UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the Fiscal Year Ended September 30, 2008

OR

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the transition period from to

AMERISOURCEBERGEN CORPORATION
(Exact name of registrant as specified in its charter)

Commission File Number	Registrant, State of Incorporation Address and Telephone Number	I.R.S. Employer Identification No.
1-16671	**AmerisourceBergen Corporation** **(a Delaware Corporation)** **1300 Morris Drive** **Chesterbrook, PA 19087-5594** **(610) 727-7000**	**23-3079390**

Securities Registered Pursuant to Section 12(b) of the Act: Common Stock, $.01 par value per share
Securities Registered Pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer (as defined in Rule 405 of the Securities Act). Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934).

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes ☐ No ☒

The aggregate market value of voting stock held by non-affiliates of the registrant on March 31, 2008 based upon the closing price of such stock on the New York Stock Exchange on March 31, 2008 was $6,047,584,588.

The number of shares of common stock of AmerisourceBergen Corporation outstanding as of October 31, 2008 was 156,218,779.

Documents Incorporated by Reference

Portions of the following document are incorporated by reference in the Part of this report indicated below:

Part III—Registrant's Proxy Statement for the 2009 Annual Meeting of Stockholders.

TABLE OF CONTENTS

PART I

ITEM		PAGE
1.	Business	1
1A.	Risk Factors	10
1B.	Unresolved Staff Comments	17
2.	Properties	17
3.	Legal Proceedings	17
4.	Submission of Matters to a Vote of Security Holders	20
	Executive Officers of the Registrant	20
	PART II	
5.	Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	21
6.	Selected Financial Data	24
7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	26
7A.	Quantitative and Qualitative Disclosures About Market Risk	49
8.	Financial Statements and Supplementary Data	50
9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	98
9A.	Controls and Procedures	98
9B.	Other Information	100
	PART III	
10.	Directors, Executive Officers and Corporate Governance	101
11.	Executive Compensation	101
12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	101
13.	Certain Relationships and Related Transactions, and Director Independence	101
14.	Principal Accountant Fees and Services	101
	PART IV	
15.	Exhibits and Financial Statement Schedules	102
	Signatures	108

PART I

ITEM 1. BUSINESS

As used herein, the terms "Company," "AmerisourceBergen," "we," "us," or "our" refer to AmerisourceBergen Corporation, a Delaware corporation.

AmerisourceBergen Corporation is one of the world's largest pharmaceutical services companies, with operations in the United States, Canada and the United Kingdom. Servicing both healthcare providers and pharmaceutical manufacturers in the pharmaceutical supply channel, we provide drug distribution and related services designed to reduce healthcare costs and improve patient outcomes. More specifically, we distribute a comprehensive offering of brand-name and generic pharmaceuticals, over-the-counter healthcare products, home healthcare supplies and equipment, and related services to a wide variety of healthcare providers in the United States and Canada, including acute care hospitals and health systems, independent and chain retail pharmacies, mail order facilities, physicians, medical clinics, long-term care and other alternate site pharmacies, and other customers. We also provide pharmaceuticals and pharmacy services to specialty drug patients. Additionally, we furnish healthcare providers and pharmaceutical manufacturers with an assortment of related services, including pharmaceutical packaging, pharmacy automation, supply management software, inventory management, reimbursement and pharmaceutical consulting services, logistics services, and physician education.

Industry Overview

Over the last several years we have benefited from the growth of the pharmaceutical industry in the United States. In fiscal 2008, our total revenue increased by 7%. According to IMS Healthcare, Inc. ("IMS"), an independent third party provider of information to the pharmaceutical and healthcare industry, industry sales in the United States are expected to grow between 1% and 2% in 2009 and between 3% and 6% during the five-year period ending 2012. IMS also indicated that certain sectors of the market, such as biotechnology and other specialty and generic pharmaceuticals, would grow faster than the overall market.

The factors contributing to the growth of the pharmaceutical industry in the United States, and other industry trends, include:

Aging Population. The number of individuals age 55 and over in the United States is projected to increase to more than 75 million by the year 2010. This age group suffers from more chronic illnesses and disabilities than the rest of the population and is estimated to account for approximately two-thirds of total healthcare expenditures in the United States.

Introduction of New Pharmaceuticals. Traditional research and development, as well as the advent of new research, production and delivery methods, such as biotechnology and gene therapy, continue to generate new pharmaceuticals and delivery methods that are more effective in treating diseases. We believe ongoing research and development expenditures by the leading pharmaceutical manufacturers will contribute to continued growth of the industry. In particular, we believe ongoing research and development of biotechnology and other specialty pharmaceutical drugs will provide opportunities for the continued growth of our specialty pharmaceuticals business.

Increased Use of Generic Pharmaceuticals. A significant number of patents for widely-used brand-name pharmaceutical products will expire during the next several years. In addition, increased emphasis by managed care organizations to utilize generics has accelerated their growth. We consider the increase in generic usage a favorable trend because generic pharmaceuticals have historically provided us with a greater gross profit margin opportunity than brand-name products, although their lower prices reduce revenue growth.

Increased Use of Drug Therapies. In response to rising healthcare costs, governmental and private payors have adopted cost containment measures that encourage the use of efficient drug therapies to prevent or treat

diseases. While national attention has been focused on the overall increase in aggregate healthcare costs, we believe drug therapy has had a beneficial impact on overall healthcare costs by reducing expensive surgeries and prolonged hospital stays. Pharmaceuticals currently account for approximately 10% of overall healthcare costs. Pharmaceutical manufacturers' continued emphasis on research and development is expected to result in the continuing introduction of cost-effective drug therapies and new uses for existing drug therapies.

Legislative Developments. In recent years, regulation of the healthcare industry has changed significantly in an effort to increase drug utilization and reduce costs. These changes included expansion of Medicare coverage for outpatient prescription drugs, the enrollment (beginning in 2006) of Medicare beneficiaries in prescription drug plans offered by private entities, and cuts in Medicare and Medicaid reimbursement rates. In addition, the U.S. Congress may take action in the future to modify Medicare and Medicaid drug payment policy. These policies and other legislative developments may affect our businesses directly and/or indirectly (see Government Regulation on page 7 for further details).

The Company

We currently serve our customers (healthcare providers, pharmaceutical manufacturers, and some patients) through a geographically diverse network of distribution service centers and other operations in the United States and Canada, and through packaging facilities in the United States and the United Kingdom. In our pharmaceutical distribution business, we are typically the primary source of supply of pharmaceutical and related products to our healthcare provider customers. We offer a broad range of services to our customers designed to enhance the efficiency and effectiveness of their operations, which allows them to improve the delivery of healthcare to patients and to lower overall costs in the pharmaceutical supply channel.

Strategy

Our business strategy is focused solely on the pharmaceutical supply channel where we provide value-added distribution and service solutions to healthcare providers (primarily pharmacies, health systems and physicians) and pharmaceutical manufacturers that increase channel efficiencies and improve patient outcomes. Implementing this disciplined, focused strategy has allowed us to significantly expand our business, and we believe we are well-positioned to continue to grow revenue and increase operating income through the execution of the following key elements of our business strategy:

- *Optimize and Grow Our Pharmaceutical Distribution and Service Businesses.* We believe we are well-positioned in size and market breadth to continue to grow our distribution business as we invest to improve our operating and capital efficiencies. Distribution anchors our growth and position in the pharmaceutical supply channel, as we provide superior distribution services and deliver value-added solutions, which improve the efficiency and competitiveness of both healthcare providers and pharmaceutical manufacturers, thus allowing the pharmaceutical supply channel to better deliver healthcare to patients.

  With the rapid growth of generic pharmaceuticals in the U.S. market, we have introduced strategies to enhance our position in the generic marketplace. We source generics globally, offer a value-added generic formulary program to our healthcare provider customers, and monitor our customers' compliance with our generics program. We also sell data and other valuable services to our generic manufacturing customers.

  We believe we have one of the lowest cost operating structures among all pharmaceutical distributors. Our Optimiz® program for AmerisourceBergen Drug Corporation reduced our distribution facility network in the U.S. from 51 facilities in 2001 to 26 as of September 30, 2007. The program, which was completed in fiscal 2007, included building six new facilities and closing 31 facilities. These measures have reduced our operating costs and working capital. In addition, we believe we will continue to achieve productivity and operating income gains as we invest in and continue to implement warehouse automation technology, adopt "best practices" in warehousing activities, and increase operating

leverage by increasing volume per full-service distribution facility. Furthermore, we believe that the investments that we will make related to our Business Transformation project over the next few years will reduce our operating expenses in the future (see Information Systems on page 5 for further details).

We offer value-added services and solutions to assist manufacturers and healthcare providers to improve their efficiency and their patient outcomes. Services for manufacturers include: assistance with rapid new product launches, promotional and marketing services to accelerate product sales, product data reporting and logistical support. In addition, we provide packaging services to manufacturers, including contract packaging for over-the-counter products, physician samples, and clinical trials.

Our provider solutions include: our Good Neighbor Pharmacy® program, which enables independent community pharmacies to compete more effectively through pharmaceutical benefit and merchandising programs; Good Neighbor Pharmacy Provider Network, our managed care network, which connects our retail pharmacy customers to payor plans throughout the country and is the third-largest in the U.S.; best-priced generic product purchasing services; hospital pharmacy consulting designed to improve operational efficiencies; scalable automated pharmacy dispensing equipment; and packaging services that deliver unit dose, punch card and other compliance packaging for institutional and retail pharmacy customers.

In an effort to supplement our organic growth, we continue to utilize a disciplined approach to seek acquisitions that will assist us with our strategic growth plans.

In October 2007, we acquired Bellco Health ("Bellco"), a privately held New York distributor of branded and generic pharmaceuticals, for a purchase price of $162.2 million, net of cash acquired. Bellco is a pharmaceutical distributor in the Metro New York City area, where it primarily services independent retail community pharmacies. The acquisition of Bellco expanded the Company's presence in this large community pharmacy market. Nationally, Bellco markets and sells generic pharmaceuticals to individual retail pharmacies, and provides pharmaceutical products and services to dialysis clinics. Bellco's revenues were $2.1 billion in fiscal 2008. The dialysis-related business now is operated as part of our specialty pharmaceuticals business, as described below.

- *Optimize and Grow Our Specialty Distribution and Service Businesses*. Representing $14.6 billion in total revenue in fiscal 2008, which includes the dialysis-related business acquired from Bellco, our specialty pharmaceuticals business has a significant presence in this rapidly growing part of the pharmaceutical supply channel. With distribution and value-added services to physicians and a broad array of pharmaceutical and specialty services for manufacturers, our specialty pharmaceuticals business is a well-developed platform for growth. We are the leader in distribution and services to community oncologists and have leading positions in other physician administered products. We also distribute vaccines, other injectables, plasma and other blood products and are well-positioned to service and support many of the new biotech therapies, which will be coming to market in the near future.

Our specialty services businesses help pharmaceutical manufacturers, especially in the biotechnology sector, commercialize their products in the channel. We believe we are the largest provider of reimbursement services that assist pharmaceutical companies to launch drugs with targeted populations and support the products in the channel. We also provide physician education services, third party logistics and specialty pharmacy services to help speed products to market.

We continue to seek to expand our offerings in specialty distribution and services.

Most recently, our acquisition of Bellco, as noted above, allowed us to significantly increase our sales of pharmaceutical products and services to dialysis clinics in fiscal 2008.

In fiscal 2007, we acquired three specialty services businesses, beginning with I.G.G. of America, Inc. ("IgG"), a specialty pharmacy and infusion services business specializing in the blood derivative

intravenous immunoglobulin ("IVIG"). We also acquired Access M.D., Inc. ("Access M.D."), a Canadian company that provides reimbursement support and nursing support services for manufacturers of specialty pharmaceuticals, such as injectable and biological therapies. Access M.D. expands our specialty services businesses into Canada and complements the distribution services offered by AmerisourceBergen Canada. Lastly, we acquired Xcenda LLC ("Xcenda"), a consulting business that provides additional capabilities within pharmaceutical brand services, applied health outcomes, and biopharma strategies.

- *Divestitures.* In order to allow us to concentrate on our strategic focus of pharmaceutical distribution and related services and specialty pharmaceutical distribution and related services, we may, from time to time, consider divestitures.

  In October 2008, we sold PMSI, our workers' compensation business, which had total revenues and a loss before income taxes of approximately $404 million and $216 million, respectively, in fiscal 2008.

  On July 31, 2007, the Company and Kindred Healthcare, Inc. ("Kindred") completed the spin-offs and subsequent combination of their institutional pharmacy businesses, PharMerica Long-Term Care ("Long-Term Care") and Kindred Pharmacy Services ("KPS"), to form a new, independent, publicly traded company named PharMerica Corporation ("PMC"). The Company's and Kindred's stockholders each owned approximately 50 percent of PMC immediately after the closing of the transaction.

Operations

Operating Structure. We are organized based upon the products and services we provide to our customers. Our operations as of September 30, 2008 were comprised of two reportable segments: Pharmaceutical Distribution and Other. The Other reportable segment includes the operating results of Long-Term Care, through the July 31, 2007 spin-off date. The operating results of PMSI, which was sold in October 2008, have been reclassified to discontinued operations.

During fiscal 2008, the Pharmaceutical Distribution reportable segment was comprised of four operating segments, which included the operations of AmerisourceBergen Drug Corporation ("ABDC"), AmerisourceBergen Specialty Group ("ABSG" or "Specialty Group"), Bellco Health ("Bellco"), and AmerisourceBergen Packaging Group ("ABPG" or "Packaging Group"). We recently completed our integration of Bellco's separate operations within ABDC and ABSG and as of September 30, 2008, the Pharmaceutical Distribution reportable segment was comprised of three operating segments, which included ABDC, ABSG, and ABPG. Servicing both healthcare providers and pharmaceutical manufacturers in the pharmaceutical supply channel, the Pharmaceutical Distribution segment's operations provide drug distribution and related services designed to reduce healthcare costs and improve patient outcomes.

ABDC distributes a comprehensive offering of brand-name and generic pharmaceuticals, over-the-counter healthcare products, home healthcare supplies and equipment, and related services to a wide variety of healthcare providers, including acute care hospitals and health systems, independent and chain retail pharmacies, mail order pharmacies, medical clinics, long-term care and other alternate site pharmacies and other customers. ABDC also provides pharmacy management, staffing and other consulting services, scalable automated pharmacy dispensing equipment, medication and supply dispensing cabinets, and supply management software to a variety of retail and institutional healthcare providers.

ABSG, through a number of individual operating businesses, provides distribution and other services primarily to physicians who specialize in a variety of disease states, especially oncology, and to other healthcare providers, including dialysis clinics. ABSG also distributes vaccines, other injectables, plasma and other blood products. In addition, through its specialty services businesses, ABSG provides a number of commercialization services, third party logistics, group purchasing, and other services for biotech and other pharmaceutical manufacturers, as well as reimbursement consulting, data analytics, practice management, and physician education. As previously noted, the dialysis-related business of Bellco has been integrated within ABSG as of September 30, 2008.

ABPG consists of American Health Packaging, Anderson Packaging ("Anderson") and Brecon Pharmaceuticals Limited ("Brecon"). American Health Packaging delivers unit dose, punch card, unit-of-use, and other packaging solutions to institutional and retail healthcare providers. American Health Packaging's largest customer is ABDC, and, as a result, its operations are closely aligned with the operations of ABDC. Anderson is a leading provider of contract packaging services for pharmaceutical manufacturers. Brecon is a United Kingdom-based provider of contract packaging and clinical trial materials services for pharmaceutical manufacturers.

Sales and Marketing. ABDC has a sales force organized regionally and specialized by healthcare provider type. Customer service representatives are located in distribution facilities in order to respond to customer needs in a timely and effective manner. ABDC also has support professionals focused on its various technologies and service offerings. ABDC's national marketing organization designs and develops business management solutions for AmerisourceBergen healthcare provider customers. Tailored to specific groups, these programs can be further customized at the business unit or distribution facility level to adapt to local market conditions. ABDC's sales and marketing organization also serves national account customers through close coordination with local distribution centers and ensures that our customers are receiving service offerings that meet their needs. Our Specialty and Packaging groups each have independent sales forces and marketing organizations that specialize in their respective product and service offerings.

Customers. We have a diverse customer base that includes institutional and retail healthcare providers as well as pharmaceutical manufacturers. Institutional healthcare providers include acute care hospitals, health systems, mail order pharmacies, long-term care and other alternate care pharmacies and providers of pharmacy services to such facilities, and physician offices. Retail healthcare providers include national and regional retail drugstore chains, independent community pharmacies and pharmacy departments of supermarkets and mass merchandisers. We are typically the primary source of supply for our healthcare provider customers. Our manufacturing customers include branded, generic, and biotech manufacturers of prescribed pharmaceuticals as well as over-the-counter product and health and beauty aid manufacturers. In addition, we offer a broad range of value-added solutions designed to enhance the operating efficiencies and competitive positions of our customers, thereby allowing them to improve the delivery of healthcare to patients and consumers. In fiscal 2008, total revenue for our Pharmaceutical Distribution segment was comprised of 68% institutional customers and 32% retail customers.

In fiscal 2008, Medco Health Solutions, Inc., our largest customer, accounted for 17% of our total revenue. No other individual customer accounted for more than 10% of our fiscal 2008 total revenue. Our top ten customers represented approximately 42% of fiscal 2008 total revenue. In addition, we have contracts with group purchasing organizations ("GPOs"), each of which functions as a purchasing agent on behalf of its members, who are healthcare providers. Approximately 7% of our total revenue in fiscal 2008 was derived from our two largest GPO relationships (Novation and Premier). The loss of any major customer or GPO relationship could adversely affect future revenue and results of operations.

Suppliers. We obtain pharmaceutical and other products from manufacturers, none of which accounted for 10% or more of our purchases in fiscal 2008. The loss of a supplier could adversely affect our business if alternate sources of supply are unavailable since we are committed to be the primary source of pharmaceutical products for a majority of our customers. We believe that our relationships with our suppliers are good. The ten largest suppliers in fiscal 2008 accounted for approximately 54% of our purchases.

Information Systems. ABDC operates its full-service wholesale pharmaceutical distribution facilities in the U.S. on a centralized system. ABDC's operating system provides for, among other things, electronic order entry by customers, invoice preparation and purchasing, and inventory tracking. As a result of electronic order entry, the cost of receiving and processing orders has not increased as rapidly as sales volume. ABDC's systems are intended to strengthen customer relationships by allowing the customer to lower its operating costs and by providing a platform for a number of the basic and value-added services offered to our customers, including marketing, product demand data, inventory replenishment, single-source billing, computer price updates and price labels.

ABDC continues to expand its electronic interface with its suppliers and currently processes a substantial portion of its purchase orders, invoices and payments electronically. ABDC continues to implement a new warehouse operating system, which has improved its productivity and operating leverage. ABDC will continue to invest in advanced information systems and automated warehouse technology. As of September 30, 2008, approximately 91% of ABDC's transactional volume is generated from our distribution facilities that have successfully implemented the new warehouse operating system.

In an effort to maintain and improve our information technology infrastructure, in 2005 we outsourced a significant portion of our information technology activities relating to ABDC and corporate functions to IBM Global Services.

ABDC plans to continue to make system investments to further improve its information capabilities and meet its customer and operational needs. For example, we began to make significant investments in fiscal 2008 relating to our Business Transformation project that will include a new enterprise resource planning ("ERP") platform, which will be implemented throughout ABDC and our corporate functions, as well as the development and implementation of integrated processes to enhance our business practices and lower costs. We expect to continue to make significant investments in our Business Transformation project through fiscal 2011.

ABSG operates the majority of its business on its own common, centralized platform resulting in operating efficiencies as well as the ability to rapidly deploy new capabilities. The convenience of ordering via the Internet is very important to ABSG's customers. Over the past few years, ABSG has enhanced its web capabilities such that a significant amount of orders are initiated via the Internet.

Competition

We face a highly competitive environment in the distribution of pharmaceuticals and related healthcare services. Our largest national competitors are Cardinal Health, Inc. ("Cardinal") and McKesson Corporation ("McKesson"). ABDC competes with both Cardinal and McKesson, as well as national generic distributors and regional distributors within pharmaceutical distribution. In addition, we compete with manufacturers who sell directly to customers, chain drugstores who manage their own warehousing, specialty distributors, and packaging and healthcare technology companies. The distribution and related service businesses in which ABSG engages are also highly competitive. ABSG's operating businesses face competition from a variety of competitors, including McKesson, FFF Enterprises, Henry Schein, Inc., Med-Path, Express Scripts, Inc., US Oncology, Inc., Covance Inc., and UPS Logistics, among others. In all areas, competitive factors include price, product offerings, value-added service programs, service and delivery, credit terms, and customer support.

Intellectual Property

We use a number of trademarks and service marks. All of the principal trademarks and service marks used in the course of our business have been registered in the United States and, in some cases, in foreign jurisdictions or are the subject of pending applications for registration.

We have developed or acquired various proprietary products, processes, software and other intellectual property that are used either to facilitate the conduct of our business or that are made available as products or services to customers. We generally seek to protect such intellectual property through a combination of trade secret, patent and copyright laws and through confidentiality and other contractually imposed protections.

We hold patents and have patent applications pending that relate to certain of our products, particularly our automated pharmacy dispensing equipment, our medication and supply dispensing equipment, and certain warehousing equipment. We seek patent protection for our proprietary intellectual property from time to time as appropriate.

Although we believe that our patents or other proprietary products and processes do not infringe upon the intellectual property rights of any third parties, third parties may assert infringement claims against us from time to time.

Employees

As of September 30, 2008, we had approximately 10,900 employees, of which approximately 9,700 were full-time employees. Approximately 4% of full and part-time employees are covered by collective bargaining agreements. We believe that our relationship with our employees is good. If any of our employees in locations that are unionized should engage in strikes or other such bargaining tactics in connection with the negotiation of new collective bargaining agreements upon the expiration of any existing collective bargaining agreements, such tactics could be disruptive to our operations and adversely affect our results of operations, but we believe we have adequate contingency plans in place to assure delivery of pharmaceuticals to our customers in the event of any such disruptions.

Government Regulation

We are subject to oversight by various state and federal governmental entities and we are subject to, and affected by, a variety of state and federal laws, regulations and policies.

The U.S. Drug Enforcement Administration (“DEA”), the U.S. Food and Drug Administration (“FDA”) and various state regulatory authorities regulate the purchase, storage, and/or distribution of pharmaceutical products, including controlled substances. Wholesale distributors of controlled substances are required to hold valid DEA licenses, meet various security and operating standards, and comply with regulations governing their sale, marketing, packaging, holding and distribution. The DEA, FDA and state regulatory authorities have broad enforcement powers, including the ability to suspend our distribution centers from distributing controlled substances, seize or recall products and impose significant criminal, civil and administrative sanctions for violations of applicable laws and regulations. As a wholesale distributor of pharmaceuticals and certain related products, we are subject to these laws and regulations. We have all necessary licenses or other regulatory approvals and believe that we are in compliance with all applicable pharmaceutical wholesale distribution requirements needed to conduct our operations.

We and our customers are subject to fraud and abuse laws, including the federal anti-kickback statute and the Stark law. The anti-kickback statute, and the related regulations, prohibit persons from soliciting, offering, receiving or paying any remuneration in order to induce the referral of a person for the furnishing, or arranging for the furnishing, of any item or service or to induce the purchasing, leasing, ordering, or arranging for or recommending purchasing, leasing, ordering, or arranging for items or services that are in any way paid for by Medicare, Medicaid, or other federal healthcare programs. The Stark law prohibits physicians from making referrals for designated health services to certain entities with which they have a financial relationship. The fraud and abuse laws and regulations are broad in scope and are subject to frequent modification and varied interpretation. ABSG’s operations are particularly subject to these laws and regulations, as are certain aspects of ABDC’s operations.

In recent years, some states have passed or have proposed laws and regulations that are intended to protect the safety of the pharmaceutical supply channel. These laws and regulations are designed to prevent the introduction of counterfeit, diverted, adulterated or mislabeled pharmaceuticals into the distribution system. For example, Florida and other states are implementing pedigree requirements that require drugs to be accompanied by information tracing drugs back to the manufacturers. California has enacted a law requiring chain of custody technology using electronic pedigrees, although the effective date has been postponed until January 1, 2015 for pharmaceutical manufacturers and July 1, 2016 for pharmaceutical wholesalers and repackagers. These and other requirements are expected to increase our cost of operations. At the federal level, the FDA issued final regulations pursuant to the Prescription Drug Marketing Act that became effective in December 2006. The FDA

regulations impose pedigree and other chain of custody requirements that increase the costs and/or burden to the Company of selling to other pharmaceutical distributors and handling product returns. In early December 2006, the federal District Court for the Eastern District of New York issued a preliminary injunction temporarily enjoining the implementation of the regulations in response to a case initiated by secondary distributors. The federal Court of Appeals for the Second Circuit affirmed this injunction on July 10, 2008. We cannot predict the ultimate outcome of this legal proceeding. These laws and regulations could increase the overall regulatory burden and costs associated with our distribution business and could adversely affect our results of operations and financial condition.

In addition, the FDA Amendments Act of 2007 requires the FDA to establish standards and identify and validate effective technologies for the purpose of securing the pharmaceutical supply chain against counterfeit drugs. These standards may include track-and-trace or authentication technologies, such as radio frequency identification and other technologies. The FDA must develop a standardized numerical identifier by April 1, 2010.

As a result of political, economic and regulatory influences, the healthcare delivery industry in the United States is under intense scrutiny and subject to fundamental changes. We cannot predict what reform proposals, if any, will be adopted, when they may be adopted, or what impact they may have on us.

The costs associated with complying with federal and state regulations could be significant and the failure to comply with any such legal requirements could have a significant impact on our results of operations and financial condition.

Medicare and Medicaid

The Medicare Prescription Drug Improvement and Modernization Act of 2003 (“MMA”) instituted an “average sales price” or “ASP” methodology beginning in 2005 for Medicare Part B reimbursed drugs. Under Medicare Part B, physicians have the option of continuing to obtain drugs under the traditional “buy and bill” approach and being reimbursed for the drugs at ASP+6% or acquiring drugs through a competitive acquisition program or CAP. Physicians who participate in CAP bill the Medicare program only for drug administration, while the CAP vendor bills Medicare for the actual CAP drug and collects applicable beneficiary copayments. We are not a CAP vendor and an insignificant number of our physician customers have elected to participate in the CAP to date. On September 10, 2008, the Centers for Medicare & Medicaid Services (“CMS”) announced that the 2009 CAP is being postponed indefinitely; therefore, CAP drugs will not be available from an approved CAP vendor for dates of service after December 31, 2008.

In December 2007, President Bush signed the Medicare, Medicaid, and SCHIP Extension Act of 2007 into law. Among other things, the law requires CMS to adjust Medicare Part B drug ASP calculations to use volume-weighted ASPs based on actual sales volume, effective April 1, 2008. In the future, this change could reduce Medicare reimbursement rates for some Part B drugs, which may indirectly impact the prices we can charge our customers for pharmaceuticals and result in declines in our profitability.

The MMA also significantly expanded Medicare coverage for outpatient prescription drugs through the new Medicare Part D program. Beginning in 2006, Medicare beneficiaries became eligible to enroll in outpatient prescription drug plans that are offered by private entities and became eligible for varying levels of coverage for outpatient prescription drugs. Beneficiaries who participate select from a range of stand-alone prescription drug plans or Medicare Advantage managed care plans that include prescription drug coverage along with other Medicare services (“Part D Plans”). The Part D Plans are required to make available certain drugs on their formularies. Each Part D Plan negotiates reimbursement for Part D drugs with pharmaceutical manufacturers.

The new Part D Plan program has increased the use of pharmaceuticals in the supply channel, which has a positive impact on our revenues and profitability.

The Medicare Improvements for Patients and Providers Act of 2008 (“MIPPA”), enacted July 15, 2008, establishes timeframes for Part D Plan payments to pharmacies and long-term care pharmacy submission of claims; requires more frequent updating by Part D Plan sponsors of the drug pricing data they use to pay pharmacies; modifies statutory provisions regarding coverage of certain “protected classes” of drugs; limits certain Part D sales and marketing activities; and makes other Part D reforms.

Effective January 1, 2007, the Deficit Reduction Act of 2005 (“DRA”) changed the federal upper payment limit for Medicaid reimbursement from 150% of the lowest published price for generic pharmaceuticals (which is usually the average wholesale price) to 250% of the lowest average manufacturer price or AMP. On July 17, 2007, CMS published a final rule implementing these provisions and clarifying, among other things, the AMP calculation methodology and the DRA provision requiring manufacturers to publicly report AMP for branded and generic pharmaceuticals. In December 2007, the United States District Court for the District of Columbia issued a preliminary injunction that enjoins CMS from implementing certain provisions of the AMP rule to the extent that it affects Medicaid reimbursement rates for retail pharmacies under the Medicaid program. The order also enjoined CMS from disclosing AMP data to states and other entities. In addition, MIPPA delayed the implementation of these changes until October 1, 2009. The use of an AMP benchmark may result in a reduction in the Medicaid reimbursement rates to our customers for certain generic pharmaceuticals, which may indirectly impact the prices that we can charge our customers for generic pharmaceuticals and cause corresponding declines in our profitability. There can be no assurance that the changes under the DRA will not have an adverse impact on our business. Unless we are able to develop plans to mitigate the potential impact of these legislative and regulatory changes, these changes in reimbursement formula and related reporting requirements and other provisions of the DRA could adversely affect our results of operations.

President Bush’s fiscal year 2009 budget proposal, released February 4, 2008, contained a series of proposals impacting Medicare and Medicaid, including a proposal to further reduce the Medicaid federal upper limit reimbursement for multiple source drugs to 150 percent of the AMP and replace the “best price” component of the Medicaid drug rebate formula with a budget-neutral flat rebate. Many of the proposed policy changes would require Congressional approval to implement. There can be no assurances that future revisions to Medicare or Medicaid payments, if enacted, will not have an adverse impact on our business.

The federal government may take action in the future to increase the Medicaid drug rebate amount for branded pharmaceuticals, amend the Medicare ASP calculation methodology, or otherwise modify Medicare/ Medicaid drug payment policy.

See “Risk Factors” for a discussion of additional regulatory developments that may affect our results of operations and financial condition.

Health Information Practices

The Health Information Portability and Accountability Act of 1996 (“HIPAA”) and its accompanying federal regulations set forth health information standards in order to protect security and privacy in the exchange of individually identifiable health information. In addition, our operations, depending on their location, may be subject to additional state or foreign regulations affecting personal data protection and the manner in which information services or products are provided. Significant criminal and civil penalties may be imposed for violation of HIPAA standards and other such laws. We have a HIPAA compliance program to facilitate our ongoing effort to comply with the HIPAA regulations.

Available Information

For more information about us, visit our website at *www.amerisourcebergen.com*. The contents of the website are not part of this Form 10-K. Our electronic filings with the Securities and Exchange Commission (including all Forms 10-K, 10-Q and 8-K, and any amendments to these reports) are available free of charge through the "Investors" section of our website immediately after we electronically file with or furnish them to the Securities and Exchange Commission and may also be viewed using their website at *www.sec.gov*.

ITEM 1A. RISK FACTORS

The following discussion describes certain risk factors that we believe could affect our business and prospects. These risks factors are in addition to those set forth elsewhere in this report.

Intense competition as well as industry consolidations may erode our profit margins.

The distribution of pharmaceuticals and related healthcare solutions is highly competitive. We compete with two national wholesale distributors of pharmaceuticals, Cardinal and McKesson; national generic distributors; regional and local distributors of pharmaceuticals; chain drugstores that warehouse their own pharmaceuticals; manufacturers that distribute their products directly to customers; specialty distributors; and packaging and healthcare technology companies (see "Competition"). In recent years, the healthcare industry has been subject to increasing consolidation. If this trend continues among our customers and suppliers, it could give the resulting enterprises greater bargaining power, which may lead to greater pressure to reduce prices for our products and services.

Our results of operations continue to be subject to the risks and uncertainties of inflation in branded pharmaceutical prices and deflation in generic pharmaceutical prices.

As part of our transition to fee-for-service, some distribution service agreements that we have entered into with branded pharmaceutical manufacturers continue to have an inflation-based compensation component to them. Arrangements with a small number of branded manufacturers continue to be solely inflation-based. As a result, approximately 15% of our gross profit from brand-name manufacturers continues to be subject to fluctuation based upon the timing and extent of price appreciation. If the frequency or rate of branded pharmaceutical price inflation slows, our results of operations could be adversely affected. In addition, we distribute generic pharmaceuticals, which are subject to price deflation. If the frequency or rate of generic pharmaceutical price deflation accelerates, our results of operations could be adversely affected.

Declining economic conditions could adversely affect our results of operations and financial condition.

Our operations and performance depend on economic conditions in the United States and other countries where we do business. Deterioration in general economic conditions could adversely affect the amount of prescriptions that are filled and the amount of pharmaceutical products purchased by consumers and, therefore, reduce purchases by our customers, which would negatively affect our revenue growth and cause a decrease in our profitability. Interest rate fluctuations, financial market volatility or credit market disruptions may also negatively affect our customers' ability to obtain credit to finance their businesses on acceptable terms. Reduced purchases by our customers or changes in payment terms could adversely affect our revenue growth and cause a decrease in our cash flow from operations. Bankruptcies or similar events affecting our customers may cause us to incur bad debt expense at levels higher than historically experienced. Declining economic conditions may also increase our costs. If the economic conditions in the United States or in the regions outside the United States where we do business do not improve or continue to deteriorate, our results of operations or financial condition could be adversely affected.

Our stock price and our ability to access credit markets may be adversely affected by the current levels of financial market volatility and disruption, which are unprecedented.

The capital and credit markets have been experiencing volatility and disruption for more than 12 months. Recently, the volatility and disruption has reached unprecedented levels. In some cases, the markets have produced downward pressure on stock prices and credit availability for certain issuers without regard to those issuers' underlying financial strength. If current levels of market disruption and volatility continue or worsen, there can be no assurance that we will not experience downward movement in our stock price without regard to our financial condition or results of operations or an adverse effect, which may be material, on our ability to access credit generally, and on our business, liquidity, financial condition and results of operations.

Our receivables securitization facility expires in calendar 2009. While we did not have any borrowings outstanding under this facility as of September 30, 2008, we have historically utilized amounts available to us under this facility throughout the year to meet our business needs. In fiscal 2009, we will seek to renew this facility at available market rates, which we believe will be higher than the interest rates currently available to us. While we believe we will be able to renew this facility, there can be no assurance that we will be able to do so.

Our total revenue and results of operations may suffer upon the loss of a significant customer.

Our largest customer, Medco Health Solutions, Inc., accounted for 17% of our total revenue in fiscal 2008. Our top ten customers represented approximately 42% of fiscal 2008 total revenue. We also have contracts with group purchasing organizations ("GPOs"), each of which functions as a purchasing agent on behalf of its members, who are hospitals, pharmacies or other healthcare providers. Approximately 7% of our total revenue in fiscal 2008 was derived from our two largest GPO relationships (Novation and Premier). We may lose a significant customer or GPO relationship if any existing contract with such customer or GPO expires without being extended, renewed, renegotiated or replaced or is terminated by the customer or GPO prior to expiration, to the extent such early termination is permitted by the contract. A number of our contracts with significant customers or GPOs are typically subject to expiration each year and we may lose any of these customers or GPO relationships if we are unable to extend, renew, renegotiate or replace the contracts. The loss of any significant customer or GPO relationship could adversely affect our total revenue and results of operations.

Our total revenue and results of operations may suffer upon the bankruptcy, insolvency or other credit failure of a significant customer.

Most of our customers buy pharmaceuticals and other products and services from us on credit. Credit is made available to customers based on our assessment and analysis of creditworthiness. Although we often try to obtain a security interest in assets and other arrangements intended to protect our credit exposure, we generally are either subordinated to the position of the primary lenders to our customers or substantially unsecured. The continued volatility of the capital and credit markets may adversely affect the solvency or creditworthiness of our customers. The bankruptcy, insolvency or other credit failure of any customer that has a substantial amount owed to us could have a material adverse affect on our operating revenue and results of operations. At September 30, 2008, the largest trade receivable balance due from a single customer, which was our largest customer, represented approximately 9% of accounts receivable, net.

Our results of operations may suffer upon the bankruptcy, insolvency or other credit failure of a significant supplier.

Our relationships with pharmaceutical suppliers give rise to substantial amounts that are due to us from the suppliers, including amounts owed to us for returned goods or defective goods and amounts due to us for services provided to the suppliers. The continued volatility of the capital and credit markets may adversely affect the solvency or creditworthiness of our suppliers. The bankruptcy, insolvency or other credit failure of any supplier at a time when the supplier has a substantial account payable balance due to us could have a material adverse affect on our results of operations.

Increasing governmental efforts to regulate the pharmaceutical supply channel may increase our costs and reduce our profitability.

The healthcare industry is highly regulated at the federal and state level. Consequently, we are subject to the risk of changes in various federal and state laws, which include operating and security standards of the DEA, the FDA, various state boards of pharmacy and comparable agencies. In recent years, some states have passed or have proposed laws and regulations, including laws and regulations obligating pharmaceutical distributors to provide prescription drug pedigrees, that are intended to protect the safety of the supply channel but that also may substantially increase the costs and burden of pharmaceutical distribution. For example, the Florida Prescription Drug Pedigree laws and regulations that became effective in July 2006 imposed obligations upon us to deliver prescription drug pedigrees to various categories of customers. In order to comply with the Florida requirements, we implemented an e-pedigree system at our distribution center in Florida that required significant capital outlays. Other states have adopted laws and regulations that would require us to implement pedigree capabilities in those other states similar to the pedigree capabilities implemented for Florida. For example, California has enacted a law requiring the implementation of costly track and trace chain of custody technologies, such as radio frequency identification ("RFID") technologies although the effective date of the law has been postponed until January 1, 2015 for pharmaceutical manufacturers and until July 1, 2016 for pharmaceutical wholesalers and repackagers. At the federal level, the FDA issued final regulations pursuant to the Prescription Drug Marketing Act that became effective in December 2006. The regulations impose pedigree and other chain of custody requirements that increase the costs and/or burden to us of selling to other pharmaceutical distributors and handling product returns. In December 2006, the federal District Court for the Eastern District of New York issued a preliminary injunction temporarily enjoining the implementation of certain provisions of the regulations in response to a case initiated by secondary distributors. The federal Court of Appeals for the Second Circuit affirmed this injunction on July 10, 2008. We cannot predict the ultimate outcome of this legal proceeding.

In addition, the FDA Amendments Act of 2007 requires the FDA to establish standards and identify and validate effective technologies for the purpose of securing the pharmaceutical supply chain against counterfeit drugs. These standards may include track-and-trace or authentication technologies, such as RFID and other technologies. The FDA must develop a standardized numerical identifier by April 1, 2010. The increased costs of complying with these pedigree and other supply chain custody requirements could increase our costs or otherwise significantly affect our results of operations.

The suspension or revocation by the DEA of any of the registrations that must be in effect for our distribution facilities to purchase, store and distribute controlled substances or the refusal by DEA to issue a registration to any such facility that requires such registration may adversely affect our reputation, our business and our results of operations.

The DEA, FDA and various state regulatory authorities regulate the distribution of pharmaceuticals and controlled substances. We are required to hold valid DEA and state-level licenses, meet various security and operating standards and comply with the Controlled Substance Act and its accompanying regulations governing the sale, marketing, packaging, holding and distribution of controlled substances. The DEA, FDA and state

regulatory authorities have broad enforcement powers, including the ability to suspend our distribution centers' licenses to distribute pharmaceutical products (including controlled substances), seize or recall products and impose significant criminal, civil and administrative sanctions for violations of these laws and regulations.

On April 24, 2007, the DEA suspended our Orlando, Florida distribution center's license to distribute controlled substances and listed chemicals, alleging that the distribution center did not maintain effective controls against diversion of controlled substances to certain internet pharmacies. On June 22, 2007, we signed an agreement with the DEA, which led to the reinstatement of our Orlando, Florida distribution center's license to distribute controlled substances and listed chemicals effective August 25, 2007. As required by the agreement, we implemented an enhanced and more sophisticated order-monitoring program in all of our ABDC distribution centers by June 30, 2007. In addition, in June 2007, one of our subsidiaries, Bellco Drug Corp., entered into a consent judgment with the DEA following the suspension of Bellco Drug's DEA license in May 2007 prior to our acquisition of the business. The DEA had alleged that Bellco Drug had failed to maintain effective controls against the diversion of controlled substances as required by federal law. In the consent judgment, Bellco Drug voluntarily surrendered its DEA registration with leave to apply for a new registration. Bellco Drug received its new DEA registration on February 12, 2008 and resumed distribution of controlled substances. While we expect to continue to comply with all of the DEA's requirements, there can be no assurance that the DEA will not require further controls against the diversion of controlled substances in the future or will not take similar action against any other of our distribution centers in the future.

Legal and regulatory changes reducing reimbursement rates for pharmaceuticals and/or medical treatments or services may reduce our profitability and adversely affect our business and results of operations.

Both our own profit margins and the profit margins of our customers may be adversely affected by laws and regulations reducing reimbursement rates for pharmaceuticals and/or medical treatments or services or changing the methodology by which reimbursement levels are determined. Many of our contracts with healthcare providers are multi-year contracts from which we derive profit based upon reimbursement rates and methodologies in place at the time such contracts were entered into. Many of these contracts cannot be terminated or amended in the event of such legal and regulatory changes. Accordingly, such changes may have the effect of reducing, or even eliminating, our profitability on such contracts until the end of the applicable contract periods.

ABSG's business may be adversely affected in the future by changes in Medicare reimbursement rates for certain pharmaceuticals, including oncology drugs administered by physicians. Since ABSG provides a number of services to or through physicians, this could result in slower growth or lower revenues for ABSG.

The Deficit Reduction Act of 2005 ("DRA") was intended to reduce net Medicare and Medicaid spending by approximately $11 billion over five years. Effective January 1, 2007, the DRA changed the federal upper payment limit for Medicaid reimbursement from 150% of the lowest published price for generic pharmaceuticals (which is usually the average wholesale price) to 250% of the lowest average manufacturer price ("AMP"). On July 17, 2007, CMS published a final rule implementing these provisions and clarifying, among other things, the AMP calculation methodology and the DRA provision requiring manufacturers to publicly report AMP for branded and generic pharmaceuticals. In December 2007, the United States District Court for the District of Columbia issued a preliminary injunction that enjoins CMS from implementing certain provisions of the AMP rule to the extent that it affects Medicaid reimbursement rates for retail pharmacies under the Medicaid program. The order also enjoins CMS from disclosing AMP data to states and other entities. On July 15, 2008, Congress enacted the Medicaid Improvements for Patients and Providers Act of 2008 ("MIPPA"). MIPPA delays the adoption of CMS's July 17, 2007 rule and prevents CMS from publishing AMP data until October 1, 2009. We expect the use of an AMP benchmark to result in a reduction in the Medicaid reimbursement rates to our customers for certain generic pharmaceuticals, which may indirectly impact the prices that we can charge our customers for generic pharmaceuticals and cause corresponding declines in our profitability. There can be no assurance that the changes under the DRA will not have an adverse impact on our business. Unless we are able to

develop plans to mitigate the potential impact of these legislative and regulatory changes, these changes in reimbursement formula and related reporting requirements and other provisions of the DRA could adversely affect our results of operations.

In December 2007, President Bush signed the Medicare, Medicaid, and SCHIP Extension Act of 2007 into law. Among other things, the law requires CMS to adjust Medicare Part B drug average sales price ("ASP") calculations to use volume-weighed ASPs based on actual sales volume, effective April 1, 2008. This change could reduce Medicare reimbursement rates for some Part B drugs, which may indirectly impact the prices we can charge our customers for pharmaceuticals and result in reductions in our profitability.

President Bush's fiscal year 2009 budget proposal, released February 4, 2008, contains a series of proposals that affect Medicare and Medicaid, including a proposal to further reduce the upper limit reimbursement for multiple source drugs to 150% of the AMP and replace the "best price" component of the Medicaid drug rebate formula with a budget-neutral flat rebate. Many of the proposed policy changes would require Congressional approval to implement. There can be no assurance that future revisions to Medicare or Medicaid payments, if enacted, will not have an adverse impact on our business.

Our revenue growth rate has been negatively impacted by a reduction in sales of certain anemia drugs, primarily those used in oncology, and may, in the future, be adversely affected by any further reductions in sales or restrictions on the use of anemia drugs or a decrease in Medicare reimbursement for these drugs. Several developments contributed to the decline in sales of anemia drugs, including expanded warning and other product safety labeling requirements, more restrictive federal policies governing Medicare reimbursement for the use of these drugs to treat oncology patients with kidney failure and dialysis, and changes in regulatory and clinical medical guidelines for recommended dosage and use. In addition, the FDA has announced that it is reviewing new clinical study data concerning the possible risks associated with erythropoiesis stimulating agents and may take additional action with regard to these drugs. CMS has indicated that it may impose additional restrictions on Medicare coverage in the future. Also, on July 30, 2008, CMS announced it is considering a review of national Medicare coverage policy for these drugs for patients who have cancer or pre-dialysis chronic kidney disease. Any further changes in the recommended dosage or use of anemia drugs or reductions in reimbursement for such drugs could result in slower growth or lower revenues.

First DataBank, Inc. publishes drug databases that contain drug information and pricing data. The pricing data includes average wholesale price, or AWP, which is a pricing benchmark widely used to calculate a portion of the Medicaid and Medicare Part D reimbursements payable to pharmacy providers. AWP is also used to establish the pricing of pharmaceuticals to certain of our pharmaceutical distribution customers in Puerto Rico. First DataBank is involved in class action litigation concerning the way it calculates AWP pricing data. On May 29, 2008, the plaintiffs and First DataBank filed an amended settlement (following an original proposed settlement in 2006) that would, among other things, adjust its AWP reporting practices for certain prescription drugs by applying a reduced markup factor (20% versus 25%) to approximately 1,400 national drug codes. On June 3, 2008, the federal district court overseeing the litigation granted preliminary approval to the revised settlement and subsequently approved the process for class notification. The matter is still subject to opposition by others, a fairness hearing, which has been scheduled for December 17, 2008, and final court approval. First DataBank also announced that, independent of the settlement, it would reduce to 20% the markup on all drugs with a mark-up higher than 20% and stop publishing AWP within two years after the mark-up changes are implemented. We continue to evaluate the potential impact that a proposed settlement could have on the business of our customers and our business. If a revised settlement or other resolution of the case is approved, we will evaluate the potential impact of such settlement or other resolution on us at that time. There can be no assurance that a settlement or other resolution, if approved, would not have an adverse impact on the business of our customers and/or our business.

The federal government may adopt measures in the future that would further reduce Medicare and/or Medicaid spending or impose additional requirements on health care entities. At this time, we can provide no assurances that such changes, if adopted, would not have an adverse effect on our business.

The changing United States healthcare environment may negatively impact our business and our profitability.

Our products and services are intended to function within the structure of the healthcare financing and reimbursement system currently existing in the United States. In recent years, the healthcare industry has undergone significant changes in an effort to reduce costs and government spending. These changes include an increased reliance on managed care; cuts in certain Medicare funding affecting our healthcare provider customer base; consolidation of competitors, suppliers and customers; and the development of large, sophisticated purchasing groups. We expect the healthcare industry to continue to change significantly in the future. Some of these potential changes, such as a reduction in governmental funding for certain healthcare services or adverse changes in legislation or regulations governing prescription drug pricing, healthcare services or mandated benefits, may cause healthcare industry participants to reduce the amount of our products and services they purchase or the price they are willing to pay for our products and services. We expect continued government and private payor pressure to reduce pharmaceutical pricing. Changes in pharmaceutical manufacturers' pricing or distribution policies could also significantly reduce our profitability.

If we fail to comply with laws and regulations in respect of healthcare fraud and abuse, we could suffer penalties or be required to make significant changes to our operations.

We are subject to extensive and frequently changing federal and state laws and regulations relating to healthcare fraud and abuse. The federal government continues to strengthen its position and scrutiny over practices involving healthcare fraud affecting Medicare, Medicaid and other government healthcare programs. Our relationships with healthcare providers and pharmaceutical manufacturers subject our business to laws and regulations on fraud and abuse which, among other things, (i) prohibit persons from soliciting, offering, receiving or paying any remuneration in order to induce the referral of a patient for treatment or the ordering or purchasing of items or services that are in any way paid for by Medicare, Medicaid or other government-sponsored healthcare programs and (ii) impose a number of restrictions upon referring physicians and providers of designated health services under Medicare and Medicaid programs. Legislative provisions relating to healthcare fraud and abuse give federal enforcement personnel substantially increased funding, powers and remedies to pursue suspected fraud and abuse. While we believe that we are in compliance with all applicable laws and regulations, many of the regulations applicable to us, including those relating to marketing incentives offered in connection with pharmaceutical sales, are vague or indefinite and have not been interpreted by the courts. They may be interpreted or applied by a prosecutorial, regulatory or judicial authority in a manner that could require us to make changes in our operations. If we fail to comply with applicable laws and regulations, we could suffer civil and criminal penalties, including the loss of licenses or our ability to participate in Medicare, Medicaid and other federal and state healthcare programs.

Our results of operations and financial condition may be adversely affected if we undertake acquisitions of businesses that do not perform as we expect or that are difficult for us to integrate.

We expect to continue to implement our growth strategy, in part, by acquiring companies. At any particular time, we may be in various stages of assessment, discussion and negotiation with regard to one or more potential acquisitions, not all of which will be consummated. We make public disclosure of pending and completed acquisitions when appropriate and required by applicable securities laws and regulations.

Acquisitions involve numerous risks and uncertainties. If we complete one or more acquisitions, our results of operations and financial condition may be adversely affected by a number of factors, including: the failure of the acquired businesses to achieve the results we have projected in either the near or long term; the assumption of unknown liabilities; the fair value of assets acquired and liabilities assumed; the difficulties of imposing adequate financial and operating controls on the acquired companies and their management and the potential liabilities that might arise pending the imposition of adequate controls; the difficulties in the integration of the operations, technologies, services and products of the acquired companies; and the failure to achieve the strategic objectives of these acquisitions.

Our results of operations and our financial condition may be adversely affected by foreign operations.

We have pharmaceutical distribution operations based in Canada and provide contract packaging and clinical trials materials services in the United Kingdom. We may consider additional foreign acquisitions in the future. Our existing foreign operations and any operations we may acquire in the future carry risks in addition to the risks of acquisition, as described above. At any particular time, foreign operations may encounter risks and uncertainties regarding the governmental, political, economic, business and competitive environment within the countries in which those operations are based. Additionally, foreign operations expose us to foreign currency fluctuations that could impact our results of operations and financial condition based on the movements of the applicable foreign currency exchange rates in relation to the U.S. dollar.

Risks generally associated with our sophisticated information systems may adversely affect our business and results of operations.

