

Report of the Directors

The information constituting or despatched with the 2000 annual report is material to an appreciation of the business of the Company and of the Group and as such form part of this report of the directors.

Corporate Governance

Principles and provisions of good governance for companies are set out in the Combined Code as published in June 1998 by the Committee on Corporate Governance. The way the Company has applied the principles of the Combined Code is explained in this report. Other than where detailed in this report, the Company has throughout the financial year complied with the code provisions set out in section 1 of the Combined Code.

Directors

The Company is led and controlled by the Board, currently consisting of the following directors:

executive directors

Jeff Harris	chief executive
Stefano Pessina	deputy chairman
Barry Andrews	northern Europe & retail
Ornella Barra	southern Europe
Geoff Cooper	finance
Antonin De Bono	e-business and healthcare related businesses
Chris Etherington	UK wholesale & Czech Republic

non-executive directors

Ken Clarke	independent chairman
Claude Berretti	
Neil Cross	independent
Etienne Jornod	
Patrick Ponsolle	independent

The biographies of these directors are given opposite:

During the year the following individuals were appointed as, or ceased to be, directors:

appointed	26 January	E. Jornod
ceased		none

In the rest of this report details given on Etienne Jornod will be for the period that he was a director and details shown as being at 1 January 2000 will be the details at 26 January 2000.

Each of the directors is subject to retirement at least every three years.

B.M. Andrews B.Pharm., F.R.Pharm.S. (aged 56 / appointed 1992 / last elected 1998). Barry Michael Andrews is a pharmacist and executive chairman of Moss Pharmacy. He is a member of the Pharmaceutical Services Negotiating Committee, a director of the Company Chemists Association and a member of the Standing Pharmaceutical Advisory Committee.



C. Berretti (aged 66 / appointed 1998 / elected 1999). Claude Berretti is a chartered accountant. He joined Ile de France Pharmaceutique S.A. in 1957 and, prior to his retirement at the end of 1997, was chief executive and chairman.



D.ssa O. Barra (aged 47 / appointed 1997 / last elected 2000). Ornella Barra is a pharmacist. Having gained her qualification she bought her own pharmacy before founding a distribution company, which was subsequently acquired by Alleanza Salute Italia in 1986. She was appointed president of Alleanza Salute Italia in 1994.



Right Hon. K.H. Clarke Q.C., M.P. (aged 60 / appointed 1997 / elected 1998). Kenneth Harry Clarke is a Queen's Counsel and Member of Parliament. He has served in the Cabinet as Health Secretary and as Chancellor of the Exchequer. He is chairman of Savoy Asset Management and of British American Racing, deputy chairman of British American Tobacco and a non-executive director of Foreign and Colonial Investment Trust and of Independent News and Media (UK).

G.I. Cooper B.Sc., A.C.M.A. (aged 47 / appointed 1994 / last elected 1999).

Geoffrey Ian Cooper is a cost and management accountant. He gained his qualification working in industry and then worked as a management consultant before joining the Gateway Group where he became group finance director. He joined the Company in 1994.



A. De Bono (aged 56 / appointed 1997 / last elected 2000).

Antonin De Bono is a pharmacist and a graduate of management training programmes at Institut Français de Gestion and Cégos. He started his career with Alliance Santé France in 1974 and, having held several management positions, was appointed president in 1997. He is also a non-executive director of Banque Paribas and Cegedim



J.F. Harris (aged 52 / appointed 1986 / last elected 1998).

Jeffery Francis Harris is a chartered accountant. He worked in the accounting profession for two major London auditing firms for fourteen years. He joined the Company as chief accountant in 1985, was appointed to the Board as finance director in 1986 and appointed chief executive in 1992. He is also a non-executive director of Bunzl and Anzag.



S. Pessina (aged 59 / appointed 1997 / last elected 1999).

Stefano Pessina is an engineer. After holding a number of academic posts and working as an independent business consultant he became involved in pharmaceutical wholesaling in 1976. From that date he built up his interests in a number of European countries to form the Alliance Santé Group, which merged with the Company in 1997.



N.E. Cross Ph.D., F.C.I.S. (aged 56 / appointed 1997 / last elected 1999).

Neil Earl Cross was an executive director of 3i Group plc from 1989 to December 1996. He is chairman of Close Technology and General VCT and a non-executive director of Dawson Holdings, Taylor Nelson Sofres, The Babraham Institute, The Bayard Fund and British Maritime Technology.



C. Etherington (aged 48 / appointed 1997 / elected 1998).

Christopher Etherington worked in a number of distribution roles within industry before joining the Company in 1991. He was appointed to the Board as managing director of UniChem, having graduated from the advanced management programme at Harvard University.



E. Jornod (aged 48 / appointed and elected 2000).

Etienne Jornod is chairman and managing director of Galenica Holding Limited. He has worked at Galenica since 1975 and has been chairman since 1996. He is also a non-executive director of Bon Appetit Group and of Bonnard & Gardel Ingénieursconseils.



P. Ponsolle (aged 56 / appointed 1997 / last elected 2000).

Patrick Ponsolle is executive chairman of Eurotunnel. He is also a non-executive director of Société Générale de Belgique and of Moulinex and a member of Morgan Stanley Dean Witter's board of senior European advisors.