

Report of the Directors

The information constituting or despatched with the 1999 annual report are 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

The Combined Code was published in June 1998 by the Committee on Corporate Governance and sets out principles and provisions of good governance for companies. The Company has applied the principles of the Combined Code as explained below. The Company has complied with the code provisions set out in section 1 of the Combined Code throughout the year, other than where detailed below.

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	Retail Director
Ornella Barra	Director of Italy, Portugal & Spain
Geoff Cooper	Finance Director
Antonin De Bono	Director of France, Greece & Morocco
Chris Etherington	UK Wholesale Director

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		none
ceased	27 May	M.A. Bardsley

In the rest of this report details given will be for the period that Michael Bardsley was a director. Etienne Jornod was appointed a director since the end of the year.

B.M. Andrews B.Pharm., F.R.Pharm.S. (aged 55 / appointed 1992 / last elected 1998). Barry Michael Andrews is a Pharmacist and Managing Director 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 65 / 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 46 / appointed and elected 1997). 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 59 / appointed 1997 / elected 1998). Kenneth Harry Clarke is a Queens' Counsel and Member of Parliament. He has served in the Cabinet as Health Secretary and as Chancellor of the Exchequer. He is Deputy Chairman of British American Tobacco and a non-executive director of Foreign and Colonial Investment Trust and of Independent News and Media (UK) Ltd.

G.I. Cooper B.Sc., A.C.M.A. (aged 46 / 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 55 / appointed and elected 1997).

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.



J.F. Harris (aged 51 / 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.



S. Pessina (aged 58 / 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 Sante Group which merged with the Company in 1997.



N.E. Cross Ph.D., F.C.I.S. (aged 55 / appointed 1997 / last elected 1999).

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



C. Etherington (aged 47 / 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 47 / appointed 2000 / to be elected).

Etienne Jornod is Chairman and Managing Director of Galenica Holding. He has worked at Galenica since 1975 and has been Chairman since 1996. He is also a director of Bon Appetit Group and of Bonnard & Gardel Ingénieursconseils and a member of the foundation board of the International Red Cross Committee in Geneva.



P. Ponsolle (aged 55 / appointed and elected 1997).

Patrick Ponsolle is executive chairman of Eurotunnel Plc/S.A.. He is also a director of Société Générale de Belgique and of Moulinex S.A. and a member of Morgan Stanley Dean Witter's board of senior european advisors.