Our businesses rely on sophisticated information systems to obtain, rapidly process, analyze, and manage data to facilitate the purchase and distribution of thousands of inventory items from numerous distribution centers; to receive, process, and ship orders on a timely basis; to account for other product and service transactions with customers; to manage the accurate billing and collections for thousands of customers; and to process payments to suppliers. Our business and results of operations may be adversely affected if these systems are interrupted or damaged by unforeseen events or if they fail for any extended period of time, including due to the actions of third parties. A third party service provider (IBM) is responsible for managing a significant portion of ABDC's information systems. Our business and results of operations may be adversely affected if the third party service provider does not perform satisfactorily.

Certain of our businesses continue to make substantial investments in information systems. To the extent the implementation of these systems fail, our business and results of operations may be adversely affected.

Risks generally associated with implementation of an enterprise resource planning (ERP) system may adversely affect our business and results of operations or the effectiveness of internal control over financial reporting.

We are preparing to implement an ERP system to handle the business and financial processes within ABDC's operations and our corporate functions. ERP implementations are complex and time-consuming projects that involve substantial expenditures on system software and implementation activities that can continue for several years. ERP implementations also require transformation of business and financial processes in order to reap the benefits of the ERP system. Our business and results of operations may be adversely affected if we experience operating problems and/or cost overruns during the ERP implementation process or if the ERP system, and the associated process changes, do not give rise to the benefits that we expect.

Additionally, if the Company does not effectively implement the ERP system or if the system does not operate as intended, it could adversely affect the effectiveness of our internal controls over financial reporting.

Tax legislation initiatives or challenges to our tax positions could adversely affect our results of operations and financial condition.

We are a large corporation with operations in the United States, Puerto Rico, Canada and the United Kingdom. As such, we are subject to tax laws and regulations of the United States federal, state and local governments and of many foreign jurisdictions. From time to time, various legislative initiatives may be proposed that could adversely affect our tax positions. There can be no assurance that our effective tax rate or tax payments will not be adversely affected by these initiatives. In addition, United States federal, state and local, as well as foreign, tax laws and regulations, are extremely complex and subject to varying interpretations. There can be no assurance that our tax positions will not be challenged by relevant tax authorities or that we would be successful in any such challenge.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

As of September 30, 2008, we conducted our business from office and operating facilities at owned and leased locations throughout the United States, Canada, the United Kingdom, and Puerto Rico. In the aggregate, our facilities occupy approximately 8.3 million square feet of office and warehouse space, which is either owned or leased under agreements that expire from time to time through 2018.

We have 26 full-service ABDC wholesale pharmaceutical distribution facilities in the United States, ranging in size from approximately 54,000 square feet to 310,000 square feet, with an aggregate of approximately 4.7 million square feet. Leased facilities are located in Puerto Rico plus the following states: Arizona, California, Colorado, Florida, Hawaii, Minnesota, New York, New Jersey, North Carolina, Utah, and Washington. Owned facilities are located in the following states: Alabama, California, Georgia, Illinois, Kentucky, Massachusetts, Michigan, Missouri, Ohio, Pennsylvania, Texas and Virginia. As of September 30, 2008, ABDC had 11 wholesale pharmaceutical distribution facilities in Canada. Two of these facilities are owned and are located in the provinces of Newfoundland and Ontario. Nine of these locations are leased and located in the provinces of Alberta, British Columbia, Nova Scotia, Ontario, and Quebec. We consider our operating properties to be in satisfactory condition.

As of September 30, 2008, the Specialty Group's operations were conducted in 20 locations, two of which are owned, comprising of approximately 1.0 million square feet. The Specialty Group's largest leased facility consisted of approximately 276,000 square feet. Its headquarters are located in Texas and it has significant operations in the states of Alabama, Kentucky, Nevada, North Carolina, and Ohio.

As of September 30, 2008, the Packaging Group's operations in the U.S. consisted of 3 owned facilities and 4 leased facilities totaling approximately 1.3 million square feet. The Packaging Group's operations in the U.S. are primarily located in the states of Illinois and Ohio. The Packaging Group's operations in the United Kingdom are located in 6 owned and 2 leased building units comprising a total of 103,000 square feet. The two leased building units were acquired by us in October 2008.

We lease approximately 154,000 square feet in Chesterbrook, Pennsylvania for our corporate and ABDC headquarters.

We consider all of our operating office properties to be in satisfactory condition.

ITEM 3. LEGAL PROCEEDINGS

In the ordinary course of its business, the Company becomes involved in lawsuits, administrative proceedings, government subpoenas, and government investigations, including antitrust, commercial, environmental, product liability, intellectual property, regulatory, employment discrimination and other matters. Significant damages or penalties may be sought from the Company in some matters, and some matters may require years for the Company to resolve. The Company establishes reserves based on its periodic assessment of estimates of probable losses. There can be no assurance that an adverse resolution of one or more matters during any subsequent reporting period will not have a material adverse effect on the Company's results of operations for that period. However, on the basis of information furnished by counsel and others and taking into consideration the reserves established for pending matters, the Company does not believe that the resolution of currently pending matters (including the matters specifically described below), individually or in the aggregate, will have a material adverse effect on the Company's financial condition.

RxUSA Matter

In 2001, the Company sued one of its former customers, RxUSA International, Inc. and certain related companies ("RxUSA"), seeking over $300,000 for unpaid invoices. The matter is pending in the United States District Court for the Eastern District of New York (the "Federal District Court"). Thereafter, RxUSA filed counterclaims alleging breach of contract claiming that it was overbilled for products by over $400,000. RxUSA also alleged violations of the federal and New York antitrust laws, tortious interference with business relations and defamation. The Federal District Court has granted summary judgment for the Company on the antitrust and defamation counterclaims, but denied the motion on the breach of contract and tortious interference counterclaims. In connection with its tortious interference counterclaim, RxUSA asserts compensatory damages of $61 million plus punitive damages. The case is scheduled for trial on January 26, 2009. The Company intends to vigorously prosecute its claim for unpaid invoices and does not believe that the counterclaims asserted by RxUSA have merit, but cannot predict the ultimate outcome of this matter.

New York Attorney General Subpoena

In fiscal 2005, the Company received a subpoena from the Office of the Attorney General of the State of New York (the "NYAG") requesting documents and responses to interrogatories concerning the manner and degree to which the Company purchased pharmaceuticals from other wholesalers, often referred to as the alternate source market, rather than directly from manufacturers. Similar subpoenas have been issued by the NYAG to other pharmaceutical distributors. After receiving the subpoena, the Company engaged in discussions with the NYAG, initially to clarify the scope of the subpoena and subsequently to provide background information requested by the NYAG. The Company has produced responsive information and documents and will continue to cooperate with the NYAG. Late in fiscal year 2007, the Company received a communication from the NYAG detailing potential theories of liability. Subsequently, the Company met with the NYAG to discuss this matter and has communicated the Company's position on this matter to the NYAG. The Company believes that it has not engaged in any wrongdoing, but cannot predict the outcome of this matter.

Bergen Brunswig Matter

A former Bergen Brunswig chief executive officer who was terminated in 1999 filed an action that year in the Superior Court of the State of California, County of Orange (the "Superior Court") claiming that Bergen Brunswig (predecessor in interest to AmerisourceBergen Corporation) had breached its obligations to him under his employment agreement. Shortly after the filing of the lawsuit, Bergen Brunswig made a California Civil Procedure Code § 998 Offer of Judgment to the executive, which the executive accepted. The resulting judgment awarded the executive damages and the continuation of certain employment benefits. Since then, the Company and the executive have engaged in litigation as to what specific benefits were included in the scope of the Offer of Judgment and the value of those benefits. The Superior Court entered an Order in Implementation of Judgment on June 7, 2001, which identified the specific benefits encompassed by the Offer of Judgment. Following submission by the executive of a claim for benefits pursuant to the Bergen Brunswig Supplemental Executive Retirement Plan (the "Plan"), the Company followed the administrative procedure set forth in the Plan. This procedure involved separate reviews by two independent parties, the first by the Review Official appointed by the Plan Administrator and second by the Plan Trustee, and resulted in a determination that the executive was entitled to a $1.9 million supplemental retirement benefit and such amount was paid. The executive challenged this award and on July 7, 2006, the Superior Court entered a Second Order in Implementation of Judgment determining that the executive was entitled to a supplemental retirement benefit, net of the $1.9 million previously paid to him, in the amount of $19.4 million, which included interest at the rate of ten percent per annum from August 29, 2001. The Company recorded a charge of $13.9 million in fiscal 2006 to establish the total liability of $19.4 million on its balance sheet. The Court refused to award the executive other benefits claimed, including an award of stock options, a severance payment and forgiveness of a loan. Both the executive and the Company appealed the ruling of the Superior Court. On October 12, 2007, the Court of Appeal for the State of California, Fourth Appellate District (the "Court of Appeal") made certain rulings, and reversed certain

portions of the July 2006 decision of the Superior Court in a manner that was favorable to the Company. As a result, in fiscal 2007, the Company reduced its total liability to the executive by $10.4 million. The Company continues to accrue interest on the remaining liability to the executive, pending the final resolution of this matter. The former executive filed a petition with the Supreme Court of California for review of the October 12, 2007 appellate decision. The Supreme Court of California denied the petition on January 23, 2008. The parties then entered into a stipulation to remand the calculation of the executive's supplemental retirement benefit to the Plan Administrator in accordance with the Court of Appeal's decision of October 12, 2007. On June 10, 2008, the Plan Administrator issued a decision that the executive is entitled to receive approximately $6.9 million in supplemental retirement benefits plus interest, less the $1.9 million already paid to the executive under the Plan. The executive appealed this determination and a hearing on his appeal was held in August 2008 before a Review Official appointed by the Plan Administrator. On October 31, 2008, the Review Official issued an interim decision affirming in most respects the Plan Administrator's determination of the executive's supplemental retirement benefit. The Company expects the Review Official to issue a final decision by the end of calendar 2008.

Bridge Medical Matter

In fiscal 2004, the former stockholders of Bridge Medical, Inc. ("Bridge") commenced an action against the Company in the Court of Chancery of the State of Delaware (the "Chancery Action") claiming that they were entitled to payment of certain contingent purchase price amounts that were provided under the terms of an agreement under which the Company acquired Bridge in January 2003. In fiscal 2005, the Company sold substantially all of the assets of Bridge. The contingent purchase price amounts at issue were conditioned upon the achievement by Bridge of certain earnings levels in calendar 2003 and calendar 2004 (collectively, the "Earnout Period"). The maximum amount that was payable in respect of calendar 2003 was $21 million and the maximum amount that was payable in respect of calendar 2004 was $34 million. The former stockholders of Bridge alleged (i) that the Company did not properly adhere to the terms of the acquisition agreement in calculating that no contingent purchase price amounts were due and (ii) that the Company breached certain obligations to assist the Bridge sales force and promote the Bridge bedside point-of-care patient safety product during the Earnout Period and that such breaches prevented Bridge from obtaining business that Bridge otherwise would have obtained. The trial of the Chancery Action and post-trial briefing were completed during May and June 2007. In September 2007, the Delaware Court of Chancery ruled that the former stockholders of Bridge were entitled to a payment of $21 million for earnout amounts, plus prejudgment interest in the amount of $5.9 million. As a result of the court's decision, the Company recorded a charge of $24.6 million, net of income taxes, in the fiscal year ended September 30, 2007. The Company appealed the decision of the Delaware Court of Chancery and in April 2008, the Delaware Supreme Court affirmed the judgment of the Delaware Chancery Court. In April 2008, the Company paid the judgment of $28.1 million, which included post-judgment interest. The Company expects to receive a tax benefit only with respect to interest incurred in this matter.

MBL Matter

In May 2007, ASD Specialty Healthcare, Inc. ("ASD"), a wholly-owned subsidiary of the Company, filed a lawsuit against Massachusetts Biologic Laboratories ("MBL") in the 44th Judicial District Court of Dallas County, Texas. ASD alleged that MBL committed fraud by making misrepresentations to ASD in connection with the execution of a contract with ASD for the distribution of 5 million doses of tetanus diphtheria ("TD") vaccines. Later that month, MBL sued ASD in the Superior Court of Suffolk County, Massachusetts, asserting breach of contract, unfair and deceptive trade practices, and other claims. MBL requested declaratory judgment, actual and consequential damages in an undetermined amount, and treble damages. ASD filed counterclaims against MBL in the Massachusetts action for breach of contract, fraudulent and negligent misrepresentation, unfair trade practices, and other claims. The Texas lawsuit was dismissed in favor of the parties' proceeding in Massachusetts, but ASD filed a motion for reconsideration of the dismissal.

In fiscal 2007, the Company recorded a $27.8 million write-down to estimated net realizable value for the TD vaccines, which remained unsold as of September 30, 2007. In March 2008, the parties entered into a settlement agreement resolving all disputes between them. As a result of the settlement, the Company recorded a $2.4 million gain in fiscal 2008.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of security holders for the quarter ended September 30, 2008.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following is a list of the Company's principal executive officers and their ages and positions as of November 1, 2008. Each executive officer serves at the pleasure of the Company's board of directors.

Name	Age	Current Position with the Company
R. David Yost	61	President, Chief Executive Officer and Director
Michael D. DiCandilo	47	Executive Vice President and Chief Financial Officer; and Chief Operating Officer, AmerisourceBergen Drug Corporation
Steven H. Collis	47	Executive Vice President and President, AmerisourceBergen Specialty Group
John G. Chou	52	Senior Vice President, General Counsel and Secretary
Jeanne B. Fisher	67	Senior Vice President, Human Resources

Unless indicated to the contrary, the business experience summaries provided below for the Company's executive officers describe positions held by the named individuals during the last five years.

Mr. Yost has been Chief Executive Officer and a Director of the Company since August 2001 and was President of the Company until October 2002. He again assumed the position of President of the Company in September 2007. He was Chief Executive Officer of AmeriSource from May 1997 until August 2001 and Chairman of the Board of AmeriSource from December 2000 until August 2001. Mr. Yost has been employed by the Company or one of its predecessors for 34 years.

Mr. DiCandilo has been Chief Financial Officer of the Company since March 2002 and an Executive Vice President of the Company since May 2005. In May 2008, he was named Chief Operating Officer of AmerisourceBergen Drug Corporation. From March 2002 to May 2005, Mr. DiCandilo was a Senior Vice President. Mr. DiCandilo has been employed by the Company or one of its predecessors for 18 years.

Mr. Collis was named Executive Vice President and President of AmerisourceBergen Specialty Group in September 2007. He was Senior Vice President of the Company and President of AmerisourceBergen Specialty Group from August 2001 to September 2007. Mr. Collis has been employed by the Company or one of its predecessors for 14 years.

Mr. Chou was named Senior Vice President and General Counsel of the Company in January 2007. He has served as Secretary of the Company since February 2006. He was Vice President and Deputy General Counsel from November 2004 to January 2007 and Associate General Counsel from July 2002 to November 2004. Mr. Chou has been employed by the Company for 6 years.

Ms. Fisher has been Senior Vice President, Human Resources since January 2003. Ms. Fisher has been employed by the Company for 5 years.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The Company's common stock is traded on the New York Stock Exchange ("NYSE") under the trading symbol "ABC." As of October 31, 2008, there were 3,928 record holders of the Company's common stock. The following table sets forth the high and low closing sale prices of the Company's common stock for the periods indicated.

PRICE RANGE OF COMMON STOCK

	High	Low
Fiscal Year Ended September 30, 2008		
First Quarter	$47.11	$42.83
Second Quarter	$47.72	$39.09
Third Quarter	$42.40	$39.00
Fourth Quarter	$43.15	$37.65
Fiscal Year Ended September 30, 2007		
First Quarter	$45.98	$43.16
Second Quarter	$53.68	$44.37
Third Quarter	$54.69	$47.93
Fourth Quarter	$48.75	$43.55

On July 31, 2007, the Company and Kindred completed the spin-offs and subsequent combination of their institutional pharmacy businesses, Long-Term Care and KPS, to form a new, independent, publicly traded company named PharMerica Corporation ("PMC"). The institutional pharmacy businesses were spun off to the stockholders of their respective parent companies, followed immediately by the merger of each of the businesses into a subsidiary of PMC, which resulted in the Company's and Kindred's stockholders each owning approximately 50 percent of PMC immediately after the closing of the transaction. The Company's stockholders received 0.0833752 shares of PMC common stock for each share of AmerisourceBergen common stock owned. The Company's common stock started trading on the NYSE without Long-Term Care on August 1, 2007, the day following the close of the divestiture transaction. The historical prices of the Company's common stock have been retroactively adjusted downward by the NYSE by approximately 3% to reflect the spin-off transaction.

During the fiscal years ended September 30, 2008 and 2007, the Company paid quarterly cash dividends of $0.075 and $0.05, respectively. On November 13, 2008, the Company's board of directors increased the quarterly dividend by 33% and declared a cash dividend of $0.10 per share, which will be paid on December 8, 2008 to stockholders of record as of the close of business on November 24, 2008. The Company anticipates that it will continue to pay quarterly cash dividends in the future. However, the payment and amount of future dividends remain within the discretion of the Company's board of directors and will depend upon the Company's future earnings, financial condition, capital requirements and other factors.

BNY Mellon is the Company's transfer agent. BNY Mellon can be reached at (mail) AmerisourceBergen Corporation c/o BNY Mellon Shareowner Services, P.O. Box 358015, Pittsburgh, PA 15252-8015; (telephone): Domestic 1-877-296-3711, Domestic TDD 1-800-231-5469, International 1-201-680-6578 or International TDD 1-201-296-0438; (internet) *www.bnymellon.com/shareowner/isd*; and (e-mail) *Shrrelations@bnymellon.com.*

ISSUER PURCHASES OF EQUITY SECURITIES

The following table sets forth the total number of shares purchased, the average price paid per share, the total number of shares purchased as part of publicly announced programs, and the approximate dollar value of shares that may yet be purchased under the programs during each month in the fiscal year ended September 30, 2008.

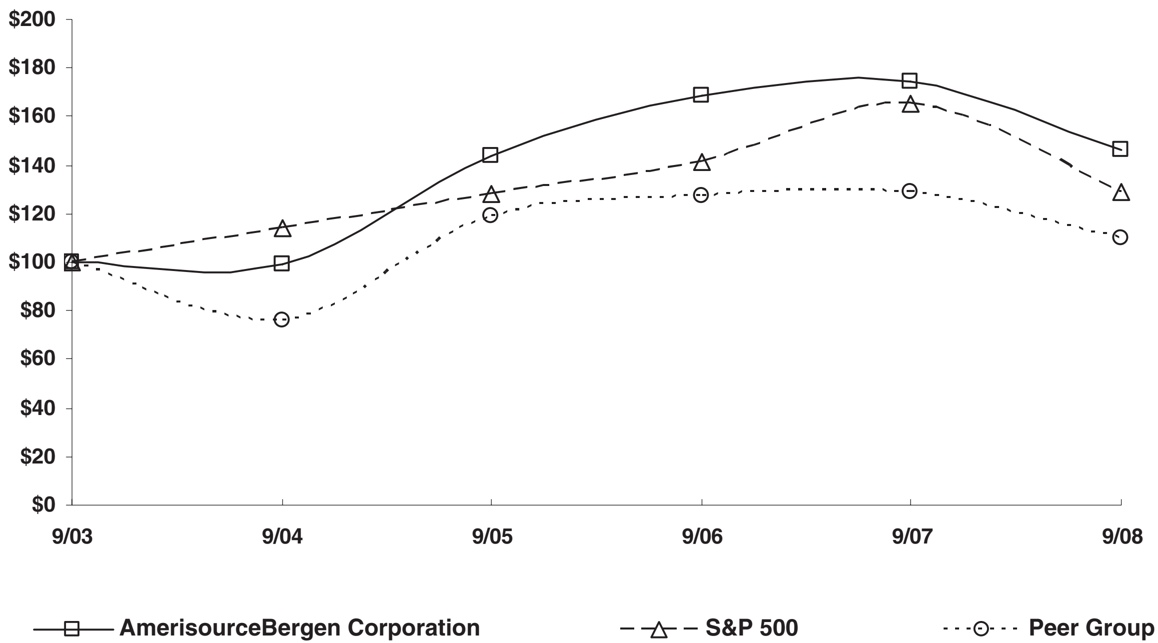
Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Programs
October 1 to October 31	1,569,014	$44.32	1,569,014	$127,898,371
November 1 to November 30	5,067,400	$43.93	5,067,400	$405,276,746
December 1 to December 31	435,600	$43.94	435,600	$386,137,725
January 1 to January 31	—	$ —	—	$386,137,725
February 1 to February 29	1,175,700	$44.75	1,175,700	$333,519,985
March 1 to March 31	767,205	$40.51	767,205	$302,443,669
April 1 to April 30	1,106,400	$41.35	1,106,400	$256,694,472
May 1 to May 31	644,500	$41.86	644,500	$229,714,677
June 1 to June 30	2,097,998	$40.85	2,097,998	$144,020,709
July 1 to July 31	593,264	$41.99	593,264	$119,107,804
August 1 to August 31	1,705,098	$41.66	1,705,098	$ 48,079,515
September 1 to September 30	748,787	$40.06	748,787	$ 18,079,594
Total	15,910,966	$42.70	15,910,966	

(a) In May 2007, the Company announced a program to purchase up to $850 million of its outstanding shares of common stock, subject to market conditions. In November 2007, the Company's board of directors authorized an increase to the $850 million repurchase program by $500 million, subject to market conditions. During the fiscal year ended September 30, 2008, the Company purchased 15.9 million shares of its common stock for $679.7 million under this program. There is no expiration date related to this program.

STOCK PERFORMANCE GRAPH

This graph depicts the Company's five year cumulative total stockholder returns relative to the performance of an index of peer companies selected by the Company and of the Standard and Poor's 500 Composite Stock Index from the market close on September 30, 2003 to September 30, 2008. The graph assumes $100 invested at the closing price of the common stock of the Company and of each of the other indices on the New York Stock Exchange on September 30, 2003. The points on the graph represent fiscal quarter-end index levels based on the last trading day in each fiscal quarter. The historical prices of the Company's common stock reflect the downward adjustment of approximately 3% that was made by the NYSE in all of the historical prices to reflect the divestiture of Long-Term Care. The Peer Group index (which is weighted on the basis of market capitalization) consists of the following companies engaged primarily in wholesale pharmaceutical distribution and related services: Cardinal Health, Inc. and McKesson Corporation.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*
AMONG AMERISOURCEBERGEN CORPORATION, THE S&P 500 INDEX
AND A PEER GROUP



* $100 invested on 9/30/03 in stock or index, including reinvestment of dividends. Fiscal year ended September 30.

ITEM 6. SELECTED FINANCIAL DATA

The following table should be read in conjunction with the consolidated financial statements, including the notes thereto, and Management's Discussion and Analysis of Financial Condition and Results of Operations beginning on page 26. All of the data illustrated below for fiscal 2007 and prior years have been restated to reflect PMSI as a discontinued operation.

	As of or for the fiscal year ended September 30,				
	2008 (a)	2007 (b)	2006 (c)	2005 (d)	2004 (e)
	(amounts in thousands, except per share amounts)				
Statement of Operations Data:					
Operating revenue	$67,518,933	$61,266,792	$56,282,216	$49,640,785	$48,427,639
Bulk deliveries to customer warehouses	2,670,800	4,405,280	4,530,205	4,564,723	4,308,339
Total revenue	70,189,733	65,672,072	60,812,421	54,205,508	52,735,978
Gross profit	2,047,002	2,219,059	2,121,616	1,864,822	2,043,307
Operating expenses	1,219,141	1,430,322	1,428,732	1,290,944	1,202,170
Operating income	827,861	788,737	692,884	573,878	841,137
Interest expense, net	64,496	32,244	12,464	57,223	113,100
Income from continuing operations	469,064	474,803	434,463	253,760	438,261
Net income	250,559	469,167	467,714	264,645	468,390
Earnings per share from continuing operations—diluted (f)(g)(h)	$ 2.89	$ 2.53	$ 2.09	$ 1.19	$ 1.90
Earnings per share—diluted (a)(f)(g)(h)	$ 1.54	$ 2.50	$ 2.25	$ 1.24	$ 2.03
Cash dividends declared per common share (f)	$ 0.30	$ 0.20	$ 0.10	$ 0.05	$ 0.05
Weighted average common shares outstanding—diluted (f)	162,460	187,886	207,446	215,540	235,558
Balance Sheet Data:					
Cash and cash equivalents	$ 878,114	$ 640,204	$ 1,261,268	$ 966,553	$ 871,343
Short-term investment securities available for sale	—	467,419	67,840	349,130	—
Accounts receivable, net	3,480,267	3,415,772	3,364,806	2,586,253	2,205,635
Merchandise inventories	4,211,775	4,097,811	4,418,717	4,000,611	5,133,074
Property and equipment, net	552,159	493,647	497,959	500,532	450,234
Total assets	12,217,786	12,310,064	12,783,920	11,381,174	11,654,003
Accounts payable	7,326,580	6,964,594	6,474,210	5,274,591	4,929,972
Long-term debt, including current portion	1,189,131	1,227,553	1,095,491	952,711	1,438,471
Stockholders' equity	2,710,045	3,099,720	4,141,157	4,280,357	4,339,045
Total liabilities and stockholders' equity	$12,217,786	$12,310,064	$12,783,920	$11,381,174	$11,654,003

(a) Includes $7.6 million of facility consolidations, employee severance and other costs, net of income tax benefit of $4.8 million and a $2.1 million gain from antitrust litigation settlements, net of income tax expense of $1.4 million. In fiscal 2008, the Company recorded a non-cash charge to reduce the carrying value of PMSI by $224.9 million, net of income tax benefit of $0.9 million. This non-cash charge, which is reflected in discontinued operations, reduced diluted earnings per share by $1.38.

(b) Includes $5.0 million of facility consolidations, employee severance and other costs, net of income tax expense of $2.9 million and a $22.1 million gain from antitrust litigation settlements, net of income tax expense of $13.7 million and also includes $17.5 million charge relating to the write-down of tetanus-diphtheria vaccine inventory to its estimated net realizable value, net of income tax benefit of $10.3 million.

As a result of the July 31, 2007 divestiture of Long-Term Care, the statement of operations data includes the operations of Long-Term Care for the ten months ended July 31, 2007 and the September 30, 2007 balance sheet data excludes Long-Term Care.

(c) Includes $14.2 million of facility consolidations, employee severance and other costs, net of income tax benefit of $5.9 million, a $25.8 million gain from antitrust litigation settlements, net of income tax expense of $15.1 million, and a $4.1 million gain on the sale of an equity investment and an eminent domain settlement, net of income tax expense of $2.4 million.

(d) Includes $14.0 million of facility consolidations, employee severance and other costs, net of income tax benefit of $8.7 million, a $71.4 million loss on early retirement of debt, net of income tax benefit of $40.5 million, a $24.7 million gain from antitrust litigation settlements, net of income tax expense of $15.4 million and an impairment charge of $3.2 million, net of income tax benefit of $2.1 million.

(e) Includes $4.6 million of facility consolidations, employee severance and other costs, net of income tax benefit of $2.9 million, a $14.5 million loss on early retirement of debt, net of income tax benefit of $9.1 million, and a $23.4 million gain from an antitrust litigation settlement, net of income tax expense of $14.6 million.

(f) On December 28, 2005, the Company effected a two-for-one stock split of its outstanding shares of common stock in the form of a 100% stock dividend. All applicable share and per-share amounts have been retroactively adjusted to reflect this stock split.

(g) Effective October 1, 2004, the Company changed its accounting method of recognizing cash discounts and other related manufacturer incentives. The Company recorded a $10.2 million charge for the cumulative effect of change in accounting (net of income tax benefit of $6.3 million) in the consolidated statement of operations for the fiscal year ended September 30, 2005. The $10.2 million charge reduced diluted earnings per share by $0.05 for the fiscal year ended September 30, 2005.

Had the Company used its current method of accounting for recognizing cash discounts and other related manufacturer incentives for the fiscal year ended September 30, 2004, diluted earnings per share from continuing operations would have been lower by $0.01.

(h) Effective October 1, 2005, the Company adopted Statement of Financial Accounting Standard 123R, using the modified-prospective transition method, and therefore, began to expense the fair value of all outstanding stock options over their remaining vesting periods to the extent the options were not fully vested as of the adoption date and began to expense the fair value of all share-based compensation awards granted subsequent to September 30, 2005 over their requisite service periods. Had the Company expensed share-based compensation for each of the two years ended September 30, 2005, diluted earnings per share from continuing operations would have been lower by $0.37 for fiscal 2004 and lower by $0.02 for fiscal 2005.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

The following discussion should be read in conjunction with the consolidated financial statements and notes thereto contained herein.

The Company is a pharmaceutical services company providing drug distribution and related healthcare services and solutions to its pharmacy, physician, and manufacturer customers, which currently are based primarily in the United States and Canada. The Company is organized based upon the products and services it provides to its customers. Substantially all of the Company's operations are located in the United States and Canada. The Company also has a pharmaceutical packaging operation in the United Kingdom.

On July 31, 2007, the Company completed the spin-off of its former institutional pharmacy business, PharMerica Long-Term Care ("Long-Term Care"). In connection with the spin-off, the Company continues to distribute pharmaceuticals to and generate cash flows from the disposed institutional pharmacy business. The historical operating results of Long-Term Care are not reported as a discontinued operation of the Company because of the significance of the continuing cash flows resulting from the pharmaceutical distribution agreement entered into between the disposed component and the Company. For periods prior to August 1, 2007, the Company's operating results include Long-Term Care.

Historically, the Company has evaluated and reported gross profit, operating expense, and operating income margins as a percentage of operating revenue because the gross profit and operating expenses relating to bulk deliveries were negligible, as a majority of this revenue represented direct shipments from manufacturers to customers' warehouses. In fiscal 2008, the Company began to transition a significant amount of business previously conducted on a bulk delivery basis to an operating revenue basis as a result of a new contract that the Company signed with its largest customer. As a result, the Company's revenue from bulk deliveries in the future will be insignificant to its total revenue and, therefore, beginning in fiscal 2008, the Company began to report gross profit, operating expense, and operating income margins as a percentage of total revenue (refer to Summary Segment Information table on page 28).

Acquisition

On October 1, 2007, the Company acquired Bellco Health for a purchase price of $162.2 million, net of $20.7 million of cash acquired. Bellco is a pharmaceutical distributor in the Metro New York City area, where it primarily services independent retail community pharmacies. The acquisition of Bellco expanded the Company's presence in this large community pharmacy market. Nationally, Bellco markets and sells generic pharmaceuticals to individual retail pharmacies, and provides pharmaceutical products and services to dialysis clinics. Bellco's revenues were $2.1 billion in fiscal 2008.

Divestiture

During fiscal 2008, the Company committed to a plan to divest its workers' compensation business, PMSI. In accordance with the Financial Accounting Standards Board's ("FASB's") Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," the Company classified PMSI's assets and liabilities as held for sale in the consolidated balance sheets and classified PMSI's operating results and cash flows as discontinued in the consolidated financial statements for the current and prior fiscal years presented. Previously, PMSI was included in the Company's Other reportable segment.

In October 2008, the Company completed the sale of PMSI for approximately $34 million, net of a working capital adjustment, including a $19 million subordinated note payable due from PMSI on the fifth anniversary of the closing date (the "maturity date"), of which $4 million may be payable in October 2010, if PMSI achieves certain revenue targets with respect to its largest customer. Interest, which accrues at an annual rate of 7%, will be payable in cash on a quarterly basis, if PMSI achieves a defined minimum fixed charge coverage ratio or will be compounded semi-annually and paid at maturity. Additionally, if PMSI's annual net revenue exceeds certain

thresholds through December 2011, the Company may be entitled to additional payments of up to $10 million under the subordinated note payable due from PMSI on the maturity date of the note. The Company recorded a non-cash charge of $225.8 million in fiscal 2008 to reduce the carrying value of PMSI. This charge, which is included in the loss from discontinued operations for the fiscal year ended September 30, 2008, was comprised of a $199.1 million write-off of PMSI's goodwill and a $26.7 million charge to record the Company's loss on the sale of PMSI. The tax benefit recorded in connection with the above charge was minimal as the loss on the sale of PMSI will be treated as a capital loss for income tax purposes, and the Company does not have significant capital gains to offset the capital loss.

Reportable Segments

The Company's operations are comprised of two reportable segments: Pharmaceutical Distribution and Other. The Other reportable segment includes the operating results of Long-Term Care, through the July 31, 2007 spin-off date. The operating results of PMSI, which was sold in October 2008, have been reclassified to discontinued operations.

Pharmaceutical Distribution

During fiscal 2008, the Pharmaceutical Distribution reportable segment was comprised of four operating segments, which included the operations of AmerisourceBergen Drug Corporation ("ABDC"), the AmerisourceBergen Specialty Group ("ABSG"), Bellco Health ("Bellco"), and the AmerisourceBergen Packaging Group ("ABPG"). We recently completed our integration of Bellco's separate operations within ABDC and ABSG and as of September 30, 2008, the Pharmaceutical Distribution reportable segment was comprised of three operating segments, which included ABDC, ABSG and ABPG. Servicing both healthcare providers and pharmaceutical manufacturers in the pharmaceutical supply channel, the Pharmaceutical Distribution segment's operations provide drug distribution and related services designed to reduce healthcare costs and improve patient outcomes.

ABDC distributes a comprehensive offering of brand-name and generic pharmaceuticals, over-the-counter healthcare products, home healthcare supplies and equipment, and related services to a wide variety of healthcare providers, including acute care hospitals and health systems, independent and chain retail pharmacies, mail order pharmacies, medical clinics, long-term care and other alternate site pharmacies and other customers. ABDC also provides pharmacy management, staffing and other consulting services, scalable automated pharmacy dispensing equipment, medication and supply dispensing cabinets, and supply management software to a variety of retail and institutional healthcare providers.

ABSG, through a number of individual operating businesses, provides pharmaceutical distribution and other services primarily to physicians who specialize in a variety of disease states, especially oncology, and to other healthcare providers, including dialysis clinics. ABSG also distributes vaccines, other injectables, plasma, and other blood products. In addition, through its specialty services businesses, ABSG provides a number of commercialization services, third party logistics, group purchasing, and other services for biotech and other pharmaceutical manufacturers, as well as reimbursement consulting, data analytics, practice management, and physician education. As previously noted, the dialysis-related business of Bellco has been integrated within ABSG as of September 30, 2008.

ABPG consists of American Health Packaging, Anderson Packaging ("Anderson"), and Brecon Pharmaceuticals Limited ("Brecon"). American Health Packaging delivers unit dose, punch card, unit-of-use, and other packaging solutions to institutional and retail healthcare providers. American Health Packaging's largest customer is ABDC, and, as a result, its operations are closely aligned with the operations of ABDC. Anderson is a leading provider of contracted packaging services for pharmaceutical manufacturers. Brecon is a United Kingdom-based provider of contract packaging and clinical trials materials services for pharmaceutical manufacturers.

Other

Prior to its divestiture, Long-Term Care was a leading national dispenser of pharmaceutical products and services to patients in long-term care and alternate site settings, including skilled nursing facilities, assisted living facilities and residential living communities. Long-Term Care's institutional pharmacy business involved the purchase of prescription and nonprescription pharmaceuticals, principally from our Pharmaceutical Distribution segment, and the dispensing of those products to residents in long-term care and alternate site facilities.

AmerisourceBergen Corporation
Summary Segment Information

	Total Revenue Fiscal year ended September 30,			2008 vs. 2007 Change	2007 vs. 2006 Change
	2008	2007	2006		
	(dollars in thousands)				
Pharmaceutical Distribution	$70,189,733	$65,340,623	$60,437,757	7%	8%
Other (a)	—	1,045,663	1,211,548	N/M	(14)
Intersegment eliminations	—	(714,214)	(836,884)	N/M	(15)
Total	$70,189,733	$65,672,072	$60,812,421	7%	8%

	Operating Income Fiscal year ended September 30,			2008 vs. 2007 Change	2007 vs. 2006 Change
	2008	2007	2006		
	(dollars in thousands)				
Pharmaceutical Distribution	$836,747	$729,978	$640,938	15%	14%
Other (a)	—	24,994	31,187	N/M	(20)
Facility consolidations, employee severance and other	(12,377)	(2,072)	(20,123)	497	(90)
Gain on antitrust litigation settlements	3,491	35,837	40,882	(90)	(12)
Total	$827,861	$788,737	$692,884	5%	14%
Percentages of total revenue:					
Pharmaceutical Distribution					
Gross profit	2.91%	2.87%	2.85%		
Operating expenses	1.72%	1.75%	1.79%		
Operating income	1.19%	1.12%	1.06%		
Other (a)					
Gross profit	N/M	29.37%	29.47%		
Operating expenses	N/M	26.98%	26.90%		
Operating income	N/M	2.39%	2.57%		
AmerisourceBergen Corporation					
Gross profit	2.92%	3.38%	3.49%		
Operating expenses	1.74%	2.18%	2.35%		
Operating income	1.18%	1.20%	1.14%		

(a) Other represents Long-Term Care's operating results for the ten-month period ended July 31, 2007 and for the fiscal year ended September 30, 2006.

Year ended September 30, 2008 compared with Year ended September 30, 2007

Consolidated Results

Operating revenue of $67.5 billion in fiscal 2008, which excludes bulk deliveries, increased 10% from the prior fiscal year. This increase was due to growth in our Pharmaceutical Distribution segment, particularly within our ABDC operating segment, and the Bellco acquisition. Additionally, in the March 2008 quarter, we began to transition a significant amount of business previously conducted on a bulk delivery basis to an operating revenue basis. This business transition, which contributed 3% of the operating revenue growth for the fiscal year ended September 30, 2008, resulted from a new contract that we signed with our largest customer.

The Company reports as revenue bulk deliveries to customer warehouses, whereby the Company acts as an intermediary in the ordering and delivery of pharmaceutical products. Bulk delivery transactions are arranged by the Company at the express direction of the customer, and involve either shipments from the supplier directly to customers' warehouse sites (i.e., drop shipment) or shipments from the supplier to the Company for immediate shipment to the customers' warehouse sites (i.e., cross-dock shipment). Bulk deliveries of $2.7 billion in fiscal 2008 decreased 39% from the prior fiscal year. This decline was due to the customer transition discussed above. The Company is a principal to these transactions because it is the primary obligor and has the ultimate responsibility for fulfillment and acceptability of the products purchased, and bears full risk of delivery and loss for products, whether the products are drop-shipped or shipped cross-dock. The Company also bears full credit risk associated with the creditworthiness of any bulk delivery customer. As a result, and in accordance with the Emerging Issues Task Force Issue No. 99-19, "Reporting Revenue Gross as a Principal versus Net as an Agent," the Company records bulk deliveries to customer warehouses as gross revenues. Due to the insignificant service fees generated from bulk deliveries, fluctuations in volume have no significant impact on operating margins. However, revenue from bulk deliveries has a positive impact on our cash flows due to favorable timing between the customer payments to us and payments by us to our suppliers.

Total revenue of $70.2 billion in fiscal 2008 increased 7% from the prior fiscal year. This increase was driven by the Pharmaceutical Distribution segment, which received a 3% contribution from the Bellco acquisition.

Gross profit of $2.0 billion in fiscal 2008 decreased 8% from the prior fiscal year. This decline was related to the Other segment, as prior year's consolidated results included $307.1 million of gross profit from the operating results of Long-Term Care through the July 31 spin-off date. The Other segment gross profit decrease was offset, in part, by the 9% increase in the Pharmaceutical Distribution Segment's gross profit for the fiscal year ended September 30, 2008, primarily due to revenue growth, including the acquisition of Bellco. In fiscal 2008 and 2007, we recognized gains of $3.5 million and $35.8 million, respectively, from antitrust litigation settlements with pharmaceutical manufacturers. These gains, which are net of attorney fees and estimated payments due to other parties, were recorded as reductions to cost of goods sold and contributed 0.2% and 1.6% of gross profit in fiscal 2008 and 2007, respectively. The Company is unable to estimate future gains, if any, it will recognize as a result of antitrust settlements (see Note 14 to the consolidated financial statements). As a percentage of total revenue, gross profit in fiscal 2008 decreased 46 basis points from the prior fiscal year, which included the operating results of Long-Term Care.

Distribution, selling and administrative expenses, depreciation and amortization ("DSAD&A") of $1.2 billion in fiscal 2008 decreased 16% from the prior fiscal year. This decline was related to the Other segment, as prior year's consolidated results included $282.1 million of DSAD&A from the operating results of Long-Term Care and was partially offset by operating expenses of our recent acquisitions, primarily those of Bellco.

The following table illustrates the charges incurred relating to facility consolidations, employee severance and other for the fiscal years ended September 30, 2008 and 2007 (in thousands):

	2008	2007
Facility consolidations and employee severance	$ 9,741	$(5,863)
Information technology transition costs	—	1,679
Costs relating to business divestitures	2,636	9,335
Gain on sale of assets	—	(3,079)
Total facility consolidations, employee severance and other	$12,377	$ 2,072

In fiscal 2008, the Company announced a more streamlined organizational structure and introduced an initiative ("cE2") designed to drive increased customer efficiency and cost effectiveness. In connection with these efforts, the Company reduced various operating costs and terminated certain positions. The Company expects to incur the majority of employee severance costs related to the above efforts through December 31, 2008. In fiscal 2008, the Company terminated approximately 130 employees and incurred $10.0 million of employee severance costs, relating to the aforementioned efforts.

In fiscal 2007, the Company completed its integration plan to consolidate its distribution network and eliminate duplicative administrative functions. The plan included building six new facilities, closing 31 facilities, and outsourcing a significant amount of its information technology activities. In fiscal 2008, the Company reversed $1.0 million of employee severance charges previously estimated and recorded related to this integration plan.

In fiscal 2006, the Company incurred a charge of $13.9 million for an increase in a compensation accrual due to an adverse decision in an employment-related dispute with a former Bergen Brunswig chief executive officer whose employment was terminated in 1999. In October 2007, the Company received a favorable ruling from a California appellate court reversing certain portions of the prior adverse decision. As a result, the Company reduced its liability in fiscal 2007 to the Bergen Brunswig chief executive officer by $10.4 million (see Bergen Brunswig Matter under Note 13 of the consolidated financial statements). The fiscal 2007 compensation expense reduction was recorded as a component of facility consolidations and employee severance.

Costs related to business divestitures in fiscal 2008 and 2007 related to PMSI and the Long-Term Care spin-off, respectively.

In fiscal 2007, the Company recognized a $3.1 million gain relating to the sale of certain retail pharmacy assets of its former Long-Term Care business.

The Company paid a total of $6.8 million and $20.7 million for employee severance, lease cancellation and other costs in fiscal 2008 and 2007, respectively. Remaining unpaid amounts of $21.4 million for employee severance, lease cancellation and other costs are included in accrued expenses and other in the accompanying consolidated balance sheet at September 30, 2008. Most employees receive their severance benefits over a period of time, generally not in excess of 12 months, while others may receive a lump-sum payment.

Operating income of $827.9 million in fiscal 2008 increased 5% from the prior fiscal year due to the 15% or $106.8 million increase in the Pharmaceutical Distribution segment's operating income, which was offset, in part, by a decrease of $32.3 million in gains from antitrust litigation settlements, and an increase of $10.3 million in facility consolidation, employee severance and other costs. Additionally, the prior fiscal year benefited from a $25.0 million contribution from Long-Term Care, prior to its July 2007 spin-off. As a percentage of total revenue, operating income in fiscal 2008 decreased 2 basis points from the prior fiscal year despite

Pharmaceutical Distribution's operating income as a percentage of total revenue increasing by 7 basis points. The costs of facility consolidations, employee severance and other, less the gain on antitrust litigation settlements, decreased operating income by $8.9 million in fiscal 2008 and reduced operating income as a percentage of total revenue by 1 basis point. The gain on antitrust litigation settlements, less the costs of facility consolidations, employee severance and other, contributed $33.8 million to operating income in fiscal 2007 and increased operating income as a percentage of total revenue by 5 basis points. Long-Term Care's operating income in fiscal 2007 increased operating income as a percentage of total revenue by 4 basis points.

Other loss of $2.0 million and $3.0 million in fiscal 2008 and 2007, respectively, primarily related to other-than-temporary impairment losses incurred with respect to equity investments.

Interest expense, interest income, and their respective weighted average interest rates in fiscal 2008 and 2007 were as follows (in thousands):

	2008		2007	
	Amount	Weighted Average Interest Rate	Amount	Weighted Average Interest Rate
Interest expense	$ 75,099	5.48%	$ 75,661	5.65%
Interest income	(10,603)	3.33%	(43,417)	4.26%
Interest expense, net	$ 64,496		$ 32,244	

Interest expense was relatively consistent when compared to the prior fiscal year as an increase of $85.2 million in average borrowings was offset by the decline in the weighted average interest rate. Interest income decreased substantially from the prior fiscal year primarily due to a decline of average invested cash and short-term investments from $976.2 million during the prior fiscal year to $309.5 million during fiscal 2008.

The decrease in invested cash and short-term investments from the prior fiscal year was primarily due to our use of cash for share repurchases, acquisitions, and capital expenditures, all of which, in the aggregate, exceeded our net cash provided by operating activities since the prior fiscal year. Our net interest expense in future periods may vary significantly depending upon our borrowings, interest rates, and strategic decisions to deploy our invested cash.

Income tax expense reflects an effective income tax rate of 38.4%, versus 37.0% in the prior fiscal year. The increase in the effective tax rate from the prior fiscal year was primarily due to the company having benefited less in the current year from tax-free investment income. We expect our effective tax rate going forward will approximate the fiscal 2008 tax rate.

We adopted FASB's Financial Interpretation ("FIN") No. 48, "Accounting for Uncertainty in Income Taxes," effective October 1, 2007. The cumulative effect of adoption of this interpretation resulted in a $9.3 million reduction in retained earnings. The adoption of the provisions of FIN No. 48 did not have a significant impact on our effective tax rate in fiscal 2008.

Income from continuing operations of $469.1 million in fiscal 2008 decreased 1% from $474.8 million in the prior fiscal year. The 5% increase in 2008 operating income was offset by the increase in net interest expense and the increase in the effective income tax rate. Diluted earnings per share from continuing operations of $2.89 increased 14% from $2.53 per share in the prior fiscal year. The difference between diluted earnings per share growth and the decline in income from continuing operations was due to the 14% reduction in weighted average common shares outstanding from purchases of our common stock in connection with our stock repurchase program (see Liquidity and Capital Resources), net of the impact of stock option exercises. The costs of facility consolidations, employee severance and other, less the gain on antitrust litigation settlements decreased income from continuing operations by $5.5 million and decreased diluted earnings per share by $0.03 in fiscal 2008. The gain on antitrust litigation settlements less the costs of facility consolidations, employee severance and other

contributed $17.0 million to income from continuing operations and $0.09 to diluted earnings per share in fiscal 2007. Additionally, the inclusion of Long-Term Care's operating results in fiscal 2007 increased diluted earnings per share from continuing operations by $0.08.

The loss from discontinued operations of $218.5 million, net of income taxes, relates to the PMSI business, which was sold in October 2008. The loss from discontinued operations in fiscal 2008 includes a $224.8 million charge, net of income taxes, recorded to reduce the carrying value of PMSI. Loss from discontinued operations of $5.6 million, net of income taxes, in fiscal 2007 included a $24.6 million charge, net of income taxes, incurred by the Company related to an adverse court ruling with respect to a contingent purchase price adjustment in connection with the 2003 acquisition of Bridge Medical, Inc. ("Bridge"), as previously discussed in Legal Proceedings under Item 3. Substantially all of the assets of the Bridge business were sold in July 2005. The aforementioned charge in fiscal 2007 was substantially offset by income from discontinued operations relating to the PMSI business.

Segment Information

Pharmaceutical Distribution

Pharmaceutical Distribution total revenue of $70.2 billion in fiscal 2008 increased 7% from the prior fiscal year primarily due to the 5% revenue growth of ABDC and the acquisition of Bellco, which contributed 3% of the total revenue increase. During fiscal 2008, 68% of total revenue was from sales to institutional customers and 32% was from sales to retail customers; this compared to a customer mix in the prior fiscal year of 64% institutional and 36% retail. In comparison with the prior fiscal year results, sales to institutional customers increased 15% primarily due to the acquisition of Bellco (the revenue of which is heavily weighted towards institutional customers) and the strong growth of certain large customers. Sales to retail customers decreased 5% primarily due to our decision not to renew a contract, effective January 2007, with a large retail customer and the July 1, 2008 loss of certain business totaling approximately $3.0 billion of annual revenue from a large retail drug chain customer.

ABDC's total revenue (excluding Bellco) increased by 5% in fiscal 2008 in comparison to the prior fiscal year. This revenue growth was primarily due to the increase in sales to certain of our large institutional customers, offset, in part, by the decline in retail customer revenue, as discussed above.

ABSG's total revenue (excluding Bellco) of $13.0 billion in fiscal 2008 increased 3% compared to the prior fiscal year primarily due to strong double-digit growth of its non-oncology distribution businesses. Oncology distribution's revenue, which represents approximately 60% of ABSG's total revenue, was flat compared to the prior fiscal year. ABSG's revenue growth was affected primarily by declining anemia drug sales and by one of its large customers for oncology drugs being acquired by a competitor in October 2007. The former customer contributed approximately $800 million to ABSG's revenue in fiscal 2007. The majority of ABSG's revenue is generated from the distribution of pharmaceuticals, primarily injectibles, to physicians who specialize in a variety of disease states, especially oncology. ABSG also distributes vaccines, plasma, and other blood products. ABSG's business may be adversely impacted in the future by changes in medical guidelines and the Medicare reimbursement rates for certain pharmaceuticals, including oncology drugs administered by physicians and anemia drugs. Since ABSG provides a number of services to or through physicians, any changes to this service channel could result in slower or reduced growth in revenues.

Revenue related to the distribution of anemia-related products, which represented approximately 5.8% of Pharmaceutical Distribution's total revenue in fiscal 2008, decreased approximately 23% from the prior fiscal year. The decline in sales of anemia-related products since the second half of fiscal 2007 has been most pronounced in the use of these products for cancer treatment. Sales of oncology anemia-related products represented approximately 2.2% of total revenue in fiscal 2008 and decreased approximately 32% from the prior fiscal year. Several developments contributed to the decline in sales of anemia drugs, including expanded

warning and other product safety labeling requirements, more restrictive federal policies governing Medicare reimbursement for the use of these drugs to treat oncology patients with kidney failure and dialysis, and changes in regulatory and clinical medical guidelines for recommended dosage and use. The U.S. Food and Drug Administration ("FDA") has announced that it is reviewing new clinical study data concerning the possible risks associated with erythropoiesis stimulating agents and may take additional action with regard to these drugs. In March 2008, manufacturers of certain anemia products announced further labeling revisions to reflect additional safety information. Moreover, the FDA announced on July 30, 2008 that it is ordering additional safety labeling changes related to the use of the drugs in the treatment of certain cancers. As a result, we expect oncology-related anemia drug sales to decline further in fiscal 2009 from our fiscal 2008 total. CMS has indicated that it may impose additional restrictions on Medicare coverage in the future. Also, on July 30, 2008, CMS announced it is considering a review of national Medicare coverage policy for these drugs for patients who have cancer or pre-dialysis chronic kidney disease. Further changes in medical guidelines for anemia drugs may impact the availability and extent of reimbursement for these drugs from third party payors, including federal and state governments and private insurance plans. Our future revenue growth rate and/or profitability may continue to be impacted by any future reductions in reimbursement for anemia drugs or changes that limit the dosage and or use of anemia drugs.

