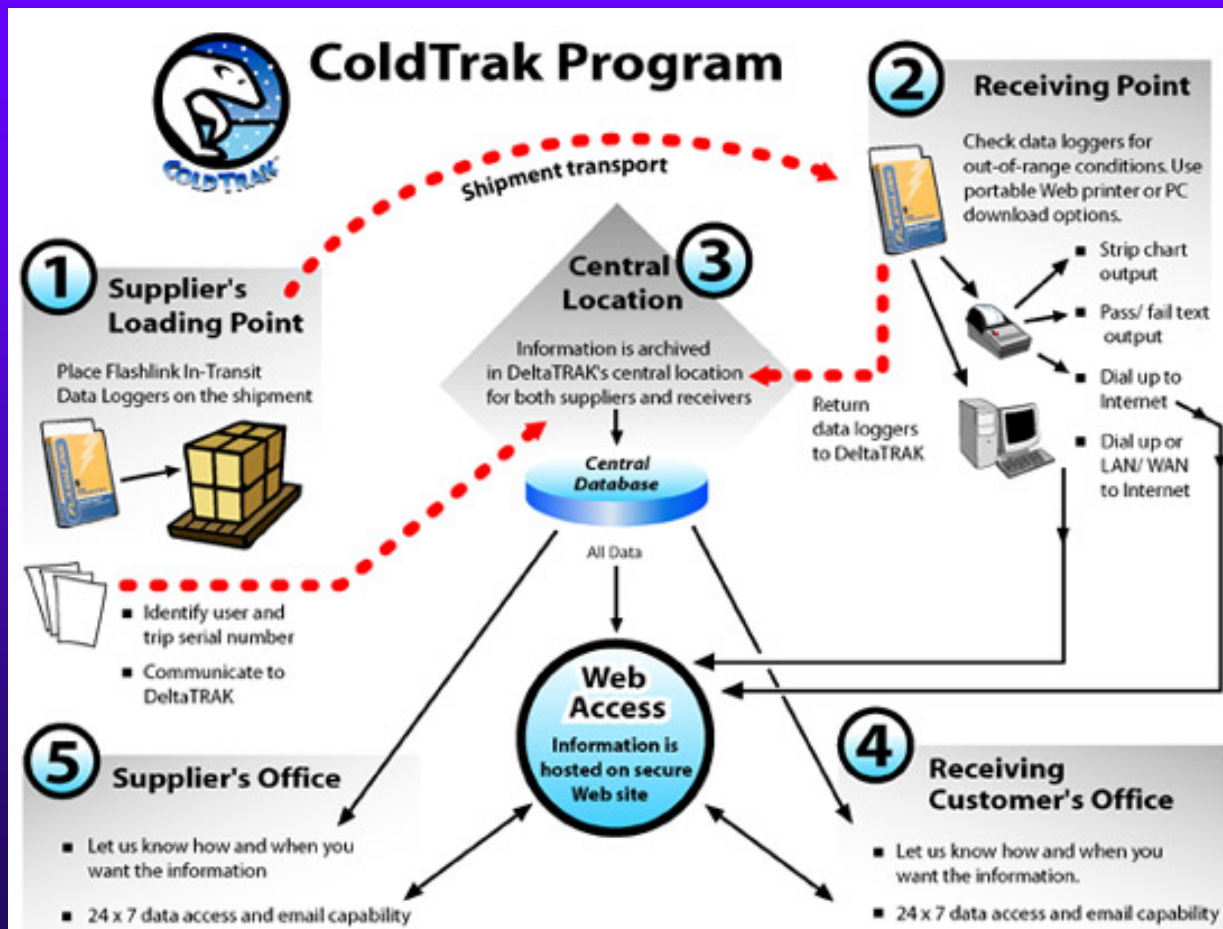
Automated Storage and Retrieval

- ♦ Existing barcode based systems

- ♦ Concern about using RFID, having the reader on the robot arm and getting interference from adjacent tags

- ♦ May need to stay barcode (NDC) for the read and pick and then verify with RFID after pick and move

- ♦ Necessary to tag doses ?

Secure Access Storage

♦ Tracking removal of individual items

♦ What, Who, when, where ?

♦ Automated cycle counts

♦ More accurate inventory management

Redundant Barcode

- Barcode scanner modifications in appropriate environments. (linear to 2D)
- In some cases existing equipment will suffice.
- Hospital environments where RF interference may be a concern
- Independent pharmacies where technical upgrades may be too costly and volumes too low to justify (line of sight is OK)

Future RFID benefits

♦ Smart packs

♦ Enhancing functionality of compliance prompting packaging

♦ Capturing data and providing feedback for pharmacists or physicians

♦ Interacting with in-home devices aiding compliance

cerepak
Electronic Compliance Packaging

PRESS & HOLD HERE

PULL OUT HERE

• Smart Technology promotes patient interaction and compliance
• Records and delivers patient quality of life data
• Real-time compliance measurement expedites drug development
• Built-in child-safety and senior-friendly features

Refill when 5 doses left.

AmerisourceBergen