We currently expect that our total revenue growth in fiscal 2009 will be between 1% and 3%, as this range reflects market growth of 1%-2% as estimated by industry data firm IMS Healthcare, Inc., ("IMS"), the expected strong growth of certain of our large institutional customers, primarily within ABDC, offset in part by the loss of certain business with a national retail chain customer to a competitor, effective July 1, 2008. Sales to this chain customer approximated $3.0 billion of total revenue in fiscal 2008. The Pharmaceutical Distribution segment's expected growth largely reflects U.S. pharmaceutical industry conditions, including increases in prescription drug utilization, the introduction of new products, and higher pharmaceutical prices offset, in part, by the increased use of lower-priced generics. The segment's growth has also been impacted by industry competition and changes in customer mix. Industry sales in the United States, as estimated by IMS, are expected to grow between 1% and 2% in 2008 and 2009 and between 3% and 6% during the five-year period ending 2012. IMS also indicated that certain sectors of the market, such as biotechnology and other specialty and generic pharmaceuticals would grow faster than the overall market. The Pharmaceutical Distribution segment's future revenue growth will continue to be affected by various factors such as: competition within the industry, customer consolidation, changes in pharmaceutical manufacturer pricing and distribution policies and practices, increased downward pressure on reimbursement rates, changes in Federal government rules and regulations, industry growth trends, such as the likely increase in the number of generic drugs that will be available over the next few years as a result of the expiration of certain drug patents held by brand manufacturers, and general economic conditions.

Pharmaceutical Distribution gross profit of $2.0 billion in fiscal 2008 increased $167.4 million or 9% from the prior fiscal year. The increase in gross profit was primarily due to revenue growth, growth of our generic programs, the acquisition of Bellco, and strong brand-name manufacturer price appreciation. As a percentage of total revenue, gross profit in fiscal 2008 and 2007 was 2.91% and 2.87%, respectively. Fiscal 2008 gross profit benefited from gains of $13.2 million relating to favorable litigation settlements with a former customer (an independent retail group purchasing organization) and a major competitor and a $8.6 million settlement of disputed fees with a supplier, and was offset, in part, by an $8.4 million inventory write-down of certain pharmacy dispensing equipment. Fiscal 2007 gross profit was impacted by ABSG's $27.8 million charge relating to the write-down of tetanus-diphtheria vaccine inventory to its estimated net realizable value (see MBL Matter under Note 13 of consolidated financial statements).

Our cost of goods sold includes a last-in, first-out ("LIFO") provision that is affected by changes in inventory quantities, product mix, and manufacturer pricing practices, which may be impacted by market and other external influences. We recorded a LIFO charge of $21.1 million and $2.2 million in fiscal 2008 and 2007, respectively. The fiscal 2008 LIFO charge reflects greater brand-name supplier price inflation, which more than offset the impact of price deflation of generic drugs. During fiscal 2007, inventory declines resulted in liquidation

of LIFO layers carried at lower costs prevailing in the prior fiscal year. The effect of the liquidation in fiscal 2007 was to decrease cost of goods sold by $7.2 million.

Pharmaceutical Distribution operating expenses of $1.2 billion in fiscal 2008 increased $60.7 million or 5% from the prior fiscal year. This increase was primarily related to the operating expenses of our recent acquisitions, primarily those of Bellco. Additionally, operating expenses in fiscal 2008 were impacted by ABDC impairment charges related to capitalized equipment and software development costs totaling $10.8 million, primarily due to ABDC's decision to abandon the use of certain software which will be replaced in connection with our Business Transformation project. Operating expenses in fiscal 2008 were also impacted by a $5.3 million write-down of intangible assets relating to certain smaller business units. As a percentage of total revenue, operating expenses in fiscal 2008 decreased 3 basis points from the prior fiscal year due to improvements in operating leverage, primarily in ABDC, where operating expenses declined despite an increase in total revenue, due to a more streamlined organizational structure within ABDC and ABSG and the cost savings achieved resulting from our cE2 initiative.

Pharmaceutical Distribution operating income of $836.7 million in fiscal 2008 increased 15% from the prior fiscal year as the increase in gross profit exceeded the increase in operating expenses. As a percentage of total revenue, operating income in fiscal 2008 increased 7 basis points from the prior fiscal year due to the improvements in the gross profit and operating expense margins.

Other

The Other reportable segment includes the operating results of Long-Term Care, through the July 31, 2007 spin-off date. The operating results of PMSI, which was sold in October 2008, have been reclassified to discontinued operations.

Intersegment Eliminations

These amounts represent the elimination of the Pharmaceutical Distribution segment's sales to the Other segment. ABDC was the principal supplier of pharmaceuticals to the Other segment.

Year ended September 30, 2007 compared with Year ended September 30, 2006

Consolidated Results

Operating revenue of $61.3 billion in fiscal 2007, which excludes bulk deliveries, increased 9% from the prior fiscal year. This increase was primarily due to increases in operating revenue in our ABDC and ABSG operating segments, both of which are included in the Pharmaceutical Distribution reportable segment. Our acquisitions contributed 1% of the operating revenue growth in fiscal 2007.

The Company reports as revenue bulk deliveries to customer warehouses, whereby the Company acts as an intermediary in the ordering and delivery of pharmaceutical products. Bulk deliveries of $4.4 billion in fiscal 2007 decreased 3% from the prior fiscal year. Revenue relating to bulk deliveries fluctuates primarily due to changes in demand from the Company's largest bulk customer. Due to the insignificant service fees generated from bulk deliveries, fluctuations in volume have no significant impact on operating margins. However, revenue from bulk deliveries has a positive impact on the Company's cash flows due to favorable timing between the customer payments to the Company and payments by the Company to its suppliers.

Total revenue of $65.7 billion in fiscal 2007 increased 8% from the prior fiscal year. This increase was due to growth in our Pharmaceutical distribution segment.

Gross profit of $2.2 billion in fiscal 2007 increased 5% from the prior fiscal year. This increase was primarily due to the increase in Pharmaceutical Distribution operating revenue, an increase in compensation under its fee-for-service agreements and the growth of its generic programs, offset in part by a $27.8 million charge incurred by ABSG relating to tetanus-diphtheria vaccine inventory and the decline in gross profit of the Other Segment. During fiscal 2007 and 2006, the Company recognized gains of $35.8 million and $40.9 million, respectively, from antitrust litigation settlements with pharmaceutical manufacturers, which represented 1.6% and 1.9% of gross profit, respectively.

DSAD&A of $1.4 billion in fiscal 2007 increased 1% from the prior fiscal year. This increase was primarily related to our operating revenue growth, operating expenses of our acquired companies, an increase in bad debt expense of $11.0 million and an increase in share-based compensation of $8.1 million, all of which was partially offset by a decline in DSAD&A of the Other Segment, and a decline in employee incentive compensation. As a percentage of total revenue, DSAD&A in fiscal 2007 decreased 14 basis points from the prior fiscal year primarily due to the decline in DSAD&A of the Other Segment resulting from the divestiture of the Long-Term Care business.

The following table illustrates the charges incurred by the Company relating to facility consolidations, employee severance and other for the fiscal years ended September 30, 2007 and 2006 (in thousands):

	2007	2006
Facility consolidations and employee severance	$(5,863)	$ 4,271
Information technology transition costs	1,679	9,218
Costs relating to the Long-Term Care transaction	9,335	6,634
Gain on sale of assets	(3,079)	—
Total facility consolidations, employee severance and other	$ 2,072	$20,123

In fiscal 2007, the Company completed its integration plan to consolidate its distribution network and eliminate duplicative administrative functions. The plan included building six new facilities, closing 31 facilities and outsourcing a significant amount of its information technology activities.

In fiscal 2006, the Company incurred a charge of $13.9 million for an increase in a compensation accrual due to an adverse decision in an employment related dispute with a former Bergen Brunswig chief executive officer whose employment was terminated in 1999. In October 2007, the Company received a favorable ruling from a California appellate court reversing certain portions of the prior adverse decision. As a result, the Company reduced its liability in fiscal 2007 to the Bergen Brunswig chief executive officer by $10.4 million (see Bergen Brunswig Matter under Note 13 of the consolidated financial statements). The fiscal 2006 compensation expense and the fiscal 2007 reduction thereof have been recorded as a component of facility consolidations and employee severance.

In fiscal 2007, the Company recognized a $3.1 million gain relating to the sale of certain retail pharmacy assets of its former Long-Term Care business.

In fiscal 2006, the Company realized a $17.3 million gain from the sale of the former Bergen Brunswig headquarters building in Orange, California. This gain was recorded as a component of the facility consolidations and employee severance.

The Company paid a total of $20.7 million and $20.6 million for employee severance, lease cancellation and other costs during fiscal 2007 and 2006, respectively, related to the integration plan. Remaining unpaid amounts of $15.9 million for employee severance, lease cancellation, and other costs are included in accrued expenses and other in the accompanying consolidation balance sheet at September 30, 2007. Most employees receive their severance benefits over a period of time, generally not in excess of 12 months, while others may receive a lump-sum payment.

Operating income of $788.7 million in fiscal 2007 increased 14% from the prior fiscal year due to the Pharmaceutical Distribution segment, offset in part, by the Other segment. As a percentage of total revenue, operating income in fiscal 2007 increased 6 basis points from the prior fiscal year due to the improvement in Pharmaceutical Distribution's operating income margin. The gain on antitrust litigation settlements, less the costs of facility consolidations, employee severance and other contributed $33.8 million to operating income in fiscal 2007 and contributed 5 basis points to operating income as a percentage of total revenue. The gain on antitrust litigation settlements, less the costs of facility consolidations, employee severance and other contributed $20.8 million to operating income in fiscal 2006 and contributed 3 basis points to operating income as a percentage of total revenue.

Other loss of $3.0 million in fiscal 2007 primarily related to other-than-temporary impairment losses incurred with respect to equity investments. Other income of $4.4 million in fiscal 2006 primarily included a $3.4 million gain resulting from an eminent domain settlement and a $3.1 million gain on the sale of an equity investment, offset in part, by losses incurred relating to another equity investment.

Interest expense, interest income and their respective weighted average interest rates in fiscal 2007 and 2006 were as follows (in thousands):

	2007		2006	
	Amount	Weighted Average Interest Rate	Amount	Weighted Average Interest Rate
Interest expense	$ 75,661	5.65%	$ 65,874	5.64%
Interest income	(43,417)	4.26%	(53,410)	4.03%
Interest expense, net	$ 32,244		$ 12,464	

Interest expense increased from the prior fiscal year primarily due to an increase of $114.3 million in average borrowings primarily related to the Company's Canadian operations. Interest income decreased from the prior fiscal year due to a decline in average invested cash and short-term investments of $313.6 million from the prior fiscal year. The decrease in invested cash and short-term investments from the prior fiscal year was primarily related to the Company's $1.4 billion of purchases of its common stock in fiscal 2007, offset largely by $1.2 billion of net cash provided by operating activities.

Income tax expense reflects an effective income tax rate of 37.0%, versus 36.6% in the prior fiscal year. The tax rate for fiscal 2007 was greater than the tax rate from the prior fiscal year, which benefited from more favorable tax adjustments than fiscal 2007 and a larger portion of the Company's invested cash in tax-free investments.

Income from continuing operations of $474.8 million in fiscal 2007 increased 9% from the prior fiscal year due to the increase in operating income, partially offset by the increase in interest expense. Diluted earnings per share from continuing operations of $2.53 in fiscal 2007 increased 21% from $2.09 per diluted share in the prior fiscal year. The difference between diluted earnings per share growth and the increase in income from continuing operations was due to the 9% reduction in weighted average common shares outstanding from purchases of our common stock in connection with our stock repurchase program (see Liquidity and Capital Resources), net of the impact of stock option exercises. The divested Long-Term Care business contributed $0.08 and $0.10 of diluted earnings per share from continuing operations in fiscal 2007 and 2006, respectively. The gain on antitrust litigation settlements less the costs of facility consolidations, employee severance and other contributed $17.0 million to income from continuing operations and $0.09 to diluted earnings per share in fiscal 2007. The gain on antitrust litigation settlements, the eminent domain settlement, the sale of an equity investment and the favorable tax adjustments, less the costs of facility consolidations, employee severance and other contributed $23.2 million to income from continuing operations and $0.11 to diluted earnings per share in fiscal 2006.

Loss from discontinued operations of $5.6 million, net of income taxes, in fiscal 2007, included a $24.6 million charge, net of income taxes, incurred by the Company related to an adverse court ruling with respect to a contingent purchase price adjustment in connection with the 2003 acquisition of Bridge. Substantially all of the assets of the Bridge business were sold in July 2005. The aforementioned charge was substantially offset by income from discontinued operations of the PMSI business. Income from discontinued operations of $33.3 million, net of income taxes, in fiscal 2006 primarily related to the PMSI business.

Segment Information

Pharmaceutical Distribution

Pharmaceutical Distribution total revenue of $65.3 billion in fiscal 2007 increased 8% from the prior fiscal year. This increase was primarily driven by the strong, above market, 27% revenue growth of ABSG, principally in its distribution businesses. ABDC grew its total revenue by 4% in comparison to the prior fiscal year. During fiscal 2007, 64% of total revenue was from sales to institutional customers and 36% was from sales to retail customers; this compared to a customer mix in the prior fiscal year of 62% institutional and 38% retail. In comparison with the prior-year results, sales to institutional customers increased 10% primarily due to the strong growth of the specialty pharmaceutical business. Sales to retail customers increased 5% as growth in retail chain sales was offset, in part, by our decision to discontinue servicing the large lower margin customer discussed below.

The ABDC total revenue growth rate in fiscal 2007 benefited from increased sales to certain of its large customers and the 1% revenue contribution resulting from the full-year impact of its 2006 Canadian acquisitions. ABDC's total revenue growth rate was negatively impacted by the Company's decision not to renew a contract, effective January 2007, with a large, low-margin customer that contributed approximately $1.0 billion of total revenue for ABDC in fiscal 2006 and the July 2006 loss of two customer accounts that totaled $1.2 billion of revenue in fiscal 2006. These customer accounts transitioned to another distributor after they were acquired by a company supplied by that distributor.

ABSG grew at a rate in excess of overall pharmaceutical market growth. ABSG's total revenue of $12.6 billion in fiscal 2007 grew 27% from the prior fiscal year. The majority of this group's revenue is generated from the distribution of pharmaceuticals to physicians who specialize in a variety of disease states, especially oncology. ABSG's oncology business continued to outperform the market and was ABSG's most significant contributor to revenue growth. During fiscal 2007, the oncology business benefited from a semi-exclusive distribution agreement that it signed with a large biotechnology manufacturer during the second half of fiscal 2006 and ABSG's Besse Medical business experienced strong growth in fiscal 2007 primarily arising from the distribution of a new physician-administered ophthalmology product, which was introduced in the second half of fiscal 2006. ABSG also distributes vaccines, plasma and other blood products.

Approximately 6% of the Company's total revenue in fiscal 2007 related to the distribution of anemia-related products, which are distributed by both ABDC and ABSG. Several developments contributed to the decline in sales of anemia drugs during the second half of fiscal 2007, including the decision in March 2007 by the U.S. Food and Drug Administration ("FDA") to require an expanded warning label on these drugs, CMS's review of reimbursement policies for these drugs and restrictions on recommended dosage or use. In July 2007, CMS issued new, more restrictive policies regarding Medicare coverage of anemia drugs used in the treatment of oncology patients and for kidney failure and dialysis. On November 8, 2007, the FDA announced revised boxed warnings and other safety-related product labeling changes for these drugs addressing the risks posed to patients with cancer or chronic kidney failure. CMS also has indicated that it may impose additional restrictions on Medicare coverage in the future. Further changes in medical guidelines for anemia drugs may impact the availability and extent of reimbursement for these drugs from third party payers, including federal and state governments and private insurance plans.

This segment's growth largely reflects U.S. pharmaceutical industry conditions, including increases in prescription drug utilization, the introduction of new products, and higher pharmaceutical prices offset, in part, by the increased use of lower-priced generics. The segment's growth has also been impacted by industry competition and changes in customer mix.

Pharmaceutical Distribution gross profit of $1.9 billion in fiscal 2007 increased 9% from the prior fiscal year. The increase in gross profit was primarily due to the increase in total revenue, an increase in compensation under our fee-for-service agreements, and the growth of our generic programs offset in part by competitive pricing pressures and ABSG's $27.8 million charge relating to the write-down of tetanus-diphtheria vaccine inventory to its estimated net realizable value (see MBL Matter under Note 13 of the consolidated financial statements). As a percentage of total revenue, gross profit in fiscal 2007 increased 2 basis points from the prior fiscal year. The Company's cost of goods sold includes a last-in, first-out ("LIFO") provision that is affected by changes in inventory quantities, product mix, and manufacturer pricing practices, which may be impacted by market and other external influences. During fiscal 2007, inventory declines resulted in liquidation of LIFO layers carried at lower costs prevailing in the prior year. The effect of the liquidation in fiscal 2007 was to decrease cost of goods sold by $7.2 million.

Pharmaceutical Distribution operating expenses of $1.1 billion in fiscal 2007 increased 6% from the prior fiscal year. The increase was primarily related to our total revenue growth, operating expenses of our acquired companies, an increase in bad debt expense of $8.6 million primarily related to the bankruptcy of a retail chain customer in our West Region and an increase in share-based compensation, and was partially offset by a decrease in employee incentive compensation. As a percentage of total revenue, operating expenses in fiscal 2007 decreased 4 basis points from the prior fiscal year due to economies of scale realized as a result of the increase in operating revenue, productivity gains achieved throughout the Company's distribution network as a result of our Optimiz® program and a decrease in employee incentive compensation, and was partially offset by the increase in bad debt expense and the operating costs of our recently acquired companies.

Pharmaceutical Distribution operating income of $730.0 million in fiscal 2007 increased 14% from the prior fiscal year as the increase in gross profit exceeded the increase in operating expenses. As a percentage of total revenue, operating income in fiscal 2007 increased 6 basis points from the prior fiscal year due to the improvement in the operating expense margin.

Other

The Other reportable segment includes the operating results of Long-Term Care, through the July 31, 2007 spin-off date. The operating results of PMSI, which was sold in October 2008, have been reclassified to discontinued operations.

Intersegment Eliminations

These amounts represent the elimination of the Pharmaceutical Distribution segment's sales to the Other segment. ABDC was the principal supplier of pharmaceuticals to the Other segment.

Critical Accounting Policies and Estimates

Critical accounting policies are those policies which involve accounting estimates and assumptions that can have a material impact on the Company's financial position and results of operations and require the use of complex and subjective estimates based upon past experience and management's judgment. Because of the uncertainty inherent in such estimates, actual results may differ from these estimates. Below are those policies applied in preparing the Company's financial statements that management believes are the most dependent on the application of estimates and assumptions. For a complete list of significant accounting policies, see Note 1 to the consolidated financial statements.

Allowance for Doubtful Accounts

Trade receivables are primarily comprised of amounts owed to the Company for its pharmaceutical distribution and services activities and are presented net of an allowance for doubtful accounts and a reserve for customer sales returns. In determining the appropriate allowance for doubtful accounts, the Company considers a combination of factors, such as the aging of trade receivables, industry trends, its customers' financial strength, credit standing, and payment and default history. Changes in the aforementioned factors, among others, may lead to adjustments in the Company's allowance for doubtful accounts. The calculation of the required allowance requires judgment by Company management as to the impact of these and other factors on the ultimate realization of its trade receivables. Each of the Company's business units performs ongoing credit evaluations of its customers' financial condition and maintains reserves for probable bad debt losses based on historical experience and for specific credit problems when they arise. The Company writes off balances against the reserves when collectability is deemed remote. Each business unit performs formal documented reviews of the allowance at least quarterly and the Company's largest business units perform such reviews monthly. There were no significant changes to this process during the fiscal years ended September 30, 2008, 2007 and 2006 and bad debt expense was computed in a consistent manner during these periods. The bad debt expense for any period presented is equal to the changes in the period end allowance for doubtful accounts, net of write-offs, recoveries and other adjustments. Schedule II of this Form 10-K sets forth a rollforward of the allowance for doubtful accounts.

Bad debt expense for the fiscal years ended September 30, 2008, 2007 and 2006 was $27.6 million, $48.5 million and $37.5 million, respectively. Long-Term Care's bad debt expense, which is included in the above amounts, for the fiscal years ended September 30, 2007 and 2006 was $17.6 million and $15.2 million, respectively. The bankruptcy of a regional chain customer in ABDC's West Region accounted for a significant portion of the increase in bad debt expense from fiscal 2006 to fiscal 2007. An increase or decrease of 0.1% in the 2008 allowance as a percentage of trade receivables would result in an increase or decrease in the provision on accounts receivable of approximately $3.3 million.

Supplier Reserves

The Company establishes reserves against amounts due from its suppliers relating to various price and rebate incentives, including deductions or billings taken against payments otherwise due them from the Company. These reserve estimates are established based on the judgment of Company management after carefully considering the status of current outstanding claims, historical experience with the suppliers, the specific incentive programs and any other pertinent information available to the Company. The Company evaluates the amounts due from its suppliers on a continual basis and adjusts the reserve estimates when appropriate based on changes in factual circumstances. An increase or decrease of 0.1% in the 2008 supplier reserve balances as a percentage of trade payables would result in an increase or decrease in cost of goods sold by approximately $7.3 million. The ultimate outcome of any outstanding claim may be different from the Company's estimate.

Loss Contingencies

The Company accrues for loss contingencies related to litigation in accordance with Statement of Financial Accounting Standards ("SFAS") No. 5, "Accounting for Contingencies." An estimated loss contingency is accrued in the Company's consolidated financial statements if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Assessing contingencies is highly subjective and requires judgments about future events. The Company regularly reviews loss contingencies to determine the adequacy of the accruals and related disclosures. The amount of the actual loss may differ significantly from these estimates.

Merchandise Inventories

Inventories are stated at the lower of cost or market. Cost for approximately 78% and 79% of the Company's inventories at September 30, 2008 and 2007, respectively, have been determined using the last-in, first-out ("LIFO") method. If the Company had used the first-in, first-out ("FIFO") method of inventory valuation, which approximates current replacement cost, inventories would have been approximately $176.0 million and $154.9 million higher than the amounts reported at September 30, 2008 and 2007, respectively. We recorded a LIFO charge (credit) of $21.1 million, $2.2 million, and $(1.0) million in fiscal 2008, 2007, and 2006 respectively. During the fiscal year ended September 30, 2007, inventory declines resulted in liquidation of LIFO layers carried at lower costs prevailing in prior years. The effect of the liquidation in fiscal 2007 was to decrease cost of goods sold by $7.2 million and increase diluted earnings per share by $0.02.

Business Combinations

In accordance with the provisions of SFAS No. 141, "Business Combinations," the purchase price of an acquired company is allocated between tangible and intangible assets acquired and liabilities assumed from the acquired business based on their estimated fair values, with the residual of the purchase price recorded as goodwill. The Company engages third-party appraisal firms to assist management in determining the fair values of certain assets acquired and liabilities assumed. Such valuations require management to make significant judgments, estimates and assumptions, especially with respect to intangible assets. Management makes estimates of fair value based upon assumptions it believes to be reasonable. These estimates are based on historical experience and information obtained from the management of the acquired companies, and are inherently uncertain. Critical estimates in valuing certain of the intangible assets include but are not limited to: future expected cash flows from and economic lives of customer relationships, trade names, existing technology, and other intangible assets; and discount rates. Unanticipated events and circumstances may occur which may affect the accuracy or validity of such assumptions, estimates or actual events.

Goodwill and Intangible Assets

The Company accounts for purchased goodwill and intangible assets in accordance with Financial Accounting Standards Board ("FASB") SFAS No. 142 "Goodwill and Other Intangible Assets." Under SFAS No. 142, purchased goodwill and intangible assets with indefinite lives are not amortized; rather, they are tested for impairment on at least an annual basis. Intangible assets with finite lives, primarily customer relationships, non-compete agreements, patents and software technology, are amortized over their useful lives.

In order to test goodwill and intangible assets with indefinite lives under SFAS No. 142, a determination of the fair value of the Company's reporting units and intangible assets with indefinite lives is required and is based, among other things, on estimates of future operating performance of the reporting unit and/or the component of the entity being valued. The Company is required to complete an impairment test for goodwill and intangible assets with indefinite lives and record any resulting impairment losses at least on an annual basis or more often if warranted by events or changes in circumstances indicating that the carrying value may exceed fair value ("impairment indicators"). This impairment test includes the projection and discounting of cash flows, analysis of the Company's market capitalization and estimating the fair values of tangible and intangible assets and liabilities. Estimating future cash flows and determining their present values are based upon, among other things, certain assumptions about expected future operating performance and appropriate discount rates determined by management. In fiscal 2008, PMSI experienced certain customer losses and learned that it would lose its largest customer at the end of calendar 2008. As a result, and after considering other factors, the Company committed to a plan to divest PMSI. The Company performed an interim impairment test of its PMSI reporting unit and determined that its goodwill was impaired. Therefore, PMSI wrote-off the carrying value of its goodwill of $199.1 million. In addition, it also recognized charges of $26.7 million to record the estimated loss on the sale of PMSI (see Note 4 to the consolidated financial statements). The Company completed its required annual impairment tests relating to goodwill and other intangible assets with indefinite lives in the fourth quarter of

fiscal 2008 and, as a result, recorded $5.3 million of impairment charges. The Company's estimates of cash flows may differ from actual cash flows due to, among other things, economic conditions, changes to the business model, or changes in operating performance. Significant differences between these estimates and actual cash flows could materially affect the Company's future financial results.

Share-Based Compensation

The Company utilizes a binomial option pricing model to determine the fair value of share-based compensation expense, which involves the use of several assumptions, including expected term of the option, future volatility, dividend yield and forfeiture rate. The expected term of options represents the period of time that the options granted are expected to be outstanding and is based on historical experience. Expected volatility is based on historical volatility of the Company's stock as well as other factors, such as implied volatility.

Income Taxes

The Company's income tax expense, deferred tax assets and liabilities, and uncertain tax positions reflect management's assessment of estimated future taxes to be paid on items in the financial statements. Deferred income taxes arise from temporary differences between financial reporting and tax reporting bases of assets and liabilities, as well as net operating loss and tax credit carryforwards for tax purposes.

The Company has established a net valuation allowance against certain deferred tax assets for which the ultimate realization of future benefits is uncertain. Expiring carryforwards and the required valuation allowances are adjusted annually. After application of the valuation allowances described above, the Company anticipates that no limitations will apply with respect to utilization of any of the other net deferred income tax assets described above.

Effective October 1, 2007, the Company adopted the provisions of FIN No. 48, "Accounting for Uncertainty in Income Taxes." FIN No. 48 provides that a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. FIN No. 48 also provides guidance, among other things, on the measurement of the income tax benefit associated with uncertain tax positions, de-recognition, classification, interest and penalties and financial statement disclosures.

The Company has established an estimated liability for federal, state and non-U.S. income tax exposures that arise and meet the criteria for accrual under FIN No. 48. The Company prepares and files tax returns based on its interpretation of tax laws and regulations and records estimates based on these judgments and interpretations. In the normal course of business, the Company's tax returns are subject to examination by various taxing authorities. Such examinations may result in future tax and interest assessments by these taxing authorities. Inherent uncertainties exist in estimates of tax contingencies due to changes in tax law resulting from legislation, regulation and/or as concluded through the various jurisdictions' tax court systems.

The Company believes that its estimates for the valuation allowances against deferred tax assets and tax contingency reserves are appropriate based on current facts and circumstances. However, others applying reasonable judgment to the same facts and circumstances could develop a different estimate and the amount ultimately paid upon resolution of issues raised may differ from the amounts accrued.

The significant assumptions and estimates described in the preceding paragraphs are important contributors to the ultimate effective tax rate in each year. If any of the Company's assumptions or estimates were to change, an increase or decrease in the Company's effective tax rate by 1% on income from continuing operations before income taxes would have caused income tax expense to change by $7.6 million in fiscal 2008.

Liquidity and Capital Resources

The following table illustrates the Company's debt structure at September 30, 2008, including availability under revolving credit facilities and the receivables securitization facility (in thousands):

	Outstanding Balance	Additional Availability
Fixed-Rate Debt:		
\$400,000, 5⅝% senior notes due 2012	\$ 398,773	\$ —
\$500,000, 5⅞% senior notes due 2015	498,112	—
Other	840	—
Total fixed-rate debt	897,725	—
Variable-Rate Debt:		
Blanco revolving credit facility due 2009	55,000	—
Multi-currency revolving credit facility due 2011	235,130	447,515
Receivables securitization facility due 2009	—	975,000
Other	1,276	2,343
Total variable-rate debt	291,406	1,424,858
Total debt, including current portion	\$1,189,131	\$1,424,858

The Company's aggregate availability under its revolving credit facilities and its receivables securitization facility provide sufficient sources of capital to fund the Company's working capital requirements.

The Company has a \$750 million five-year multi-currency senior unsecured revolving credit facility (the "Multi-Currency Revolving Credit Facility") with a syndicate of lenders. In the fourth quarter of fiscal 2008, one of the lenders, Lehman Commercial Paper, Inc., filed for bankruptcy. As a result, the Company's availability under the Multi-Currency Revolving Credit Facility was reduced by \$55 million. Interest on borrowings under the Multi-Currency Revolving Credit Facility accrues at specified rates based on the Company's debt rating and ranges from 19 basis points to 60 basis points over LIBOR/EURIBOR/Bankers Acceptance Stamping Fee, as applicable (40 basis points over LIBOR/EURIBOR/Bankers Acceptance Stamping Fee at September 30, 2008). Additionally, interest on borrowings denominated in Canadian dollars may accrue at the greater of the Canadian prime rate or the CDOR rate. The Company pays quarterly facility fees to maintain the availability under the Multi-Currency Revolving Credit Facility at specified rates based on the Company's debt rating, ranging from 6 basis points to 15 basis points of the total commitment (10 basis points at September 30, 2008). The Company may choose to repay or reduce its commitments under the Multi-Currency Revolving Credit Facility at any time. The Multi-Currency Revolving Credit Facility contains covenants that impose limitations on, among other things, indebtedness of excluded subsidiaries and asset sales. Additional covenants require compliance with financial tests, including a leverage ratio.

The Company has a \$975 million receivables securitization facility ("Receivables Securitization Facility"), of which \$181.2 million expires in June 2009 and \$793.8 million expires in November 2009. The Company has available to it an accordion feature whereby the commitment may be increased, subject to lender approval, to \$1.2 billion for seasonal needs during the December and March quarters. Interest rates are based on prevailing market rates for short-term commercial paper plus a program fee, and vary based on the Company's debt ratings. The program fee and the commitment fee, on average, were 53 basis points and 20 basis points, respectively, at September 30, 2008. At September 30, 2008, there were no borrowings under the Receivables Securitization Facility. In connection with the Receivables Securitization Facility, ABDC sells on a revolving basis certain accounts receivable to Amerisource Receivables Financial Corporation, a wholly owned special purpose entity, which in turn sells a percentage ownership interest in the receivables to commercial paper conduits sponsored by financial institutions. ABDC is the servicer of the accounts receivable under the Receivables Securitization Facility. After the maximum limit of receivables sold has been reached and as sold receivables are collected,

additional receivables may be sold up to the maximum amount available under the facility. The facility is a financing vehicle utilized by the Company because it generally offers an attractive interest rate relative to other financing sources. The Company securitizes its trade accounts, which are generally non-interest bearing, in transactions that are accounted for as borrowings under SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities." The agreement governing the Receivables Securitization Facility contains restrictions and covenants which include limitations on the incurrence of additional indebtedness, making of certain restricted payments, issuance of preferred stock, creation of certain liens, and certain corporate acts such as mergers, consolidations and sale of substantially all assets.

The $55 million Blanco revolving credit facility, which was scheduled to expire in April 2008, was amended and now expires in April 2009. Borrowings under the Blanco credit facility are guaranteed by the Company. Interest on borrowings under the Blanco credit facility accrues at the specific rates based on the Company's debt rating (55 basis points over LIBOR at September 30, 2008). Additionally, the Company pays quarterly facility fees on the full amount of the facility to maintain the availability under the Blanco credit facility at specific rates based on the Company's debt rating (10 basis points at September 30, 2008). The borrowing is not classified in the current portion of long-term debt on the consolidated balance sheet at September 30, 2008 because the Company has the ability and intent to refinance it on a long-term basis.

The Company has outstanding $400 million of 5⅝% senior notes due September 15, 2012 (the "2012 Notes") and $500 million of 5⅞% senior notes due September 15, 2015 (the "2015 Notes"). The 2012 Notes and 2015 Notes each were sold at 99.5% of principal amount and have an effective yield of 5.71% and 5.94%, respectively. Interest on the 2012 Notes and the 2015 Notes is payable semiannually in arrears. Both the 2012 Notes and the 2015 Notes are redeemable at the Company's option at a price equal to the greater of 100% of the principal amount thereof, or the sum of the discounted value of the remaining scheduled payments, as defined.

In January 2008, the Company's debt rating was raised by one of the rating agencies. In accordance with the terms of the Multi-Currency Revolving Credit Facility and the Blanco credit facility, interest on borrowings began accruing at lower rates, reducing the LIBOR spread and the facility fee on both facilities. In July 2008, the Company's debt rating was raised by another rating agency, and, as a result, the Company's senior unsecured debt is now rated investment grade by all three of the primary rating agencies. While the July 2008 ratings upgrade does not affect the Company's borrowing rates, it will no longer be required to maintain minimum earnings to fixed charges ratios, in connection with the Multi-Currency Revolving Credit Facility.

The Company's operating results have generated cash flow, which, together with availability under its debt agreements and credit terms from suppliers, has provided sufficient capital resources to finance working capital and cash operating requirements, and to fund capital expenditures, acquisitions, repayment of debt, the payment of interest on outstanding debt, dividends, and repurchases of shares of the Company's common stock.

Recent deterioration in general economic conditions could adversely affect the amount of prescriptions that are filled and the amount of pharmaceutical products purchased by consumers and, therefore, reduce purchases by our customers. In addition, interest rate fluctuations and volatility in financial markets may also negatively impact our customers' ability to obtain credit to finance their businesses on acceptable terms. Reduced purchases by our customers or changes in payment terms could adversely affect our revenue growth and cause a decrease in our cash flow from operations.

Recently, the credit markets have been experiencing volatility and disruption. As previously mentioned, one of our lenders under the Multi-Currency Revolving Credit Facility filed for bankruptcy, and as a result, our availability under this facility was reduced by $55 million. We continue to monitor the creditworthiness of our lenders and while we do not currently anticipate the failure of any additional lenders under our revolving credit facilities and/or under the liquidity facilities of our receivables securitization facility, the failure of any further lenders could have an adverse effect on our ability to finance our business operations.

Additionally, our receivables securitization facility expires in calendar 2009. While we did not have any borrowings outstanding under this facility as of September 30, 2008, we have historically utilized amounts available to us under this facility throughout the year to meet our business needs. In fiscal 2009, we will seek to renew this facility at available market rates, which we believe will be higher than the interest rates currently available to us. While we believe we will be able to renew this facility, there can be no assurance that we will be able to do so.

The Company's primary ongoing cash requirements will be to finance working capital, fund the payment of interest on debt, fund repurchases of its common stock, finance acquisitions and fund capital expenditures and routine growth and expansion through new business opportunities. For example, in October 2007, the Company purchased Bellco for $162.2 million, net of $20.7 million of cash acquired. In November 2007, the Company's board of directors authorized an increase to the $850 million share repurchase program by $500 million, subject to market conditions. During the fiscal year ended September 30, 2008, the Company purchased $679.7 million of its common stock. As of September 30, 2008, the Company had approximately $18.1 million of availability remaining on its $1,350 million share repurchase program. In November 2008, the Company's board of directors approved a new program authorizing the Company to purchase up to $500 million of its outstanding shares of common stock, subject to market conditions. The Company expects to purchase approximately $350 million of its common stock in fiscal 2009, subject to market conditions. Future cash flows from operations and borrowings are expected to be sufficient to fund the Company's ongoing cash requirements.

Following is a summary of the Company's contractual obligations for future principal and interest payments on its debt, minimum rental payments on its noncancelable operating leases and minimum payments on its other commitments at September 30, 2008 (in thousands):

	Payments Due by Period				
	Total	Within 1 year	1-3 years	4-5 years	After 5 years
Debt, including interest payments	$1,495,892	$111,823	$108,682	$716,637	$558,750
Operating leases	242,663	64,071	90,084	39,593	48,915
Other commitments	551,033	130,713	170,584	148,484	101,252
Total	$2,289,588	$306,607	$369,350	$904,714	$708,917

The $55 million Blanco revolving credit facility, which expires in April 2009, is included in the "Within 1 year" column in the above repayment table. However, this borrowing is not classified in the current portion of long-term debt on the consolidated balance sheet at September 30, 2008 because the Company has the ability and intent to refinance it on a long-term basis.

The Company has commitments to purchase product from influenza vaccine manufacturers through June 30, 2015. The Company is required to purchase annual doses at prices that the Company believes will represent market prices. The Company currently estimates its remaining purchase commitment under these agreements, as amended, will be approximately $379.2 million as of September 30, 2008. These influenza vaccine commitments are included in "Other commitments" in the above table.

The Company outsources a significant portion of its corporate and ABDC information technology activities to IBM Global Services. The remaining commitment under this ten-year outsourcing arrangement, which expires in June 2015, is approximately $115.7 million and is included in "Other commitments" in the above table.

During fiscal 2008, the Company's operating activities provided $737.1 million of cash as compared to cash provided of $1,207.9 million in the prior fiscal year. Net cash provided by operating activities during fiscal 2008 was principally the result of income from continuing operations of $469.1 million, non-cash items of $212.8 million, and an increase in accounts payable, accrued expenses and income taxes of $53.7 million. Non-cash

items included the provision for deferred income taxes of $62.1 million, which was significantly higher than the prior fiscal year due to the increase in income tax deductions associated with merchandise inventories. Merchandise inventories increased slightly despite the 7% increase in total revenue, as the number of average inventory days on hand decreased by 2 days compared to the prior fiscal year primarily due to the continued benefits achieved from the consolidation of our distribution network and strong inventory management. Accounts receivable declined by $8.7 million from the prior fiscal year compared to the increase in sales as average days sales outstanding declined from 19.4 days in fiscal 2007 to 18.7 days in fiscal 2008 due to changes in customer mix including the July 1, 2008 sales reduction with a large chain customer. Additionally ABDC, which has lower average days sales outstanding than ABSG, grew faster than ABSG in fiscal 2008. Accounts payable, accrued expenses and income taxes grew less than revenues due to the reversal of favorable timing at the end of fiscal 2007. Average days payable outstanding in fiscal 2008 declined by ½ of one day from the prior fiscal year. Operating cash uses during fiscal 2008 included $68.5 million in interest payments and $262.9 million of income tax payments, net of refunds.

During fiscal 2007, the Company's operating activities provided $1,207.9 million of cash as compared to cash provided of $807.3 million in the prior fiscal year. Cash provided by operating activities during fiscal 2007 was principally the result of income from continuing operations of $474.8 million, non-cash items of $181.1 million, an increase in accounts payable, accrued expenses and income taxes of $507.6 million, and a decrease in merchandise inventories of $286.1 million, partially offset by an increase in accounts receivable of $236.0 million. The increase in accounts payable, accrued expenses and income taxes was primarily driven by the increase in sales and days payable outstanding. Days payable outstanding in fiscal 2007 increased by 2 days from the prior fiscal year due to favorable timing of payments to our suppliers and the strong growth of ABSG, which has a higher days payable outstanding ratio than ABDC because certain of ABSG's businesses have more favorable payment terms with their suppliers. The inventory turnover rate for the Pharmaceutical Distribution segment improved to 13.6 times in fiscal 2007 from 12.2 times in the prior fiscal year. The number of inventory days on hand decreased compared to the prior fiscal year primarily due to the benefits resulting from the Company having completed its integration plan to consolidate the ABDC distribution network and the strong growth of ABSG's business, which has lower inventory days on hand requirements. After several years of consolidation activity, the 26 U.S. ABDC distribution facilities in fiscal 2007 provided a stable distribution network environment, which combined with strong inventory management, resulted in a significant reduction in safety stock inventory. The increase in accounts receivable was due to the increase in operating revenue and an increase in average days sales outstanding for the Pharmaceutical Distribution segment. Average days sales outstanding for the Pharmaceutical Distribution segment increased to 18.8 days in fiscal 2007 from 16.7 days in the prior fiscal year. This increase was largely driven by the above-market rate growth of the Specialty Group, which generally has a higher receivable investment than the ABDC distribution business. Operating cash uses during fiscal 2007 included $65.9 million in interest payments and $253.2 million of income tax payments, net of refunds.

During fiscal 2006, the Company's operating activities provided $807.3 million of cash as compared to cash provided of $1,526.6 million in the prior fiscal year. Cash provided by operating activities during fiscal 2006 was principally the result of income from continuing operations of $434.5 million, non-cash items of $215.1 million (of which $89.2 million represented deferred income taxes), and a $1,152.7 million increase in accounts payable, accrued expenses and income taxes, partially offset by a $673.2 million increase in accounts receivable and a $349.3 million increase in merchandise inventories. The increase in accounts payable was primarily a result of our 13% operating revenue increase and the timing of payments to our suppliers. The increase in inventory was due to the increase in operating revenue, net of the effect of the increase in the inventory turnover rate. The inventory turnover rate for the Pharmaceutical Distribution segment improved to 12.2 times in fiscal 2006 from 10.2 times in the prior fiscal year. The improvement was derived from lower average inventory levels due to an increase in the number of fee-for-service agreements, inventory management and other vendor agreements, and a reduction in the number of distribution facilities. The increase in accounts receivable was due to the increase in operating revenue and an increase in average days sales outstanding. Average days sales outstanding for the Pharmaceutical Distribution segment increased to 16.7 days in fiscal 2006 from 15.4 days in the prior fiscal year.

This increase was largely driven by the above-market rate growth of the Specialty Group, which generally has a higher receivable investment than the ABDC business. Deferred income taxes of $89.2 million in fiscal 2006 were significantly higher than the prior fiscal year, primarily due to the increase in income tax deductions associated with merchandise inventories. Operating cash uses during fiscal year 2006 included $62.3 million in interest payments and $107.5 million of income tax payments, net of refunds.

Capital expenditures in fiscal 2008, 2007 and 2006 were $137.3 million, $111.3 million and $111.9 million, respectively. Capital expenditures in fiscal 2008 related principally to improving our information technology infrastructure, which included a significant purchase of software relating to our ERP-enabled Business Transformation project, the expansion of our ABPG production facility in Rockford, Illinois, and investments in warehouse expansions and improvements. Capital expenditures in fiscal 2007 related principally to improving our information technology infrastructure, investments in ABDC warehouse expansions, equipment investments at ABSG and ABPG, equipment and furniture related to ABSG's new corporate facility, and ABPG's Illinois facility expansion. Capital expenditures in fiscal 2006 related principally to the construction of our new ABDC distribution facilities, investments in warehouse expansions and improvements, information technology and warehouse automation. The Company currently estimates that it will spend approximately $140 million for capital expenditures during fiscal 2009.

In October 2007, the Company purchased Bellco, a privately held New York distributor of branded and generic pharmaceuticals, for a purchase price of $162.2 million, net of $20.7 million of cash acquired.

In October 2006, the Company acquired IgG, a specialty pharmacy and infusion services business specializing in IVIG, for $37.2 million. In November 2006, the Company acquired AMD, a Canadian company that provides services including reimbursement support and nursing support services, for $13.4 million. In April 2007, the Company acquired Xcenda, a consulting business which applies customized solutions and innovative approaches that discover and communicate the value of pharmaceuticals and other healthcare technologies, for $25.2 million. Additionally, in fiscal 2007, in connection with its fiscal 2006 acquisition of Brecon, the Company made a contingent payment in the amount of $7.6 million to the former owners of Brecon. The Company also made payments of $2.9 million in fiscal 2007 related to certain prior period acquisitions.

During fiscal 2006, the Company established operations in Canada by acquiring three distributors. The Company acquired Trent for a purchase price of $81.1 million, the Company acquired substantially all of the assets of Asenda for a purchase price of $18.2 million, and the Company acquired Rep-Pharm, Inc. for a purchase price of $47.5 million. All three businesses acquired now comprise AmerisourceBergen Canada Corporation. In fiscal 2006, the Company also acquired Brecon, a United Kingdom-based company, for an initial purchase price of $50.2 million, acquired Network for Medical Communication & Research, LLC ("NMCR") for a purchase price of $86.6 million, and acquired certain assets of a technology solutions company relating to the Long-Term Care business for $12.6 million. The assets of this technology solutions company were subsequently included in the Long-Term Care divestiture transaction.

Net cash used in investing activities in fiscal 2008, 2007, and 2006 included purchases and sales of short-term investment securities. Net proceeds (purchases) relating to these investment activities in fiscal 2008, 2007, and 2006 were $467.4 million, $(399.6) million, and $281.3 million, respectively. These short-term investment securities primarily consisted of commercial paper and tax-exempt variable rate demand notes used to maximize the Company's after tax interest income. The Company does not have any short-term investment securities as of September 30, 2008, nor has it purchased or sold short-term investment securities since its second fiscal quarter ended March 31, 2008.

Net cash used in investing activities in fiscal 2007 also included proceeds from the sales of property and equipment, primarily related to the sale of certain distribution facilities and proceeds from the sales of other assets, which principally related to the sale of certain retail pharmacy assets of the Company's former Long-Term Care business.

Net cash used in investing activities in fiscal 2006 also included proceeds of $49.6 million from the sale of property and equipment (of which $38.0 million related to the sale of the former Bergen Brunswig headquarters in Orange, California), proceeds of $28.1 million from two sale-leaseback transactions entered into by the Company with financial institutions relating to equipment previously acquired for its new distribution facilities, and $7.6 million of proceeds from the sale of an equity investment and an eminent domain settlement.

Net cash used in financing activities in fiscal 2008, 2007, and 2006 included net (repayments) borrowings of $(16.4) million, $101.8 million, and $134.9 million, respectively, under the Company's revolving and securitization credit facilities. The net borrowings in fiscal 2007 and 2006 were primarily related to the Company's Canadian operations.

In connection with the spin-off transaction, Long-Term Care borrowed $125.0 million from a financial institution, and provided a one-time distribution to the Company. This distribution is reflected as a financing activity on the Company's Consolidated Statement of Cash Flows for the fiscal year ended September 30, 2007.

During fiscal 2008, 2007, and 2006, the Company purchased a total of $679.7 million, $1,434.4 million and $717.7 million, respectively, of its common stock in connection with its share repurchase programs, which are summarized below.

In May 2007, the Company's board of directors authorized a program allowing the Company to purchase up to $850 million of its outstanding shares of common stock, subject to market conditions. During fiscal 2007, the Company purchased $652.6 million under this new program. In November 2007, the Company's board of directors authorized an increase to the $850 million share repurchase program by $500 million, subject to market conditions. During fiscal 2008, the Company purchased $679.7 million under this program. The Company has $18.1 million of availability remaining under this share repurchase program as of September 30, 2008.

In August 2006, the Company's board of directors authorized a program allowing the Company to purchase up to $750 million of its outstanding shares of common stock. During fiscal 2007, the Company purchased 15.6 million shares of its common stock to complete its authorization under this program.

In May 2005, the Company's board of directors authorized a program allowing the Company to purchase up to $450 million of its outstanding shares of common stock. Through June 30, 2005, the Company had purchased $94.2 million of its common stock under this program. In August 2005, the Company's board of directors authorized an increase to the amount available under this program by approximately $394 million, bringing the then-remaining availability to $750 million, and the total repurchase program to approximately $844 million. During fiscal 2006 and 2007, the Company purchased $748.4 million and $1.6 million, respectively, of its common stock under this program.

During fiscal 2008, 2007, and 2006, the Company paid quarterly cash dividends of $0.075, $0.05, and $0.025 per share, respectively. On November 13, 2008, the Company's board of directors increased the quarterly dividend by 33% and declared a cash dividend of $0.10 per share, which will be paid on December 8, 2008 to stockholders of record as of the close of business on November 24, 2008. The Company anticipates that it will continue to pay quarterly cash dividends in the future. However, the payment and amount of future dividends remain within the discretion of the Company's board of directors and will depend upon the Company's future earnings, financial condition, capital requirements and other factors.

Market Risk

The Company's most significant market risk is the effect of fluctuations in interest rates. The Company manages interest rate risk by using a combination of fixed-rate and variable-rate debt. The Company also has market risk exposure relating to its cash and cash equivalents and its short-term investment securities

available-for-sale. At September 30, 2008, the Company had $291.4 million of variable-rate debt. The amount of variable rate debt fluctuates during the year based on the Company's working capital requirements. The Company periodically evaluates various financial instruments that could mitigate a portion of its exposure to variable interest rates. However, there are no assurances that such instruments will be available on terms acceptable to the Company. There were no such financial instruments in effect at September 30, 2008.

The Company had $878.1 million in cash and cash equivalents at September 30, 2008. The unfavorable impact of a hypothetical decrease in interest rates on cash and cash equivalents would be partially offset by the favorable impact of such a decrease on variable-rate debt. For every $100 million of cash invested that is in excess of variable-rate debt, a 50 basis point decrease in interest rates would increase the Company's annual net interest expense by $0.5 million.

The non-U.S. operations of the Company are exposed to foreign currency and exchange rate risk. The Company may utilize foreign currency denominated forward contracts to hedge against changes in foreign exchange rates. Such contracts generally have durations of less than one year. During fiscal 2008, the Company's largest exposures to foreign exchange rates existed primarily with the Canadian Dollar. The Company had no foreign currency denominated forward contracts at September 30, 2008. The Company may use derivative instruments to hedge its foreign currency exposures but not for speculative or trading purposes.

Recently Issued Financial Accounting Standards

In June 2006, the Financial Accounting Standards Board ("FASB") issued FIN No. 48, "Accounting for Uncertainty in Income Taxes," which clarifies the accounting for uncertainty in income taxes recognized in financial statements in accordance with SFAS No. 109, "Accounting for Income Taxes." Effective October 1, 2007, the Company adopted the provisions of FIN No. 48. Refer to Note 5 to the consolidated financial statements for additional information regarding the Company's adoption of FIN No. 48.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements," which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This standard applies under other accounting pronouncements that require or permit fair value measurements, but does not require any new fair value measurements. SFAS No. 157 will become effective for the Company's financial assets and liabilities in fiscal 2009 and nonfinancial assets and liabilities in fiscal 2010. The adoption of this standard is not expected to have a material impact on the Company's financial position, results of operations, or liquidity.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities, including an amendment of FASB Statement No. 115." SFAS No. 159 permits the Company to elect fair value as the initial and subsequent measurement attribute for certain financial assets and liabilities that are not otherwise required to be measured at fair value, on an instrument-by-instrument basis. If the Company elects the fair value option, it would be required to recognize changes in fair value in its earnings. This standard also establishes presentation and disclosure requirements designed to improve comparisons between entities that choose different measurement attributes for similar types of assets and liabilities. SFAS No. 159 will be effective for fiscal 2009. The adoption of this standard is not expected to have a material impact on the Company's financial position, results of operations, or liquidity.

In December 2007, the FASB issued SFAS No. 141R, "Business Combinations," which replaces SFAS No. 141. SFAS No. 141R establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the goodwill acquired, the liabilities assumed, and any non-controlling interest in the acquired business. SFAS No. 141R also establishes disclosure requirements, which will enable users to evaluate the nature and financial effects of the business combination. SFAS No. 141R is effective as of the beginning of an entity's fiscal year that begins after December 15, 2008, which will be the Company's fiscal year beginning October 1, 2009. The Company is currently evaluating the impact of adopting this standard.

Forward-Looking Statements

Certain of the statements contained in this Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") and elsewhere in this report are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements are based on management's current expectations and are subject to uncertainty and change in circumstances. Among the factors that could cause actual results to differ materially from those projected, anticipated or implied are the following: changes in pharmaceutical market growth rates; the loss of one or more key customer or supplier relationships; changes in customer mix; customer or supplier defaults or insolvencies; changes in pharmaceutical manufacturers' pricing and distribution policies or practices; adverse resolution of any contract or other dispute with customers or suppliers; federal and state government enforcement initiatives to detect and prevent suspicious orders of controlled substances and the diversion of controlled substances; changes in U.S. Legislation or regulatory action affecting pharmaceutical product pricing or reimbursement policies, including under Medicaid and Medicare; changes in regulatory or clinical medical guidelines and/or labeling for the pharmaceuticals we distribute, including erythropoiesis-stimulating agents (ESAs) used to treat anemia patients; price inflation in branded pharmaceuticals and price deflation in generics; significant breakdown or interruption of our information technology systems; success of integration, restructuring or systems initiatives; interest rate and foreign currency exchange rate fluctuations; economic, business, competitive and/or regulatory developments in Canada, the United Kingdom and elsewhere outside of the United States; the impact of divestitures or the acquisition of businesses that do not perform as we expect or that are difficult for us to integrate or control; our inability to successfully complete any other transaction that we may wish to pursue from time to time; changes in tax legislation or adverse resolution of challenges to our tax positions; our ability to maintain adequate liquidity and financing sources; continued volatility and further deterioration of the capital and credit markets; and other economic, business, competitive, legal, tax, regulatory and/or operational factors affecting our business generally. Certain additional factors that management believes could cause actual outcomes and results to differ materially from those described in forward-looking statements are set forth elsewhere in this MD&A, in Item 1A (Risk Factors), Item 1 (Business) and elsewhere in this report.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's most significant market risks are the effects of changing interest rates and foreign currency risk. See discussion on page 47 under the heading "Market Risk," which is incorporated by reference herein.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm 51

Consolidated Financial Statements:

Consolidated Balance Sheets as of September 30, 2008 and 2007 52

Consolidated Statements of Operations for the Fiscal Years Ended September 30, 2008, 2007, and 2006 53

Consolidated Statements of Changes in Stockholders' Equity for the Fiscal Years Ended September 30, 2008, 2007, and 2006 54

Consolidated Statements of Cash Flows for the Fiscal Years Ended September 30, 2008, 2007, and 2006 55

Notes to Consolidated Financial Statements 56

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of AmerisourceBergen Corporation

We have audited the accompanying consolidated balance sheets of AmerisourceBergen Corporation and subsidiaries as of September 30, 2008 and 2007, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for each of the three years in the period ended September 30, 2008. Our audits also included the financial statement schedule listed in the Index at Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of AmerisourceBergen Corporation and subsidiaries at September 30, 2008 and 2007, and the consolidated results of their operations and their cash flows for each of the three years in the period ended September 30, 2008, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

As discussed in Note 1 to the consolidated financial statements, AmerisourceBergen Corporation changed its method of accounting for uncertainty in income taxes in fiscal 2008. As discussed in Note 9 to the consolidated financial statements, AmerisourceBergen Corporation changed its method of accounting for defined benefit pension and post-retirement plans in fiscal 2007.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), AmerisourceBergen Corporation's internal control over financial reporting as of September 30, 2008, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated November 25, 2008 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Philadelphia, Pennsylvania
November 25, 2008

AMERISOURCEBERGEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	September 30, 2008	September 30, 2007
	(in thousands, except share and per share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 878,114	$ 640,204
Short-term investment securities available-for-sale	—	467,419
Accounts receivable, less allowances for returns and doubtful accounts: 2008—$393,714; 2007—$374,121	3,480,267	3,415,772
Merchandise inventories	4,211,775	4,097,811
Prepaid expenses and other	55,914	31,828
Assets held for sale	43,691	284,818
Total current assets	8,669,761	8,937,852
Property and equipment, at cost:		
Land	35,258	35,793
Buildings and improvements	281,001	260,438
Machinery, equipment and other	616,942	533,279
Total property and equipment	933,201	829,510
Less accumulated depreciation	(381,042)	(335,863)
Property and equipment, net	552,159	493,647
Other assets:		
Goodwill and other intangible assets	2,875,366	2,743,285
Other assets	120,500	135,280
Total other assets	2,995,866	2,878,565
TOTAL ASSETS	$12,217,786	$12,310,064
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 7,326,580	$ 6,964,594
Accrued expenses and other	270,823	334,190
Current portion of long-term debt	1,719	476
Accrued income taxes	—	32,099
Deferred income taxes	550,708	506,414
Liabilities held for sale	17,759	26,337
Total current liabilities	8,167,589	7,864,110
Long-term debt, net of current portion	1,187,412	1,227,077
Other liabilities	152,740	119,157
Stockholders' equity:		
Common stock, $ 0.01 par value—authorized, issued and outstanding: 600,000,000 shares, 240,577,082 shares and 156,215,460 shares at September 30, 2008, respectively, and 600,000,000 shares, 237,926,795 shares and 169,476,139 shares at September 30, 2007, respectively	2,406	2,379
Additional paid-in capital	3,692,023	3,583,387
Retained earnings	2,479,078	2,286,489
Accumulated other comprehensive loss	(16,490)	(5,247)
Treasury stock, at cost: 2008—84,361,622 shares; 2007—68,450,656 shares	(3,446,972)	(2,767,288)
Total stockholders' equity	2,710,045	3,099,720
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$12,217,786	$12,310,064

See notes to consolidated financial statements.

AMERISOURCEBERGEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

Fiscal year ended September 30,	2008	2007	2006
	(in thousands, except per share data)		
Operating revenue	$67,518,933	$61,266,792	$56,282,216
Bulk deliveries to customer warehouses	2,670,800	4,405,280	4,530,205
Total revenue	70,189,733	65,672,072	60,812,421
Cost of goods sold	68,142,731	63,453,013	58,690,805
Gross profit	2,047,002	2,219,059	2,121,616
Operating expenses:			
Distribution, selling and administrative	1,124,683	1,343,575	1,326,713
Depreciation	64,954	68,227	68,980
Amortization	17,127	16,448	12,916
Facility consolidations, employee severance and other	12,377	2,072	20,123
Operating income	827,861	788,737	692,884
Other loss (income)	2,027	3,004	(4,387)
Interest expense, net	64,496	32,244	12,464
Income from continuing operations before income taxes	761,338	753,489	684,807
Income taxes	292,274	278,686	250,344
Income from continuing operations	469,064	474,803	434,463
(Loss) income from discontinued operations, net of income tax expense of $2,150, $10,285, and $22,103 for fiscal 2008, 2007, and 2006, respectively	(218,505)	(5,636)	33,251
Net income	$ 250,559	$ 469,167	$ 467,714
Earnings per share:			
Basic earnings per share:			
Continuing operations	$ 2.92	$ 2.56	$ 2.12
Discontinued operations	(1.36)	(0.03)	0.16
Total	$ 1.56	$ 2.53	$ 2.28
Diluted earnings per share:			
Continuing operations	$ 2.89	$ 2.53	$ 2.09
Discontinued operations	(1.34)	(0.03)	0.16
Rounding	(0.01)	—	—
Total	$ 1.54	$ 2.50	$ 2.25
Weighted average common shares outstanding:			
Basic	160,642	185,181	205,009
Diluted	162,460	187,886	207,446

See notes to consolidated financial statements.

AMERISOURCEBERGEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total
	(in thousands, except per share data)					
September 30, 2005	$2,312	$3,314,060	$1,604,093	$(24,814)	$ (615,294)	$ 4,280,357
Net income			467,714			467,714
Reduction in minimum pension liability, net of tax of $6,598				10,576		10,576
Other, net of tax				(1,065)		(1,065)
Total comprehensive income						477,225
Cash dividends declared, $0.10 per share			(20,595)			(20,595)
Exercise of stock options	42	116,126				116,168
Excess tax benefit from exercise of stock options		21,878				21,878
Share-based compensation expense		16,412				16,412
Common stock purchases for employee stock purchase plan		(1,532)				(1,532)
Purchases of common stock					(748,756)	(748,756)
September 30, 2006	2,354	3,466,944	2,051,212	(15,303)	(1,364,050)	4,141,157
Net income			469,167			469,167
Foreign currency translation				8,801		8,801
Reduction in minimum pension liability, net of tax of $7,693				12,032		12,032
Other, net of tax				(209)		(209)
Total comprehensive income						489,791
Adoption of SFAS No. 158, net of tax of $6,757				(10,568)		(10,568)
Cash dividends declared, $0.20 per share			(37,249)			(37,249)
Divestiture of PharMerica Long-Term Care			(196,641)			(196,641)
Exercise of stock options	25	74,992				75,017
Excess tax benefit from exercise of stock options		19,603				19,603
Share-based compensation expense		24,964				24,964
Common stock purchases for employee stock purchase plan		(1,622)				(1,622)
Settlement of accelerated stock repurchase agreement		(1,494)				(1,494)
Purchases of common stock					(1,403,238)	(1,403,238)
September 30, 2007	2,379	3,583,387	2,286,489	(5,247)	(2,767,288)	3,099,720
Net income			250,559			250,559
Foreign currency translation				(8,708)		(8,708)
Benefit plan funded status adjustment, net of tax of $3,157				(4,938)		(4,938)
Benefit plan actuarial loss amortization to earnings, net of tax of $901				1,410		1,410
Other, net of tax				993		993
Total comprehensive income						239,316
Cash dividends declared, $0.30 per share			(48,674)			(48,674)
Adoption of FIN No. 48			(9,296)			(9,296)
Exercise of stock options	27	71,196				71,223
Excess tax benefit from exercise of stock options		11,988				11,988
Share-based compensation expense		26,384				26,384
Common stock purchases for employee stock purchase plan		(932)				(932)
Purchases of common stock					(679,684)	(679,684)
September 30, 2008	$2,406	$3,692,023	$2,479,078	$(16,490)	$(3,446,972)	$ 2,710,045

See notes to consolidated financial statements.

AMERISOURCEBERGEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Fiscal year ended September 30,	2008	2007	2006
		(in thousands)	
OPERATING ACTIVITIES			
Net income	$ 250,559	$ 469,167	$ 467,714
Loss (income) from discontinued operations	218,505	5,636	(33,251)
Income from continuing operations	469,064	474,803	434,463
Adjustments to reconcile income from continuing operations to net cash provided by operating activities:			
Depreciation, including amounts charged to cost of goods sold	75,239	76,680	76,018
Amortization, including amounts charged to interest expense	20,643	21,117	16,802
Provision for doubtful accounts	27,630	48,500	37,457
Provision for deferred income taxes	62,112	11,979	89,206
Share-based compensation	25,503	24,059	15,975
Loss (gain) on disposal of property and equipment	5,036	(1,229)	(15,972)
Other	(3,402)	40	(4,387)
Changes in operating assets and liabilities, excluding the effects of acquisitions and dispositions:			
Accounts receivable	8,745	(236,031)	(673,175)
Merchandise inventories	(8,013)	286,096	(349,284)
Prepaid expenses and other assets	(11,497)	(7,508)	(8,466)
Accounts payable, accrued expenses, and income taxes	53,684	507,565	1,152,686
Other liabilities	(5,120)	1,644	108
Net cash provided by operating activities-continuing operations	719,624	1,207,715	771,431
Net cash provided by operating activities-discontinued operations	17,445	189	35,834
NET CASH PROVIDED BY OPERATING ACTIVITIES	737,069	1,207,904	807,265
INVESTING ACTIVITIES			
Capital expenditures	(137,309)	(111,278)	(111,871)
Cost of acquired companies, net of cash acquired	(169,230)	(86,266)	(296,224)
Proceeds from sales of property and equipment	3,020	8,077	49,639
Proceeds from sale-leaseback transactions	—	—	28,143
Proceeds from sales of other assets	1,878	5,205	7,582
Purchases of investment securities available-for-sale	(909,105)	(7,745,672)	(1,997,022)
Proceeds from sale of investment securities available-for-sale	1,376,524	7,346,093	2,278,312
Net cash provided by (used in) investing activities-continuing operations	165,778	(583,841)	(41,441)
Net cash used in investing activities-discontinued operations	(2,357)	(90,596)	(1,261)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	163,421	(674,437)	(42,702)
FINANCING ACTIVITIES			
Borrowings under revolving and securitization credit facilities	5,956,027	722,767	468,463
Repayments under revolving and securitization credit facilities	(5,972,423)	(621,014)	(333,575)
Proceeds from borrowing related to PharMerica Long-Term Care distribution	—	125,000	—
Deferred financing costs and other	(1,125)	(2,648)	(2,941)
Purchases of common stock	(679,684)	(1,434,385)	(717,714)
Exercises of stock options, including excess tax benefits of $11,988, $19,603, and $21,878, in fiscal 2008, 2007, and 2006 respectively	84,394	94,620	138,046
Cash dividends on common stock	(48,674)	(37,249)	(20,595)
Purchases of common stock for employee stock purchase plan	(932)	(1,622)	(1,532)
Net cash used in financing activities-continuing operations	(662,417)	(1,154,531)	(469,848)
Net cash used in financing activities-discontinued operations	(163)	—	—
NET CASH USED IN FINANCING ACTIVITIES	(662,580)	(1,154,531)	(469,848)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	237,910	(621,064)	294,715
Cash and cash equivalents at beginning of year	640,204	1,261,268	966,553
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 878,114	$ 640,204	$ 1,261,268

See notes to consolidated financial statements.

Note 1. Summary of Significant Accounting Policies

AmerisourceBergen Corporation (the "Company") is a pharmaceutical services company providing drug distribution and related healthcare services and solutions to its pharmacy, physician and manufacturer customers, which currently are based primarily in the United States and Canada. Prior to the July 31, 2007 divestiture of PharMerica Long-Term Care (see below and Note 3), the Company dispensed pharmaceuticals to long-term care patients. For further information on the Company's operating segments, see Note 15.

Basis of Presentation

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries as of the dates and for the fiscal years indicated. All intercompany accounts and transactions have been eliminated in consolidation.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual amounts could differ from these estimated amounts.

On July 31, 2007, the Company completed the spin-off of its former institutional pharmacy business, PharMerica Long-Term Care ("Long-Term Care"). Beginning August 1, 2007, the operating results of Long-Term Care ceased to be included in the operating results of the Company. In accordance with Financial Accounting Standards Board ("FASB") Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," the historical operating results of Long-Term Care are not reported as a discontinued operation of the Company because of the significance of the continuing cash flows resulting from the pharmaceutical distribution agreement entered into between the disposed component and the Company. Accordingly, for periods prior to August 1, 2007, the Company's operating results include Long-Term Care. The Pharmaceutical Distribution segment's sales to Long-Term Care before the spin-off in the fiscal years ended September 30, 2007 and 2006 were $714.2 million and $836.9 million, respectively, which were eliminated in consolidation in the Company's historical operating results.

During the fiscal year ended September 30, 2008, the Company committed to a plan to divest its workers' compensation business, PMSI. In accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," the Company classified PMSI's assets and liabilities as held for sale in the consolidated balance sheets and classified PMSI's operating results and cash flows as discontinued in the consolidated financial statements for the current and prior fiscal years presented. Previously, PMSI was included in the Company's Other reportable segment. In October 2008, the Company completed the sale of PMSI (see Note 4).

Certain reclassifications have been made to prior-year amounts in order to conform to the current-year presentation.

Business Combinations

The purchase price of an acquired company is allocated between tangible and intangible assets acquired and liabilities assumed from the acquired business based on their estimated fair values, with the residual of the purchase price recorded as goodwill. The results of operations of the acquired businesses are included in the Company's results from the dates of acquisition (see Note 2).

Cash Equivalents

The Company classifies highly liquid investments with maturities of three months or less at the date of purchase as cash equivalents. The carrying value of cash equivalents approximates fair value.

Concentrations of Credit Risk and Allowance for Doubtful Accounts

The Company sells its merchandise inventories to a large number of customers in the healthcare industry that include institutional and retail healthcare providers. Institutional healthcare providers include acute care hospitals, health systems, mail order pharmacies, long-term care and other alternate care pharmacies and providers of pharmacy services to such facilities, and physician offices. Retail healthcare providers include national and regional retail drugstore chains, independent community pharmacies and pharmacy departments of supermarkets and mass merchandisers. The financial condition of the Company's customers can be affected by changes in government reimbursement policies as well as by other economic pressures in the healthcare industry.

The Company's trade accounts receivable are exposed to credit risk, but the risk is moderated because the Company's customer base is diverse and geographically widespread. The Company generally does not require collateral for trade receivables. The Company performs ongoing credit evaluations of its customers' financial condition and maintains an allowance for doubtful accounts. In determining the appropriate allowance for doubtful accounts, the Company considers a combination of factors, such as the aging of trade receivables, industry trends, its customers' financial strength, credit standing, and payment and default history. Changes in these factors, among others, may lead to adjustments in the Company's allowance for doubtful accounts. The calculation of the required allowance requires judgment by Company management as to the impact of those and other factors on the ultimate realization of its trade receivables. Each of the Company's business units performs ongoing credit evaluations of its customers' financial condition and maintains reserves for probable bad debt losses based on historical experience and for specific credit problems when they arise. There were no significant changes to this process during the fiscal years ended September 30, 2008, 2007, and 2006 and bad debt expense was computed in a consistent manner during these periods. The bad debt expense for any period presented is equal to the changes in the period end allowance for doubtful accounts, net of write-offs, recoveries and other adjustments. Schedule II of this Form 10-K sets forth a rollforward of the allowance for doubtful accounts. At September 30, 2008, the largest trade receivable due from a single customer represented approximately 9% of accounts receivable, net. In fiscal 2008, Medco Health Solutions, Inc. ("Medco"), our largest customer, accounted for 17% of our total revenue. No other single customer accounted for more than 10% of the Company's total revenue.

The Company maintains cash and cash equivalents with several financial institutions. Deposits held with banks may exceed the amount of insurance provided on such deposits. These deposits may be redeeemed upon demand, and are maintained with financial institutions with reputable credit, and, therefore, bear minimal credit risk. The Company seeks to mitigate such risks by monitoring the risk profiles of these counterparties. The Company also seeks to mitigate risk by monitoring the investment strategy of money market funds that it is invested in, which are classified as cash equivalents.

Derivative Financial Instruments

The Company accounts for derivative financial instruments in accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, which requires that all derivatives be recorded on the balance sheet at fair value and establishes criteria for designation and effectiveness of hedging relationships.

As of September 30, 2008 and 2007, there were no outstanding derivative financial instruments. The Company's policy prohibits it from entering into derivative financial instruments for speculative or trading purposes. The Company evaluates hedge effectiveness and records any ineffective portion in other income or expense.

Equity Investments

The Company uses the equity method of accounting for its investments in entities in which it has significant influence; generally, this represents an ownership interest of between 20% and 50%. The Company's investments

in marketable equity securities in which the Company does not have significant influence are classified as "available for sale" and are carried at fair value, with unrealized gains and losses excluded from earnings and reported in the accumulated other comprehensive loss component of stockholders' equity. Unrealized losses that are determined to be other-than-temporary impairment losses are recorded as a component of earnings in the period in which that determination is made.

Foreign Currency

The functional currency of the Company's foreign operations is the applicable local currency. Assets and liabilities are translated into U.S. dollars using the current exchange rates in effect at the balance sheet date, while revenues and expenses are translated at the weighted-average exchange rates for the period. The resulting translation adjustments are recorded as a component of accumulated other comprehensive loss within stockholders' equity.

Goodwill and Other Intangible Assets

The Company accounts for purchased goodwill and intangible assets in accordance with SFAS No. 142 "Goodwill and Other Intangible Assets." Under SFAS No. 142, purchased goodwill and intangible assets with indefinite lives are not amortized; rather, they are tested for impairment on at least an annual basis. Intangible assets with finite lives, primarily customer relationships, non-compete agreements, patents and software technology, are amortized over their useful lives from 2 to 15 years.

The Company's operating segments of AmerisourceBergen Drug Corporation, AmerisourceBergen Specialty Group, and AmerisourceBergen Packaging Group are also the reporting units under SFAS No. 142. Each operating segment has an executive who is responsible for managing the segment and reporting directly to the President and Chief Executive Officer of the Company, the Company's Chief Operating Decision Maker ("CODM"), as defined by SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information." Each of the operating segments is comprised of a number of operating units, which are considered to be components under SFAS No. 142. The operating units, for which discrete financial information is available, are aggregated for purposes of goodwill impairment testing.

In order to test goodwill and intangible assets with indefinite lives under SFAS No. 142, a determination of the fair value of the Company's reporting units and intangible assets with indefinite lives is required and is based, among other things, on estimates of future operating performance of the reporting unit and/or the component of the entity being valued. The Company is required to complete an impairment test for goodwill and intangible assets with indefinite lives and record any resulting impairment losses at least on an annual basis or more often if warranted by events or changes in circumstances indicating that the carrying value may exceed fair value ("impairment indicators"). This impairment test includes the projection and discounting of cash flows, analysis of the Company's market capitalization and estimating the fair values of tangible and intangible assets and liabilities. Estimating future cash flows and determining their present values are based upon, among other things, certain assumptions about expected future operating performance and appropriate discount rates determined by management. In fiscal 2008, PMSI experienced certain customer losses and learned that it would lose its largest customer at the end of calendar 2008. As a result, and after considering other factors, the Company committed to a plan to divest PMSI. The Company performed an interim impairment test of its PMSI reporting unit and determined that its goodwill was impaired. Therefore, PMSI wrote-off the carrying value of its goodwill of $199.1 million. In addition, it also recognized charges of $26.7 million to record the estimated loss on the sale of PMSI (see Note 4). The Company completed its required annual impairment tests relating to goodwill and other intangible assets with indefinite lives in the fourth quarter of fiscal 2008 and, as a result, recorded $5.3 million of impairment charges. The Company's estimates of cash flows may differ from actual cash flows due to, among other things, economic conditions, changes to the business model, or changes in operating performance. Significant differences between these estimates and actual cash flows could materially affect the Company's future financial results.

Income Taxes

The Company accounts for income taxes using the asset and liability method in accordance with the provisions of SFAS No. 109, "Accounting for Income Taxes." The asset and liability method requires recognition of deferred tax assets and liabilities for expected future tax consequences of temporary differences that currently exist between tax bases and financial reporting bases of the Company's assets and liabilities. In assessing the ability to realize deferred tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized.

In June 2006, the FASB issued Financial Interpretation ("FIN") No. 48, "Accounting for Uncertainty in Income Taxes," which clarifies the accounting for uncertainty in income taxes recognized in financial statements in accordance with SFAS No. 109, "Accounting for Income Taxes." Effective October 1, 2007, the Company adopted the provisions of FIN No. 48 (see Note 5 for additional information regarding the Company's adoption of FIN No. 48).

Loss Contingencies

The Company accrues for loss contingencies related to litigation in accordance SFAS No. 5, "Accounting for Contingencies." An estimated loss contingency is accrued if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Assessing contingencies is highly subjective and requires judgments about future events. The Company regularly reviews loss contingencies to determine the adequacy of the accruals and related disclosures. The amount of the actual loss may differ significantly from these estimates.

Manufacturer Incentives

The Company accounts for fees and other incentives received from its suppliers, relating to the purchase or distribution of inventory, as a reduction to cost of goods sold, in accordance with FASB's Emerging Issues Task Force ("EITF") Issue No. 02-16, "Accounting by a Customer for Certain Consideration Received from a Vendor." The Company considers these fees and other incentives to represent product discounts, and as a result, they are capitalized as product costs and relieved through cost of goods sold upon the sale of the related inventory.

Merchandise Inventories

Inventories are stated at the lower of cost or market. Cost for approximately 78% and 79% of the Company's inventories at September 30, 2008 and 2007, respectively, have been determined using the last-in, first-out (LIFO) method. If the Company had used the first-in, first-out (FIFO) method of inventory valuation, which approximates current replacement cost, inventories would have been approximately $176.0 million and $154.9 million higher than the amounts reported at September 30, 2008 and 2007, respectively. We recorded a LIFO charge (credit) of $21.1 million, $2.2 million, and $(1.0) million in fiscal 2008, 2007, and 2006, respectively. During the fiscal year ended September 30, 2007, inventory declines resulted in a liquidation of LIFO layers carried at lower costs prevailing in prior years. The effect of the liquidation in fiscal 2007 was to decrease cost of goods sold by $7.2 million and increase diluted earnings per share by $0.02.

Property and Equipment

Property and equipment are stated at cost and depreciated using the straight-line method over the estimated useful lives of the assets, which range from 3 to 40 years for buildings and improvements and from 3 to 10 years for machinery, equipment and other. The costs of repairs and maintenance are charged to expense as incurred.

The Company accounts for capitalized software costs under Statement of Position 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." Accordingly, the Company begins to capitalize costs related to activities in the application development stage of a project. Software development costs are depreciated using the straight-line method over the estimated useful lives of the assets which range from 5 to 7 years.

Revenue Recognition

The Company recognizes revenue when persuasive evidence of an arrangement exists, product has been delivered or services have been rendered, the price is fixed or determinable and collectibility is reasonably assured. Revenue as reflected in the accompanying consolidated statements of operations is net of estimated sales returns and allowances.

The Company's customer sales return policy generally allows customers to return products only if the products can be resold at full value or returned to suppliers for full credit. The Company records an accrual for estimated customer sales returns at the time of sale to the customer. At September 30, 2008 and 2007, the Company's accrual for estimated customer sales returns was $282.6 million and $275.4 million, respectively.

The Company reports the gross dollar amount of bulk deliveries to customer warehouses in revenue and the related costs in cost of goods sold. Bulk delivery transactions are arranged by the Company at the express direction of the customer, and involve either shipments from the supplier directly to customers' warehouse sites or shipments from the supplier to the Company for immediate shipment to the customers' warehouse sites. The Company is a principal to these transactions because it is the primary obligor and has the ultimate and contractual responsibility for fulfillment and acceptability of the products purchased, and bears full risk of delivery and loss for products, whether the products are drop-shipped or shipped via cross-dock. The Company also bears full credit risk associated with the creditworthiness of any bulk delivery customer. As a result, and in accordance with EITF No. 99-19, "Reporting Revenue Gross as a Principal versus Net as an Agent," the Company records bulk deliveries to customer warehouses as gross revenues. Gross profit earned by the Company on bulk deliveries was not material in any year presented.

Share-Based Compensation

SFAS No. 123R, "Share-Based Payment" ("SFAS No. 123R") requires companies to measure compensation cost for all share-based payments at fair value. SFAS No. 123R also requires the benefits of tax deductions in excess of recognized compensation expense to be reported as a financing cash flow ($12.0 million, $19.6 million, and $21.9 million for the fiscal years ended September 30, 2008, 2007, and 2006 respectively), rather than an operating cash flow as previously required. In accordance with Securities and Exchange Commission ("SEC") Staff Accounting Bulletin ("SAB") No. 107, the Company records share-based compensation within distribution, selling and administrative expenses to correspond with the same line item as the cash compensation paid to employees.

Shipping and Handling Costs

Shipping and handling costs include all costs to warehouse, pick, pack and deliver inventory to customers. These costs, which were $301.6 million, $335.0 million and $351.5 million for the fiscal years ended September 30, 2008, 2007 and 2006, respectively, are included in distribution, selling and administrative expenses.

Short-Term Investment Securities Available-for-Sale

As of September 30, 2007, the Company had $467.4 million of investments in tax-exempt variable rate demand notes. Although the underlying maturities of the tax-exempt variable rate demand notes are long-term in nature, the investments are classified as short-term because they are automatically reinvested within a seven-day period unless the Company provides notice of intent to liquidate to the broker. The interest rate payable on these investments resets with each reinvestment. The Company's investments in these securities are recorded at cost, which approximates fair market value due to their variable interest rates. The bonds are issued by municipalities and other tax-exempt entities, but are backed by letters of credit from the banking institutions that broker the debt placements. The Company did not purchase or sell any short-term investment securities consisting of tax-exempt variable rate demand notes during the second-half of fiscal 2008, nor does the Company hold any of these securities as of September 30, 2008.

Supplier Reserves

The Company establishes reserves against amounts due from its suppliers relating to various price and rebate incentives, including deductions or billings taken against payments otherwise due them from the Company. These reserve estimates are established based on the judgment of Company management after carefully considering the status of current outstanding claims, historical experience with the suppliers, the specific incentive programs and any other pertinent information available to the Company. The Company evaluates the amounts due from its suppliers on a continual basis and adjusts the reserve estimates when appropriate based on changes in factual circumstances. The ultimate outcome of any outstanding claim may be different than the Company's estimate.

Recently Issued Financial Accounting Standards

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements," which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This standard applies under other accounting pronouncements that require or permit fair value measurements, but does not require any new fair value measurements. SFAS No. 157 will become effective for the Company's financial assets and liabilities in fiscal 2009 and nonfinancial assets and liabilities in fiscal 2010. The adoption of this standard is not expected to have a material impact on the Company's financial position, results of operations, or liquidity.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities, including an amendment of FASB Statement No. 115." SFAS No. 159 permits the Company to elect fair value as the initial and subsequent measurement attribute for certain financial assets and liabilities that are not otherwise required to be measured at fair value, on an instrument-by-instrument basis. If the Company elects the fair value option, it would be required to recognize changes in fair value in its earnings. This standard also establishes presentation and disclosure requirements designed to improve comparisons between entities that choose different measurement attributes for similar types of assets and liabilities. SFAS No. 159 will be effective for fiscal 2009. The adoption of this standard is not expected to have a material impact on the Company's financial position, results of operations, or liquidity.

In December 2007, the FASB issued SFAS No. 141R, "Business Combinations," which replaces SFAS No. 141. SFAS No. 141R establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the goodwill acquired, the liabilities assumed, and any non-controlling interest in the acquired business. SFAS No. 141R also establishes disclosure requirements, which will enable users to evaluate the nature and financial effects of the business combination. SFAS No. 141R is effective as of the beginning of an entity's fiscal year that begins after December 15, 2008, which will be the Company's fiscal year beginning October 1, 2009. The Company is currently evaluating the impact of adopting this standard.

Note 2. Acquisitions

Fiscal 2008 Acquisition

On October 1, 2007, the Company acquired Bellco Health ("Bellco") for a purchase price of $162.2 million, net of $20.7 million of cash acquired. Bellco is a pharmaceutical distributor in the Metro New York City area, where it primarily services independent retail community pharmacies. The acquisition of Bellco expanded the Company's presence in this large community pharmacy market. Nationally, Bellco markets and sells generic pharmaceuticals to individual retail pharmacies, and provides pharmaceutical products and services to dialysis clinics. Bellco's revenues were $2.1 billion for the fiscal year ended September 30, 2008. The purchase price was allocated to the underlying assets acquired and liabilities assumed based upon their fair values at the date of the acquisition. The purchase price exceeded the fair value of the net tangible and intangible assets acquired by $139.8 million, which was allocated to goodwill. The fair values of the significant tangible assets acquired and

liabilities assumed were as follows: accounts receivable of $112.2 million, merchandise inventories of $106.5 million, and accounts payable and accrued expenses of $237.0 million. The fair values of the intangible assets acquired of $31.7 million primarily consist of customer relationships of $28.7 million, which are being amortized over their weighted average life of 8.9 years.

Had the acquisition of Bellco been completed as of October 1, 2005, the Company's total revenue, net income, and diluted earnings per share for the fiscal years ended September 30, 2006 and 2007 would not have been materially different than the amounts recorded for those periods.

Fiscal 2007 Acquisitions

In October 2006, the Company acquired I.G.G. of America, Inc. ("IgG"), a specialty pharmacy and infusion services business specializing in the blood derivative intravenous immunoglobulin ("IVIG"), for $37.2 million. The addition of IgG supports the Company's strategy of building its specialty pharmaceutical services to manufacturers. The purchase price was allocated to the underlying assets acquired and liabilities assumed based upon their fair values at the date of the acquisition. The purchase price exceeded the fair value of the net tangible and intangible assets acquired by $20.4 million, which was allocated to goodwill. Intangible assets acquired of $11.6 million consist of tradename of $3.3 million, non-compete agreements of $2.6 million and customer relationships of $5.7 million. Non-compete agreements and customer relationships are being amortized over their weighted average lives of 5 years and 7 years, respectively.

In November 2006, the Company acquired Access M.D., Inc. ("AMD"), a Canadian company, for $13.4 million. AMD provides services, including reimbursement support, third-party logistics and nursing support services, to manufacturers of specialty pharmaceuticals such as injectable and biological therapies. The acquisition of AMD expanded the Company's specialty services businesses into Canada and complements the distribution services offered by AmerisourceBergen Canada Corporation. The purchase price was allocated to the underlying assets acquired and liabilities assumed based on their fair values at the date of the acquisition. The purchase price exceeded the fair value of the net tangible and intangible assets acquired by $11.9 million, which was allocated to goodwill. Intangible assets acquired of $2.9 million primarily consist of tradename of $1.5 million and non-compete agreements of $0.9 million. Non-compete agreements are being amortized over their weighted average lives of 5 years.

In April 2007, the Company acquired Xcenda LLC ("Xcenda") for a purchase price of $25.2 million. Xcenda enhanced the Company's consulting business within its existing pharmaceutical and specialty services businesses and provided additional capabilities within pharmaceutical brand services, applied health outcomes and biopharma strategies. The purchase price was allocated to the underlying assets acquired and liabilities assumed based upon their fair values at the date of the acquisition. The purchase price exceeded the fair values of the net tangible and intangible assets acquired by $18.7 million, which was allocated to goodwill. Intangible assets acquired of $5.9 million primarily consist of customer relationships of $2.7 million and tradename of $3.1 million. Customer relationships are being amortized over their weighted average life of 5 years.

Fiscal 2006 Acquisitions

During the fiscal year ended September 30, 2006, the Company entered the Canadian market beginning with the October 2005 acquisition of Trent Drugs (Wholesale) Ltd. ("Trent"), a pharmaceutical distributor in Canada, for a purchase price of $81.1 million. The acquisition of Trent provided the Company a solid foundation to expand its pharmaceutical distribution capability into the Canadian marketplace. The Company changed the name of Trent to AmerisourceBergen Canada Corporation ("ABCC"). In March 2006, ABCC acquired substantially all of the assets of Asenda Pharmaceutical Supplies Ltd ("Asenda"), a Canadian pharmaceutical distributor that operated primarily in British Columbia and Alberta, for a purchase price of $18.2 million. The Asenda acquisition increased the Company's operations in western Canada. In September 2006, ABCC acquired Rep-Pharm, Inc. ("Rep-Pharm"), a Canadian pharmaceutical wholesaler that distributes pharmaceuticals in the provinces of Ontario, Quebec and Alberta, for a purchase price of $47.5 million.

The purchase price for each of the above acquisitions was allocated to the underlying assets acquired and liabilities assumed based upon their fair values as of the dates of the respective acquisitions. The aggregate purchase price exceeded the fair value of the aggregate net tangible and identifiable intangible assets acquired by $55.7 million, which was allocated to goodwill. The aggregate intangible assets acquired of $12.1 million primarily consist of customer relationships and are being amortized over their weighted average lives of 5 to 7 years.

In February 2006, the Company acquired Network for Medical Communication & Research, LLC ("NMCR"), a privately held provider of accredited continuing medical education ("CME") for physicians and analytical research for the oncology market, for a purchase price of $86.6 million. The acquisition of NMCR expanded AmerisourceBergen Specialty Group's presence in its market-leading oncology distribution and services businesses. The CME business of NMCR complements Imedex, Inc., the Company's accredited CME business. The purchase price was allocated to the underlying assets acquired and liabilities assumed based upon their fair values at the date of the acquisition. The purchase price exceeded the fair value of the net tangible and identifiable intangible assets acquired by $69.2 million which was allocated to goodwill. Intangible assets acquired of $20.1 million primarily consist of trade names of $3.2 million and customer relationships of $16.1 million. Customer relationships are being amortized over their weighted average life of 8 years.

In March 2006, the Company acquired Brecon Pharmaceuticals Limited ("Brecon"), a United Kingdom-based provider of contract packaging and clinical trial materials ("CTM") services for pharmaceutical manufacturers, for a purchase price of $50.2 million. During fiscal 2007, the Company paid the former owners of Brecon $7.6 million to settle a contingent payment obligation tied to Brecon achieving specific earnings targets in calendar year 2006. The acquisition of Brecon enhanced the Company's packaging business and provides the added capability to offer pharmaceutical manufacturers contract packaging and CTM services in new geographic regions. The purchase price was allocated to the underlying assets acquired and liabilities assumed based upon their fair values at the date of the acquisition. The purchase price exceeded the fair value of the net tangible and identifiable intangible assets acquired by $36.6 million, which was allocated to goodwill. Intangible assets acquired of $11.8 million primarily consist of tradenames of $5.8 million and customer relationships of $6.0 million. Customer relationships are being amortized over their weighted average life of 7 years.

In May 2006, the Company's former Long-Term Care business acquired certain assets of a technology solution company for $12.6 million. The purchase price exceeded the fair value of the net tangible and identifiable intangible assets acquired by $8.3 million, which was allocated to goodwill. The primary asset acquired was $4.4 million of software that provides long-term care facilities with safe and efficient electronic medication management, and was being amortized over its useful life of 5 years. The assets of this technology solution company were disposed of in connection with the Long-Term Care divestiture.

Pro forma results of operations for the aforementioned fiscal 2007 and 2006 acquisitions have not been presented because the effects were not material to the consolidated financial statements on either an individual or aggregate basis.

Note 3. Divestiture of PharMerica Long-Term Care

On July 31, 2007, the Company and Kindred Healthcare, Inc. ("Kindred") completed the spin-offs and subsequent combination of their institutional pharmacy businesses, Long-Term Care and Kindred Pharmacy Services ("KPS"), to form a new, independent, publicly traded company named PharMerica Corporation ("PMC"). At closing, in accordance with the terms of the master transaction agreement, the Company entered into a pharmaceutical distribution agreement with PMC. In connection with this transaction, Long-Term Care borrowed $125 million from a financial institution and provided a one-time distribution back to the Company. The cash distribution by Long-Term Care to the Company was tax-free. The institutional pharmacy businesses were then spun off to the stockholders of their respective parent companies, followed immediately by the merger of the two institutional pharmacy businesses into subsidiaries of PMC, which resulted in the Company's and

Kindred's stockholders each owning approximately 50 percent of PMC immediately after the closing of the transaction. The Company's stockholders received 0.0833752 shares of PMC common stock for each share of AmerisourceBergen common stock owned.

In connection with this transaction, the Company spun off $196.6 million of net assets from its institutional pharmacy business and recorded a corresponding reduction to its retained earnings. The net assets divested consisted of $169.3 million of accounts receivable, $51.3 million of inventory, $35.9 million of property and equipment, $149.2 million of goodwill, $9.4 million of other assets, $125.0 million of long-term debt, $34.8 million of accounts payable and accrued expenses, and $58.7 million of deferred tax liabilities.

Note 4. Discontinued Operations

During fiscal 2008, the Company committed to a plan to divest its workers' compensation business, PMSI. In accordance with SFAS No. 144, the Company classified PMSI's assets and liabilities as held for sale in the consolidated balance sheets and classified PMSI's operating results and cash flows as discontinued in the consolidated financial statements for all periods presented. Previously, PMSI was included in the Company's Other reportable segment. PMSI's revenue and (loss) income before income taxes were as follows:

	Fiscal Year Ended September 30,		
	2008	2007	2006
Revenue	$ 403,759	$461,370	$456,760
(Loss) income before income taxes	(216,355)	31,561	55,822

In October 2008, the Company completed the sale of PMSI for approximately $34 million, net of a working capital adjustment, including a $19 million subordinated note payable due from PMSI on the fifth anniversary of the closing date (the "maturity date"), of which $4 million may be payable in October 2010, if PMSI achieves certain revenue targets with respect to its largest customer. Interest, which accrues at an annual rate of 7%, will be payable in cash on a quarterly basis, if PMSI achieves a defined minimum fixed charge coverage ratio or will be compounded semi-annually and paid at maturity. Additionally, if PMSI's annual net revenue exceeds certain thresholds through December 2011, the Company may be entitled to additional payments of up to $10 million under the subordinated note payable due from PMSI on the maturity date of the note. The Company recorded a non-cash charge of $225.8 million during fiscal 2008 to reduce the carrying value of PMSI. This charge, which is included in the loss from discontinued operations for the fiscal year ended September 30, 2008, was comprised of a $199.1 million write-off of PMSI's goodwill and a $26.7 million charge to record the Company's loss on the sale of PMSI. The tax benefit recorded in connection with the above charge was minimal, as the loss on the sale of PMSI will be treated as a capital loss for income tax purposes, and the Company does not have significant capital gains to offset the capital loss.

The following table summarizes the assets and liabilities of PMSI (in thousands):

	September 30, 2008	September 30, 2007
Assets:		
Accounts receivable	$44,033	$ 56,586
Goodwill	—	199,106
Other assets	(342)	29,126
Liabilities:		
Accounts payable	14,959	24,188
Other liabilities	2,800	2,149
Net assets	$25,932	$258,481

As more fully described in Note 13 under the Bridge Medical Matter, the Company received an adverse court decision with respect to a contingent purchase price adjustment in connection with the 2003 acquisition of Bridge. As a result, the Company recorded a charge of $24.6 million, net of income taxes of $2.3 million, in discontinued operations in the fiscal year ended September 30, 2007.

Note 5. Income Taxes

The income tax provision is as follows (in thousands):

	Fiscal year ended September 30,		
	2008	**2007**	**2006**
Current provision:			
Federal	$198,187	$238,969	$138,389
State and local	26,862	26,180	21,228
Foreign	5,113	1,558	1,521
	230,162	266,707	161,138
Deferred provision:			
Federal	55,137	10,564	80,734
State and local	9,824	3,249	8,543
Foreign	(2,849)	(1,834)	(71)
	62,112	11,979	89,206
Provision for income taxes	$292,274	$278,686	$250,344

A reconciliation of the statutory federal income tax rate to the effective income tax rate is as follows:

	Fiscal year ended September 30,		
	2008	**2007**	**2006**
Statutory federal income tax rate	35.0%	35.0%	35.0%
State and local income tax rate, net of federal tax benefit	3.2	2.6	2.9
Foreign	0.1	0.1	0.1
Other	0.1	(0.7)	(1.4)
Effective income tax rate	38.4%	37.0%	36.6%

Deferred income taxes reflect the future tax consequences of differences between the tax bases of assets and liabilities and their financial reporting amounts. Significant components of the Company's deferred tax liabilities (assets) are as follows (in thousands):

	September 30,	
	2008	2007
Inventory	$ 632,843	$ 581,258
Fixed assets	14,038	13,389
Goodwill and other intangible assets	137,242	130,091
Other	1,163	3,808
Gross deferred tax liabilities	785,286	728,546
Net operating loss and tax credit carryovers	(49,093)	(47,735)
Allowance for doubtful accounts	(38,917)	(37,474)
Accrued expenses	(16,070)	(18,296)
Employee and retiree benefits	(11,621)	(12,747)
Stock options	(18,834)	(11,169)
Other	(50,754)	(36,453)
Gross deferred tax assets	(185,289)	(163,874)
Valuation allowance for deferred tax assets	28,108	24,446
Deferred tax assets, after allowance	(157,181)	(139,428)
Net deferred tax liabilities	$ 628,105	$ 589,118

As of September 30, 2008, the Company had $23.2 million of potential tax benefits from federal net operating loss carryforwards expiring in 13 to 14 years, and $23.6 million of potential tax benefits from state operating loss carryforwards expiring in 1 to 20 years. As of September 30, 2008, the Company had $2.3 million of state alternative minimum tax credit carryforwards.

In fiscal 2008, the Company increased the valuation allowance on deferred tax assets by $3.7 million primarily due to the addition of certain state net operating loss carryforwards. In fiscal 2007, the Company decreased the valuation allowance on deferred tax assets by $7.5 million primarily due to the resolution of certain tax matters, the spin-off of the Long-Term Care business and the addition of certain state net operating loss carryforwards. At September 30, 2008, $18.3 million of the remaining valuation allowance was recorded as a component of goodwill, which remained unchanged from September 30, 2007. Under current accounting rules, any future reduction of this valuation allowance, due to the realization of the related deferred tax assets, will reduce goodwill.

In fiscal 2008, 2007 and 2006, tax benefits of $12.0 million, $19.6 million and $21.9 million, respectively, related to the exercise of employee stock options were recorded as additional paid-in capital.

Income tax payments, net of refunds, were $262.9 million, $253.2 million and $107.5 million in the fiscal years ended September 30, 2008, 2007 and 2006, respectively.

Effective October 1, 2007, the Company adopted the provisions of FIN No. 48, "Accounting for Uncertainty in Income Taxes." FIN No. 48 provides that a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. FIN No. 48 also provides guidance, among other things, on the measurement of the income tax benefit associated with uncertain tax positions, de-recognition, classification, interest and penalties and financial statement disclosures. The cumulative effect of adoption of this interpretation resulted in a $9.3 million reduction to retained earnings.

The Company files income tax returns in U.S. federal and state jurisdictions as well as various foreign jurisdictions. The Company's U.S. federal income tax returns for fiscal 2005 and subsequent years remain subject to examination by the U.S. Internal Revenue Service ("IRS"). The IRS is currently examining the Company's tax return for fiscal year 2006. In Canada, the Company is currently under examination for fiscal years 2005 and 2006.

As of September 30, 2008 and October 1, 2007, the Company had unrecognized tax benefits, defined as the aggregate tax effect of differences between tax return positions and the benefits recognized in the Company's financial statements, of $49.3 million and $58.5 million, respectively ($35.0 million and $41.8 million, net of federal benefit, respectively). As of September 30, 2008 and October 1, 2007, included in these amounts are $15.3 million and $18.5 million of interest and penalties, respectively, which the Company continues to record in income tax expense. A reconciliation of the beginning and ending amount of unrecognized tax benefits, excluding interest and penalties, is as follows (in thousands):

Balance at October 1, 2007	$39,930
Additions based on tax positions related to the current year	7,180
Reductions for tax positions of prior years	(2,492)
Settlements with tax authorities	(6,617)
Expiration of statutes of limitations	(3,981)
Balance at September 30, 2008	$34,020

If recognized as of September 30, 2008 and October 1, 2007, net of federal benefit, $33.1 million and $39.9 million, respectively, of the Company's unrecognized tax benefit would reduce income tax expense and the effective tax rate. Also, if recognized as of September 30, 2008, net of federal benefit, $1.9 million of the Company's unrecognized tax benefit would result in a decrease to goodwill which remains unchanged from the amount at October 1, 2007. During the next 12 months, it is reasonably possible that state tax audit resolutions and the expiration of statutes of limitations could result in a reduction of unrecognized tax benefits by approximately $8.5 million.

Note 6. Goodwill and Other Intangible Assets

Following is a summary of the changes in the carrying value of goodwill, by reportable segment, for the fiscal years ended September 30, 2008 and 2007 (in thousands):

	Pharmaceutical Distribution	Other	Total
Goodwill at September 30, 2006	$2,316,800	$ 148,216	$2,465,016
Goodwill recognized in connection with acquisitions (See Note 2)	60,586	—	60,586
Foreign currency translation	14,795	—	14,795
Adjustment to goodwill relating to prior acquisitions	19,768	1,003	20,771
Long-Term Care spin-off (See Note 3)	—	(149,219)	(149,219)
Goodwill at September 30, 2007	2,411,949	—	2,411,949
Goodwill recognized in connection with acquisition (See Note 2)	139,814	—	139,814
Foreign currency translation	(11,263)	—	(11,263)
Adjustment to goodwill relating to deferred taxes	(3,379)	—	(3,379)
Other	(176)	—	(176)
Goodwill at September 30, 2008	$2,536,945	$ —	$2,536,945

During the fiscal year ended September 30, 2007, in connection with the Long-Term Care spin-off, $149.2 million of goodwill was removed from the Company's consolidated balance sheet. Approximately $139.8 million and $39.1 million of goodwill recognized in connection with the Company's fiscal 2008 and 2007 acquisitions of businesses, respectively, is expected to be deductible for income tax purposes.

Following is a summary of other intangible assets (in thousands):

	September 30, 2008			September 30, 2007		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Indefinite-lived intangibles - trade names	$252,138	$ —	$252,138	$258,587	$ —	$258,587
Finite-lived intangibles:						
Customer relationships	119,521	(44,664)	74,857	99,546	(39,048)	60,498
Other	31,306	(19,880)	11,426	31,625	(19,374)	12,251
Total other intangible assets	$402,965	$(64,544)	$338,421	$389,758	$(58,422)	$331,336

During the fiscal year ended September 30, 2008, the Company recorded a $5.3 million write-down of trade names relating to certain of its smaller business units.

Amortization expense for other intangible assets was $17.1 million, $16.4 million and $12.9 million in the fiscal years ended September 30, 2008, 2007 and 2006, respectively. Amortization expense for other intangible assets is estimated to be $16.1 million in fiscal 2009, $15.3 million in fiscal 2010, $14.3 million in fiscal 2011, $12.1 million in fiscal 2012, $10.3 million in 2013 and $18.2 million thereafter.

Note 7. Debt

Debt consisted of the following:

	September 30,	
	2008	2007
	(dollars in thousands)	
Blanco revolving credit facility at 3.04% and 6.07%, respectively, due 2009	$ 55,000	$ 55,000
Receivables securitization facility due 2009	—	—
Multi-currency revolving credit facility at 3.76% and 5.61%, respectively, due 2011	235,130	274,716
$400,000, 5⅝% senior notes due 2012	398,773	398,500
$500,000, 5⅞% senior notes due 2015	498,112	497,896
Other	2,116	1,441
Total debt	1,189,131	1,227,553
Less current portion	1,719	476
Total, net of current portion	$1,187,412	$1,227,077

Long-Term Debt

In April 2008, the Company amended the Blanco revolving credit facility (the "Blanco Credit Facility") to, among other things, extend the maturity date of the Blanco Credit Facility to April 2009. The Blanco Credit Facility is not classified in the current portion of long-term debt on the accompanying consolidated balance sheet at September 30, 2008 because the Company has the ability and intent to refinance it on a long-term basis.

Borrowings under the Blanco Credit Facility are guaranteed by the Company. Interest on borrowings under the Blanco Credit Facility accrues at specific rates based on the Company's debt rating (55 basis points over LIBOR at September 30, 2008). Additionally, the Company pays quarterly facility fees on the full amount of the facility to maintain the availability under the Blanco Credit Facility at specific rates based on the Company's debt rating (10 basis points at September 30, 2008).

The Company has a $750 million five-year multi-currency senior unsecured revolving credit facility (the "Multi-Currency Revolving Credit Facility") with a syndicate of lenders. During the three months ended September 30, 2008, one of the lenders, Lehman Commercial Paper, Inc., filed for bankruptcy. As a result, the Company's availability under the Multi-Currency Revolving Credit Facility was reduced by $55 million. Interest on borrowings under the Multi-Currency Revolving Credit Facility accrues at specified rates based on the Company's debt rating and ranges from 19 basis points to 60 basis points over LIBOR/EURIBOR/Bankers Acceptance Stamping Fee, as applicable (40 basis points over LIBOR/EURIBOR/Bankers Acceptance Stamping Fee at September 30, 2008). Additionally, interest on borrowings denominated in Canadian dollars may accrue at the greater of the Canadian prime rate or the CDOR rate. The Company pays quarterly facility fees to maintain the availability under the Multi-Currency Revolving Credit Facility at specified rates based on the Company's debt rating, ranging from 6 basis points to 15 basis points of the total commitment (10 basis points at September 30, 2008). The Company may choose to repay or reduce its commitments under the Multi-Currency Revolving Credit Facility at any time. The Multi-Currency Revolving Credit Facility contains covenants that impose limitations on, among other things, indebtedness of excluded subsidiaries and asset sales. Additional covenants require compliance with financial tests, including a leverage ratio.

The Company has outstanding $400 million of 5.625% senior notes due September 15, 2012 (the "2012 Notes") and $500 million of 5.875% senior notes due September 15, 2015 (the "2015 Notes"). The 2012 Notes and 2015 Notes each were sold at 99.5% of principal amount and have an effective interest yield of 5.71% and 5.94%, respectively. Interest on the 2012 Notes and the 2015 Notes is payable semiannually in arrears. Both the 2012 Notes and the 2015 Notes are redeemable at the Company's option at a price equal to the greater of 100% of the principal amount thereof, or the sum of the discounted value of the remaining scheduled payments, as defined. In connection with the issuance of the 2012 Notes and the 2015 Notes, the Company incurred approximately $6.7 million and $8.3 million of costs, respectively, which were deferred and are being amortized over the terms of the notes.

The indentures governing the Multi-Currency Revolving Credit Facility, the 2012 Notes, and the 2015 Notes, contain restrictions and covenants which include limitations on additional indebtedness; distributions and dividends to stockholders; the repurchase of stock and the making of other restricted payments; issuance of preferred stock; creation of certain liens; transactions with subsidiaries and other affiliates; and certain corporate acts such as mergers, consolidations, and the sale of substantially all assets. Additional covenants require compliance with financial tests, including leverage ratios, and maintenance of minimum tangible net worth.

Receivables Securitization Facility

The Company has a $975 million receivables securitization facility ("Receivables Securitization Facility"), of which $181.2 million expires in June 2009 and $793.8 million expires in November 2009. The Company has available to it an accordion feature whereby the commitment may be increased, subject to lender approval, to $1.2 billion for seasonal needs during the December and March quarters. Interest rates are based on prevailing market rates for short-term commercial paper plus a program fee, and vary based on the Company's debt ratings. The program fee and the commitment fee, on average, were 53 basis points and 20 basis points, respectively, at September 30, 2008. At September 30, 2008, there were no borrowings under the Receivables Securitization Facility. In connection with the Receivables Securitization Facility, ABDC sells on a revolving basis certain accounts receivable to Amerisource Receivables Financial Corporation, a wholly owned special purpose entity, which in turn sells a percentage ownership interest in the receivables to commercial paper conduits sponsored by financial institutions. ABDC is the servicer of the accounts receivable under the Receivables Securitization

Facility. After the maximum limit of receivables sold has been reached and as sold receivables are collected, additional receivables may be sold up to the maximum amount available under the facility. The facility is a financing vehicle utilized by the Company because it generally offers an attractive interest rate relative to other financing sources. The Company securitizes its trade accounts, which are generally non-interest bearing, in transactions that are accounted for as borrowings under SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities." The agreement governing the Receivables Securitization Facility contains restrictions and covenants which include limitations on the incurrence of additional indebtedness, making of certain restricted payments, issuance of preferred stock, creation of certain liens, and certain corporate acts such as mergers, consolidations and sale of substantially all assets.

Other Information

Scheduled future principal payments of long-term debt are $56.7 million in fiscal 2009, $0.2 million in fiscal 2010, $0.2 million in fiscal 2011, $635.1 million in fiscal 2012, and $500.0 million in fiscal 2015.

Interest paid on the above indebtedness during the fiscal years ended September 30, 2008, 2007 and 2006 was $68.5 million, $65.9 million and $62.3 million, respectively.

Total amortization of financing fees and the accretion of original issue discounts, which are recorded as components of interest expense, were $3.5 million, $4.7 million, and $3.9 million, for the fiscal years ended September 30, 2008, 2007 and 2006, respectively.

Note 8. Stockholders' Equity and Earnings per Share

The authorized capital stock of the Company consists of 600,000,000 shares of common stock, par value $0.01 per share (the "Common Stock"), and 10,000,000 shares of preferred stock, par value $0.01 per share (the "Preferred Stock").

The board of directors is authorized to provide for the issuance of shares of Preferred Stock in one or more series with various designations, preferences and relative, participating, optional or other special rights and qualifications, limitations or restrictions. Except as required by law, or as otherwise provided by the board of directors of the Company, the holders of Preferred Stock will have no voting rights and will not be entitled to notice of meetings of stockholders. Holders of Preferred Stock will be entitled to receive, when declared by the board of directors, out of legally available funds, dividends at the rates fixed by the board of directors for the respective series of Preferred Stock, and no more, before any dividends will be declared and paid, or set apart for payment, on Common Stock with respect to the same dividend period. No shares of Preferred Stock have been issued as of September 30, 2008.

The holders of the Company's Common Stock are entitled to one vote per share and have the exclusive right to vote for the board of directors and for all other purposes as provided by law. Subject to the rights of holders of the Company's Preferred Stock, holders of Common Stock are entitled to receive ratably on a per share basis such dividends and other distributions in cash, stock or property of the Company as may be declared by the board of directors from time to time out of the legally available assets or funds of the Company.

The following table illustrates the components of accumulated other comprehensive loss, net of income taxes, as of September 30, 2008 and 2007 (in thousands):

	September 30,	
	2008	2007
SFAS No. 158 adjustments	$(16,062)	$(12,534)
Foreign currency translation	170	8,896
Other	(598)	(1,609)
Total accumulated other comprehensive loss	$(16,490)	$ (5,247)

In May 2005, the Company's board of directors authorized a program allowing the Company to purchase up to $450 million of its outstanding shares of Common Stock. In August 2005, the Company's board of directors authorized an increase in the amount available under the program, bringing the then-remaining availability to $750 million, and the total repurchase program to approximately $844 million. During the fiscal year ended September 30, 2006, the Company purchased 17.5 million shares of Common Stock for a total of $748.4 million. In October 2006, the Company purchased 35 thousand shares for $1.6 million to complete this program.

In August 2006, the Company's board of directors authorized a program allowing the Company to purchase up to $750 million of its outstanding shares of Common Stock. During the fiscal year ended September 30, 2007, the Company purchased 15.6 million shares of Common Stock under this program for a total of $750.0 million.

In May 2007, the Company's board of directors authorized a new program allowing the Company to purchase up to $850 million of its outstanding shares of Common Stock, subject to market conditions. During the fiscal year ended September 30, 2007, the Company purchased 13.8 million shares of Common Stock under this program for a total of $652.6 million. In November 2007, the Company's board of directors authorized an increase to the $850 million repurchase program by $500 million, subject to market conditions. During the fiscal year ended September 30, 2008, the Company purchased 15.9 million shares of Common Stock under this program for a total of $679.7 million. As of September 30, 2008, the Company had $18.1 million of availability remaining under this share repurchase program.

In November 2008, the Company's board of directors authorized a new program allowing the Company to purchase up to $500 million of its outstanding shares of Common Stock, subject to market conditions.

Basic earnings per share is computed on the basis of the weighted average number of shares of Common Stock outstanding during the periods presented. Diluted earnings per share is computed on the basis of the weighted average number of shares of Common Stock outstanding during the periods plus the dilutive effect of stock options and restricted stock. The following table (in thousands) is a reconciliation of the numerator and denominator of the computation of basic and diluted earnings per share.

	September 30,		
	2008	2007	2006
Weighted average common shares outstanding—basic	160,642	185,181	205,009
Effect of dilutive securities—stock options and restricted stock	1,818	2,705	2,437
Weighted average common shares outstanding—diluted	162,460	187,886	207,446

The potentially dilutive employee stock options that were antidilutive for fiscal 2008, 2007 and 2006 were 5.3 million, 2.1 million and 2.5 million, respectively.

Note 9. Pension and Other Benefit Plans

The Company sponsors various retirement benefit plans, including defined benefit pension plans, defined contribution plans, postretirement medical plans and a deferred compensation plan covering eligible employees. Expenses relating to these plans were $16.8 million, $25.1 million, and $21.8 million in fiscal 2008, 2007 and 2006, respectively. The Company uses a June 30 measurement date for its pension and other postretirement benefit plans.

Adoption of SFAS No. 158

The Company adopted the recognition and disclosure provisions of SFAS No. 158 as of September 30, 2007. SFAS No. 158 required the Company to recognize the funded status (i.e. the difference between the fair value of plan assets and the projected benefit obligations) of its defined benefit pension plans and postretirement benefit plans in its balance sheet, with a corresponding adjustment to accumulated other comprehensive income (loss), net of income taxes. The Company made an adjustment of $10.6 million, net of income taxes, relating to net actuarial losses with respect to its defined benefit pension plans and postretirement benefit plans, in accumulated other comprehensive income (loss) as a result of the adoption of SFAS No. 158. Included in accumulated other comprehensive income (loss) at September 30, 2008 are net actuarial losses of $26.3 million ($16.1 million, net of income taxes). The net actuarial loss in accumulated other comprehensive income (loss) that is expected to be amortized into fiscal 2009 net periodic pension expense is $0.7 million ($0.5 million, net of income tax).

The Company will be required to measure benefit plan assets and obligations as of its balance sheet date at September 30, 2009. The change in the measurement date is not expected to have a material impact on the Company's financial position or results of operations.

Defined Benefit Plans

The Company provides a benefit for certain employees under two different noncontributory defined benefit pension plans consisting of a salaried plan and a supplemental executive retirement plan. Additionally, the Company previously provided benefits to certain employees under a union plan, which was merged with the salaried plan on October 1, 2005. For each employee, the benefits are based on years of service and average compensation. Pension costs, which are computed using the projected unit credit cost method, are funded to at least the minimum level required by government regulations. Since 2002, the salaried and the supplemental executive retirement plans have been closed to new participants and benefits that can be earned by active participants in the plan were limited.

The Company has an unfunded supplemental executive retirement plan for its former Bergen officers and key employees. This plan is a "target" benefit plan, with the annual lifetime benefit based upon a percentage of salary during the five final years of pay at age 62, offset by several other sources of income including benefits payable under a prior supplemental retirement plan. Since 2002, the plan has been closed to new participants and benefits that can be earned by active participants were limited.

The following table sets forth (in thousands) a reconciliation of the changes in the Company-sponsored defined benefit pension plans:

	Fiscal year ended September 30,	
	2008	2007
Change in Projected Benefit Obligations:		
Benefit obligation at beginning of year	$109,772	$104,022
Service cost	—	2,412
Interest cost	6,791	6,393
Actuarial (gains) losses	(6,238)	2,798
Benefit payments	(5,003)	(5,853)
Settlement	760	—
Benefit obligation at end of year	$106,082	$109,772
Change in Plan Assets:		
Fair value of plan assets at beginning of year	$104,376	$ 87,757
Actual return on plan assets	(8,043)	14,726
Employer contributions	3,874	8,632
Expenses	(1,153)	(886)
Benefit payments	(5,003)	(5,853)
Fair value of plan assets at end of year	$ 94,051	$104,376
Funded Status and Amounts Recognized:		
Funded status	$ (12,031)	$ (5,396)
Net amount recognized	$ (12,031)	$ (5,396)
Amounts recognized in the balance sheets consist of:		
Noncurrent assets	$ 2,254	$ 8,227
Current liabilities	(5,862)	(2,032)
Noncurrent liabilities	(8,423)	(11,591)
Net amount recognized	$ (12,031)	$ (5,396)

Weighted average assumptions used (as of the end of the fiscal year) in computing the benefit obligation were as follows:

	2008	2007
Discount rate	6.85%	6.30%
Rate of increase in compensation levels	4.00%	4.00%
Expected long-term rate of return on assets	8.00%	8.00%

The expected long-term rate of return for the plans represents the average rate of return to be earned on plan assets over the period the benefits included in the benefit obligation are to be paid.

The following table provides components of net periodic benefit cost for the Company-sponsored defined benefit pension plans together with contributions charged to expense for multi-employer union-administered defined benefit pension plans that the Company participates in (in thousands):

	Fiscal year ended September 30,		
	2008	2007	2006
Components of Net Periodic Benefit Cost:			
Service cost	$ —	$ 2,677	$ 3,473
Interest cost on projected benefit obligation	6,791	6,393	6,046
Expected return on plan assets	(8,170)	(7,430)	(6,549)
Amortization of prior service cost	—	19	58
Recognized net actuarial loss	1,481	1,309	2,579
Loss due to curtailments and settlements	971	160	12
Net periodic pension cost of defined benefit pension plans	1,073	3,128	5,619
Net pension cost of multi-employer plans	469	555	1,652
Total pension expense	$ 1,542	$ 3,683	$ 7,271

Weighted average assumptions used (as of the beginning of the fiscal year) in computing the net periodic benefit cost were as follows:

	2008	2007	2006
Discount rate	6.30%	6.35%	5.25%
Rate of increase in compensation levels	4.00%	4.00%	4.00%
Expected long-term rate of return on assets	8.00%	8.00%	8.00%

To determine the expected long-term rate of return on assets, the Company considered the current and expected asset allocations, as well as historical and expected returns on various categories of plan assets.

The Compensation and Succession Planning Committee ("Compensation Committee") of the Company's board of directors is responsible for establishing the investment policy of any retirement plan, including the selection of acceptable asset classes, allowable ranges of holdings, the definition of acceptable securities within each class, and investment performance expectations. Additionally, the Compensation Committee has established rules for the rebalancing of assets between asset classes and among individual investment managers.

The investment portfolio contains a diversified portfolio of investment categories, including equities, fixed income securities and cash. Securities are also diversified in terms of domestic and international securities and large cap and small cap stocks. The actual and target asset allocations expressed as a percentage of the plans' assets at the measurement date are as follows:

	Pension Benefits Allocation		Target Allocation	
	2008	2007	2008	2007
Asset Category:				
Equity securities	68%	70%	70%	70%
Debt securities	30	29	30	30
Other	2	1	—	—
Total	100%	100%	100%	100%

The investment goals are to achieve the optimal return possible within the specific risk parameters and, at a minimum, produce results, which achieve the plans' assumed interest rate for funding the plans over a full

market cycle. High levels of risk and volatility are reduced by maintaining diversified portfolios. Allowable investments include government-backed fixed income securities, equity, and cash equivalents. Prohibited investments include unregistered or restricted stock, commodities, margin trading, options and futures, short-selling, venture capital, private placements, real estate and other high risk investments.

As of September 30, 2008 and 2007, certain of the Company's defined benefit pension plans had accumulated and projected benefit obligations in excess of plan assets. The amounts related to these plans were as follows (in thousands):

	2008	2007
Accumulated benefit obligation	$14,295	$13,929
Projected benefit obligation	14,295	13,929
Plan assets at fair value	10	306

Currently, the Company does not anticipate it will be required to contribute to its pension plans in fiscal 2009. Expected benefit payments over the next ten years, are anticipated to be paid as follows (in thousands):

	Pension Benefits
Fiscal Year:	
2009	$ 9,724
2010	4,616
2011	4,770
2012	10,711
2013	6,022
2014-2018	33,239
Total	$69,082

Expected benefit payments are based on the same assumptions used to measure the benefit obligations and reflect estimated future employee service.

Postretirement Benefit Plans

The Company provides medical benefits to certain retirees, principally former employees of Bergen. Employees became eligible for such postretirement benefits after meeting certain age and years of service criteria. Since 2002, the plans have been closed to new participants and benefits that can be earned by active participants were limited. As a result of special termination benefit packages previously offered, the Company also provides dental and life insurance benefits to a limited number of retirees and their dependents. These benefit plans are unfunded.

The following table sets forth (in thousands) a reconciliation of the changes in the Company-sponsored postretirement benefit plans:

	Fiscal year ended September 30,	
	2008	2007
Change in Accumulated Benefit Obligations:		
Benefit obligation at beginning of year	$ 16,047	$ 17,409
Interest cost	775	992
Actuarial gains	(4,208)	(886)
Benefit payments	(1,550)	(1,468)
Benefit obligation at end of year	$ 11,064	$ 16,047
Change in Plan Assets:		
Fair value of plan assets at beginning of year	$ —	$ —
Employer contributions	1,550	1,468
Benefit payments	(1,550)	(1,468)
Fair value of plan assets at end of year	$ —	$ —
Funded Status and Amounts Recognized:		
Funded status	$(11,064)	$(16,047)
Net amount recognized	$(11,064)	$(16,047)
Amounts recognized in the balance sheets consist of:		
Current liabilities	$ (1,366)	$ (1,964)
Noncurrent liabilities	(9,698)	(14,083)
Net amount recognized	$(11,064)	$(16,047)

Weighted average assumptions used (as of the end of the fiscal year) in computing the funded status of the plans were as follows:

	2008	2007
Discount rate	6.85%	6.30%
Health care trend rate assumed for next year	8.25%	9.50%
Rate to which the cost trend rate is assumed to decline	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2018	2017

Assumed health care trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effect (in thousands):

	One Percentage Point	
	Increase	Decrease
Effect on total service and interest cost components	$952	$(812)
Effect on benefit obligation	76	(67)

The following table provides components of net periodic benefit cost for the Company-sponsored postretirement benefit plans (in thousands):

	Fiscal year ended September 30,		
	2008	2007	2006
Components of Net Periodic Benefit Cost:			
Interest cost on projected benefit obligation	$775	$ 992	$1,028
Recognized net actuarial (gain) loss	(44)	(426)	182
Total postretirement benefit expense	$731	$ 566	$1,210

Weighted average assumptions used (as of the beginning of the fiscal year) in computing the net periodic benefit cost were as follows:

	2008	2007	2006
Discount rate	6.30%	6.35%	5.25%
Health care trend rate assumed for next year	9.00%	10.50%	11.00%
Rate to which the cost trend rate is assumed to decline	5.00%	5.00%	5.00%
Year that the rate reaches the ultimate trend rate	2018	2017	2015

Expected postretirement benefit payments over the next ten years are anticipated to be paid as follows (in thousands):

	Postretirement Benefits
Fiscal Year:	
2009	$ 1,366
2010	1,343
2011	1,253
2012	1,207
2013	1,090
2014-2018	3,940
Total	$10,199

Defined Contribution Plans

The Company sponsors the AmerisourceBergen Employee Investment Plan, which is a defined contribution 401(k) plan covering salaried and certain hourly employees. Eligible participants may contribute to the plan from 1% to 25% of their regular compensation before taxes (2% to 18% prior to January 1, 2006). The Company contributes $1.00 for each $1.00 invested by the participant up to the first 3% of the participant's salary and $0.50 for each additional $1.00 invested by the participant of an additional 2% of salary. An additional discretionary contribution, in an amount not to exceed the limits established by the Internal Revenue Code, may also be made depending upon the Company's performance. All contributions are invested at the direction of the employee in one or more funds. All contributions vest immediately except for the discretionary contributions made by the Company that vest in full after five years of credited service.

During fiscal 2006, the Compensation Committee approved the AmerisourceBergen Corporation Supplemental 401(k) Plan (formerly known as the Executive Retirement Plan). This unfunded plan provides benefits for selected key management, including all of the Company's executive officers. This plan will provide eligible participants with an annual amount equal to 4% of the participant's base salary and bonus incentive to the extent that his or her compensation exceeds the annual compensation limit established by Section 401(a)(17) of the Internal Revenue Code.

Costs of the defined contribution plans charged to expense for the fiscal years ended September 30, 2008, 2007 and 2006 were $15.7 million, $18.9 million and $13.7 million, respectively.

Deferred Compensation Plan

The Company also sponsors the AmerisourceBergen Corporation 2001 Deferred Compensation Plan. This unfunded plan, under which 1.48 million shares of Common Stock are authorized for issuance, allows eligible officers, directors and key management employees to defer a portion of their annual compensation. The amount deferred may be allocated by the employee to cash, mutual funds or stock credits. Stock credits, including dividend equivalents, are equal to the full and fractional number of shares of Common Stock that could be purchased with the participant's compensation allocated to stock credits based on the average of closing prices of Common Stock during each month, plus, at the discretion of the board of directors, up to one-half of a share of Common Stock for each full share credited. Stock credit distributions are made in shares of Common Stock. No shares of Common Stock have been issued under the deferred compensation plan through September 30, 2008. The Company's liability relating to its deferred compensation plan as of September 30, 2008 and 2007 was $6.3 million and $8.1 million, respectively.

Note 10. Share-Based Compensation

The Company has a number of stock option plans, a restricted stock plan and an employee stock purchase plan. The Company adopted SFAS No. 123R, using the modified-prospective transition method, beginning on October 1, 2005 and, therefore, began to expense the fair value of all options over their remaining vesting periods to the extent the options were not fully vested as of the adoption date and began to expense the fair value of all share-based compensation awards granted subsequent to September 30, 2005 over their requisite service periods.

During the fiscal year ended September 30, 2008, the Company recorded $25.5 million of share-based compensation expense, which was comprised of stock option expense of $17.4 million, restricted stock expense of $6.6 million, and employee stock purchase plan expense of $1.5 million. During the fiscal year ended September 30, 2007, the Company recorded $24.1 million of share-based compensation expense, which was comprised of stock option expense of $17.5 million, restricted stock expense of $5.4 million, and employee stock purchase plan expense of $1.2 million. During the fiscal year ended September 30, 2006, the Company recorded $16.0 million of share-based compensation expense, which was comprised of stock option expense of $12.0 million, restricted stock expense of $2.7 million, and employee stock purchase plan expense of $1.3 million.

Stock Option Plans

The Company's employee stock option plans provide for the granting of incentive and nonqualified stock options to acquire shares of Common Stock to employees at a price not less than the fair market value of the Common Stock on the date the option is granted. Option terms and vesting periods are determined at the date of grant by the Compensation Committee of the board of directors. Employee options generally vest ratably, in equal amounts, over a four-year service period and expire in ten years (seven years for all grants issued in February 2008 and thereafter). The Company's non-employee director stock option plans provide for the granting of nonqualified stock options to acquire shares of Common Stock to non-employee directors at the fair market value of the Common Stock on the date of the grant. Non-employee director options vest ratably, in equal amounts, over a three-year service period, and options expire in ten years.

In connection with the divestiture of Long-Term Care, the Company's stockholders received PMC common stock, as previously discussed in Note 3 and the Company's Common Stock commenced trading without Long-Term Care on August 1, 2007. As a result, the price of the Company's Common Stock decreased from $47.11 per share at the closing of regular trading on July 31, 2007 to an opening price on August 1, 2007 of $46.10 per share. In accordance with the antidilution provisions of the Company's stock option plans, the number of stock

options previously granted to each employee or non-employee director, as well as the corresponding grant price, was adjusted accordingly to reflect the decline in the market price of the Company's Common Stock between the July 31, 2007 closing price and the August 1, 2007 opening price, as quoted on the New York Stock Exchange (the "Modification"). The net effect of the adjustments was to reduce the exercise prices of all outstanding options by the same percentage that the price of the Company's Common Stock decreased from July 31, 2007 to August 1, 2007, increase the number of options exercisable under each grant, and preserve the aggregate spread (whether positive or negative) associated with each grant of options.

At September 30, 2008, options for an additional 7.9 million shares may be granted under the Company's 2002 employee incentive plan and options for an additional 162 thousand shares may be granted under the Company's non-employee director stock option plan.

The estimated fair values of options granted are expensed as compensation on a straight-line basis over the requisite service periods of the awards and are net of estimated forfeitures. The Company estimates the fair values of option grants using a binomial option pricing model. Expected volatilities are based on the historical volatility of the Company's Common Stock and other factors, such as implied market volatility. The Company uses historical exercise data, taking into consideration the optionees' ages at grant date, to estimate the terms for which the options are expected to be outstanding. The Company anticipates that the terms of options granted in the future will be similar to those granted in the past. The risk-free rates during the terms of such options are based on the U.S. Treasury yield curve in effect at the time of grant.

The weighted average fair values of the options granted during the fiscal years ended September 30, 2008, 2007 and 2006 were $9.84, $14.86 and $10.56, respectively. The following assumptions were used to estimate the fair values of options granted:

	Fiscal year ended September 30,		
	2008	2007	2006
Weighted average risk-free interest rate	2.79%	4.73%	4.58%
Expected dividend yield	0.70%	0.37%	0.23%
Weighted average volatility of common stock	28.14%	24.49%	25.73%
Weighted average expected life of the options	3.71 years	4.38 years	4.17 years

Changes to the above valuation assumptions could have a significant impact on share-based compensation expense.

A summary of the Company's stock option activity and related information for its option plans for the fiscal year ended September 30, 2008 is presented below:

	Options (000's)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value (000's)
Outstanding at September 30, 2007	13,530	$35		
Granted	1,897	43		
Exercised	(2,651)	27		
Forfeited	(973)	45		
Outstanding at September 30, 2008	11,803	$37	6 years	$50,338
Vested and expected to vest at September 30, 2008	11,154	$37	6 years	$49,760
Exercisable at September 30, 2008	7,234	$33	5 years	$45,449

The intrinsic value of stock option exercises during fiscal 2008, 2007 and 2006 was $38.5 million, $54.8 million and $59.5 million, respectively.

A summary of the status of the Company's nonvested options as of September 30, 2008 and changes during the fiscal year ended September 30, 2008 is presented below:

	Options (000's)	Weighted Average Grant Date Fair Value
Nonvested at September 30, 2007	5,443	$11
Granted	1,897	10
Vested	(1,812)	10
Forfeited	(959)	11
Nonvested at September 30, 2008	4,569	$11

Expected future compensation expense relating to the 4.6 million nonvested options outstanding as of September 30, 2008 is $40.5 million over a weighted-average period of 2 years.

Restricted Stock Plan

Restricted shares vest in full after three years. The estimated fair value of restricted shares under the Company's restricted stock plans is determined by the product of the number of shares granted and the grant date market price of the Company's Common Stock. The estimated fair value of restricted shares is expensed on a straight-line basis over the requisite service period of three years.

A summary of the status of the Company's restricted shares as of September 30, 2008 and changes during the fiscal year ended September 30, 2008 is presented below:

	Restricted Shares (000's)	Weighted Average Grant Date Fair Value
Nonvested at September 30, 2007	500	$49
Granted	222	43
Vested	(15)	33
Forfeited	(102)	48
Nonvested at September 30, 2008	605	$47

Expected future compensation expense relating to the 0.6 million restricted shares outstanding as of September 30, 2008 is $13.2 million over a weighted-average period of 1.4 years.

Employee Stock Purchase Plan

The stockholders approved the adoption of the AmerisourceBergen 2002 Employee Stock Purchase Plan, under which up to an aggregate of 8,000,000 shares of Common Stock may be sold to eligible employees (generally defined as employees with at least 30 days of service with the Company). Under this plan, the participants may elect to have the Company withhold up to 25% of base salary to purchase shares of the Company's Common Stock at a price equal to 85% of the fair market value of the stock on the first or last business day of each six-month purchase period, whichever is lower. Each participant is limited to $25,000 of purchases during each calendar year. During the fiscal years ended September 30, 2008, 2007 and 2006, the Company acquired 149,978 shares, 154,240 shares and 164,055 shares, respectively, from the open market for issuance to participants in this plan. As of September 30, 2008, the Company has withheld $1.4 million from eligible employees for the purchase of additional shares of Common Stock.

Note 11. Leases and Other Commitments

At September 30, 2008, future minimum payments totaling $242.7 million under noncancelable operating leases with remaining terms of more than one fiscal year were due as follows; 2009—$64.1 million; 2010—$52.2 million; 2011—$37.9 million; 2012—$24.2 million; 2013—$15.4 million; and thereafter—$48.9 million. In the normal course of business, operating leases are generally renewed or replaced by other leases. Certain operating leases include escalation clauses. Total rental expense was $63.0 million in fiscal 2008, $71.3 million in fiscal 2007 and $68.9 million in fiscal 2006.

During the fiscal year ended September 30, 2006, the Company entered into two sale-leaseback agreements with a financial institution relating to certain equipment located at two of the Company's new distribution facilities. The net book value of all of the equipment under the two leases totaled $26.5 million and was sold for $28.1 million. The Company deferred the gains associated with the sale-leaseback agreements, which are being amortized as a reduction of lease expense over the respective operating lease terms.

The Company has commitments to purchase product from influenza vaccine manufacturers through June 30, 2015. The Company is required to purchase annual doses at a price that the Company believes will represent market prices. The Company currently estimates its remaining purchase commitment under these agreements will be approximately $379.2 million as of September 30, 2008, of which $64.3 million represents the Company's commitment in fiscal 2009.

The Company outsources a significant portion of its corporate and ABDC information technology activities to IBM Global Services. The remaining commitment under this ten-year outsourcing arrangement, which expires in June 2015, is approximately $115.7 million.

Note 12. Facility Consolidations, Employee Severance and Other

The following table illustrates the charges incurred by the Company relating to facility consolidations, employee severance and other for the three fiscal years ended September 30, 2008 (in thousands):

	2008	2007	2006
Facility consolidations and employee severance	$ 9,741	$(5,863)	$ 4,271
Information technology transition costs	—	1,679	9,218
Costs relating to business divestitures	2,636	9,335	6,634
Gain on sale of retail pharmacy assets	—	(3,079)	—
Total facility consolidations, employee severance and other	$12,377	$ 2,072	$20,123

During fiscal 2008, the Company announced a more streamlined organizational structure and introduced an initiative ("cE2") designed to drive increased customer efficiency and cost effectiveness. In connection with these efforts, the Company reduced various operating costs and terminated certain positions. The Company expects to incur the majority of employee severance costs related to the above efforts through December 31, 2008. During fiscal 2008, the Company terminated approximately 130 employees and incurred $10.0 million of employee severance costs, relating to the aforementioned efforts. Most employees receive their severance benefits over a period of time, generally not in excess of 12 months, while others may receive a lump-sum payment.

During fiscal 2007, the Company completed its integration plan to consolidate its distribution network and eliminate duplicative administrative functions. The plan included building six new facilities, closing 31 facilities, and outsourcing a significant amount of its information technology activities. During fiscal 2008, the Company reversed $1.0 million of employee severance charges previously estimated and recorded related to this integration plan.

During fiscal 2006, the Company incurred a charge of $13.9 million for an increase in a compensation accrual due to an adverse decision in an employment-related dispute with a former Bergen Brunswig chief executive officer whose employment was terminated in 1999. In October 2007, the Company received a favorable ruling from a California appellate court reversing certain portions of the prior adverse decision. As a result, the Company reduced its liability in fiscal 2007 to the Bergen Brunswig chief executive officer by $10.4 million (see Bergen Brunswig Matter under Note 13). The fiscal 2006 compensation expense and the fiscal 2007 reduction thereof were recorded as a component of the facility consolidations and employee severance line in the above table.

During fiscal 2007, the Company recognized a $3.1 million gain relating to the sale of certain retail pharmacy assets of its former Long-Term Care business.

During fiscal 2006, the Company realized a $17.3 million gain from the sale of the former Bergen Brunswig headquarters building in Orange, California. This gain was recorded as a component of the facility consolidations and employee severance line in the above table.

The following table, which includes the total compensation accrual due to the former chief executive officer and excludes the gain realized on the sale of the former Bergen Brunswig headquarters, displays the activity in accrued expenses and other from September 30, 2006 to September 30, 2008 related to the matters discussed above (in thousands):

	Employee Severance	Lease Cancellation Costs and Other	Total
Balance as of September 30, 2006	$22,233	$ 9,131	$ 31,364
Expense recorded during the period	(7,529)	12,680	5,151
Payments made during the period	(3,707)	(16,946)	(20,653)
Balance as of September 30, 2007	10,997	4,865	15,862
Expense recorded during the period	9,060	3,317	12,377
Payments made during the period	(2,976)	(3,826)	(6,802)
Balance as of September 30, 2008	$17,081	$ 4,356	$ 21,437

Note 13. Legal Matters and Contingencies

In the ordinary course of its business, the Company becomes involved in lawsuits, administrative proceedings, government subpoenas, and government investigations, including antitrust, commercial, environmental, product liability, intellectual property, regulatory, employment discrimination, and other matters. Significant damages or penalties may be sought from the Company in some matters, and some matters may require years for the Company to resolve. The Company establishes reserves based on its periodic assessment of estimates of probable losses. There can be no assurance that an adverse resolution of one or more matters during any subsequent reporting period will not have a material adverse effect on the Company's results of operations for that period. However, on the basis of information furnished by counsel and others and taking into consideration the reserves established for pending matters, the Company does not believe that the resolution of currently pending matters (including the matters specifically described below), individually or in the aggregate, will have a material adverse effect on the Company's financial condition.

RxUSA Matter

In 2001, the Company sued one of its former customers, RxUSA International, Inc. and certain related companies ("RxUSA"), seeking over $300,000 for unpaid invoices. The matter is pending in the United States District Court for the Eastern District of New York (the "Federal District Court"). Thereafter, RxUSA filed counterclaims alleging breach of contract claiming that it was overbilled for products by over $400,000. RxUSA also alleged violations of the federal and New York antitrust laws, tortious interference with business relations

and defamation. The Federal District Court has granted summary judgment for the Company on the antitrust and defamation counterclaims, but denied the motion on the breach of contract and tortious interference counterclaims. In connection with its tortious interference counterclaim, RxUSA asserts compensatory damages of $61 million plus punitive damages. The case is scheduled for trial on January 26, 2009. The Company intends to vigorously prosecute its claim for unpaid invoices and does not believe that the counterclaims asserted by RxUSA have merit, but cannot predict the ultimate outcome of this matter.

New York Attorney General Subpoena

In April 2005, the Company received a subpoena from the Office of the Attorney General of the State of New York (the "NYAG") requesting documents and responses to interrogatories concerning the manner and degree to which the Company purchased pharmaceuticals from other wholesalers, often referred to as the alternate source market, rather than directly from manufacturers. Similar subpoenas have been issued by the NYAG to other pharmaceutical distributors. After receiving the subpoena, the Company engaged in discussions with the NYAG, initially to clarify the scope of the subpoena and subsequently to provide background information requested by the NYAG. The Company has produced responsive information and documents and will continue to cooperate with the NYAG. Late in fiscal year 2007, the Company received a communication from the NYAG detailing potential theories of liability. Subsequently, the Company met with the NYAG to discuss this matter and has communicated the Company's position on this matter to the NYAG. The Company believes that it has not engaged in any wrongdoing, but cannot predict the outcome of this matter.

Bergen Brunswig Matter

A former Bergen Brunswig chief executive officer who was terminated in 1999 filed an action that year in the Superior Court of the State of California, County of Orange (the "Superior Court") claiming that Bergen Brunswig (predecessor in interest to AmerisourceBergen Corporation) had breached its obligations to him under his employment agreement. Shortly after the filing of the lawsuit, Bergen Brunswig made a California Civil Procedure Code § 998 Offer of Judgment to the executive, which the executive accepted. The resulting judgment awarded the executive damages and the continuation of certain employment benefits. Since then, the Company and the executive have engaged in litigation as to what specific benefits were included in the scope of the Offer of Judgment and the value of those benefits. The Superior Court entered an Order in Implementation of Judgment on June 7, 2001, which identified the specific benefits encompassed by the Offer of Judgment. Following submission by the executive of a claim for benefits pursuant to the Bergen Brunswig Supplemental Executive Retirement Plan (the "Plan"), the Company followed the administrative procedure set forth in the Plan. This procedure involved separate reviews by two independent parties, the first by the Review Official appointed by the Plan Administrator and second by the Plan Trustee, and resulted in a determination that the executive was entitled to a $1.9 million supplemental retirement benefit and such amount was paid. The executive challenged this award and on July 7, 2006, the Superior Court entered a Second Order in Implementation of Judgment determining that the executive was entitled to a supplemental retirement benefit, net of the $1.9 million previously paid to him, in the amount of $19.4 million, which included interest at the rate of ten percent per annum from August 29, 2001. The Company recorded a charge of $13.9 million in June 2006 to establish the total liability of $19.4 million on its balance sheet. The Court refused to award the executive other benefits claimed, including an award of stock options, a severance payment and forgiveness of a loan. Both the executive and the Company appealed the ruling of the Superior Court. On October 12, 2007, the Court of Appeal for the State of California, Fourth Appellate District (the "Court of Appeal") made certain rulings, and reversed certain portions of the July 2006 decision of the Superior Court in a manner that was favorable to the Company. As a result, in fiscal 2007, the Company reduced its total liability to the executive by $10.4 million. The Company continues to accrue interest on the remaining liability to the executive, pending the final resolution of this matter. The former executive filed a petition with the Supreme Court of California for review of the October 12, 2007 appellate decision. The Supreme Court of California denied the petition on January 23, 2008. The parties then entered into a stipulation to remand the calculation of the executive's supplemental retirement benefit to the Plan Administrator in accordance with the Court of Appeal's decision of October 12, 2007. On June 10, 2008, the

Plan Administrator issued a decision that the executive is entitled to receive approximately $6.9 million in supplemental retirement benefits plus interest, less the $1.9 million already paid to the executive under the Plan. The executive appealed this determination and a hearing on his appeal was held in August 2008 before a Review Official appointed by the Plan Administrator. On October 31, 2008, the Review Official issued an interim decision affirming in most respects the Plan Administrator's determination of the executive's supplemental retirement benefit. The Company expects the Review Official to issue a final decision by the end of 2008.

Bridge Medical Matter

In March 2004, the former stockholders of Bridge Medical, Inc. ("Bridge") commenced an action against the Company in the Court of Chancery of the State of Delaware (the "Chancery Action") claiming that they were entitled to payment of certain contingent purchase price amounts that were provided under the terms of an agreement under which the Company acquired Bridge in January 2003. In July 2005, the Company sold substantially all of the assets of Bridge. The contingent purchase price amounts at issue were conditioned upon the achievement by Bridge of certain earnings levels in calendar 2003 and calendar 2004 (collectively, the "Earnout Period"). The maximum amount that was payable in respect of calendar 2003 was $21 million and the maximum amount that was payable in respect of calendar 2004 was $34 million. The former stockholders of Bridge alleged (i) that the Company did not properly adhere to the terms of the acquisition agreement in calculating that no contingent purchase price amounts were due and (ii) that the Company breached certain obligations to assist the Bridge sales force and promote the Bridge bedside point-of-care patient safety product during the Earnout Period and that such breaches prevented Bridge from obtaining business that Bridge otherwise would have obtained. The trial of the Chancery Action and post-trial briefing were completed during May and June 2007. In September 2007, the Delaware Court of Chancery ruled that the former stockholders of Bridge were entitled to a payment of $21 million for earnout amounts, plus prejudgment interest in the amount of $5.9 million. As a result of the court's decision, the Company recorded a charge of $24.6 million, net of income taxes, in the fiscal year ended September 30, 2007. The Company expects to receive a tax benefit only with respect to interest incurred in this matter. The Company appealed the decision of the Delaware Court of Chancery and in April 2008, the Delaware Supreme Court affirmed the judgment of the Delaware Chancery Court. In April 2008, the Company paid the judgment of $28.1 million, which included post-judgment interest.

MBL Matter

In May 2007, ASD Specialty Healthcare, Inc. ("ASD"), a wholly-owned subsidiary of the Company, filed a lawsuit against Massachusetts Biologic Laboratories ("MBL") in the 44th Judicial District Court of Dallas County, Texas. ASD alleged that MBL committed fraud by making misrepresentations to ASD in connection with the execution of a contract with ASD for the distribution of 5 million doses of tetanus diphtheria ("TD") vaccines. Later that month, MBL sued ASD in the Superior Court of Suffolk County, Massachusetts, asserting breach of contract, unfair and deceptive trade practices, and other claims. MBL requested declaratory judgment, actual and consequential damages in an undetermined amount, and treble damages. ASD filed counterclaims against MBL in the Massachusetts action for breach of contract, fraudulent and negligent misrepresentation, unfair trade practices, and other claims. The Texas lawsuit was dismissed in favor of the parties' proceeding in Massachusetts, but ASD filed a motion for reconsideration of the dismissal.

In the fourth quarter of fiscal 2007, the Company had recorded a $27.8 million write-down to estimated net realizable value for the TD vaccines, which remained unsold as of September 30, 2007. In March 2008, the parties entered into a settlement agreement resolving all disputes between them. As a result of the settlement, the Company recorded a $2.4 million gain in the fiscal year ended September 30, 2008.

Note 14. Litigation Settlements

Antitrust Settlements

During the last several years, numerous class action lawsuits have been filed against certain brand pharmaceutical manufacturers alleging that the manufacturer, by itself or in concert with others, took improper actions to delay or prevent generic drugs from entering the market. The Company has not been a named plaintiff in any of these class actions, but has been a member of the direct purchasers' class (i.e., those purchasers who purchase directly from these pharmaceutical manufacturers). None of the class actions has gone to trial, but some have settled in the past with the Company receiving proceeds from the settlement funds. Currently, there are several such class actions pending in which the Company is a class member. During the fiscal years ended September 30, 2008, 2007, and 2006, the Company recognized gains of $3.5 million, $35.8 million and $40.9 million, respectively, relating to the above-mentioned class action lawsuits. These gains, which are net of attorney fees and estimated payments due to other parties, were recorded as reductions to cost of goods sold in the Company's consolidated statements of operations.

Other Settlements

During the fiscal year ended September 30, 2008, the Company recognized a gain of $13.2 million as a reduction to cost of goods sold in the Company's consolidated statements of operations resulting from favorable litigation settlements with a former customer (an independent retail group purchasing organization) and a major competitor.

Note 15. Business Segment Information

The Company is organized based upon the products and services it provides to its customers. The Company's operations as of September 30, 2008 were comprised of two reportable segments: Pharmaceutical Distribution and Other. During fiscal 2008, the Pharmaceutical Distribution reportable segment was comprised of four operating segments, which included the operations of AmerisourceBergen Drug Corporation ("ABDC"), the AmerisourceBergen Specialty Group ("ABSG"), Bellco Health ("Bellco"), and the AmerisourceBergen Packaging Group ("ABPG"). The Company recently completed the integration of Bellco's separate operations within ABDC and ABSG and as of September 30, 2008, the Pharmaceutical Distribution reportable segment was comprised of three operating segments, which included ABDC, ABSG and ABPG. The Other reportable segment includes the operating results of Long-Term Care, through the July 31, 2007 spin-off date. The operating results of PMSI, which was sold in October 2008, have been reclassified to discontinued operations.

In accordance with FAS 131, the Company has aggregated the operating segments of ABDC, ABSG, and ABPG into one reportable segment, the Pharmaceutical Distribution segment. Its ability to aggregate these three operating segments into one reportable segment was based on the following:

- the objective and basic principles of FAS 131;
- the Aggregation Criteria as noted in paragraph 17 of FAS 131; and
- the fact that ABDC, ABSG, and ABPG have similar economic characteristics.

The chief operating decision maker for the Pharmaceutical Distribution segment was the President and Chief Executive Officer of the Company whose function was to allocate resources to, and assess the performance of, the ABDC, ABSG, and ABPG operating segments. ABDC, ABSG, and ABPG each have an executive who functions as an operating segment manager whose role includes reporting directly to the President and Chief Executive Officer of the Company on their respective operating segment's business activities, financial results and operating plans.

The businesses of the Pharmaceutical Distribution operating segments are similar in that they service both healthcare providers and pharmaceutical manufacturers in the pharmaceutical supply channel. The distribution of pharmaceutical drugs has historically represented more than 95% of the Company's total revenues. ABDC and

ABSG each operate in a high volume and low margin environment and, as a result, their economic characteristics are similar. Each operating segment warehouses and distributes products in a similar manner. Additionally, each operating segment is subject, in whole or in part, to the same extensive regulatory environment under which the pharmaceutical distribution industry operates.

ABDC distributes a comprehensive offering of brand-name and generic pharmaceuticals, over-the-counter healthcare products, home healthcare supplies and equipment, and related services to a wide variety of healthcare providers, including acute care hospitals and health systems, independent and chain retail pharmacies, mail order pharmacies, medical clinics, long-term care and other alternate site pharmacies and other customers. ABDC also provides pharmacy management, consulting services and scalable automated pharmacy dispensing equipment, medication and supply dispensing cabinets, and supply management software to a variety of retail and institutional healthcare providers.

ABSG, through a number of individual operating businesses, provides distribution and other services primarily to physicians who specialize in a variety of disease states, especially oncology, and to other alternate healthcare providers. ABSG also distributes vaccines, other injectables, plasma, and other blood products. In addition, through its specialty services businesses, ABSG provides a number of commercialization services, third party logistics, group purchasing, and other services for biotech and other pharmaceutical manufacturers, as well as reimbursement consulting, data analytics, practice management, and physician education.

ABPG consists of American Health Packaging, Anderson Packaging (“Anderson”), and Brecon. American Health Packaging delivers unit dose, punch card, unit-of-use, compliance and other packaging solutions to institutional and retail healthcare providers. American Health Packaging’s largest customer is ABDC, and, as a result, its operations are closely aligned with the operations of ABDC. Anderson is a leading provider of contracted packaging services for pharmaceutical manufacturers. Brecon is a United Kingdom-based provider of contract packaging and clinical trial materials services for pharmaceutical manufacturers.

Prior to its divestiture, Long-Term Care was a leading national dispenser of pharmaceutical products and services to patients in long-term care and alternate site settings, including skilled nursing facilities, assisted living facilities and residential living communities. Long-Term Care’s institutional pharmacy business involved the purchase of prescription and nonprescription pharmaceuticals, principally from our Pharmaceutical Distribution segment, and the dispensing of those products to residents in long-term care and alternate site facilities.

The following tables present reportable segment information for the periods indicated (dollars in thousands):

	Total Revenue		
Fiscal year ended September 30,	**2008**	**2007**	**2006**
Pharmaceutical Distribution	$70,189,733	$65,340,623	$60,437,757
Other	—	1,045,663	1,211,548
Intersegment eliminations	—	(714,214)	(836,884)
Total revenue	$70,189,733	$65,672,072	$60,812,421

Management previously evaluated segment performance based on revenues excluding bulk deliveries to customer warehouses. For further information regarding the nature of bulk deliveries, which only occur in the Pharmaceutical Distribution segment, see Note 1. Beginning in fiscal 2008, management began evaluating segment performance based on total revenue. Intersegment eliminations represent the elimination of the Pharmaceutical Distribution segment’s sales to the Other segment. ABDC was the principal supplier of pharmaceuticals to the Other segment.

Fiscal year ended September 30,	Operating Income		
	2008	2007	2006
Pharmaceutical Distribution	$836,747	$729,978	$640,938
Other	—	24,994	31,187
Facility consolidations, employee severance and other	(12,377)	(2,072)	(20,123)
Gain on antitrust litigation settlements	3,491	35,837	40,882
Operating income	827,861	788,737	692,884
Other loss (income)	2,027	3,004	(4,387)
Interest expense, net	64,496	32,244	12,464
Income from continuing operations before income taxes	$761,338	$753,489	$684,807

Segment operating income is evaluated before other loss (income); interest expense, net; facility consolidations, employee severance and other; and gain on antitrust litigation settlements. All corporate office expenses are allocated to the two reportable segments.

At September 30,	Assets	
	2008	2007
Pharmaceutical Distribution	$12,174,095	$12,025,246
Assets held for sale	43,691	284,818
Total assets	$12,217,786	$12,310,064

Fiscal year ended September 30,	Depreciation & Amortization		
	2008	2007	2006
Pharmaceutical Distribution	$82,081	$72,640	$68,310
Other	—	12,035	13,586
Total depreciation and amortization	$82,081	$84,675	$81,896

Depreciation and amortization includes depreciation and amortization of property and equipment and intangible assets, but excludes amortization of deferred financing costs and other debt-related items, which is included in interest expense.

Fiscal year ended September 30,	Capital Expenditures		
	2008	2007	2006
Pharmaceutical Distribution	$137,309	$104,360	$ 95,015
Other	—	6,918	16,856
Total capital expenditures	$137,309	$111,278	$111,871

Note 16. Disclosure About Fair Value of Financial Instruments

The recorded amounts of the Company's cash and cash equivalents, short-term investments available-for-sale, accounts receivable and accounts payable at September 30, 2008 and 2007 approximate fair value. The fair values of the Company's debt instruments are estimated based on market prices. The recorded amount of debt (see Note 7) and the corresponding fair value as of September 30, 2008 were $1,189.1 million and $1,162.4 million, respectively. The recorded amount of debt and the corresponding fair value as of September 30, 2007 were $1,227.6 million and $1,213.9 million, respectively.

Note 17. Quarterly Financial Information (Unaudited)

	Fiscal year ended September 30, 2008				
	First Quarter (a)	Second Quarter (a)	Third Quarter	Fourth Quarter	Fiscal Year
	(in thousands, except per share amounts)				
Operating revenue	$16,145,895	$17,203,619	$17,507,497	$16,661,922	$67,518,933
Bulk deliveries to customer warehouses	1,133,488	552,219	489,169	495,924	2,670,800
Total revenue	17,279,383	17,755,838	17,996,666	17,157,846	70,189,733
Gross profit (b)(c)(e)(g)	484,216	537,288	498,045	527,453	2,047,002
Distribution, selling and administrative expenses, depreciation and amortization (d)	291,396	300,903	292,655	321,810	1,206,764
Facility consolidations, employee severance and other	177	1,384	7,865	2,951	12,377
Operating income	$ 192,643	$ 235,001	$ 197,525	$ 202,692	$ 827,861
Income from continuing operations	$ 108,409	$ 132,828	$ 112,765	$ 115,062	$ 469,064
Income (loss) from discontinued operations, net of tax (f)	$ 1,411	$ 1,024	$ (220,785)	$ (155)	$ (218,505)
Net income (loss)	$ 109,820	$ 133,852	$ (108,020)	$ 114,907	$ 250,599
Earnings per share from continuing operations:					
Basic	$ 0.66	$ 0.82	$ 0.71	$ 0.73	$ 2.92
Diluted	$ 0.65	$ 0.81	$ 0.70	$ 0.73	$ 2.89
Earnings per share:					
Basic	$ 0.67	$ 0.83	$ (0.68)	$ 0.73	$ 1.56
Diluted	$ 0.66	$ 0.82	$ (0.67)	$ 0.73	$ 1.54

(a) The financial information for the first and second quarters of fiscal 2008 does not agree to the amounts previously reported, as the financial information has been restated to reflect PMSI as a discontinued operation.

(b) The first and fourth quarters of fiscal 2008 include gains of $1.6 million and $1.9 million, respectively, from antitrust litigation settlements.

(c) The first and second quarters of fiscal 2008 include gains of $10.0 million and $3.2 million, respectively, relating to litigation settlements with a competitor and a former customer.

(d) The second, third, and fourth quarters of fiscal 2008 include various other charges of $4.7 million, $0.8 million, and $10.6 million, respectively, relating to the write-down of intangible assets, capitalized equipment and software.

(e) The third quarter of fiscal 2008 includes an $8.4 million inventory write-down of certain pharmacy dispensing equipment.

(f) The third and fourth quarters of fiscal 2008 include a combined charge of $225.8 million to reduce the carrying value of PMSI.

(g) The fourth quarter of fiscal 2008 includes a gain of $8.6 million resulting from a vendor settlement.

	Fiscal year ended September 30, 2007				
	First Quarter (a)	Second Quarter (a)	Third Quarter	Fourth Quarter (d)	Fiscal Year (d)
	(in thousands, except per share amounts)				
Operating revenue	$15,593,817	$15,184,166	$15,289,657	$15,199,152	$61,266,792
Bulk deliveries to customer warehouses	1,028,854	1,228,780	1,054,319	1,093,327	4,405,280
Total revenue	16,622,671	16,412,946	16,343,976	16,292,479	65,672,072
Gross profit (b)(c)	566,057	580,456	570,803	501,743	2,219,059
Distribution, selling and administrative expenses, depreciation and amortization	362,226	369,223	364,450	332,351	1,428,250
Facility consolidations, employee severance and other	6,023	135	3,496	(7,582)	2,072
Operating income	$ 197,808	$ 211,098	$ 202,857	$ 176,974	$ 788,737
Income from continuing operations	$ 115,552	$ 123,618	$ 125,881	$ 109,752	$ 474,803
Income (loss) from discontinued operations, net	$ 6,635	$ 5,878	$ 4,027	(22,176)	(5,636)
Net income	$ 122,187	$ 129,496	$ 129,908	$ 87,576	$ 469,167
Earnings per share from continuing operations:					
Basic	$ 0.60	$ 0.65	$ 0.68	$ 0.63	$ 2.56
Diluted	$ 0.59	$ 0.64	$ 0.67	$ 0.62	$ 2.53
Earnings per share:					
Basic	$ 0.64	$ 0.69	$ 0.70	$ 0.50	$ 2.53
Diluted	$ 0.63	$ 0.68	$ 0.69	$ 0.50	$ 2.50

(a) The financial information for the first and second quarters of fiscal 2007 does not agree to the amounts previously reported, as the financial information has been restated to reflect PMSI as a discontinued operation.

(b) The first, second, third and fourth quarters of fiscal 2007 include gains of $1.9 million, $1.8 million, $31.9 million, and $0.3 million, respectively, from antitrust litigation settlements.

(c) The fourth quarter and fiscal year include a $27.8 million charge relating to the write-down of tetanus-diphtheria vaccine inventory to its net realizable value.

(d) The fourth quarter and fiscal year include the operating results of Long-Term Care for one month and ten months, respectively.

Note 18. Selected Consolidating Financial Statements of Parent, Guarantors and Non-Guarantors

The Company's 2012 Notes and 2015 Notes (together, the "Notes") each are fully and unconditionally guaranteed on a joint and several basis by certain of the Company's subsidiaries (the subsidiaries of the Company that are guarantors of the Notes being referred to collectively as the "Guarantor Subsidiaries"). The total assets, stockholders' equity, revenues, earnings and cash flows from operating activities of the Guarantor Subsidiaries exceeded a majority of the consolidated total of such items as of or for the periods reported. The only consolidated subsidiaries of the Company that are not guarantors of the Notes (the "Non-Guarantor Subsidiaries") are: (a) the receivables securitization special purpose entity described in Note 7, (b) the foreign operating subsidiaries and (c) certain smaller operating subsidiaries. The following tables present condensed consolidating financial statements including AmerisourceBergen Corporation (the "Parent"), the Guarantor Subsidiaries, and the Non-Guarantor Subsidiaries. Such financial statements include balance sheets as of September 30, 2008 and 2007 and the related statements of operations and cash flows for each of the three years in the period ended September 30, 2008.

SUMMARY CONSOLIDATING BALANCE SHEETS:

	September 30, 2008				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Total
			(in thousands)		
Current assets:					
Cash and cash equivalents	$ 719,570	$ 100,623	$ 57,921	$ —	$ 878,114
Accounts receivable, net	1,276	1,280,346	2,198,645	—	3,480,267
Merchandise inventories	—	4,076,697	135,078	—	4,211,775
Prepaid expenses and other	47	53,418	2,449	—	55,914
Assets held for sale	—	43,691	—	—	43,691
Total current assets	720,893	5,554,775	2,394,093	—	8,669,761
Property and equipment, net	—	525,444	26,715	—	552,159
Goodwill and other intangible assets	—	2,738,998	136,368	—	2,875,366
Other assets	12,302	106,627	1,571	—	120,500
Intercompany investments and advances	2,540,391	3,433,945	(1,828,831)	(4,145,505)	—
Total assets	$3,273,586	$12,359,789	$ 729,916	$(4,145,505)	$12,217,786
Current liabilities:					
Accounts payable	$ —	$ 7,164,839	$ 161,741	$ —	$ 7,326,580
Accrued expenses and other	(333,344)	593,403	10,764	—	270,823
Current portion of long-term debt	—	—	1,719	—	1,719
Deferred income taxes	—	551,984	(1,276)	—	550,708
Liabilities held for sale	—	17,759	—	—	17,759
Total current liabilities	(333,344)	8,327,985	172,948	—	8,167,589
Long-term debt, net of current portion	896,885	—	290,527	—	1,187,412
Other liabilities	—	147,052	5,688	—	152,740
Total stockholders' equity	2,710,045	3,884,752	260,753	(4,145,505)	2,710,045
Total liabilities and stockholders' equity	$3,273,586	$12,359,789	$ 729,916	$(4,145,505)	$12,217,786

SUMMARY CONSOLIDATING BALANCE SHEETS:

	September 30, 2007				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Total
			(in thousands)		
Current assets:					
Cash and cash equivalents	$ 500,246	$ 58,259	$ 81,699	$ —	$ 640,204
Short-term investment securities	467,419	—	—	—	467,419
Accounts receivable, net	1,292	1,116,065	2,298,415	—	3,415,772
Merchandise inventories	—	3,949,058	148,753	—	4,097,811
Prepaid expenses and other	59	28,890	2,879	—	31,828
Assets held for sale	—	284,818	—	—	284,818
Total current assets	969,016	5,437,090	2,531,746	—	8,937,852
Property and equipment, net	—	468,367	25,280	—	493,647
Goodwill and other intangible assets	—	2,587,781	155,504	—	2,743,285
Other assets	14,939	119,160	1,181	—	135,280
Intercompany investments and advances	2,732,898	4,682,194	(1,910,967)	(5,504,125)	—
Total assets	$3,716,853	$13,294,592	$ 802,744	$(5,504,125)	$12,310,064
Current liabilities:					
Accounts payable	$ —	$ 6,792,614	$ 171,980	$ —	$ 6,964,594
Accrued expenses and other	(279,263)	636,576	8,976	—	366,289
Current portion of long-term debt	—	—	476	—	476
Deferred income taxes	—	507,690	(1,276)	—	506,414
Liabilities held for sale	—	26,337	—	—	26,337
Total current liabilities	(279,263)	7,963,217	180,156	—	7,864,110
Long-term debt, net of current portion	896,396	—	330,681	—	1,227,077
Other liabilities	—	112,988	6,169	—	119,157
Total stockholders' equity	3,099,720	5,218,387	285,738	(5,504,125)	3,099,720
Total liabilities and stockholders' equity	$3,716,853	$13,294,592	$ 802,744	$(5,504,125)	$12,310,064

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS:

	Twelve months ended September 30, 2008				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Total
			(in thousands)		
Operating revenue	$ —	$65,713,066	$1,805,867	$ —	$67,518,933
Bulk deliveries to customer warehouses	—	2,670,794	6	—	2,670,800
Total revenue	—	68,383,860	1,805,873	—	70,189,733
Cost of goods sold	—	66,427,143	1,715,588	—	68,142,731
Gross profit	—	1,956,717	90,285	—	2,047,002
Operating expenses:					
Distribution, selling and administrative	—	1,168,734	(44,051)	—	1,124,683
Depreciation	—	62,227	2,727	—	64,954
Amortization	—	13,665	3,462	—	17,127
Facility consolidations, employee severance and other	—	12,377	—	—	12,377
Operating income	—	699,714	128,147	—	827,861
Other loss	—	1,991	36	—	2,027
Interest expense (income), net	156,005	(187,430)	95,921	—	64,496
(Loss) income from continuing operations before income taxes and equity in earnings of subsidiaries	(156,005)	885,153	32,190	—	761,338
Income taxes	(54,602)	334,269	12,607	—	292,274
(Loss) income from continuing operations	(101,403)	550,884	19,583	—	469,064
Loss from discontinued operations	—	(218,505)	—	—	(218,505)
Equity in earnings of subsidiaries	351,962	—	—	(351,962)	—
Net income	$ 250,559	$ 332,379	$ 19,583	$(351,962)	$ 250,559

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS:

	Fiscal year ended September 30, 2007				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Total
			(in thousands)		
Operating revenue	$ —	$59,497,985	$1,768,807	$ —	$61,266,792
Bulk deliveries to customer warehouses	—	4,405,264	16	—	4,405,280
Total revenue	—	63,903,249	1,768,823	—	65,672,072
Cost of goods sold	—	61,767,751	1,685,262	—	63,453,013
Gross profit	—	2,135,498	83,561	—	2,219,059
Operating expenses:					
Distribution, selling and administrative	—	1,372,200	(28,625)	—	1,343,575
Depreciation	—	66,104	2,123	—	68,227
Amortization	—	13,186	3,262	—	16,448
Facility consolidations, employee severance and other	—	2,072	—	—	2,072
Operating income	—	681,936	106,801	—	788,737
Other loss	—	3,003	1	—	3,004
Interest expense (income), net	73,001	(171,813)	131,056	—	32,244
(Loss) income from continuing operations before income taxes and equity in earnings of subsidiaries	(73,001)	850,746	(24,256)	—	753,489
Income taxes	(25,550)	312,356	(8,120)	—	278,686
(Loss) income from continuing operations	(47,451)	538,390	(16,136)	—	474,803
Loss from discontinued operations	—	(5,636)	—	—	(5,636)
Equity in earnings of subsidiaries	516,618	—	—	(516,618)	—
Net income (loss)	$469,167	$ 532,754	$ (16,136)	$(516,618)	$ 469,167

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS:

	Fiscal year ended September 30, 2006				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Total
			(in thousands)		
Operating revenue	$ —	$55,119,686	$1,162,530	$ —	$56,282,216
Bulk deliveries to customer warehouses	—	4,530,184	21	—	4,530,205
Total revenue	—	59,649,870	1,162,551	—	60,812,421
Cost of goods sold	—	57,584,108	1,106,697	—	58,690,805
Gross profit	—	2,065,762	55,854	—	2,121,616
Operating expenses:					
Distribution, selling and administrative	—	1,376,199	(49,486)	—	1,326,713
Depreciation	—	67,404	1,576	—	68,980
Amortization	—	11,121	1,795	—	12,916
Facility consolidations, employee severance and other	—	20,123	—	—	20,123
Operating income	—	590,915	101,969	—	692,884
Other (income) loss	—	(4,763)	376	—	(4,387)
Interest (income) expense, net	(740)	(99,301)	112,505	—	12,464
Income (loss) from continuing operations before income taxes and equity in earnings of subsidiaries	740	694,979	(10,912)	—	684,807
Income taxes	259	253,312	(3,227)	—	250,344
Income (loss) from continuing operations	481	441,667	(7,685)	—	434,463
Income from discontinued operations	—	33,251	—	—	33,251
Equity in earnings of subsidiaries	467,233	—	—	(467,233)	—
Net income (loss)	$467,714	$ 474,918	$ (7,685)	$(467,233)	$ 467,714

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS:

	Twelve months ended September 30, 2008				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Total
			(in thousands)		
Net income	$ 250,559	$ 332,379	$ 19,583	$(351,962)	$ 250,559
Loss from discontinued operations	—	218,505	—	—	218,505
Income from continuing operations	250,559	550,884	19,583	(351,962)	469,064
Adjustments to reconcile income from continuing operations to net cash (used in) provided by operating activities	(403,378)	190,561	111,415	351,962	250,560
Net cash (used in) provided by operating activities—continuing operations	(152,819)	741,445	130,998	—	719,624
Net cash provided by operating activities—discontinued operations	—	17,445	—	—	17,445
Net cash (used in) provided by operating activities	(152,819)	758,890	130,998	—	737,069
Capital expenditures		(128,214)	(9,095)	—	(137,309)
Cost of acquired companies, net of cash acquired	—	(169,230)	—	—	(169,230)
Proceeds from sales of property and equipment	—	2,964	56	—	3,020
Proceeds from sales of other assets	—	1,878	—		1,878
Net sales of investment securities available-for-sale	467,419	—	—	—	467,419
Net cash provided by (used in) investing activities—continuing operations	467,419	(292,602)	(9,039)	—	165,778
Net cash used in investing activities— discontinued operations	—	(2,357)	—	—	(2,357)
Net cash provided by (used in) investing activities	467,419	(294,959)	(9,039)	—	163,421
Net repayments under revolving and securitization credit facilities	—	—	(16,396)	—	(16,396)
Deferred financing costs and other	—	(602)	(523)	—	(1,125)
Purchases of common stock	(679,684)	—	—	—	(679,684)
Exercise of stock options, including excess tax benefit	84,394	—	—	—	84,394
Cash dividends on common stock	(48,674)	—	—	—	(48,674)
Common stock purchases for employee stock purchase plan	(932)	—	—	—	(932)
Intercompany financing and advances	549,620	(420,802)	(128,818)	—	—
Net cash used in financing activities—continuing operations	(95,276)	(421,404)	(145,737)	—	(662,417)
Net cash used in financing activities— discontinued operations	—	(163)	—	—	(163)
Net cash used in financing activities	(95,276)	(421,567)	(145,737)	—	(662,580)
Increase (decrease) in cash and cash equivalents	219,324	42,364	(23,778)	—	237,910
Cash and cash equivalents at beginning of period	500,246	58,259	81,699	—	640,204
Cash and cash equivalents at end of period	$ 719,570	$ 100,623	$ 57,921	$ —	$ 878,114

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS:

	Twelve months ended September 30, 2007				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Total
			(in thousands)		
Net income (loss)	$ 469,167	$ 532,754	$ (16,136)	$(516,618)	$ 469,167
Loss from discontinued operations	—	5,636	—	—	5,636
Income (loss) from continuing operations	469,167	538,390	(16,136)	(516,618)	474,803
Adjustments to reconcile income (loss) from continuing operations to net cash (used in) provided by operating activities	(568,227)	829,712	(45,191)	516,618	732,912
Net cash (used in) provided by operating activities—continuing operations	(99,060)	1,368,102	(61,327)	—	1,207,715
Net cash provided by operating activities—discontinued operations	—	189	—	—	189
Net cash (used in) provided by operating activities	(99,060)	1,368,291	(61,327)	—	1,207,904
Capital expenditures		(109,186)	(2,092)	—	(111,278)
Cost of acquired companies, net of cash acquired	—	(72,854)	(13,412)	—	(86,266)
Proceeds from sales of property and equipment	—	8,062	15	—	8,077
Proceeds from sales of other assets	—	5,205	—		5,205
Net purchases of investment securities available-for-sale	(399,579)	—	—	—	(399,579)
Net cash used in investing activities—continuing operations	(399,579)	(168,773)	(15,489)	—	(583,841)
Net cash used in investing activities—discontinued operations	—	(90,596)	—	—	(90,596)
Net cash used in investing activities	(399,579)	(259,369)	(15,489)	—	(674,437)
Net borrowings under revolving and securitization credit facilities	—	—	101,753	—	101,753
Proceeds from borrowing related to PharMerica LTC distribution	—	125,000	—	—	125,000
Deferred financing costs and other	(1,227)	(1,421)	—	—	(2,648)
Purchases of common stock	(1,434,385)	—	—	—	(1,434,385)
Exercise of stock options, including excess tax benefit	94,620	—	—	—	94,620
Cash dividends on common stock	(37,249)	—	—	—	(37,249)
Common stock purchases for employee stock purchase plan	(1,622)	—	—	—	(1,622)
Intercompany financing and advances	1,253,461	(1,217,683)	(35,778)	—	—
Net cash (used in) provided by financing activities—continuing operations	(126,402)	(1,094,104)	65,975	—	(1,154,531)
Net cash used in financing activities — discontinued operations	—	—	—	—	—
Net cash (used in) provided by financing activities	(126,402)	(1,094,104)	65,975	—	(1,154,531)
(Decrease) increase in cash and cash equivalents	(625,041)	14,818	(10,841)	—	(621,064)
Cash and cash equivalents at beginning of period	1,125,287	43,441	92,540	—	1,261,268
Cash and cash equivalents at end of period	$ 500,246	$ 58,259	$ 81,699	$ —	$ 640,204

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS:

	Twelve months ended September 30, 2006				
	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated Total
			(in thousands)		
Net income (loss)	$ 467,714	$ 474,918	$ (7,685)	$(467,233)	$ 467,714
Income from discontinued operations	—	(33,251)	—	—	(33,251)
Income (loss) from continuing operations	467,714	441,667	(7,685)	(467,233)	434,463
Adjustments to reconcile income (loss) from continuing operations to net cash provided by (used in) operating activities	(433,988)	435,055	(131,332)	467,233	336,968
Net cash provided by (used in) operating activities—continuing operations	33,726	876,722	(139,017)	—	771,431
Net cash provided by operating activities—discontinued operations	—	35,834	—	—	35,834
Net cash provided by (used in) operating activities	33,726	912,556	(139,017)	—	807,265
Capital expenditures		(106,528)	(5,343)	—	(111,871)
Cost of acquired companies, net of cash acquired	—	(99,226)	(196,998)	—	(296,224)
Proceeds from sales of property and equipment	—	49,549	90	—	49,639
Proceeds from sale-leaseback transactions	—	28,143	—	—	28,143
Proceeds from sales of other assets	—	7,582	—		7,582
Net sales of investment securities available-for-sale	281,290	—	—	—	281,290
Net cash provided by (used in) investing activities—continuing operations	281,290	(120,480)	(202,251)	—	(41,441)
Net cash used in investing activities—discontinued operations	—	(1,261)	—	—	(1,261)
Net cash provided by (used in) investing activities	281,290	(121,741)	(202,251)	—	(42,702)
Net borrowings under revolving and securitization credit facilities	—	—	134,888	—	134,888
Deferred financing costs and other	(1,211)	(63)	(1,667)	—	(2,941)
Purchases of common stock	(717,714)	—	—	—	(717,714)
Exercise of stock options, including excess tax benefit	138,046	—	—	—	138,046
Cash dividends on common stock	(20,595)	—	—	—	(20,595)
Common stock purchases for employee stock purchase plan	(1,532)	—	—	—	(1,532)
Intercompany financing and advances	546,910	(814,749)	267,839	—	—
Net cash (used in) provided by financing activities—continuing operations	(56,096)	(814,812)	401,060	—	(469,848)
Net cash used in financing activities —discontinued operations	—	—	—	—	—
Net cash (used in) provided by financing activities	(56,096)	(814,812)	401,060	—	(469,848)
Increase (decrease) in cash and cash equivalents	258,920	(23,997)	59,792	—	294,715
Cash and cash equivalents at beginning of period	866,367	67,438	32,748	—	966,553
Cash and cash equivalents at end of period	$1,125,287	$ 43,441	$ 92,540	$ —	$1,261,268

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are intended to ensure that information required to be disclosed in the Company's reports submitted under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. These controls and procedures also are intended to ensure that information required to be disclosed in such reports is accumulated and communicated to management to allow timely decisions regarding required disclosures.

The Company's Chief Executive Officer and Chief Financial Officer, with the participation of other members of the Company's management, have evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a – 15(e) and 15d – 15(e) under the Exchange Act) and have concluded that the Company's disclosure controls and procedures were effective for their intended purposes as of the end of the period covered by this report.

Changes in Internal Control over Financial Reporting

There were no changes during the fiscal quarter ended September 30, 2008 in the Company's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, those controls.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of AmerisourceBergen Corporation ("AmerisourceBergen" or the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended. AmerisourceBergen's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal control over financial reporting includes those policies and procedures that:

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

AmerisourceBergen's management assessed the effectiveness of AmerisourceBergen's internal control over financial reporting as of September 30, 2008. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework. Based on management's assessment and those criteria, management has concluded that AmerisourceBergen's internal control over financial reporting was effective as of September 30, 2008. AmerisourceBergen's independent registered public accounting firm, Ernst & Young LLP, has issued an attestation report on the effectiveness of AmerisourceBergen's internal control over financial reporting. This report is set forth on the next page.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Board of Directors and Stockholders of AmerisourceBergen Corporation

We have audited internal control over financial reporting of AmerisourceBergen Corporation and subsidiaries as of September 30, 2008, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). AmerisourceBergen Corporation's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, AmerisourceBergen Corporation and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of September 30, 2008, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of AmerisourceBergen Corporation and subsidiaries as of September 30, 2008 and 2007, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for each of the three years in the period ended September 30, 2008 and our report dated November 25, 2008 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Philadelphia, Pennsylvania
November 25, 2008

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information appearing in our Notice of Annual Meeting of Stockholders and Proxy Statement for the 2009 annual meeting of stockholders (the "2009 Proxy Statement") including information under "Election of Directors," "Additional Information about the Directors, the Board and the Board Committees," "Codes of Ethics," "Audit Matters," and "Section 16 (a) Beneficial Reporting Compliance," is incorporated herein by reference. We will file the 2009 Proxy Statement with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the close of the fiscal year.

Information with respect to Executive Officers of the Company appears in Part I of this report.

We adopted a Code of Ethics for Designated Senior Officers that applies to our Chief Executive Officer, Chief Financial Officer and Corporate Controller. A copy of this Code of Ethics is filed as an exhibit to this report and is posted on our Internet website, which is *www.amerisourcebergen.com*. Any amendment to, or waiver from, any provision of this Code of Ethics will be posted as well on our Internet website.

As required by Section 303A.12(a) of the New York Stock Exchange ("NYSE") Listed Company Manual, our President and Chief Executive Officer, R. David Yost, certified to the NYSE within 30 days after our 2008 Annual Meeting of Stockholders that he was not aware of any violation by us of the NYSE Corporate Governance Listing Standards.

ITEM 11. EXECUTIVE COMPENSATION

Information contained in the 2009 Proxy Statement, including information appearing under "Compensation Matters" and "Executive Compensation" in the 2009 Proxy Statement, is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information contained in the 2009 Proxy Statement, including information appearing under "Beneficial Ownership of Common Stock" and "Equity Compensation Plan Information" in the 2009 Proxy Statement, is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information contained in the 2009 Proxy Statement, including information appearing under "Additional Information about the Directors, the Board, and the Board Committees," "Corporate Governance," "Agreements with Employees" and "Certain Transactions" in the 2009 Proxy Statement, is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information contained in the 2009 Proxy Statement, including information appearing under "Audit Matters" in the 2009 Proxy Statement, is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) (1) and (2) List of Financial Statements and Schedules.

Financial Statements: The following consolidated financial statements are submitted in response to Item 15(a)(1):

	Page
Report of Ernst & Young LLP, Independent Registered Public Accounting Firm	51
Consolidated Balance Sheets as of September 30, 2008 and 2007	52
Consolidated Statements of Operations for the fiscal years ended September 30, 2008, 2007 and 2006	53
Consolidated Statements of Changes in Stockholders' Equity for the fiscal years ended September 30, 2008, 2007 and 2006	54
Consolidated Statements of Cash Flows for the fiscal years ended September 30, 2008, 2007 and 2006	55
Notes to Consolidated Financial Statements	56

Financial Statement Schedule: The following financial statement schedule is submitted in response to Item 15(a)(2):

Schedule II—Valuation and Qualifying Accounts 109

All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and, therefore, have been omitted.

(a) (3) List of Exhibits.*

Exhibit Number	Description
2	Agreement and Plan of Merger dated as of March 16, 2001 by and among AABB Corporation, AmeriSource Health Corporation, Bergen Brunswig Corporation, A-Sub Acquisition Corp. and B-Sub Acquisition Corp. (incorporated by reference to Exhibit 2.1 to the Registrant's Registration Statement No. 333-71942 on Form S-4, dated October 19, 2001).
3.1	Amended and Restated Certificate of Incorporation, as amended, of the Registrant (incorporated by reference to Exhibit 3.2 to the Registrant's Registration Statement on Form S-4, Registration No. 333-132017, filed February 23, 2006).
3.2	Amended and Restated Bylaws of the Registrant (incorporated by reference to Exhibit 3(ii) to the Registrant's Current Report on Form 8-K filed on November 13, 2007).
4.1	Rights Agreement, dated as of August 27, 2001, between the Registrant and Mellon Investor Service LLC (incorporated by reference to Exhibit 1 to the Registrant's Registration Statement on Form 8-A, filed August 29, 2001).
4.2	Grant of Registration Rights by the Registrant to US Bioservices Corporation stockholders, dated December 13, 2002 (incorporated by reference to Exhibit 4.4 to the Registrant's Registration Statement on Form S-3, Registration No. 333-102090, filed December 20, 2002).
4.3	Registration Rights Agreement, dated as of May 21, 2003, by and among the Registrant, the stockholders of Anderson Packaging, Inc. and John R. Anderson (incorporated by reference to Exhibit 4.4 to the Registrant's Registration Statement on Form S-3, Registration No. 333-105743, filed May 30, 2003).
4.4	Purchase Agreement, dated September 8, 2005, by and among the Registrant, the Subsidiary Guarantors named therein, Lehman Brothers Inc., Banc of America Securities LLC, J.P. Morgan Securities Inc., Scotia Capital (USA) Inc., Wachovia Securities, Inc. and Wells Fargo Securities, LLC (incorporated by reference to Exhibit 4.4 to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2005).
4.5	Indenture, dated as of September 14, 2005, among the Registrant, certain of the Registrant's subsidiaries as guarantors thereto and J.P. Morgan Trust Company, National Association, as trustee, related to the Registrant's 5⅝% Senior Notes due 2012 and 5⅞% Senior Notes due 2015 (incorporated by reference to Exhibit 4.5 to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2005).
4.6	Form of 5⅝% Senior Notes due 2012 (incorporated by reference to Exhibit 4.6 to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2005).
4.7	Form of 5⅞% Senior Notes due 2015 (incorporated by reference to Exhibit 4.7 to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2005).
4.8	Exchange and Registration Rights Agreement, dated September 14, 2005, by and among the Registrant, the Subsidiary Guarantors named therein, and Lehman Brothers Inc. on behalf of the Initial Purchasers under the Purchase Agreement dated September 8, 2005 (incorporated by reference to Exhibit 4.8 to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2005).
‡10.1	AmeriSource Master Pension Plan (incorporated by reference to Exhibit 10.9 to Registration Statement on Form S-1 of AmeriSource Health Corporation, Registration No. 33-27835, filed March 29, 1989).
‡10.2	AmerisourceBergen Drug Corporation Supplemental Retirement Plan, as amended and restated as of November 24, 2008.

Exhibit Number	Description
‡10.3	AmeriSource Health Corporation 1996 Stock Option Plan (incorporated by reference to Appendix C to Proxy Statement of AmeriSource Health Corporation dated January 15, 1997 for the Annual Meeting of Stockholders held on February 11, 1997).
‡10.4	AmeriSource Health Corporation 1996 Non-Employee Directors Stock Option Plan (incorporated by reference to Appendix D to Proxy Statement of AmeriSource Health Corporation dated January 15, 1997 for the Annual Meeting of Stockholders held on February 11, 1997).
‡10.5	AmeriSource Health Corporation 1999 Non-Employee Directors Stock Option Plan (incorporated by reference to Appendix C to Proxy Statement of AmeriSource Health Corporation dated February 5, 1999 for the Annual Meeting of Stockholders held on March 3, 1999).
‡10.6	AmeriSource Health Corporation 1999 Stock Option Plan (incorporated by reference to Appendix B to Proxy Statement of AmeriSource Health Corporation dated February 5, 1999 for the Annual Meeting of Stockholders held on March 3, 1999).
‡10.7	AmeriSource Health Corporation 2001 Stock Option Plan (incorporated by reference to Exhibit 99.1 to the Registration Statement on Form S-8 of AmeriSource Health Corporation, filed May 4, 2001).
‡10.8	AmeriSource Health Corporation 2001 Non-Employee Directors Stock Option Plan (incorporated by reference to Exhibit 99.2 to the Registration Statement on Form S-8 of AmeriSource Health Corporation, filed May 4, 2001).
‡10.9	Bergen Brunswig Corporation Fifth Amended and Restated Supplemental Executive Retirement Plan, amended and restated as of November 24, 2008.
‡10.10	Bergen Brunswig Corporation 1999 Management Stock Incentive Plan (incorporated by reference to Annex F to Registration Statement No. 333-7445 of Form S-4 of Bergen Brunswig Corporation dated March 16, 1999).
‡10.11	Bergen Brunswig Corporation 1999 Deferred Compensation Plan (incorporated by reference to Annex G to Registration Statement No. 333-7445 of Form S-4 of Bergen Brunswig Corporation dated March 16, 1999).
‡10.12	Form of the Bergen Brunswig Amended and Restated Capital Accumulation Plan (incorporated by reference to Exhibit 10.2 to Registration Statement No. 333-631 on Form S-3 of Bergen Brunswig Corporation and Amendment No. 1 thereto relating to a shelf offering of $400 million in securities filed February 1, 1996 and March 19, 1996, respectively).
‡10.13	Amendment No. 1 to the Bergen Brunswig Amended and Restated Capital Accumulation Plan (incorporated by reference to Exhibit 10(m) to Annual Report on Form 10-K of Bergen Brunswig Corporation for the fiscal year ended September 30, 1996).
‡10.14	Form of Bergen Brunswig Corporation Officers' Employment Agreement and Schedule (incorporated by reference to Exhibit 10(q) to Annual Report on Form 10-K for Bergen Brunswig Corporation for the fiscal year ended September 30, 1994).
‡10.15	Form of Bergen Brunswig Corporation Officers' Severance Agreement and Schedule (incorporated by reference to Exhibit 10(r) to Annual Report on Form 10-K for Bergen Brunswig Corporation for the fiscal year ended September 30, 1994).
‡10.16	Bergen Brunswig Corporation 1999 Non-Employee Directors' Stock Plan (incorporated by reference to Annex E to Joint Proxy Statement/Prospectus dated March 16, 1999 of Bergen Brunswig Corporation).
‡10.17	AmerisourceBergen Corporation 2001 Non-Employee Directors' Stock Option Plan, as amended and restated November 9, 2005 (incorporated by reference to Exhibit 10.17 to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 3005).

Exhibit Number	Description
‡10.18	AmerisourceBergen Corporation 2001 Restricted Stock Plan, as amended and restated as of November 12, 2008.
‡10.19	AmerisourceBergen Corporation 2001 Deferred Compensation Plan, as amended and restated as of November 24, 2008.
‡10.20	AmerisourceBergen Corporation Supplemental 401(k) Plan, as amended and restated as of November 24, 2008.
‡10.21	Registrant's 2002 Employee Stock Purchase Plan, dated as of January 18, 2002 (incorporated by reference to Appendix B to the Registrant's Proxy Statement dated January 22, 2002 for the Annual Meeting of Stockholders held on February 27, 2002).
‡10.22	Registrant's 2002 Management Stock Incentive Plan, dated as of April 24, 2002, as amended and restated effective February 9, 2006 (incorporated by reference to Appendix B to the Registrant's Proxy Statement for the Annual Meeting of Stockholders held on February 9, 2006).
‡10.23	Employment Agreement, effective October 1, 2003, between the Registrant and R. David Yost (incorporated by reference to Exhibit 10.28 to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2003).
‡10.24	Employment Agreement, effective October 1, 2003, between the Registrant and Michael D. DiCandilo (incorporated by reference to Exhibit 10.30 to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2003).
‡10.25	Employment Agreement, effective October 1, 2003, between the Registrant and Jeanne B. Fisher.
‡10.26	Employment Agreement, effective January 1, 2007, between the Registrant and John G. Chou.
‡10.27	Letter Agreement, dated July 27, 2001, among the Registrant, Bergen Brunswig Corporation and Steven H. Collis, amending form of Bergen Brunswig Corporation Officers' Employment Agreement and Severance Agreement (incorporated by reference to Exhibit 10.32 to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2003).
‡10.28	Employment Agreement, effective February 19, 2004, between the Registrant and Steven H. Collis (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2004).
‡10.29	AmerisourceBergen Corporation 2002 Management Stock Incentive Plan Award Agreement between the Registrant and R. David Yost, dated December 6, 2007 (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2007).
10.30	Receivables Sale Agreement between AmerisourceBergen Drug Corporation, as Originator, and AmeriSource Receivables Financial Corporation, as Buyer, dated as of July 10, 2003 (incorporated by reference to Exhibit 4.22 to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2003).
10.31	Receivables Purchase Agreement among AmeriSource Receivables Financial Corporation, as Seller, AmerisourceBergen Drug Corporation, as Initial Servicer, Wachovia Bank, National Association, as Administrator and various purchase groups, dated as of July 10, 2003 (incorporated by reference to Exhibit 4.23 to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2003).
10.32	Performance Undertaking, dated July 10, 2003, executed by the Registrant, as Performance Guarantor, in favor of Amerisource Receivables Financial Corporation, as Recipient (incorporated by reference to Exhibit 4.24 to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2003).

Exhibit Number	Description
10.33	Intercreditor Agreement, dated July 10, 2003, executed by Wachovia Bank, National Association, as administrator under the Receivables Purchase Agreement and JPMorgan Chase Bank (f/k/a The Chase Manhattan Bank), as administrative agent under the Credit Agreement (incorporated by reference to Exhibit 4.25 to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2003).
10.34	First Amendment, dated as of December 12, 2003, to the Receivables Purchase Agreement among AmeriSource Receivables Financial Corporation, as Seller, AmerisourceBergen Drug Corporation, as Initial Servicer, Wachovia Bank, National Association, as Administrator and various purchase groups, dated as of July 10, 2003 (incorporated by reference to Exhibit 4.29 to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2004).
10.35	Second Amendment, dated as of July 8, 2004, to the Receivables Purchase Agreement among AmeriSource Receivables Financial Corporation, as Seller, AmerisourceBergen Drug Corporation, as Initial Servicer, Wachovia Bank, National Association, as Administrator and various purchase groups, dated as of July 10, 2003 (incorporated by reference to Exhibit 4.30 to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2004).
10.36	Third Amendment dated as of December 2, 2004 to the Receivables Purchase Agreement among AmeriSource Receivables Financial Corporation, as Seller, AmerisourceBergen Drug Corporation, as Initial Servicer, Wachovia Bank, National Association, as Administrator and various purchase groups, dated as of July 10, 2003 (incorporated by reference to Exhibit 10.37 to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2005).
10.37	Fourth Amendment dated as of October 31, 2005 to the Receivables Purchase Agreement among AmeriSource Receivables Financial Corporation, as Seller, AmerisourceBergen Drug Corporation, as Initial Servicer, Wachovia Bank, National Association, as Administrator and various purchase groups, dated as of July 10, 2003 (incorporated by reference to Exhibit 10.39 to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2005).
10.38	Fifth Amendment, dated as of November 14, 2006, to the Receivables Purchase Agreement among AmeriSource Receivables Financial Corporation, as Seller, AmerisourceBergen Drug Corporation, as Initial Servicer, Wachovia Bank, National Association, as Administrator, and various purchase groups, dated as of July 10, 2003 (incorporated by reference to Exhibit 10.43 to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2006).
10.39	Sixth Amendment, dated as of June 14, 2007, to the Receivables Purchase Agreement among Amerisource Receivables Financial Corporation, as Seller, AmerisourceBergen Drug Corporation, as Initial Servicer, Wachovia Bank, National Association, as Administrator, and various purchase groups, dated as of July 10, 2003 (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report for the fiscal quarter ended June 30, 2007).
10.40	Assignment, Assumption and Seventh Amendment to Receivables Purchase Agreement, dated as of June 24, 2008, among Amerisource Receivables Financial Corporation, AmerisourceBergen Drug Corporation, as the initial servicer, the original purchaser groups, the new purchaser groups, Wachovia Bank, National Association, as existing administrator, and Bank of America, as new administrator (incorporated by reference to Exhibit 99.1 to the Registrant's Current Report on Form 8-K filed on June 24, 2008).
10.41	Credit Agreement dated as of April 21, 2005 between J.M. Blanco, Inc. and The Bank of Nova Scotia (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2005).

Exhibit Number	Description
10.42	Credit Agreement, dated as of November 14, 2006, among Registrant, JP Morgan Chase Bank, N.A., J. P. Morgan Europe Limited, The Bank of Nova Scotia and the other financial institutions party thereto (incorporated by reference to Exhibit 10.42 to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2006).
10.43	Master Transaction Agreement, dated as of October 25, 2006, among the Registrant, Pharmerica, Inc., Kindred Healthcare, Inc., Kindred Pharmacy Services, Inc., Kindred Healthcare Operating, Inc., Safari Holding Corporation, Hippo Merger Corporation and Rhino Merger Corporation (incorporated by reference to Exhibit 10.44 to the Registrant's Annual Report for the fiscal year ended September 30, 2006).
10.44	Amendment No. 1 to the Master Transaction Agreement, dated as of June 4, 2007, among the Registrant, PharMerica, Inc., Kindred Healthcare, Inc., Kindred Healthcare Operating, Inc., Kindred Pharmacy Services, Inc., Safari Holding Corporation, Hippo Merger Corporation and Rhino Merger Corporation (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on June 6, 2007).
14	AmerisourceBergen Corporation Code of Ethics for Designated Senior Officers (incorporated by reference to Exhibit 14 to the Registrant's Annual Report on Form 10-K for the fiscal year ended September 30, 2003).
21	Subsidiaries of the Registrant.
23	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm.
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer.
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer.
32.1	Section 1350 Certification of Chief Executive Officer.
32.2	Section 1350 Certification of Chief Financial Officer.

* Copies of the exhibits will be furnished to any security holder of the Registrant upon payment of the reasonable cost of reproduction.

‡ Each marked exhibit is a management contract or a compensatory plan, contract or arrangement in which a director or executive officer of the Registrant participates or has participated.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AMERISOURCEBERGEN CORPORATION

Date: November 25, 2008

By: /s/ R. DAVID YOST
R. David Yost
President, Chief Executive Officer and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below as of November 25, 2008 by the following persons on behalf of the Registrant and in the capacities indicated.

Signature	Title
/s/ R. DAVID YOST **R. David Yost**	President, Chief Executive Officer and Director (Principal Executive Officer)
/s/ MICHAEL D. DICANDILO **Michael D. DiCandilo**	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)
/s/ TIM G. GUTTMAN **Tim G. Guttman**	Vice President, Corporate Controller
/s/ RICHARD W. GOCHNAUER **Richard W. Gochnauer**	Director
/s/ RICHARD C. GOZON **Richard C. Gozon**	Director and Chairman
/s/ CHARLES H. COTROS **Charles H. Cotros**	Director
/s/ EDWARD E. HAGENLOCKER **Edward E. Hagenlocker**	Director
/s/ JANE E. HENNEY, M.D. **Jane E. Henney, M.D.**	Director
/s/ MICHAEL J. LONG **Michael J. Long**	Director
/s/ HENRY W. MCGEE **Henry W. McGee**	Director
/s/ J. LAWRENCE WILSON **J. Lawrence Wilson**	Director

AMERISOURCEBERGEN CORPORATION AND SUBSIDIARIES

SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS

Description	Balance at Beginning of Period	Additions: Charged to Costs and Expenses(1)	Additions: Charged to Other Accounts(2)	Deductions-Describe(3)(4)	Balance at End of Period
			(in thousands)		
Year Ended September 30, 2008					
Allowance for doubtful accounts	$ 98,698	$27,630	$2,573	$(17,773)	$111,128
Year Ended September 30, 2007					
Allowance for doubtful accounts	$111,078	$48,500	$ 61	$(60,941)	$ 98,698
Year Ended September 30, 2006					
Allowance for doubtful accounts	$114,398	$37,457	$ 241	$(41,018)	$111,078

(1) Represents the provision for doubtful accounts.

(2) Represents the aggregate allowances of acquired entities at the respective acquisition dates.

(3) Represents accounts written off during year, net of recoveries.

(4) Of the total $60.9 million reduction in fiscal 2007, $26.9 million related to the Long-Term Care divestiture.

Exhibit 10.2

AMERISOURCEBERGEN DRUG CORPORATION

SUPPLEMENTAL RETIREMENT PLAN

(Amended and Restated November 24, 2008)

AMERISOURCEBERGEN DRUG CORPORATION

SUPPLEMENTAL RETIREMENT PLAN

In recognition of the services provided to AmerisourceBergen Drug Corporation (the "Sponsor") and its Affiliates by certain management and highly compensated employees, the Sponsor and its Affiliates maintain the AmerisourceBergen Drug Corporation Supplemental Retirement Plan (the "Plan") to provide such employees with retirement benefits that would otherwise be unavailable by reason of certain restrictive provisions of law applicable to the AmerisourceBergen Drug Corporation Participating Companies Pension Plan. The Plan was frozen effective as of June 30, 2007 and no further benefits accrued under the Plan after such date. This Amendment and Restatement of the Plan is made November 24, 2008, effective as of January 1, 2005, unless otherwise noted, and incorporates changes required to comply with Section 409A of the Internal Revenue Code.

TABLE OF CONTENTS

ARTICLE 1 DEFINITIONS AND CONSTRUCTION	1
ARTICLE 2 BENEFITS	2
ARTICLE 3 DISTRIBUTIONS TO PARTICIPANTS	3
ARTICLE 4 DEATH BENEFITS	3
ARTICLE 5 VESTING	4
ARTICLE 6 FUNDING	4
ARTICLE 7 ADMINISTRATION	4
ARTICLE 8 AMENDMENT AND TERMINATION	5
ARTICLE 9 MISCELLANEOUS	6

ARTICLE 1

DEFINITIONS AND CONSTRUCTION

Section 1.1. Definitions. Whenever used in this Plan:

"Administrator" means the Benefits Committee; provided however, that in the absence of a Benefits Committee, Administrator shall mean the Board.

"Affiliate" means any entity which (a) with the Sponsor, constitutes a controlled group of corporations, a group of trades or businesses under common control, or an affiliated service group, as defined in sections 414(b), (c), and (m) of the Code, respectively, or (b) is required to be aggregated with the Sponsor pursuant to section 414(o) of the Code.

"Beneficiary" means, for death benefits described in Sections 4.1 and 4.2, the beneficiary for purposes of any benefits payable under the Pension Plan subsequent to the Participant's death, except to the extent that the beneficiary is receiving a benefit under the Pension Plan pursuant to a qualified domestic relations order as defined in section 414(p) of the Code.

"Benefits Committee" means the AmerisourceBergen Corporation Benefits Committee.

"Board" means the Board of Directors of AmerisourceBergen Corporation.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor statute of similar nature and purpose.

"Deferred Compensation Plan" means the Alco Standard Corporation 1985 Deferred Compensation Plan transferred to the Sponsor, and any other plan or contract designated by the Benefits Committee which involves a Participant and a Participating Employer.

"Eligible Employee" means any Employee who is a participant in the Pension Plan and is a management, professional or highly compensated Employee who is designated as an Eligible Employee by the Board, and has completed five years of employment with a Participating Employer.

"Employee" means any individual employed by a Participating Employer.

"Participant" means (a) any Eligible Employee and (b) any former Eligible Employee who has a Supplemental Pension Benefit greater than zero and who either (1) continues to be employed by the Sponsor or an Affiliate, or (2) has a vested interest in all or a portion of his Supplemental Pension Benefit pursuant to Article 5 which has not been distributed pursuant to Article 3 or 4.

"Participating Employer" means the Sponsor and any Affiliate.

"Pension Plan" means the AmerisourceBergen Drug Corporation Participating Companies Pension Plan, as in effect on the date of reference.

"Plan" means the AmerisourceBergen Drug Corporation Supplemental Retirement Plan as set forth herein.

"Plan Year" means the 12-month period commencing each October 1 and ending the next following September 30.

"Separation from Service" means, for any Participant, his death, retirement, discharge or any absence that causes him to cease to be an employee of the Sponsor and all Affiliates, and in each case constitutes a "separation from service" within the meaning of Treas. Reg. 1.409A-1(h).

"Sponsor" means AmerisourceBergen Drug Corporation.

"Supplemental Pension Benefit" means a Participant's supplemental pension benefit under the Plan, as determined pursuant to Section 2.1.

"Total and Permanent Disability" means Total Disability as that term is defined in the Pension Plan.

Section 1.2. Gender and Number. The masculine pronoun shall include the feminine; the singular shall include the plural; and vice versa.

ARTICLE 2

BENEFITS

Section 2.1. Supplemental Pension Benefits. A Participant's Supplemental Pension Benefit shall equal the excess of (a) over (b), if any, when:

(a) is the benefit that would have been payable to the Participant under the Pension Plan as of the Participant's Separation from Service if (1) the limitations of sections 401(a)(17) and 415 of the Code did not apply and (2) the Participant's compensation for purposes of calculating benefits under the Pension Plan had not been reduced in connection with a Deferred Compensation Plan; and

(b) is the benefit payable to the Participant under the Pension Plan as of the Participant's Separation from Service.

(c) In the event a Participant's benefit under the Pension Plan is subject to a qualified domestic relations order as defined in section 414(p) of the Code which does not also apply to this Plan, the Supplemental Pension Benefit shall be calculated and paid as if no qualified domestic relations order was in existence.

ARTICLE 3

DISTRIBUTIONS TO PARTICIPANTS

Section 3.1. Distribution of Supplemental Pension Benefit. A Participant's Supplemental Pension Benefit under the Plan, to the extent vested under Article 5, shall be paid to the Participant in the form of a lump sum distribution as soon as administratively practicable following (but in no event later than 75 days following) the date that is six months after the Participant's Separation from Service.

ARTICLE 4

DEATH BENEFITS

Section 4.1. Supplemental Pension Death Benefits for Death Prior to Benefit Commencement.

(a) The death benefit payable to the Beneficiary of a Participant who dies at a time when he has a vested right to a benefit under the Pension Plan and prior to the date payment of the Supplemental Pension Benefit is made pursuant to Section 3.1 shall equal the excess of (1) over (2), if any, when:

(1) is the benefit that would have been payable to the Participant's Beneficiary under the Pension Plan, determined on the basis of the Participant's benefit under the Pension Plan calculated as of the Participant's death if (A) the limitations of sections 401(a)(17) and 415 of the Code did not apply and (B) the Participant's compensation for purposes of calculating benefits under the Pension Plan had not been reduced in connection with a deferred Compensation Plan; and

(2) is the benefit payable to the Participant's Beneficiary under the Pension Plan as of the Participant's death.

(b) The benefit payable to a Beneficiary pursuant to paragraph (a) shall be paid to the Beneficiary as soon as administratively practicable following the Participant's death (but in no event later than March 15 of the calendar year following the calendar year in which the Participant died) in the form of a single sum distribution.

Section 4.2. Qualified Domestic Relations Order. In the event the death benefit under the Pension Plan is subject to a qualified domestic relations order as defined in section 414(p) of the Code which does not apply to this Plan, the death benefit provided by this Plan shall be calculated and paid as if no qualified domestic relations order was in existence.

ARTICLE 5

VESTING

Section 5.1. Vesting of Supplemental Pension Benefit. Except as may otherwise be provided in any written employment agreement between the Participant and the Sponsor, a Participant shall be vested in his Supplemental Pension Benefit only if and to the extent that the Participant has a vested right to a benefit under the Pension Plan.

Section 5.2. Forfeiture for Cause. Notwithstanding any provision of the Plan to the contrary, a Participant shall be divested of, and shall immediately forfeit, such benefit to which he (or his Beneficiary) is otherwise entitled under the Plan in the event the Participant engages in any conduct which, in the reasonable opinion of the Board, is detrimental to the best interests of a Participating Employer. Such conduct shall include accepting employment with a competitor of a Participating Employer within a period of time following his Separation from Service and in a geographic area that the Board deems inappropriate.

ARTICLE 6

FUNDING

Section 6.1. Funding of Benefits. The Board may, but shall not be required to, authorize the establishment of a trust by the Sponsor to serve as the funding vehicle for the benefits described in Articles 2 and 4 hereof. In any event, the obligation of Participating Employers hereunder shall constitute a general, unsecured obligation, payable solely out of general assets, and no Participant shall have any right to any specific assets of a Participating Employer.

ARTICLE 7

ADMINISTRATION

Section 7.1. Plan Administrator. The Administrator shall be the administrator of the Plan for purposes of the Employee Retirement Income Security Act of 1974, as amended from time to time (“ERISA”).

Section 7.2. Duties and Powers of the Benefits Committee. The Benefits Committee shall have full power and authority to construe, interpret and administer this Plan, and such greater power and authority as determined by the Board, and may, to the extent permitted by law, make factual determinations, correct defects, supply omissions, resolve ambiguities and reconcile inconsistencies to the extent necessary to effectuate the Plan and, subject to Section 7.3, the Benefits Committee’s actions in doing so shall be final and binding on all persons interested in the Plan. The Benefits Committee may from time to time adopt rules and regulations governing the operation of this Plan and may employ and rely on such legal counsel, such actuaries, such accountants and such agents as it may deem advisable to assist in the administration of the Plan.

Section 7.3. Claims Procedure.

(a) The Administrator will advise each Participant and Beneficiary of any benefits to which he is entitled under the Plan. If any person believes that the Administrator has failed to advise him of any benefit to which he is entitled, he may file a written claim with the Administrator. The claim shall be reviewed, and a response provided, within 90 days of the Administrator's receipt of the claim; provided, however, that in special circumstances the Administrator may extend the response period for up to an additional 90 days provided the Administrator so notifies the claimant in writing and specifies the reason or reasons for such extension. Every claimant who is denied a claim for benefits shall be provided with written notice setting forth in a manner calculated to be understood by the claimant:

(1) the specific reasons or reasons for the denial;

(2) specific reference to pertinent Plan provisions on which denial is based;

(3) a description of any additional material or information necessary for the claimant to perfect the claim; and

(4) an explanation of the claim review procedure set forth in paragraph (b), below.

(b) Within 60 days of receipt by a claimant of a notice denying a claim under the Plan under paragraph (a), the claimant or his duly authorized representative may request in writing a full and fair review of the claim by the Benefits Committee. The Benefits Committee may extend the 60-day period where the nature of the benefit involved or other attendant circumstances make such extension appropriate. In connection with such review, the claimant or his duly authorized representative may review pertinent documents and may submit issues and comments in writing. The Benefits Committee shall make a decision promptly, and not later than 60 days after the Benefits Committee's receipt of a request for review, unless special circumstances (such as the need to hold a hearing, if the Benefits Committee deems one necessary) require an extension of time for processing, in which case a decision shall be rendered as soon as possible, but not later than 120 days after receipt of a request for review. The decision on review shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, and specific references to the pertinent Plan provisions on which the decision is based.

ARTICLE 8

AMENDMENT AND TERMINATION

Section 8.1. Authority to Amend. The Board may amend the Plan, by or pursuant to resolution, at any time in any manner whatsoever; provided however that the Benefits Committee may make all technical, administrative, regulatory, or compliance amendments to the Plan, and may make any other amendment which will not increase the cost of the Plan to the Participating Employers and the Sponsor by more than $100,000, or such greater

amount as determined by the Board, as the Benefits Committee shall deem necessary or appropriate without the approval of the Board or any Participating Employer. Amendments made by the Benefits Committee shall be in writing and signed by at least one Committee member.

Section 8.2. Right to Terminate. Continuance of the Plan is completely voluntary and is not assumed as a contractual obligation of the Participating Employers. The Sponsor shall have the right at any time for any reason to terminate the Plan, by resolution of the board. Furthermore, each Participating Employer may discontinue its participation in the Plan at any time by or pursuant to resolution of its board of directors or other governing body.

Section 8.3. Effect of Amendment or Termination. No amendment or termination of the Plan shall decrease or restrict any vested benefit which a Participant (or Beneficiary) has accrued under the Plan, as of the date of termination or amendment of the Plan based on the Participant's accrued benefit under the Pension Plan on such date, unless the Participant (or Beneficiary) would have been entitled to a smaller benefit if the Plan had not been amended or terminated. For avoidance of doubt, however, the Sponsor may terminate the Plan and provide for immediate distributions of all benefits accrued hereunder (as though each Participant had experienced a Separation from Service as of the date of such termination), subject to the requirements of Treas. Reg. § 1.409A-3(j)(4)(ix) or any succeeding regulations.

ARTICLE 9

MISCELLANEOUS

Section 9.1. No Right to Employment. Nothing contained herein (a) shall be deemed to exclude a Participant from any compensation, bonus, pension, insurance, severance pay or other benefit to which he otherwise is or might become entitled to as an Employee or (b) shall be construed as conferring upon an Employee the right to continue in the employ of a Participating Employer.

Section 9.2. No Compensation for Other Benefits. Any amounts payable hereunder shall not be deemed salary or other compensation to a Participant for the purposes of computing benefits to which he may be entitled under any other arrangement established by a Participating Employer for the benefit of its employees.

Section 9.3. Rights and Obligations. The rights and obligations created hereunder shall be binding on a Participant's heirs, executors and administrators and on the successors and assigns of the Participating Employers.

Section 9.4. Payments to Representatives. If any Participant or Beneficiary entitled to receive any benefits hereunder is determined by the Administrator, or is adjudged to be, legally incapable of giving valid receipt and discharge for such benefits, the benefits shall be paid to a duly appointed and acting conservator or guardian, or other legal representative of such Participant or Beneficiary, if any, and if no such legal representative is appointed and acting, to such person or persons as the Administrator may designated. Such payments shall, to the extent made, be deemed a complete discharge for such payments under this Plan.

Section 9.5. Governing Law. The Plan shall be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania.

Section 9.6. Nonalienation. Except as hereinafter provided with respect to family disputes, the rights of any Participant or Beneficiary under this Plan are personal and may not be assigned, transferred, pledge or encumbered, and any attempt to do so shall be void. In cases of family disputes, the Participating Employers will observe the terms of the Plan unless and until ordered to do otherwise by a state or federal court. As a condition of participation, a Participant agrees to hold the Participating Employers harmless from any claim that arises out of the Participating Employers' obeying the final order of any state or Federal court, whether such order effects a judgment of such court or is issued to enforce a judgment or order of another court. For purposes of this Section 9.6, "family dispute" means a dispute relating to provision of child support, alimony payments, or marital property rights to a spouse, former spouse or other dependent of the Participant.

Section 9.7. Limitations on Obligations. Neither the Sponsor (nor any other Participating Employer) nor any member of the Board shall be responsible or liable in any manner to any Participant, Beneficiary or any person claiming through them for any benefit or action taken or omitted in connection with the granting of benefits, the continuation of benefits, or the interpretation and administration of this Plan.

Section 9.8. Withholding. If the Participating Employer is required to withhold amounts under applicable federal, state or local tax laws, rules or regulations, the Participating Employer shall be entitled to deduct and withhold such amounts from any cash payment made pursuant to this Plan.

Section 9.9. Lost Payees. Any benefit payable under the Plan shall be deemed forfeited if the Administrator is unable to locate the Participant or Beneficiary to whom payment is due; provided, however, that such benefit shall be reinstated if a claim is made by the Participant or Beneficiary for the forfeited benefit.

IN WITNESS WHEREOF, this Plan has been adopted this 24th day of November, 2008.

Attest:	AMERISOURCEBERGEN CORPORATION
By: /s/ Vicki Bausinger	By: /s/ John G. Chou
	Title: Senior Vice President, General Counsel and Secretary

Exhibit 10.9

BERGEN BRUNSWIG

FIFTH AMENDED AND RESTATED

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

(As Amended and Restated November 24, 2008)

TABLE OF CONTENTS

ARTICLE I PLAN HISTORY	1
ARTICLE II DEFINITIONS	2
2.1. “Accrued Benefit”	2
2.2. “Beneficiary”	4
2.3. “Bergen 401(k) Plan” or “401(k) Plan”	5
2.4. “Bergen Brunswig Corporation” or “Bergen”	6
2.5. “Board of Directors” or “Board”	6
2.6. “Break in Service”	6
2.7. “Capital Accumulation Plan” or “CAP”	6
2.8. “Code”	6
2.9. “Compensation”	6
2.10. “Credited Service”	7
2.11. “Employee”	7
2.12. “Employer”	8
2.13. “Employment”	9
2.14. “Equivalent”	9
2.15. “ERISA”	9
2.16. “Executive Benefits”	9
2.17. “Key Management Benefits”	9
2.18. “Normal Benefit Form”	9
2.19. “Normal Retirement Age”	10

2.20. "Optional Benefit Form" 10
2.21. "Participant" 10
2.22. "Plan" 11
2.23. "Plan Administrator" 11
2.24. "Plan Rules" 11
2.25. "Plan Year" 11
2.26. "Service" 11
2.27. "Spouse" 12
2.28. "Trust" 12
2.29. "Vested" 12
2.30. "Vesting Service" 12

ARTICLE III PARTICIPATION 12
3.1. Requirements for Participation. 12
3.2. Former Participants. 14

ARTICLE IV AMOUNT OF BENEFIT 14
4.1. Determination of Benefit Amount. 14

ARTICLE V VESTING 18
5.1. Vesting of Accrued Benefit. 18
5.2. Forfeiture of Benefits. 23

ARTICLE VI PAYMENT OF BENEFITS 23
6.1. Benefits on Termination of Employment. 23

6.2.	Death Benefits.	23
6.3.	Joint and Survivor Annuities.	23
6.4.	Optional Benefit Forms.	26
6.5.	Funeral Benefit.	26
6.6.	Delay in Distribution.	26
6.7.	No Suspension of Benefits.	27
6.8.	Release Required.	27
ARTICLE VII ADMINISTRATION OF THE PLAN		27
7.1.	Duties of the Plan Administrator.	27
7.2.	Delegation of Administrative.	29
7.3.	Compensation, Expenses and Indemnity.	29
7.4.	Claims Procedure.	30
7.5.	Effect of Plan Administrator Action.	33
ARTICLE VIII AMENDMENT AND TERMINATION OF THE PLAN		34
8.1.	Amendments.	34
8.2.	Termination of Plan.	35
ARTICLE IX FUNDING OF BENEFITS		35
9.1.	Plan is Unfunded.	35
9.2.	Trust.	36
9.3.	Interrelationship of the Plan and the Trust.	36

ARTICLE X MISCELLANEOUS PROVISIONS 36

10.1. Payments. 36

10.2. Consolidation or Merger of Companies. 37

10.3. Adoption of Plan to Cover Other Companies, Facilities or Groups. 38

10.4. Termination of Employment. 38

10.5. Determination of Hours of Service. 41

10.6. Alienation. 41

10.7. Division of Benefits by Domestic Relations Orders. 41

10.8. Legal Costs; Increased Benefit. 44

10.9. Duty to Provide Data. 45

10.10. Limitation on Rights of Employees. 46

10.11. Restrictions. 46

10.12. Service of Process. 47

10.13. Spouse's Interest. 47

10.14. Distribution in the Event of Taxation. 47

10.15. Governing Law. 47

10.16. Plurals. 47

10.17. Titles. 47

10.18. References. 47

10.19. Entire Agreement. 48

10.20. Severability. 48

10.21. Withholding. 48

ARTICLE I

PLAN HISTORY

Bergen Brunswig Corporation, a New Jersey corporation (sometimes hereinafter referred to, together with its successor, as the "Company") adopted the Bergen Brunswig Capital Accumulation Plan in 1980. The Capital Accumulation Plan was frozen effective October 7, 1987. To replace the Capital Accumulation Plan, the Board of Directors of Bergen Brunswig Corporation adopted this Supplemental Executive Retirement Plan, effective January 1, 1991. The Supplemental Executive Retirement Plan was amended and restated, effective July 28, 1994, and further amended and restated effective as of March 3, 1995 in order to provide the Participants (as hereinafter defined) with certain additional benefits in the event of a Change in Control (as hereinafter defined). The Company amended and restated the Supplemental Executive Retirement Plan in order to modify the method used to determine accrued benefits under Article IV and the definition of Compensation (within the meaning of Section 2.9 below) effective with respect to Participants who are Employees (as defined below) on or after September 24, 1998, and such other amendments and modifications (the Third Amendment and Restatement of the Supplemental Executive Retirement Plan dated September 24, 1998). On February 13, 2001, the Board of Directors made certain changes in the titles of its executive management and such changes, and other administrative amendments and modifications, require an amendment to this Supplemental Executive Retirement Plan. This Fifth Amendment and Restatement of the Supplemental Executive Retirement Plan is made November 24, 2008, effective as of January 1, 2005, unless otherwise noted, and incorporates changes required to comply with Section 409A of the Internal Revenue Code. In order to preserve the tax treatment available to Participants whose entire Accrued Benefit was earned and vested as of December

31, 2004, such Accrued Benefits under this Supplemental Executive Retirement Plan were frozen as of such date. This Fifth Amendment and Restatement of the Supplemental Executive Retirement Plan is hereinafter referred to as the "Plan."

While the Plan is not intended to qualify under the Code as a qualified plan, the Plan is intended to be a pension benefit plan which, although subject to ERISA, is exempt from Parts 2, 3 and 4 of Title I of ERISA because it is (solely for purposes of ERISA) an unfunded plan that only covers a select group of management or highly compensated employees. Persons become participants as provided herein. Benefits under the Plan become payable on account of a Participant's retirement, termination or death.

ARTICLE II

DEFINITIONS

The following terms, when capitalized, shall have the meaning specified below unless the context clearly indicates a contrary meaning.

2.1. "Accrued Benefit" of a Participant shall be the individual's benefit under this Plan, accrued as of the time of determination. A Participant's Accrued Benefit shall only be payable to the extent Vested. Subject to this limitation, a Participant's Accrued Benefit shall be the amount by which the product of the amounts described in subsections (a) and (b) of this Section 2.1 exceeds the offsets set forth in Section 4.1(c), all as calculated as of the time of determination:

(a) the individual's benefit under Section 4.1 before application of the offsets set forth in Section 4.1(c), and

(b) a fraction, the numerator of which is the individual's Credited Service and the denominator of which is the greater of

(i) the total Credited Service the individual could earn before his or her Normal Retirement Age, or

(ii) the result determined by subtracting from fifteen the individual's years of Service completed prior to performing any services for the Employer in a Credited Service position.

In no event shall a Participant's fraction under this subsection exceed one. See Section 4.1(d) for special benefit calculation rules that apply when a Participant is demoted.

(c) For all benefit purposes:

(i) If, prior to September 30, 2003, a Participant accumulates eighty "points" before his or her fraction in subsection (b) above equals one, his or her fraction in subsection (b) above shall be raised to one. A Participant shall accumulate 1 "point" for each year of age, and 1 "point" for each year of Employment prior to becoming employed in a position covered by this Plan and 1.5 "points" for each year of Credited Service.

(ii) If, after September 30, 2003 but on or before September 30, 2007, a Participant, remaining in continuous active employment by the Employer, would accumulate eighty "points" pursuant to Section 2.1(c)(i) if she/he had continued to accrue Credited Service but for the amendment to Section 2.10 of the Plan set forth in Amendment 2002-1, then the Participant's benefit shall be equal to the amount by which the sum of:

(A) the product of: (1) the benefit payable pursuant to Section 2.1(a) and (2) the fraction described in Section 2.1(b); plus

(B) the product of: (1) the Transition Percentage (as defined in the table below) and (2) the difference between: (i) the benefit amount payable pursuant to Section 2.1(a) and (ii) the benefit amount payable under Section 2.1(c)(ii)(A); exceeds the offsets set forth in Section 4.1(c).

The Transition Percentage shall be determined according to the following chart:

If a Participant first accumulates 80 or more points pursuant to Section 2.1(c)(i), after September 30, 2003, but on or before	**The Transition Percentage shall be:**
September 30, 2004	80%
September 30, 2005	60%
September 30, 2006	40%
September 30, 2007	20%

(d) For purposes of this Section, a person shall be considered to have been employed in a position covered by this Plan if the position is a position for which he or she receives Credited Service credit.

2.2. "Beneficiary" shall mean the person designated by a Participant to receive payments from the Plan due to the Participant's death. Beneficiary designations and determinations shall be made in accordance with the following rules:

(a) Each Participant shall have the right, at any time, to designate his or her Beneficiary (both primary as well as contingent) to receive any benefits payable under the Plan to a Beneficiary upon the death of a Participant. The Beneficiary designated under this Plan may be the same as or different from the Beneficiary designation under any other plan of an Employer in which the Participant participates. A Participant shall designate his or her Beneficiary by completing and signing a Beneficiary Designation Form, in form and substance satisfactory to the Plan Administrator, and returning it to the Plan Administrator for acceptance. No designation or change in designation of a Beneficiary shall be effective until received, accepted and acknowledged in writing by the Plan Administrator.

(b) A Participant shall have the right to change a Beneficiary by completing, signing and otherwise complying with the terms of the Beneficiary Designation

Form and the Plan Rules as in effect from time to time. Upon the acceptance by the Plan Administrator of a new Beneficiary Designation Form, all Beneficiary designations previously filed shall be canceled. The Plan Administrator shall be entitled to rely on the last Beneficiary Designation Form filed by the Participant and accepted by the Plan Administrator prior to his or her death.

(c) A Participant can designate someone other than his or her Spouse as Beneficiary, but only with written spousal consent.

(d) If a deceased Participant has not properly designated a Beneficiary, the Participant's Spouse shall be treated as the Beneficiary.

(e) If a deceased Participant is survived neither by a Spouse nor a properly designated Beneficiary, the Participant's estate shall be treated as the Beneficiary.

(f) With the Plan Administrator's consent and subject to any conditions which the Plan Administrator may specify, the Participant may designate more than one person to be his or her Beneficiary, provided that one Beneficiary is designated as the "measuring life" on which the duration and amount of the joint and survivor annuity is to be calculated and the portion of the survivor annuity to be paid to each Beneficiary is specified (e.g., my mother, Jane Doe, and my invalid daughter, Janet Doe, shall share equally in survivor benefits while they both live; any survivor benefits payable following the death of either my mother, Jane Doe, or my invalid daughter, Janet Doe, shall be paid to the survivor; survivor benefits are to be determined as if only my invalid daughter, Janet Doe, were the Beneficiary).

2.3. "Bergen 401(k) Plan" or "401(k) Plan" shall mean the Bergen Brunswig Corporation Pre-Tax Investment Retirement Account Plus Employer Contributions Plan, or any successor to that plan.

2.4. “Bergen Brunswig Corporation” or “Bergen” shall mean Bergen Brunswig Corporation, a New Jersey corporation.

2.5. “Board of Directors” or “Board” shall mean the Board of Directors of Bergen Brunswig Corporation.

2.6. “Break in Service” shall mean a period of non-Employment which causes a former Employee to lose credits under this Plan. A former Employee incurs one Break in Service upon the completion of each three hundred and sixty-five consecutive day period throughout which the individual is not an Employee. This period shall commence on the day following the last day on which the individual was an Employee. See Section 10.4 for special rules relating to maternity and paternity absences.

2.7. “Capital Accumulation Plan” or “CAP” shall mean the Bergen Brunswig Corporation Capital Accumulation Plan that was originally effective July 1, 1980, and frozen effective October 7, 1987.

2.8. “Code” shall mean the Internal Revenue Code of 1986, as amended from time to time.

2.9. “Compensation” shall mean the average monthly earnings payable to a Participant for the three calendar years, whether or not consecutive, in which the Participant received the highest Compensation during the five calendar years immediately preceding the earlier of (i) the Participant’s termination of Employment or (ii) December 31, 2001. This average shall be computed by dividing the Participant’s total “earnings” (as defined in this Section) during the three years in question by thirty-six. A Participant’s “earnings” shall mean the base salary and all bonuses paid to the Participant during the calendar year in question, (including any salary or bonuses waived or deferred under any nonqualified deferred compensation or other salary reduction arrangement).

2.10. “Credited Service” shall mean the number of year of Service in which the Participant was employed in the position he or she held at the time he or she was designated by the Plan Administrator to be a Participant or was covered by the Capital Accumulation Plan, or any position held thereafter, including years before or after the adoption of either plan, but excluding any Service while the Participant was not employed in such a position or positions.

Notwithstanding the above, should a Participant change positions, the Plan Administrator can, in the exercise of the Plan Administrator’s reasonable discretion, determine that the new position should not be considered a position for which such Participant shall receive any Credited Service credit.

Notwithstanding anything herein to the contrary, all Service performed by a Participant after September 30, 2003, shall not constitute Credited Service for purposes of: (i) calculating the numerator of the fraction in Section 2.1(b) or (ii) otherwise if such the inclusion causes the amount of the Participant’s Accrued Benefit to increase in value after September 30, 2003; provided, however, solely for purposes of calculating a Participant’s benefit amount payable pursuant to Section 2.1(c)(ii), Service performed by a Participant after September 30, 2003, shall constitute Credited Service. Service performed by a Participant after September 30, 2003 shall continue to constitute Credited Service for determining the denominator called for in Sections 2.1(b)(i) and 2.1(b)(ii).

2.11. “Employee” shall mean an individual who renders services to the Employer as a common law employee or officer (i.e., a person whose wages from the Employer are subject to federal income tax withholding). Unless specifically approved by the

Compensation/Stock Option Committee of the Board of Directors to provide a consultant with credit as an Employee, a person rendering services to the Employer purportedly as an independent contractor shall not be treated as an Employee before the Employer has acknowledged that it must withhold federal income taxes from his or her pay. For purposes of this Plan, an individual shall remain an "Employee" if he or she ceases to work for the Employer for the purposes of taking an Employer arranged job.

2.12. "Employer" shall mean:

(a) Adopting Employers. Bergen Brunswig Corporation, any related company designated by Bergen Brunswig Corporation, any successor entity which continues the Plan or such companies collectively; and

(b) Non-Adopting Employers. Companies that have not adopted the Plan but are related to the adopting Employers as described in subsection (e).

(c) All Employees of adopting and non-adopting Employers shall be treated as employed by a single company for all Plan purposes, including Service crediting, except that no person shall be eligible to become a Participant or accrue Credited Service except while employed by an adopting Employer.

(d) In contexts in which actions are required or permitted to be taken or notice is to be given, the Employer shall mean Bergen Brunswig Corporation.

(e) A company is a "related company" while it and the Employer are members of a controlled group of corporations or a group of trades or businesses under common control (within the meaning of Code Sections 4 14(b) and (c)).

2.13. "Employment" shall mean the period during which an individual is an Employee. Employment shall commence on the day the individual first performs services for the Employer as an Employee and shall terminate on the day such services cease.

2.14. "Equivalent" shall mean the actuarial equivalent of a given amount or benefit payable in another manner, at another time or by any other means, determined conclusively by, or under the direction of, the Plan Administrator in accordance with actuarial principles, methods and assumptions which are found to be appropriate by the Plan's actuary. For purposes of this Plan, equivalencies shall be based on the mortality assumptions included in the indices used by Metropolitan Life Insurance Company, or such other nationally recognized insurance company, in quoting a premium to purchase a non-qualified individual annuity with survivor coverage as of the date of the event necessitating the calculation (e.g., retirement, termination of Employment, disability, etc.).

2.15. "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

2.16. "Executive Benefits" shall mean the benefits provided under this Plan for certain designated officers of Bergen Brunswig Corporation as provided in Section 3.1(a) who are Participants.

2.17. "Key Management Benefits" shall mean the benefits provided under this Plan for certain designated officers of Bergen Brunswig Corporation and its subsidiaries, and some directors of corporate departments in Bergen Brunswig Corporation, as provided in Section 3.1(b) and who are Participants as designated by the Plan Administrator.

2.18. "Normal Benefit Form" shall mean the normal form of benefit under the Plan, which shall be the Equivalent of a Participant's Vested Accrued Benefit, payable as a joint

and survivor annuity based on the life expectancies of the Participant and the measuring life Beneficiary at the time payment of the benefit commences, consisting of monthly payments to the Participant commencing as of the first day of the calendar month coincident with or next following the Participant's benefit commencement date and ending with the payment for the calendar month in which the Participant dies, with the provision that, if the Participant dies and is survived by the Beneficiary, such Beneficiary shall receive monthly payments of, in the case of Executive Benefits, seventy-five percent or, in the case of Key Management Benefits, fifty percent, of the monthly payments that were being made prior to the Participant's death, commencing with the payment for the calendar month following the month in which the Participant died and ending with the payment for the calendar month in which the Beneficiary dies.

2.19. "Normal Retirement Age" of a Participant shall mean the date on which the Participant attains age sixty-two.

2.20. "Optional Benefit Form" shall mean any form of benefit available under the Plan, other than the Normal Benefit Form.

2.21. "Participant" shall mean any person who is included in the Plan pursuant to Article III. Any Participant who holds as part of his or her title, on or after February 13, 2001, the title of Senior Executive Vice President, President, Chief Operating Officer, Chief Executive Officer or Chairman of the Board, or any combination thereof, of Bergen Brunswig Corporation and upon the occurrence of a Change in Control (as defined in Section 5.l(b)(ii)) shall be designated an "Executive Participant" and shall be eligible for the acceleration of benefits set forth in Section 5.1(b).

2.22. "Plan" shall mean this document. The Plan consists of two components: Executive Benefits and Key Management Benefits, as more fully described in this document.

2.23. "Plan Administrator" shall mean AmerisourceBergen Services Corporation, acting through its chief executive officer or such officer's delegate.

2.24. "Plan Rules" shall mean rules adopted by the Plan Administrator in accordance with Section 7.1(e) for the administration, interpretation or application of the Plan.

2.25. "Plan Year" shall mean the fiscal year of the Plan, which is currently the twelve month period ending on December 31.

2.26. "Service" shall mean an Employee's period of Employment. Special rules for calculating Service are found in Section 2.10, which explains what Service is counted for benefit accrual purposes, and Section 10.4(d), which deals with maternity and paternity absences. Service shall be calculated under the following elapsed time rules:

(a) Service shall be measured in days. Service shall commence with the first day on which an individual performs or resumes performing services for the Employer as an Employee (e.g., the day the individual first performs an "hour of service" for which he or she is entitled to payment by the Employer). Except as provided in subsection (b), an Employee's Service shall thereafter end on the day on which his or her Employment ends, as determined under Section 10.4. An Employee shall be credited with one year of Service for each three hundred and sixty-five days in his or her period or periods of Service; fractional results shall be rounded up to the nearest whole year.

(b) No more than three hundred and sixty-five days of Service will be credited for any continuous period during which an individual is an Employee but performs no duties as an Employee (except as required by law with respect to military leaves and maternity

and paternity absences (see Section 10.4(d)). If an individual's Employment terminates but it resumes within three hundred and sixty-five days (i.e., before he or she incurs a Break in Service), the period between the termination and resumption will be included in his or her period of Service.

(c) If an individual has more than one period of Service, the periods shall be aggregated. However, a Participant's prior period of Service shall be ignored if thereafter the Participant completed five consecutive Breaks in Service before he or she has earned a Vested Accrued Benefit.

2.27. "Spouse" shall mean the person to whom a Participant is legally married at the time in question under the laws of the state in which the Participant then resides (excluding a common-law spouse). A person shall cease to be a Spouse when his or her marriage to the Participant is deemed dissolved or annulled under the laws of the state in which the Participant then resides.

2.28. "Trust" shall mean the trust established pursuant to that certain Master Trust Agreement, dated as of December 27, 1994, between Bergen Brunswig Corporation and the trustee named therein, as amended from time to time.

2.29. "Vested" shall mean nonforfeitable.

2.30. "Vesting Service" of an Employee shall mean his or her years of Service calculated in accordance with Section 2.26.

ARTICLE III

PARTICIPATION

3.1. Requirements for Participation.

(a) Executive Benefits. Participants in the Executive Benefits portion of the Plan are those individuals designated by the Plan Administrator as eligible to participate.

(b) Key Management Benefits. Participants in the Executive Benefits portion of the Plan are those individuals designated by the Plan Administrator as eligible to participate.

(c) Change in Status. Whenever a Participant is promoted, the Plan Administrator shall determine, in his or her sole discretion, whether such Participant is in a position that is covered by the Key Management portion of the Plan or a position that is not covered by the Plan. If the Plan Administrator makes no such determination within thirty (30) days of the change in position, the Participant shall remain in the portion of the Plan in which he or she was covered prior to the position change. As part of the Plan Administrator's administrative duties, the Plan Administrator, from time to time, shall maintain a list of the Participants in the Executive Benefits and Key Management Benefits portions of this Plan and provide a copy of said lists to the Secretary of the Company.

(d) Termination. A Participant shall cease to be a Participant when his or her Employment terminates (see Section 2.13), unless the Participant becomes totally and permanently disabled while a Participant or the Compensation/Stock Option Committee of the Board determines otherwise in which case he or she shall remain a Participant until he or she attains age sixty-two. (A Participant shall be considered totally and permanently disabled while the Participant is receiving long-term disability benefits under the Bergen Brunswig Long Term Disability Plan or any successor or replacement plan identified by the Plan Administrator (or would receive such benefits if the individual were covered by that plan)). A totally and permanently disabled Participant shall continue to earn Vesting Service during such disability.

However, the individual shall not be granted Credited Service for any period of disability. At the option of the Plan Administrator, the Plan Administrator can terminate the Plan with respect to all the Participants and pay them the Equivalent of his or her Vested Accrued Benefit in an immediate cash lump sum payment or a monthly annuity for a term of years to be determined by the Plan Administrator, in his or her sole discretion, provided that such term of years shall not exceed the life expectancy of the Participant. If the Plan Administrator exercises his or her option, the Participant shall be deemed to be fully Vested, whether or not he or she meets the requirements set forth in Article V.

3.2. Former Participants. A former Participant who requalifies for the Plan shall again become a Participant on the date he or she requalifies.

ARTICLE IV

AMOUNT OF BENEFIT

4.1. Determination of Benefit Amount. The Accrued Benefit payable to a Participant under the Plan shall be calculated as follows (but it shall only be paid to the extent Vested under Section 5.1):

(a) Executive Benefits. The benefit shall be a single life annuity (1983 Group Annuity Table) based on the Participant's life expectancy at the Normal Retirement Age and payable monthly commencing the month after the Participant reaches the Participant's Normal Retirement Age, equal to eighty percent (80%) of Compensation, subject to reduction under the fractional accrual rule in Section 2.1 and subject to the offsets described below. Notwithstanding the foregoing, for purposes of determining the benefit of a Participant who is an Employee on or after September 24, 1998, sixty percent (60%) shall be substituted for eighty percent (80%) in the preceding sentence. A Participant's benefit shall be subject to the following offsets (each to be expressed as an Equivalent amount commencing at the Participant's Normal Retirement Age in an Optional Benefit Form).

(b) Key Management Benefits. A Participant in the Key Management Benefits portion of the Plan shall receive a benefit equal to sixty-five percent (not eighty percent) of his or her Compensation subject to reduction, if any, under the fractional accrual rule in Section 2.1 and subject to the offsets, if any, described in of Section 4.1(c) below.

Notwithstanding anything in the foregoing sentence to the contrary, a Participant in the Key Management benefits portion of the Plan and who has the status of an Employee on or after September 24, 1998, said Participant shall receive a total Accrued Benefit of forty-eight percent (48%), not sixty percent (60%), of his or her Compensation and the term "Compensation" shall be interpreted to include his or her annual salary and all bonuses as described in Section 2.9.

(c) A Participant's benefit (whether an Executive Benefit or a Key Management Benefit) shall be subject to the following offsets (each to be expressed as an Equivalent amount commencing at the Participant's Normal Retirement Age), if applicable:

(i) the Participant's primary insurance amount payable at age 62 under the Social Security Act with the assumption that the Participant's benefit payable under the Social Security Act is not reduced because of other income of a Participant;

(ii) the Participant's paid benefit under the Capital Accumulation Plan;

(iii) the monthly annuity the Participant could have purchased under the Bergen 401(k) Plan, if the Participant had made annual contributions to the Bergen 401(k) Plan of six percent of his or her taxable compensation (but not more than the maximum

contribution, if any, allowable under Code Section 402(g)) and had received an annual matching Employer contribution of fifty percent of that amount or, if different, the amount determined under the table set forth below, from later of (i) the adoption of the Bergen 401(k) Plan or (ii) the date of the Participant's fortieth birthday through his or her termination. The sum of such hypothetical contributions for any calendar year shall not exceed the amount then applicable under Code Section 415(c)(1)(A). Such hypothetical contributions shall be deemed to have been made to the Bergen 401(k) Plan on the last day of each calendar year and shall be credited with earnings at a rate equal to the average yield of the Bergen 401(k) Plan's guaranteed income fund, or successor fund as determined by the Plan Administrator, as of the beginning of the plan year of the Bergen 401(k) Plan. The matching Employer contribution rate used for the calendar years in question shall be as follows:

Calendar Year	Employer Matching Contribution Rate
1985	1.5%
1986	1.7%
1987	1.2%
1988	3.0%
1989	6.0%
1990 through 1998	3.0%
After 1998	4.0%

Notwithstanding anything in the foregoing in this Section 4.1(c) to the contrary, for Participants who have the status of an Employee on or after September 24, 1998, and for the

purpose of determining their entire Accrued Benefit under this Plan, a Participant's contributions (whether or not hypothetical) shall not be taken into account for purposes of determining the reduction of the Participant's benefits under this Plan pursuant to this subsection (iii) but only the actual matching Employer contribution shall be used as an offset pursuant to this subsection (iii). The offset required by this Section 4.1(c) shall apply without regard to whether the Participant was eligible for the Bergen 401(k) Plan or actually made any contributions. In calculating the offset, hypothetical contributions shall not be deemed to have been made in calendar years prior to 1985 or in calendar years beginning before the Participant's fortieth birthday, whichever is later.

Notwithstanding anything in this Section 4.1(c) to the contrary, the offsets enumerated in Section 4.1(c)(i) and 4.1(c)(iii) shall not include amounts earned or amounts that could have been earned by a Participant after December 31, 2001.

(d) If a Participant who is covered by the Key Management Benefits portion of the Plan becomes covered by the Executive Benefits portion of the Plan, the Participant's benefit shall be calculated entirely under the Executive Benefits portion of the Plan. If a Participant who is eligible for the Executive Benefits portion of the Plan thereafter becomes eligible only for the Key Management Benefits portion of the Plan, his or her benefits under the Plan shall be the greater of (i) the benefit, if any, he or she would have had if his or her Employment terminated when the Participant ceased to be covered by the Executive Benefits portion of the Plan, or (ii) his or her benefit calculated under the Key Management Benefits portion of the Plan. If a Participant who is eligible for the Executive Benefits portion of the Plan or the Key Management Benefits portion of the Plan ceases to be employed in a position covered by this Plan, his or her benefits shall be determined as if his or her Employment terminated when the Participant ceased to be employed in a position covered by this Plan.

ARTICLE V

VESTING

5.1. Vesting of Accrued Benefit.

(a) General Vesting Provisions. Except as otherwise provided in Section 5.1(b) below, a Participant's Accrued Benefit shall become fully Vested upon completion of five years of Vesting Service or, if earlier, upon the later of the Participant's attainment of age sixty-two while an Employee or his or her fifth anniversary of becoming a Participant.

(b) Vesting and Payment of Benefits Upon a Change in Control.

(i) Notwithstanding any other provisions of the Plan, upon the occurrence of a Change in Control (as defined below), each Participant's Accrued Benefit shall deemed to be fully Vested under the Plan and each Executive Participant shall be entitled to benefits under the Plan in accordance with the following: (A) As of the date of the Change in Control, such Executive Participant shall be deemed to have attained the Normal Retirement Age; (B) with respect to each year between such Executive Participant's actual age as of the date of the Change in Control (if less than the Normal Retirement Age) and the Normal Retirement Age (the "Interim Period"), such Executive Participant shall be deemed to have been continuously employed by the Company in, and to have continuously performed (without any Breaks in Service) the duties of, the position with the Company that such Executive Participant held as of the date of the Change in Control; (C) such Executive Participant shall be deemed to be entitled to Credited Service for all times during the Interim Period; (D) such Executive

Participant’s base salary, as of the date of the Change in Control, and the Executive Participant’s highest average annual bonus amount received for any three years during the last five year period immediately preceding a Change in Control, shall be used for the purposes of calculating the entire benefit under this Plan and the base salary and annual bonus amount (as calculated) shall be deemed to have increased at a rate of 4.0% per year each year during the Interim Period, resulting in a corresponding increase in the Executive Participant’s Compensation for purposes of calculating a Participant’s benefits under this Plan; (E) such Executive Participant’s Accrued Benefit under this Plan shall be calculated in accordance with the assumptions set forth in the preceding clauses (A)—(D); and (F) upon the consummation of the transactions giving rise to the Change in Control, the Company shall pay to such Executive Participant, by certified or bank cashier’s check, a cash lump sum payment that is the Equivalent of such Executive Participant’s Vested Accrued Benefit determined in accordance with this Section 5.1(b).

(ii) A “Change in Control” shall be deemed to occur 90 days prior to the occurrence of any of the following events:

(A) any “person” (as defined in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), shall become the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of AmerisourceBergen Corporation representing 50% or more of the combined voting power of AmerisourceBergen Corporation’s then outstanding securities, provided, however, that for purposes of this calculation, purchases by employee benefit plans of AmerisourceBergen Corporation and purchases by AmerisourceBergen Corporation itself shall be disregarded; or

(B) there shall be consummated: (A) any consolidation, merger or transaction in the nature of a Section 351 transaction under the Code (whether or not it meets the requirements for nonrecognition of gain under Section 351 of the Code) of AmerisourceBergen in which either AmerisourceBergen Corporation is not the continuing or surviving corporation, the majority of the common stock of AmerisourceBergen Corporation is no longer held by holders of AmerisourceBergen Corporation common stock immediately prior to the transaction or pursuant to which shares of AmerisourceBergen Corporation's common stock would be converted into cash, securities or other property; provided, however, that a consolidation, merger or transaction in the nature of a Section 351 transaction under the Code in which the holders of AmerisourceBergen Corporation's common stock immediately prior to the merger own, on a proportionate basis, at least 80% of the common stock of the surviving corporation immediately after the transaction shall not be considered a Change in Control; or (B) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the operating assets of AmerisourceBergen Corporation; or

(C) the stockholders of AmerisourceBergen Corporation approve a plan or proposal for the liquidation or dissolution of AmerisourceBergen Corporation; or

(D) during any rolling period of two consecutive years ending on any date after the date hereof, individuals who at the beginning of such period constituted the Board of Directors of AmerisourceBergen Corporation and any new director whose election or nomination for election was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to

constitute a majority thereof; provided, however, that no director shall be considered to have been so approved if such individual initially assumed office as a result of either an actual or threatened "Election Contest" (as described in Rule 14a-11 promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a "person" (as defined in Sections 13(d) and 14(d) of the Exchange Act) other than the Board of Directors of AmerisourceBergen Corporation (a "Proxy Contest"), including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest.

(E) Notwithstanding the foregoing, with respect to any Participant who has Credited Service for any period beginning on and after January 1, 2005, or who has any portion of their Accrued Benefit become Vested on or after January 1, 2005, a "Change in Control" shall only be deemed to occur if an event described above in subsections (A) through (D) occurs and such event constitutes a change in the ownership or effective control of AmerisourceBergen Corporation, or a change in the ownership of a substantial portion of the assets of AmerisourceBergen Corporation, within the meaning of Section 409A of the Code and regulations issued thereunder.

(iii) In the event of a Change in Control, upon payment to each Executive Participant of the cash lump sum payment referred to in clause (F) of subsection 5.1(b)(i) above, the Company shall also pay to such Executive Participant, by certified or bank cashier's check, a cash lump sum payment equal to (x) the amount of excise tax for which such Executive Participant is or may become liable under Internal Revenue Code Section 4999 (or any successor provision) with respect to the payments made under this Section 5.1(b), taking into account all compensation includable in the computation under Internal Revenue Code Section 280G (or any successor provision), including, without limitation, payments under this subsection

(iii) plus (b) the amount of such Executive Participant's income tax liability arising from the Company's payment of the excise tax liability referred to in the preceding clause (a), such that the payments under clauses (a) and (b) taken together shall provide such Participant with sufficient after-income tax dollars to pay such Participant's liability for Internal Revenue Code Section 4999 excise taxes. The maximum combined marginal federal and applicable state(s) income tax rate in effect for the year in which the payments under this subsection (iii) are to be made shall be used in computing the amount of such payments. In the event that the Company and the Executive Participant are unable to agree upon the amount of the payment required under this subsection (iii), such amount shall be determined by Tax Counsel (as defined below). The decision of such Tax Counsel shall be final and binding upon both the Company and the Executive Participant. All fees and expenses of such Tax Counsel shall be paid by the Company. As used in this subsection (iii), the term "Tax Counsel" shall mean an attorney at law or certified public accountant who is a partner at a law firm of at least 25 attorneys or a partner at a "Big 6" accounting firm, respectively, provided that such firm has not provided services to the Company or the respective Executive Participant or any affiliate of the Company or such Executive Participant within the last year. Any payment made pursuant to this Section 5.1(b)(iii) shall be paid by the Company at the time the applicable Internal Revenue Code Section 4999 tax is required to be withheld by the Company and remitted to the Internal Revenue Service or 5 business days before it is required to be paid by the Employee.

(iv) Upon the occurrence of a Change in Control, (x) this subsection 5.1(b) shall become irrevocable, and (y) Sections 6.8, 7.4(h), 7.4(i), 7.5 and 10.11 hereof shall cease to apply, none of such sections shall ever thereafter be reinstated, and no similar provisions shall ever be adopted hereunder.

5.2. Forfeiture of Benefits. The unvested portion of an Executive Participant's Accrued Benefit shall be forfeited on the date the Executive Participant completes five consecutive Breaks in Service.

ARTICLE VI

PAYMENT OF BENEFITS

6.1. Benefits on Termination of Employment. A Participant who terminates Employment on or after attaining Normal Retirement Age shall receive his or her Vested Accrued Benefit commencing immediately and payable in accordance with this Article. If the Participant terminates Employment before his or her Normal Retirement Age, the Participant shall receive the Equivalent of his or her Vested Accrued Benefit commencing immediately upon termination of Employment and payable in accordance with this Article. Notwithstanding the foregoing or anything in the Plan to the contrary, with respect to any Participant who has Credited Service for any period beginning on and after January 1, 2005, or who has any portion of their Accrued Benefit become Vested on or after January 1, 2005, the Equivalent of his or her Accrued Benefit shall be paid in a lump sum on the first business day that follows the expiration of the six-month period commencing on the Participant's "separation from service" within the meaning of Treas. Reg. 1.409A-1(h).

6.2. Death Benefits. Subject to Section 10.7, if a Participant with a Vested Accrued Benefit dies, at the option of the Plan Administrator, the Participant's Beneficiary shall be paid the lump sum Equivalent of the remaining balance of the Participant's Vested Accrued Benefit.

6.3. Joint and Survivor Annuities.

(a) Subject to Section 6.1 and 6.4, a Participant's Vested Accrued Benefit shall be paid in the Normal Benefit Form. Distribution shall also be made in the form of a joint and survivor annuity if a former Spouse is entitled to survivor annuity benefits under a qualified domestic relations order, as provided in Section 10.7. More than one Spouse may be entitled to joint and survivor annuity benefits. For example, two former Spouses may have been awarded survivor benefits and there may also be a current Spouse. In such cases, this Section shall be applied by dividing the Participant's Vested Accrued Benefit in proportion to the spousal entitlements and then applying this Section to each portion as if each portion were a separate Vested Accrued Benefit belonging to the Participant and the Spouse or former Spouse in question.

(b) After a Participant has received the explanation required by subsection (c) of this Section 6.3, the Participant and his or her Spouse, if any, if such Spouse is a Beneficiary (or former Spouse if such Spouse has the power to do so under a qualified domestic relations order), may elect, with the consent of the Plan Administrator and in the manner prescribed by it, not to receive a joint and survivor annuity, in which case the Participant shall receive his or her Vested Accrued Benefit in an Optional Benefit Form. This election may be made at any time but must be made no later than one year preceding the time benefit payments would otherwise commence under Section 6.1. This election shall become irrevocable one year preceding the time benefit payments would otherwise commence under Section 6.1. Spousal consents to elections waiving joint and survivor annuity benefits that are required must be given in writing witnessed by a representative of the Plan Administrator or a notary public. A spousal consent will only be valid if it also consents to both the alternative form of payment chosen and the Beneficiary, if any, thereunder and only if the form of payment and the

Beneficiary cannot be changed without future spousal consent (unless the written spousal consent expressly permits such changes to be made and the Spouse acknowledges that he or she understands that he or she does not have to grant this permission). A Spouse's written consent must acknowledge the effect of the payment and the Beneficiary election to which he or she is consenting. The Plan Administrator in its discretion may refuse to recognize a spousal consent if it believes for any reason that the consent is invalid. Spousal consent shall be waived by the Plan Administrator if a Participant has no Spouse and may be waived if the Spouse cannot be located or for such other reasons authorized in applicable Treasury Regulations. Revocations of previous elections to waive the joint and survivor annuity may be made at any time and any number of times within the election period and new waiver elections may thereafter be made. Revocations of elections to waive the joint and survivor annuity may be made without spousal consent. A spousal consent given by one Spouse shall be invalid as to any former or subsequent Spouse (but no benefit shall be payable under this Section to a person who becomes the Participant's Spouse after the Participant's benefit payments under the Plan have commenced).

(c) Assuming sufficient notice of termination of Employment has been provided to the Plan Administrator, no less than thirty nor more than ninety days before termination of Employment, the Plan Administrator shall furnish each Participant with a written explanation of the terms and conditions of the Normal Benefit Form, the Participant's right to make an election to waive the Normal Benefit Form or to revoke a previous election and the effect of such election or revocation, the rights of the Participant's Spouse in connection with an election by the Participant, and the relative values of the Optional Benefit Forms then available under the Plan.

6.4. Optional Benefit Forms. Subject to Section 6.1, instead of receiving a benefit in the Normal Benefit Form, a Participant may elect to receive payments in an Optional Benefit Form. This election must be made in writing in accordance with the requirements of the Plan Administrator and must be delivered to the Plan Administrator prior to the Participant's termination of Employment. A married Participant may be required to obtain his or her Spouse's consent to this election pursuant to the rules set forth in Section 6.3 (b). If an Optional Benefit Form provides benefits to a Beneficiary, election of the Optional Benefit Form shall not be effective unless the Beneficiary is alive on the date of the Participant's Retirement. The Optional Benefit Forms available to a Participant are as follows:

(a) A cash lump sum which is the Equivalent of the Participant's Vested Accrued Benefit.

6.5. Funeral Benefit. In addition to any other benefit payable under the Plan, the estate of a Participant who dies before termination of Employment shall be paid a cash lump sum in the amount of $5,000 to cover funeral expenses of the Participant. This additional benefit shall be paid only if the estate gives written notice of the Participant's death to the Plan Administrator and only if the Participant had a Vested Accrued Benefit, without regard to whether any or all of the Vested Accrued Benefit will be paid. This benefit shall be reduced by the funeral benefit, if any, which became payable with respect to the Participant under section 6.3 of the Capital Accumulation Plan.

6.6. Delay in Distribution.

(a) If the amount payable under this Article cannot be ascertained or the person to whom it is payable has not been determined or located and reasonable efforts to do so have been made, then distributions under this Article shall commence, retroactive to the date they would normally have commenced, within a reasonable time after such amount is ascertained or such person is determined or located.

(b) Distribution of benefits to a Participant shall not be triggered by the transfer of the Participant to any other job (whether or not with the Employer or an affiliate) if the transfer is arranged by the Employer. The Participant's benefit will commence when the Participant ceases to be employed by the Employer or by any other company for which the Participant worked in an Employer-arranged job.

6.7. No Suspension of Benefits. Benefits which are in pay status shall not be suspended if a Participant subsequently performs services for the Employer in any capacity.

6.8. Release Required. Unless waived by the Plan Administrator, no benefits shall be payable to a Participant unless the Participant executes a general release waiving any and all claims the Participant may have against the Employer and related parties. The release shall be made on the form prescribed by the Employer and cannot be given any earlier than one month before benefit payments are expected to commence, and in the case of any Participant who has Credited Service for any period beginning on and after January 1, 2005, or who has any portion of their Accrued Benefit become Vested on or after January 1, 2005, such release must become irrevocable no later than the date prescribed for payment under Section 6.1. A release shall not be required with respect to benefits that become payable under the Plan because of termination of Employment due to death.

ARTICLE VII

ADMINISTRATION OF THE PLAN

7.1. Duties of the Plan Administrator. The Plan Administrator shall be responsible for the general administration and management of the Plan. The Plan Administrator shall have all powers and duties and the discretion necessary to fulfill its responsibilities, including, but not limited to, the following powers and duties:

(a) To determine, consistent with this Plan, all questions relating to the future eligibility of persons to participate;

(b) To determine the amount and kind of benefits, consistent with this Plan, that are payable to Participants;

(c) To maintain all records necessary for the administration of the Plan;

(d) To provide for disclosure of all information and filing or provision of all reports and statements to Participants, Spouses, Beneficiaries or governmental bodies as shall be required by ERISA or any other federal law;

(e) To adopt or modify Plan Rules, as necessary, for the regulation or application of the Plan; such Rules may establish administrative procedures or requirements which modify the terms of this Plan but Plan Rules shall not substantially alter significant requirements or provisions of the Plan;

(f) To administer, consistent with this Plan, the claims procedure set forth in Section 7.4 below;

(g) To delegate any power or duty to any firm or person in accordance with Section 7.2 below; and

(h) To exercise all other powers or duties granted to the Plan Administrator by other provisions of the Plan.

7.2. Delegation of Administrative.

(a) The Plan Administrator may delegate all or any portion of its administrative responsibilities with respect to the Plan to any other person pursuant to this Section.

(b) A delegation under this Section shall be accomplished by a written instrument executed by the Plan Administrator specifying responsibilities delegated and the fiduciary responsibilities allocated to such delegate. The delegation of such responsibilities shall be effective upon the date specified in the delegation, subject to written acceptance by the delegate. Any delegation of responsibilities shall provide for reports, no less often than annually, by such delegate to the Plan Administrator of such information necessary to fully inform the Plan Administrator of the status and operation of the Plan and of the delegate's discharge of responsibilities delegated.

7.3. Compensation, Expenses and Indemnity.

(a) The Plan Administrator and any delegate under Section 7.2 above who is an Employee shall serve without compensation for services to the Plan. The Employer shall furnish the Plan Administrator or any such delegate with all clerical or other assistance necessary in the performance of his or her duties. The Plan Administrator is authorized to employ such legal counsel and advisors as it may deem advisable to assist in the performance of its duties hereunder.

(b) All costs of administering the Plan (including the cost of legal services described in subsection (a)) shall be paid by the Employer. Except as the Plan Administrator otherwise directs, any expenses incurred in resolving disputes among different claimants as to their entitlement to a benefit shall be charged against the benefit, which shall be reduced accordingly.

(c) To the extent permitted by applicable law, the Employer shall indemnify and save harmless the Board of Directors, the Plan Administrator and any delegate appointed pursuant to Section 7.2 above who is an Employee against any and all expenses, liabilities and claims (including legal fees incurred to defend against such liabilities and claims) arising out of their discharge in good faith of responsibilities under or incident to the Plan. Expenses and liabilities arising out of willful misconduct shall not be covered under this indemnity. This indemnity shall not preclude such further indemnities as may be available under insurance purchased by the Employer or provided by the Employer under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, as such indemnities are permitted under applicable law. Payments with respect to any indemnity and payment of expenses or fees shall be made only from assets of the Employer.

7.4. Claims Procedure.

(a) Normally, a Participant, Beneficiary Contingent Annuitant or Spouse need not present a formal claim in order to qualify for rights or benefits under this Plan. However, if any such person (a "claimant") does not believe he or she will receive the benefits to which the person is entitled or believes that the Plan is not being operated properly, the claimant must file a formal claim under the procedures set forth in this Section. A formal claim must be filed within six months of the date upon which the claimant (or his or her predecessor in interest) first knew (or should have known) of the facts upon which the claim is based.

(b) A claim by any person shall be presented to the Plan Administrator in writing. A claims official appointed by the Plan Administrator shall, within ninety days of receiving the claim, consider the claim and issue his or her determination thereon in writing. The claims official may extend the determination period for up to an additional ninety days by giving the claimant written notice. If the claim is granted, the benefits or relief the claimant seeks will be provided.

(c) If the claim is wholly or partially denied, the claims official shall, within ninety days (or such longer period as described above), provide the claimant with written notice of the denial, setting forth, in a manner calculated to be understood by the claimant,

(i) the specific reason or reasons for the denial, the denial is based,

(ii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why the material or information is necessary, and

(iii) an explanation of the Plan's claim review procedure.

If the claims official fails to respond to the claim in a timely manner, the claimant may treat the claim as having been denied by the claims official.

(d) Each claimant shall have the opportunity to appeal in writing the claims official's denial of a claim to a review official (which may be a person or a committee) designated by the Plan Administrator for a full and fair review. A claimant must request review of a denied claim within sixty days after receipt by the claimant of written notice of denial of his or her claim or within sixty days after such written notice was due, if the written notice was not sent. In connection with the review proceeding, the claimant or his or her duly authorized representative may review pertinent documents and may submit issues and comments in writing. The claimant may only present evidence and theories during the review which the claimant presented during the claims procedure, except for information which the claims official requested the claimant to provide to perfect the claim (see subsection (c)(iii) of this Section 7.4). Any claims which the claimant does not in good faith pursue through the review stage of the procedure shall be treated as having been irrevocably waived.

(e) The Plan Administrator shall adopt procedures pursuant to which claims shall be reviewed and may, in its discretion, adopt different procedures for different claims without being bound by past actions. Any procedures adopted, however, shall be designed to afford a claimant a full and fair review of his or her claim.

(f) The decision by the review official upon review of a claim shall be made not later than sixty days after the written request for review is received by the Plan Administrator, unless special circumstances require an extension of time for processing, in which case a decision shall be rendered as soon as possible, but not later than one hundred twenty days after receipt of the request for review.

(g) The decision on review shall be in writing and shall include specific reasons for the decision written in a manner calculated to be understood by the claimant, with specific references to the pertinent Plan provisions on which the decision is based.

(h) If a claimant pursued his or her claim through the review stage of the claims procedure and the claim was denied (or the review official failed to decide the claim on a timely basis, in which case it shall be deemed denied), the claimant will be permitted to appeal the denial by arbitration pursuant to Section 7.5 below of the Plan. In no event shall any claim to which this procedure applies be subject to resolution by any means (such as in a court of law) other than by this claim procedure or arbitration under Section 7.5 below.

(i) This Section shall apply to a claim notwithstanding any failure by the Plan Administrator or its delegates to follow the procedures in this Section with respect to the claim. However, an arbitrator reviewing such a claim may permit a claimant to present additional

evidence or theories if the arbitrator determines that the claimant was precluded from presenting them during the claim and review procedures due to procedural errors of the Plan Administrator or its delegates.

7.5. Effect of Plan Administrator Action. The Plan shall be interpreted by the Plan Administrator and all Plan fiduciaries in accordance with the terms of the Plan and their intended meanings. However, the Plan Administrator and all Plan fiduciaries shall have the discretion to make any findings of fact needed in the administration of the Plan, and shall have the discretion to interpret or construe ambiguous, unclear or implied (but omitted) terms in any fashion they deem to be appropriate in their sole judgment. The validity of any such finding of fact, interpretation, construction or decision shall not be given de novo review if challenged in court, by arbitration or in any other forum, and shall be upheld unless clearly arbitrary or capricious. To the extent the Plan Administrator or any Plan fiduciary has been granted discretionary authority under the Plan, the Plan Administrator's or Plan fiduciary's prior exercise of such authority shall not obligate it to exercise its authority in a like fashion thereafter. If, due to errors in drafting, any Plan provision does not accurately reflect its intended meaning, as demonstrated by consistent interpretations or other evidence of intent, or as determined by the Plan Administrator in its reasonable judgment, the provision shall be considered ambiguous and shall be interpreted by the Plan Administrator and all Plan fiduciaries in a fashion consistent with its intent, as determined by the Plan Administrator. The Plan Administrator, without the need for Board of Directors' approval, shall amend the Plan retroactively to cure any such ambiguity. This Section may not be invoked by any person to require the Plan to be interpreted in a manner which is inconsistent with its interpretation by the Plan Administrator or by any Plan fiduciaries. All actions taken and all determinations made in good faith by the Plan Administrator or by Plan

fiduciaries shall be final and binding upon all persons claiming any interest in or under the Plan. This Section shall cease to apply upon the occurrence or a Change in Control (see Section 5.l(b)(ii)) and it shall thereafter never be reinstated in any way.

ARTICLE VIII

AMENDMENT AND TERMINATION OF THE PLAN

8.1. Amendments.

(a) AmerisourceBergen Corporation, through its Board of Directors, reserves the right at any time to amend the Plan or to merge, consolidate, divide or otherwise restructure the Plan prospectively or retroactively, in accordance with this Article VIII, subject to the restrictions and accrued rights of Participants as set forth in Articles III, IV, V and VI and Section 7.5, which take effect upon the occurrence of a change in control (as defined in Section 5.1(b)(ii)).

(b) All amendments or other changes shall be adopted in writing by resolution of the Board of Directors of AmerisourceBergen Corporation or, in the case of an amendment that does not substantially alter the nature or expense of the Plan, by the Plan Administrator without Board approval.

(c) Any material modification of the Plan by amendment or termination shall be communicated to all interested parties in the time and manner required bylaw.

(d) No Plan amendment shall be applied retroactively to decrease the Vested percentage or Vested Accrued Benefit of a Participant or former Participant whose Employment terminated before the date the amendment became effective.

(e) No Plan amendment shall be applied retroactively to decrease the amount of Service credited to any person for Employment before the date the amendment became effective.

(f) Except as provided in subsections (d) and (e) of this Section 8.1, all rights under the Plan shall be determined under the terms of the Plan as in effect at the time the determination is made.

8.2. Termination of Plan. The Plan is intended to be a permanent program, but any Employer, through its Board of Directors, shall have the right at any time to declare the Plan terminated completely as to it or as to any of the Employer's divisions, facilities, operational units or job classifications. If the Plan is terminated, all unvested benefits shall be forfeited but all Vested benefits shall remain payable. The Employer may accelerate the payment of such benefits, however, and pay the person entitled to the benefit the Equivalent of the remaining payments due. For avoidance of doubt, however, with respect to any Participant who has Credited Service for any period beginning on and after January 1, 2005, or who has any portion of their Accrued Benefit become Vested on or after January 1, 2005, the Company may terminate the Plan and provide for immediate distributions of such Participants' Accrued Benefits (as though each Participant had experienced a "separation from service" within the meaning of Treas. Reg. 1.409A-1(h) as of the date of such termination), subject to the requirements of Treas. Reg. § 1.409A-3(j)(4)(ix) or any succeeding regulations.

ARTICLE IX

FUNDING OF BENEFITS

9.1. Plan is Unfunded. This Plan is, for purposes of ERISA and the Code, an unfunded deferred compensation plan for a select group of management and highly compensated

employees. Participants and their Beneficiaries, successors and assigns shall have no legal or equitable rights, interests or claims in any property or assets of an Employer. Any and all of an Employer's assets shall be, and remain, the general, unpledged unrestricted assets of the Employer. An Employer's obligation under the Plan shall be merely that of an unfunded and unsecured promise to pay money in the future.

9.2. Trust. Bergen Brunswig Corporation shall establish the Trust, and the Adopting Employers shall at least annually transfer over to the Trust such assets as the Adopting Employers determine, in good faith, are necessary to provide for each Employer's future liabilities created under this Plan. Whether or not an Employer funds the Trust, it shall at all times remain liable to carry out its obligations under the Plan.

9.3. Interrelationship of the Plan and the Trust. The provisions of the Plan shall govern the rights of a Participant to receive distributions pursuant to the Plan. The provisions of the Trust shall govern the rights of the Employers, Participants and the creditors of the Employers to the assets transferred to the Trust. Each Employer shall at all times remain liable to carry out its obligations under the Plan. Each Employer's obligations under the Plan may be satisfied with Trust assets distributed pursuant to the terms of the Trust, and any such distribution shall reduce the Employer's obligations under this Plan.

ARTICLE X

MISCELLANEOUS PROVISIONS

10.1. Payments.

(a) In the event any amount becomes payable under the Plan to a minor or a person who, in the sole judgment of the Plan Administrator, is considered to be unable to give a valid receipt for the payment by reason of physical or mental condition, the Plan

Administrator may direct that payment be made to any person found by the Plan Administrator, in its sole judgment, to have assumed the care of the person in question. Any payment made pursuant to such a finding shall constitute payment by the Plan and result in a full release and discharge of the Plan Administrator, the Employer and their officers, directors, employees, agents and representatives.

(b) Payment of benefits to the person entitled thereto may be made by a check sent first class mail, address correction requested, to the last known address on file with the Plan Administrator. If within six months from the date of issuance of the check the payment letter cannot be delivered to the person entitled thereto or the check has not been negotiated, all benefits under the Plan may be forfeited at the discretion of the Plan Administrator.

(c) If the Plan Administrator retains at the Plan's expense a private investigator or other person or service to assist in locating a missing person, all costs incurred for such services shall be charged to the benefit to which the missing person was entitled (which shall be reduced by the amount of the costs incurred), except as the Plan Administrator may otherwise direct.

10.2. Consolidation or Merger of Companies. In the event of the consolidation or merger of the Employer with or into any other business entity, or the sale by the Employer of all of its assets, the successor may continue the Plan by adopting the same by resolution of its board of directors or agreement of its partners or proprietor. This Plan shall not be construed as preventing the Employer from selling, transferring or otherwise disposing of all or any part of the business or assets of the Employer, and the purchaser of all or any part of the Employer shall not be obligated to continue this Plan. If, within ninety days from the effective date of a consolidation, merger or sale of assets, the new corporation, partnership or proprietorship does not adopt the Plan, the Plan shall be terminated in accordance with Section 8.2 above.

10.3. Adoption of Plan to Cover Other Companies, Facilities or Groups. Any company, with the approval of the Plan Administrator, may adopt the Plan (as a whole company or as to any one or more divisions or facilities or other employment classifications) effective as of the date it specifies. Adoption shall be accomplished either by action of the adopting company (without board approval) or by resolution of the adopting company's own board of directors or agreement of its partners. The same procedure shall be followed when an Employer that has adopted the Plan wishes to change the positions or facilities covered by this Plan.

10.4. Termination of Employment.

(a) A person's Employment shall terminate upon the first to occur of his or her resignation from or discharge by the Employer, or his or her death or retirement. A person's Employment shall not terminate on account of an authorized leave of absence, sick leave or vacation, or on account of a military leave described in subsection (b) of this Section 10.4, a direct transfer between Employers or a temporary layoff for lack of work. However,

(i) continuation upon a temporary layoff for lack of work for a period in excess of the number of months allowable under applicable personnel policies of the Employer shall be considered a discharge effective as of the end of the last day of such period,

(ii) failure to return to work upon expiration of any leave of absence, sick leave or vacation or within the time period allowed under applicable personnel policies of the Employer after recall from a temporary layoff for lack of work shall be considered a resignation effective as of the expiration of such leave of absence, sick leave, vacation or layoff, and

(iii) solely for purposes of this Plan, Employment shall not terminate until the expiration of all severance benefits payable by the Employer.

(b) Any Employee who leaves the Employer directly to perform service in the Armed Forces of the United States or in the United States Public Health Service under conditions entitling the Employee to reemployment rights, as provided in the laws of the United States, shall be on military leave. An Employee's military leave shall expire if such Employee voluntarily resigns from the Employer during the leave or if he or she fails to make application for reemployment within the period specified by such laws for the preservation of reemployment rights. In such event, the individual's Employment shall be deemed to terminate by resignation on the date the military leave expired.

(c) If a Participant ceases to be employed by the Employer and all related companies, as determined under Section 2.12(e), because of the disposition by the Employer or a related company of its interest in a subsidiary (within the meaning of Code Section 409(d)(3)) or substantially all of the assets (within the meaning of Code Section 409(d)(2)) used by the Employer or a related company in a trade or business, the Participant's Employment shall be considered terminated for all Plan purposes. This subsection shall not apply to the extent it is overridden by any contrary or inconsistent provision in applicable sales documents or any related documents, whether adopted before or after the sale and any such contrary or inconsistent provision shall instead apply and is hereby incorporated in the Plan by this reference.

(d) If an Employee is absent from work because of such individual's pregnancy, the birth of a child, placement of an adopted child, or caring for an adopted or natural child following birth or placement, determinations of whether the Employee has incurred a Break in Service because of the absence shall be made in accordance with the following special rules:

(i) If the maternity/paternity absence is an Employer approved leave of absence, it shall be treated as any other approved leave of absence (i.e., a Break in Service will not occur until the individual's Employment terminates because he or she quits or is discharged or he or she is considered terminated pursuant to Section 10.4(a)).

(ii) If the maternity/paternity absence is not an Employer-approved leave of absence the individual's Employment will be deemed terminated as of the date determined under applicable personnel policies of the Employer but the individual shall not incur a Break in Service until the end of the second three hundred and sixty-five consecutive day period of his or her absence from Employment. If the individual returns to Employment during the first three hundred and sixty-five consecutive days of absence, the period of absence shall be treated as Service. If the individual returns to Employment during the second three hundred and sixty-five consecutive day period of absence, the portion of that second period which precedes the individual's return to Employment will not be a Break in Service but will not count as Service.

(e) No credit shall be given under subsection (d) unless the Employee files a written request which establishes valid reasons for the absence, as determined by the Plan Administrator.

(f) Except to the extent that a maternity or paternity absence constitutes an authorized leave of absence from the Employer under applicable personnel policies, an Employee who is absent from work for reasons of maternity or paternity shall be deemed to have terminated Employment for all purposes of this Plan other than the special rules in subsection (d).

10.5. Determination of Hours of Service. This Plan uses the elapsed time system for crediting Service. Therefore, a Participant's hours of Service need not be measured or defined by this Plan.

10.6. Alienation. Except as otherwise provided in this Plan, the rights of a Participant, Spouse or Beneficiary under the Plan shall not be subject to any claim of any creditor nor to attachment or garnishment or other legal process by any creditor. A Participant, Spouse or Beneficiary shall not have the right to alienate, anticipate, commute, pledge, encumber or assign any of the benefits or payments or proceeds which the individual may expect to receive, contingently or otherwise, under the Plan. The provisions of this Section shall not preclude any assignment or alienation expressly required under applicable pension law or other provisions of the Plan.

10.7. Division of Benefits by Domestic Relations Orders.

(a) This Plan will follow the terms of any qualified domestic relations order issued with respect to a Participant. However, except as provided in subsection (e), the Plan will only follow orders which meet all of the requirements of subsection (b) or subsection (c). Subsection (c) establishes an optional standardized procedure.

(b) A "qualified domestic relations order" is any judgment, decree or order, including the approval of a property settlement agreement, issued by a court of competent jurisdiction, provided that

(i) the order relates to the provision of child support, alimony or marital property rights and is made pursuant to state domestic relations or community property laws;

(ii) the order creates or recognizes the existence of an alternate payee's right to receive all or a portion of a Participant's Accrued Benefit;

(iii) the order specifies the name and last known mailing address of the Participant and each alternate payee covered by the order;

(iv) the order precisely specifies the amount or percentage of the Participant's Accrued Benefit to be paid to each alternate payee or the manner in which the amount or percentage is to be determined;

(v) the order specifies the number of payments or the period to which the order applies;

(vi) the order specifically names this Plan as the plan to which the order applies;

(vii) the order does not require this Plan to provide any type of benefits or form of benefits not otherwise provided under this Plan;

(viii) the order does not require the payment of benefits to an alternate payee which are required to be paid to another alternate payee under another order previously determined by the Plan Administrator to be a qualified domestic relations order; and

(ix)(if the order requires that payments to the alternate payee commence before they commence with respect to the Participant) the order (x) specifies that payments will not commence before the earlier of (1) the date on which the Participant attains age fifty or the first date on which the Participant could begin receiving benefits under the Plan if

the Participant's Employment terminated, whichever is later, or (2) the date benefits first become payable to the Participant and (y) does not permit the alternate payee to elect a joint and survivor annuity covering the alternate payee and a spouse (other than the Participant).

A qualified domestic relations order may provide that a former Spouse of the Participant is to be treated as a surviving Spouse for purposes of the pre-retirement or post-retirement joint and survivor annuity provisions of this Plan. Subsection (d) of this Section 10.7 sets forth the procedures under which the Plan Administrator shall determine whether a domestic relations order properly qualifies.

(c) The Plan Administrator at its discretion may furnish on request a standard form of qualified domestic relations order to a Participant or any other person. This order may provide for an immediate lump sum payment of the Equivalent of the amount to which the Plan Administrator shall treat it as a qualified domestic relations order and shall pay benefits to the alternate payee in accordance with its terms. If this procedure is not followed, the alternate payee (i) must wait until the time described in subsection (b)(ix) of this Section 10.7 before benefits which are not in pay status can become payable to the alternate payee and (ii) cannot use any special forms of benefit payment authorized in the standard form of order. Any special benefit form provisions in standard domestic relations orders adopted by the Plan Administrator shall be authorized as benefit options under this Plan, but only as Plan Administrator shall treat it as a qualified domestic relations order and shall pay benefits to the alternate payee in accordance with its terms. If this procedure is not followed, the alternate payee (x) must wait until the time described in subsection (b)(ix) of this Section 10.7 before benefits which are not in pay status can become payable to the alternate payee and (y) cannot use any special forms of benefit payment authorized in the standard form of order. Any special benefit

form provisions in standard domestic relations orders adopted by the Plan Administrator shall be authorized as benefit options under this Plan, but only as to alternate payees for whom the standard order has been used.

(d) The Plan Administrator need not treat any judgment, decree or order as a qualified domestic relations order unless it meets all of the requirements set forth in subsection (b) or (c) of this Section 10.7 and is sufficiently precise and unambiguous so as to preclude any interpretative disputes. If the order meets these requirements, the Plan Administrator shall follow the terms of the order whether or not this Plan has been joined as a party to the litigation out of which the order arises. Upon receipt of a domestic relations order, the Plan Administrator shall notify the Participant and each alternate payee of (i) its receipt of the order and (ii) its need to determine the qualified status of the order in accordance with subsection (b) or (c) of this Section 10.7. An alternate payee may designate a representative to receive copies of future notices with respect to the qualified status of the order. To the extent an order calls for benefits to be paid to an alternate payee before the qualified nature of the order is determined, a separate account shall be established to hold the benefit payments affected by the order. This account shall be administered in accordance with the rules set forth in Section 206(d)(3)(H) of ERISA.

(e) The Plan Administrator in its discretion may treat a property settlement agreement or stipulation which is not contained in a judgment, decree or order as a qualified domestic relations order if it meets all of the other requirements of this Section.

10.8. Legal Costs; Increased Benefit. If a Participant's claim under Section 7.4 is granted by the Plan Administrator, the Plan Administrator will pay the Participant's reasonable attorney fees and costs incurred in connection with the claim. If a Participant has exhausted his

or her administrative remedies under Section 7.4 without securing the benefits or other relief the Participant is seeking, but the Participant then prevails on a claim for those benefits or relief through litigation, the Employer will pay the Participant's reasonable attorneys' fees and necessary costs and disbursements in connection with the dispute. If the Participant prevails only on some of the positions he or she asserts, only the reasonable attorneys' fees and costs the Participant incurred in connection with the positions as to which he or she prevails will be a basis for this award.

10.9. Duty to Provide Data.

(a) Every person with an interest in the Plan or claiming benefits under the Plan shall furnish the Plan Administrator on a timely and accurate basis with such documents, evidence or information as it considers necessary or desirable for the purpose of administering the Plan. The Plan Administrator may postpone payment of benefits until such information and such documents have been furnished.

(b) Once every twelve months every person claiming a benefit under this Plan shall file a signed, written notice to the Plan Administrator of his or her post office address and each change of post office address. Any communication, statement or notice addressed to such a person at his or her latest post office address as filed with the Plan Administrator will, on deposit in the United States mail with postage prepaid, be as binding upon such person for all purposes of the Plan as if it had been received, whether actually received or not. If a person fails to give notice of his or her correct address, the Plan Administrator, the Employer and Plan fiduciaries shall not be obliged to search for, or to ascertain, his or her whereabouts.

10.10. Limitation on Rights of Employees. Except as otherwise required by law or in other written agreements between the Employer and Participant, nothing contained in the Plan shall give any Participant the right to be retained in the service of the Employer or to interfere with or restrict the right of the Employer, which is hereby expressly reserved, to discharge or retire any Participant at any time, with or without cause. Except as otherwise required by law or in other written agreements between the Employer and Participant, inclusion under the Plan will not give any Participant any right or claim to any benefit hereunder except to the extent such right has specifically become fixed under the terms of the Plan. If any dispute arises under the Plan between a Participant and the Employer or any of its subsidiaries, such subsidiary or any other Participant shall not be necessary parties to the dispute and need not be named in any litigation. Except as otherwise provided herein, benefits under this Plan shall not be accelerated merely because there is a change in ownership of the Employer. This Plan shall not obligate the Employer to maintain a minimum net worth in order to insure payment of benefits. The doctrine of substantial performance shall have no application to Employees or Participants. Each condition and provision, including numerical items, has been carefully considered and constitutes the minimum limit on performance which will give rise to the applicable right.

10.11. Restrictions. A Participant shall not at any time, either directly or indirectly, accept employment with, render service, assistance or advice to, or allow his or her name to be used by any competitor of the Employer unless approved by the Executive Committee of the Board of Directors of AmerisourceBergen Corporation. Determination by the Executive Committee of the Board of Directors of AmerisourceBergen Corporation that the Participant has engaged in any such activity shall be binding and conclusive on all parties, and in

addition to all other rights and remedies which the Employer shall have, the Participant shall not be entitled to any payments hereunder. This provision shall cease to apply upon a Change in Control, as defined in Section 5.1(b)(ii).

10.12. Service of Process. The Secretary of AmerisourceBergen Corporation is hereby designated as agent for the service of legal process on the Plan.

10.13. Spouse's Interest. The interest in the benefits hereunder of a Spouse of a Participant who has predeceased the Participant shall automatically pass to the Participant and shall not be transferable by such Spouse in any manner, including but not limited to such Spouse's will, nor shall such interest pass under the laws of intestate succession.

10.14. Distribution in the Event of Taxation. If, for any reason, all or any portion of a Participant's benefit under this Plan becomes taxable to the Participant prior to receipt, a Participant's Employer shall distribute to the Participant immediately available funds in an amount equal to the taxable portion of his or her benefit.

10.15. Governing Law. Subject to ERISA, the Plan shall be interpreted, administered and enforced in accordance with the internal laws of the State of California without regard to its conflicts of laws principles.

10.16. Plurals. Where the context so indicates, the singular shall include the plural and vice versa.

10.17. Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of the Plan.

10.18. References. Unless the context clearly indicates to the contrary, a reference to a Plan provision, statute, regulation or document shall be construed as referring to any subsequently enacted, adopted or executed counterpart.

10.19. Entire Agreement. This Plan contains the full and complete understanding of the parties with respect to the subject matter hereof and supersedes all prior representations and understandings, whether oral or written.

10.20. Severability. In the event that any provision hereof or any obligation or grant of rights herein is found invalid or unenforceable pursuant to judicial decree or decision, any such provision, obligation or grant of rights shall be deemed and construed to extend only to the maximum extent permitted by law, and the remainder of this Plan shall remain valid and enforceable according to its terms.

10.21. Withholding. Anything in this Plan to the contrary notwithstanding, all payments required to be made hereunder to a Participant or Beneficiaries shall be subject to the withholding of such amounts relating to taxes as the Plan Administrator may reasonably determine should be withheld pursuant to any applicable law or regulation.

IN WITNESS WHEREOF, this Plan has been adopted this 24th day of November, 2008.

Attest:

By: /s/ Vicki Bausinger

AMERISOURCEBERGEN CORPORATION

By: /s/ John G. Chou
Title: Senior Vice President, General Counsel and Secretary

Exhibit 10.18

AMERISOURCEBERGEN CORPORATION
2001 RESTRICTED STOCK PLAN
(Amended and Restated, Effective November 12, 2008)

1. PURPOSE

The purpose of the Plan is to provide members of the Board of Directors of AmerisourceBergen Corporation (the "Company") who are not employees of the Company or its subsidiaries with grants of restricted stock. The Company believes that the Plan will encourage the participants to contribute materially to the growth of the Company, thereby benefiting the Company's shareholders, and will align the economic interests of the participants with those of the shareholders. The terms of this amended and restated Plan will apply to Awards granted after the effective date above, other than the provisions of Section 8(c) which shall apply to all Restricted Shares granted hereunder.

2. DEFINITIONS

(a) "Award" means an award of Restricted Stock granted under the Plan.

(b) "Board" means the Board of Directors of the Company.

(c) "Change of Control" shall be deemed to have occurred if:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes a "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing more than 35% of the voting power of the then outstanding securities of the Company, and such person owns more aggregate voting power of the Company's then outstanding securities entitled to vote generally in the election of directors than any other person;

(ii) The shareholders of the Company approve (or, if shareholder approval is not required, the Board approves) an agreement providing for (x) the merger or consolidation of the Company with another corporation where the shareholders of the Company, immediately prior to the merger or consolidation, will not beneficially own, immediately after the merger or consolidation, shares entitling such shareholders to 50% or more of all votes to which all shareholders of the surviving corporation would be entitled in the election of directors (without consideration of the rights of any class of stock to elect directors by a separate class vote), (y) the sale or other disposition of all or substantially all of the assets of the Company, or (z) a liquidation or dissolution of the Company; or

(iii) After the date this Plan is approved by the shareholders of the Company, directors are elected such that a majority of the members of the Board shall have been members of the Board for less than two years, unless the election or nomination for election of each new director who was not a director at the beginning of such two-year period was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such period.

(d) "Code" means the Internal Revenue Code of 1986, as amended.

(e) “Committee” means the Compensation and Succession Planning Committee of the Board, or such other committee of the Board as may be designated by the Board for the purpose of administering the Plan from time to time.

(f) “Company” means AmerisourceBergen Corporation, a Delaware corporation, including any successor thereto by merger, consolidation, acquisition of all or substantially all the assets thereof, or otherwise.

(g) “Date of Grant” means the date as of which an Award is granted.

(h) “Effective Date” means September 11, 2001. The Plan was amended and restated effective July 30, 2003, and again amended and restated effective November 12, 2008.

(i) “Election” means a written election on a form provided by the Secretary of the Company, filed with the Secretary of the Company in accordance with Paragraph 8, pursuant to which a Grantee:

(i) Elects, within the time or times specified in Paragraph 8, to defer the distribution date of Restricted Stock; and

(ii) Designates the distribution date of Restricted Stock.

(j) “Eligible Director” means a member of the Board who is not an employee of the Company or any Subsidiary of the Company.

(k) “Fair Market Value” means:

(i) If Shares are publicly traded, then the Fair Market Value per Share shall be determined as follows: (x) if the principal trading market for the Shares is a national securities exchange or the Nasdaq National Market, the last reported sale price thereof on the latest date preceding the relevant date upon which a sale was reported, or (y) if the Shares are not principally traded on such exchange or market, the mean between the last reported “bid” and “asked” prices of Shares on the latest date preceding relevant date upon which a sale was reported, as reported on Nasdaq or, if not so reported, as reported by the National Daily Quotation Bureau, Inc. or as reported in a customary financial reporting service, as applicable and as the Committee determines.

(ii) If the Company Stock is not publicly traded or, if publicly traded, is not subject to reported transactions or “bid” or “asked” quotations as set forth above, the Fair Market Value per share shall be as determined by the Committee.

(l) “Grantee” means an Eligible Director who is granted an Award.

(m) “Plan” means the AmerisourceBergen Corporation 2001 Restricted Stock Plan, as set forth herein, and as amended from time to time.

(n) “Restricted Stock” means Shares subject to the restrictions imposed pursuant to Paragraph 7(d) of the Plan and the Award.

(o) "Rule 16b-3" means Rule 16b-3 promulgated under the 1934 Act, as in effect from time to time.

(p) "Share" or "Shares" means a share or shares of the Company's common stock.

(q) "Subsidiary" means a corporation that, at the time in question, is a subsidiary corporation of the Company within the meaning of section 424(f) of the Code.

(r) "Vesting Period" means the three-year period measured from the Date of Grant; *provided that* the Committee may, in its sole discretion, accelerate the vesting of some portion or all of any Award in connection with the termination of service of an Eligible Director; and *provided further,* that the Vesting Period shall end and all Awards shall be fully vested and nonforfeitable upon a Change of Control.

(s) "1933 Act" means the Securities Act of 1933, as amended.

(t) "1934 Act" means the Securities Exchange Act of 1934, as amended.

3. RIGHTS TO BE GRANTED

Rights that may be granted under the Plan are rights to Restricted Stock, which give the Grantee ownership rights in the Shares subject to the Award, subject to a substantial risk of forfeiture, as set forth in Paragraph 7.

4. SHARES SUBJECT TO THE PLAN

(a) The Shares issued under the Plan may, at the Company's option, be either Shares held in treasury or Shares originally issued for such purpose. Not more than One Hundred Thousand Shares in the aggregate may be issued under the Plan.

(b) If Restricted Stock is forfeited pursuant to the terms of an Award, other Awards with respect to such Shares may be granted.

5. ADMINISTRATION OF THE PLAN

(a) Administration. The Plan shall be administered by the Committee.

(b) Right of Committee to Interpret the Plan. The Committee shall have the authority to interpret the Plan's provisions, prescribe, amend and rescind rules and regulations for the Plan, and make all other determinations necessary or advisable for the administration of the Plan. The determination of the Committee in all matters as stated above shall be conclusive.

(c) Meetings. The Committee shall hold meetings at such times and places as it may determine. Acts approved at a meeting by a majority of the members of the Committee or acts approved in writing by the unanimous consent of the members of the Committee shall be the valid acts of the Committee.

(d) Exculpation. No member of the Committee shall be personally liable for monetary damages for any action taken or any failure to take any action in connection with the administration of the Plan or the granting of Awards thereunder unless (i) the member of the Committee has breached or failed to perform the duties of his office, and (ii) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness; *provided,* however, that the provisions of this Paragraph 5(d) shall not apply to the responsibility or liability of a member of the Committee pursuant to any criminal statute.

(e) Indemnification. Service on the Committee shall constitute service as a member of the Board. Each member of the Committee shall be entitled without further act on his part to indemnity from the Company to the fullest extent provided by applicable law and the Company's Articles of Incorporation and By-laws in connection with or arising out of any action, suit or proceeding with respect to the administration of the Plan or the granting of Awards thereunder in which he may be involved by reason of his being or having been a member of the Committee, whether or not he continues to be such member of the Committee at the time of the action, suit or proceeding.

6. ELIGIBILITY

Awards may be granted only to Eligible Directors. No Awards shall be granted to an individual who is not an Eligible Director of the Company or a Subsidiary of the Company.

7. RESTRICTED STOCK AWARDS

The terms and conditions of Awards shall be set forth in writing as determined from time to time by the Committee, consistent, however, with the following:

(a) Grants. Subject to the express terms and conditions set forth in the Plan, Awards shall be granted as follows:

(i) Each individual who is an Eligible Director on the Date of Grant shall be granted an Award of Restricted Stock for Shares having a Fair Market Value of $50,000. The number of Shares subject to the Award shall be determined as the quotient of (x) $50,000 divided by (y) the Fair Market Value per Share on the Date of Grant, rounded to the nearest whole Share.

(ii) Each individual who first becomes a Director after the Effective Date and is an Eligible Director on the date he or she becomes a director shall be granted an Award of Restricted Stock for Shares having a Fair Market Value of $50,000. The number of Shares subject to the Award shall be determined as the quotient of (x) $50,000 divided by (y) the Fair Market Value per Share on the Date of Grant, rounded to the nearest whole Share, on such latter date.

(iii) An Eligible Director may elect to forego 50% or more of the annual retainer compensation payable to the Eligible Director for the period extending from February 1 to the next succeeding January 31; *provided that* an individual who first becomes an Eligible Director after the Effective Date may elect to forego 50% or more of the retainer compensation payable to such Eligible Director for the period beginning on the date such Eligible Director

becomes a Director and ending the next succeeding January 31. An Eligible Director who elects to forego 50% or more of the retainer compensation as described in this Paragraph 7(a)(iii) will receive an Award of Restricted Stock for Shares having a Fair Market Value of 125% of the amount of the foregone retainer compensation. The number of Shares subject to the Award shall be determined as the quotient of (x) 125% of the amount of the foregone retainer compensation divided by (y) the Fair Market Value per Share on the effective date of the election. The Committee shall make uniform and nondiscriminatory rules regarding the timing of elections and the relevant dates for determination of Fair Market Value. In general, Restricted Stock Awards granted pursuant to Paragraph 7(a)(iii) will be treated as granted in advance on or about the date of the Annual Meeting of Stockholders.

(b) No Cash Payment Required. Except as otherwise provided in Paragraph 7(a), no cash or other consideration shall be required to be paid by the Grantee in exchange for an Award.

(c) Awards and Agreements. A certificate shall be issued to each Grantee in respect of Shares subject to an Award. Such certificate shall be registered in the name of the Grantee and shall bear an appropriate legend referring to the terms, conditions and restrictions applicable to such Award. The Committee may require that the certificate evidencing such Restricted Stock be held by the Company until all restrictions on such Restricted Stock have lapsed.

(d) Restrictions on Restricted Stock. Unless provided otherwise by the terms of an Award, the Grantee shall not be permitted to sell, transfer, pledge or assign Restricted Stock awarded under the Plan during the Vesting Period.

(e) Lapse of Restrictions. Except as otherwise provided in Paragraph 12, the restrictions with respect to Restricted Stock subject to an Award shall lapse at the end of a Vesting Period, if either (1) the Eligible Director has remained in continuous service as a director through the last day of the Vesting Period or (2) the Eligible Director (i) ceased voluntarily as a director as result of his retirement from the Board after having completed at least sixty (60) months of continuous service as a director and having attained the retirement age for directors provided in the Company's Corporate Governance Principles, as in effect from time to time and (ii) the Board determines that the director has not violated the restrictive covenant provisions and other terms set forth in the applicable Award. Notwithstanding the preceding, the Committee may, in its sole discretion, waive some portion of or all remaining restrictions on Restricted Stock in the case of an Eligible Director whose service as a director terminates before the last day of the Vesting Period.

(f) Forfeiture. Except as otherwise provided by the Committee in its sole discretion pursuant to Paragraph 7(e), if (1) a Grantee's service as a director terminates during a Vesting Period or (2) the Board determines a Grantee who has otherwise met the retirement provisions of Paragraph 7(e)(2)(i) has failed to meet the requirements of Paragraph 7(e)(2)(ii), all Restricted Stock with respect to which the restrictions have not yet lapsed shall be forfeited by the Grantee and deemed canceled by the Company.

(g) Repayment Provisions. To the extent set forth in an applicable Award, the Committee, in its sole discretion, may, to the extent permitted by law and to the extent it determines in its sole judgment that it is in the best interests of the Company to do so, require

repayment of any Shares of Restricted Stock granted after November 12, 2008, or the proceeds from the sale of Shares of Restricted Stock granted after November 12, 2008, to any Eligible Director or former Eligible Director, or to effect the cancellation of unvested Restricted Stock. In addition, to the extent that the receipt of an Award subject to repayment under this Paragraph 7(g) has been deferred pursuant to Paragraph 8 (or any other plan, program or arrangement that permits the deferral of receipt of an Award), such Award shall be forfeited in lieu of repayment.

(h) Rights of the Grantee. Grantees may have such rights with respect to Shares subject to an Award as may be determined by the Committee and set forth in the Award, including the right to vote such Shares, and the right to receive dividends paid with respect to such Shares; *provided,* however, that an amount equal to any dividends otherwise generally payable with respect to Shares shall accrue subject to forfeiture in accordance with Paragraph 9.

(i) Delivery of Shares. Except as otherwise provided in Paragraph 8, when the Vesting Period has expired, the Company shall deliver to the Grantee (or the person to whom ownership rights may have passed by will or the laws of descent and distribution) a certificate for the number of Shares for which restrictions have lapsed. The right to payment of any fractional Shares that may have accrued shall be satisfied in cash, measured by the product of the fractional amount times the fair market value of a Share at the time the applicable restrictions lapse, as determined by the Committee.

8. DEFERRAL ELECTIONS

A Grantee may elect to defer the receipt of Restricted Stock as to which restrictions have lapsed as provided by the Committee in the Award, consistent, however, with the following:

(a) Deferral Election.

(i) Election. Each Grantee shall have the right to defer the receipt of all or any portion of the Restricted Stock (and dividends credited during the Vesting Period with respect to such Restricted Stock) as to which the Award provides for the potential lapse of applicable restrictions by filing an Election to defer the receipt of such Restricted Stock on a form provided by the Secretary of the Company for this purpose.

(ii) Deadline for Deferral Election. No Election to defer the receipt of Restricted Stock as to which the Award provides for the potential lapse of applicable restrictions shall be effective unless it is filed with the Secretary of the Company on or before [the last day of the calendar year preceding the calendar year that includes the Date of Grant of such Award.]

(b) Effect of Failure of Restrictions on Shares to Lapse. An Election shall be null and void if the restrictions on Restricted Stock do not lapse before the distribution date for such Restricted Stock identified in such Election by reason of the failure to satisfy any condition precedent to the lapse of the restrictions.

(c) Deferral Period. All Restricted Stock that is subject to an Election shall be delivered to the Grantee (or the person to whom ownership rights may have passed by will or the laws of descent and distribution) without any legend or restrictions (except those that may be

imposed by the Committee, in its sole judgment, under Paragraph 10(a)), on the distribution date for such Restricted Stock designated by the Grantee on the Election. The distribution date may vary with each separate Election. The Committee may establish uniform and nondiscriminatory rules for the permitted duration of the deferral period and terms of any Election. [Notwithstanding the foregoing, upon a Change of Control that constitutes a change in control event within the meaning of Treas. Reg. § 1.409A-3(i)(5) or any successor provision, all Restricted Stock that is subject to an Election shall be delivered to the Grantee immediately prior to, and contingent upon, such Change in Control.]

(d) Status of Deferred Shares. A Grantee's right to delivery of Shares subject to an Election under this Paragraph 8 shall at all times represent the general obligation of the Company. The Grantee shall be a general creditor of the Company with respect to this obligation, and shall not have a secured or preferred position with respect to such obligation. Nothing contained in the Plan or an Award shall be deemed to create an escrow, trust, custodial account or fiduciary relationship of any kind. Nothing contained in the Plan or an Award shall be construed to eliminate any priority or preferred position of a Grantee in a bankruptcy matter with respect to claims for wages.

(e) Non-Assignability, Etc. The right of a Grantee to receive Shares subject to an Election under this Paragraph 8 shall not be subject in any manner to attachment or other legal process for the debts of such Grantee; and no right to receive Shares hereunder shall be subject to anticipation, alienation, sale, transfer, assignment or encumbrance.

9. DIVIDENDS

During the Vesting Period applicable to an Award, any dividends paid on the Shares subject to such Award shall accrue but shall not be paid by the Company until the expiration of the Vesting Period. The accrued dividends shall be paid to the Grantee at the same time that Share certificates are delivered in accordance with Paragraph 7(h); *provided that* all or a portion of such dividends shall be forfeited in the same proportion as Shares are forfeited, in accordance with Paragraph 7(e). Upon a Change of Control before the expiration of the Vesting Period, the accrued dividends shall be paid to the Grantee in full.

10. SECURITIES LAWS; TAXES

(a) Securities Laws. The Committee shall have the power to make each grant of Awards under the Plan subject to such conditions as it deems necessary or appropriate to comply with the then-existing requirements of the 1933 Act and the 1934 Act, including Rule 16b-3. Such conditions may include the delivery by the Grantee of an investment representation to the Company in connection with the lapse of restrictions and forfeiture provisions on Shares subject to an Award, or the execution of an agreement by the Grantee to refrain from selling or otherwise disposing of the Shares acquired for a specified period of time or on specified terms.

(b) Payment of Tax Liabilities. In connection with the grant of any Award or the lapse of restrictions and forfeiture provisions under any Award, the Company shall have the right to (i) require the Grantee to remit to the Company an amount sufficient to satisfy any federal, state and/or local withholding tax requirements prior to the delivery or transfer of any certificate

or certificates for Shares subject to such Award, or (ii) take any action whatever that it deems necessary to protect its interests with respect to tax liabilities. The Company shall not be obligated to make any delivery or transfer of Shares until the Grantee has complied, to the Company's satisfaction, with any withholding requirement, or until the Company has been indemnified to its satisfaction for any applicable tax, charge or assessment.

11. CHANGES IN CAPITALIZATION

The aggregate number of Shares and class of Shares as to which Awards may be granted and the number of Shares covered by each outstanding Award shall be appropriately adjusted in the event of a stock dividend, stock split, recapitalization or other change in the number or class of issued and outstanding equity securities of the Company resulting from a subdivision or consolidation of the Shares and/or other outstanding equity security or a recapitalization or other capital adjustment (not including the issuance of Shares and/or other outstanding equity securities on the conversion of other securities of the Company which are convertible into Shares and/or other outstanding equity securities) affecting the Shares which is effected without receipt of consideration by the Company. The Committee shall have authority to determine the adjustments to be made under this Paragraph II and any such determination by the Committee shall be final, binding and conclusive.

12. CHANGE OF CONTROL

Upon a Change of Control, any restrictions with respect to Restricted Stock (other than Restricted Stock that has previously been forfeited) shall lapse in full.

13. AMENDMENT AND TERMINATION

The Plan may be terminated by the Board at any time. The Plan may be amended by the Board or the Committee at any time, subject to shareholder approval, if required by applicable securities or tax laws. No Award shall be affected by any such termination or amendment without the written consent of the Grantee.

14. EFFECTIVE DATE

The effective date of the Plan is September 11, 2001. The effective date of this amendment and restatement of the Plan is November 12, 2008.

15. GOVERNING LAW

The Plan and all determinations made and actions taken pursuant to the Plan shall be governed in accordance with Pennsylvania law.

As amended and restated by the Board of Directors effective as of November 12, 2008.

Dated: November 12, 2008

AMERISOURCEBERGEN CORPORATION

By: /s/ John G. Chou

Title: Senior Vice President, General Counsel and Secretary

Exhibit 10.19

AMERISOURCEBERGEN CORPORATION

2001 DEFERRED COMPENSATION PLAN

(AMENDED AND RESTATED NOVEMBER 24, 2008)

ARTICLE 1
DESIGNATION OF PLAN AND DEFINITIONS

Section 1.1. Title and Purpose.

This Plan shall be known as the "AmerisourceBergen Corporation 2001 Deferred Compensation Plan." The purpose of this Plan is to provide specified benefits to a select group of management or highly compensated employees and directors who contribute materially to the continued growth, development and future business success of AMERISOURCEBERGEN CORPORATION, a Delaware corporation, and its subsidiaries (including lower-tier subsidiaries), if any, that sponsor this Plan. This Plan shall be unfunded for tax purposes and for purposes of Title I of ERISA.

Effective November 1, 2002, the Board of Directors of the Company amended and restated this Plan to (i) transfer into this Plan all of the assets, liabilities and obligations under the Bergen Brunswig Corporation 1999 Deferred Compensation Plan, which was terminated and (ii) add the availability of contributions by the Company to Participants from time to time.

In order to preserve the tax treatment available to deferrals under the this Plan prior to January 1, 2005, the Board froze the Plan with respect to such amounts. Therefore, all compensation deferred prior to January 1, 2005, and any amounts earned and vested thereon after January 1, 2005, are and will remain subject to the terms of the Plan in effect on December 31, 2004. All amounts earned and vested on and after January 1, 2005 are subject to the terms of this amended and restated Plan which is intended to achieve compliance with Section 409A of the Internal Revenue Code and the regulations issued thereunder. Unless otherwise stated, the terms of this amended and restated Plan are effective as of January 1, 2005.

Section 1.2. Definitions.

Whenever the following terms are used in the Plan they shall have the meaning specified below unless the context clearly indicates to the contrary.

1.2.1. "Anniversary Date" shall mean the last day of the Plan Year.

1.2.2. "Beneficiary" or "Beneficiaries" shall mean the person or persons properly designated by the Participant, in accordance with Article V, to receive the benefits provided herein.

1.2.3. "Board of Directors" shall mean the Board of Directors of AmerisourceBergen Corporation or the Compensation Committee of the Board of Directors of AmerisourceBergen Corporation.

1.2.4. “Code” shall mean the Internal Revenue Code of 1986, as amended.

1.2.5. “Common Stock” shall mean the Common Stock of AmerisourceBergen Corporation.

1.2.6. “Company” shall mean [AmerisourceBergen Corporation.]

1.2.7. “Company Contribution” shall mean for any Plan Year or part thereof, the amount credited by the Company to a Participant pursuant to Section 2.5.

1.2.8. “Compensation” of a Participant for any Plan Year shall in the case of a Director Participant include the annual special compensation fee and meeting attendance fees (before required withholdings) payable by the Company to such Director Participant. In the case of an Employee Participant, “Compensation” for a Plan Year shall include all salary, vacation pay, bonuses, incentive awards and commissions (before required withholdings) earned by such Employee Participant for services rendered to the Company or a subsidiary in that Plan Year. If a Participant earns Compensation during a Plan Year relating to services rendered during the previous Plan Year, such Compensation shall be treated as having been earned by the Participant on the preceding Anniversary Date. Notwithstanding the foregoing, any amount payable to an Employee Participant under a long-term incentive plan of the Company or a subsidiary (including, without limitation, a “phantom stock plan,” performance plan or other incentive arrangement) shall be deemed Compensation of such Employee Participant for the Plan Year in which such amount becomes payable.

1.2.9. “Deferred Benefit” shall mean each separate deferral of Compensation made pursuant to Section 2.1.

1.2.10. “Deferred Compensation” shall mean that portion of a Participant’s Compensation for any Plan Year or part thereof, that has been deferred and withheld by the Company or a subsidiary pursuant to the Plan.

1.2.11. “Director Participant” shall mean a Participant who is a non-employee director of the Company.

1.2.12. “Earnings Crediting Options” means the deemed investment options selected by the Participant from time to time pursuant to which deemed earnings are credited to the Participant’s Deferred Benefit.

1.2.13. “Election Form” shall mean the form that a Participant completes, signs and returns to the Plan Administrator to make an election to defer Compensation under the Plan.

1.2.14. “Employee Participant” shall mean a Participant who is a regular employee of a Company or a subsidiary (excluding a director who does not serve the Company in any other capacity) who is a member of a select group of management or highly compensated employees, as membership in such group is determined in accordance with Sections 201(2), 301(a) (3) and 401 (a) of ERISA. Subject to the foregoing, the Compensation Committee of the

Board of Directors shall have authority to determine, in its sole discretion, the class or category of employees who may be Employee Participants; provided, however, that if such Committee changes such class or category in a manner which causes a Participant to fail to continue to be eligible to defer Compensation under the Plan, such change shall not cancel or otherwise adversely affect in any way amounts previously deferred under the Plan by such Participant, which amounts shall continue to be subject to the terms of the Plan.

1.2.15. "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

1.2.16. "Participant" shall mean any Director Participant and any Employee Participant (i) who elects to participate in the Plan, (ii) who signs a Plan Agreement, an Election Form and a Beneficiary Designation Form, (iii) whose signed Plan Agreement, Election Form and Beneficiary Designation Form are accepted by the Plan Administrator, (iv) who commences participation in the Plan, and (v) whose Plan Agreement has not terminated. A spouse or former spouse of a Participant shall not be treated as a Participant in the Plan, even if he or she has an interest in the Participant's benefits under the Plan under applicable law or as a result of property settlements resulting from legal separation or divorce. Except for the ability to file new Election Forms under Article II (which shall depend on continuing qualification as a Participant), such person's status as a Participant under the Plan shall continue until the earlier of (i) receipt of the full amount of the Deferred Benefit, or (ii) death.

1.2.17. "Plan" shall mean the AmerisourceBergen Corporation 2001 Deferred Compensation Plan.

1.2.18. "Plan Administrator" means the person, persons or committee designated by the Chief Executive Officer of the Company to serve as the plan administrator.

1.2.19. "Plan Agreement" shall mean a written agreement, as may be amended from time to time, which is entered into by and between the Company and a Participant, relating to the deferral of Compensation under the Plan. If there should be any conflict between the terms of a Plan Agreement and the Plan, the Plan shall control.

1.2.20. "Plan Year" shall, for the first Plan Year, extend from September 1, 2001 through December 31, 2001. For each Plan Year thereafter, the Plan Year shall begin January 1 of each year and continue through December 31.

1.2.21. "Subsequent Election" means an election to change the form and commencement date of payment with respect to all of a Participant's Deferred Benefit by filing an election change consistent with the requirements of Treas. Reg. 1.409A-2 (b), or any succeeding regulations. The Plan Administrator reserves the right to and discretion to reject and disallow a Subsequent Election for any reason and at any time. A Subsequent Election as to a Deferred Benefit: (1) will not be effective as to any payment scheduled to be made within 12 months of the Subsequent Election; and (2) other than a Subsequent Election made in connection with a Participant's death, the first payment to which such Subsequent Election applies must be deferred by at least five years from the originally scheduled payment date.

1.2.22. “Unforeseeable Emergency” means a severe financial hardship to the Participant resulting from an illness or accident of the Participant, the Participant’s spouse, or a dependent (as defined in section 152(a) of the Code) of the Participant, loss of the Participant’s property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

ARTICLE 2
DEFERRAL ELECTION AND COMPANY CONTRIBUTIONS

Section 2.1. Election to Defer Compensation.

2.1.1. A Participant may elect to defer Compensation for a Plan Year by filing an Election Form prior to the beginning of such Plan Year. A Participant who is selected to participate in the Plan other than at the beginning of a Plan Year may file an Election Form within thirty days after being selected to participate which election shall apply only to Compensation earned after the date of the election.

2.1.2. Subject to a minimum scheduled deferral amount for a Plan Year that may be set from time to time by the Plan Administrator, an Employee Participant may elect to defer any amount of Compensation.

2.1.3. A Director Participant may elect to defer any amount of Compensation which Election shall specify the amount to be credited.

2.1.4. The Election Form shall specify the method of payment of benefits which is elected pursuant to Sections 4.1 and the time such payment is to commence pursuant to Sections 4.2.

Section 2.2. Method of Deferral.

A Participant’s Deferred Compensation shall be withheld by the Company in accordance with the election pursuant to Section 2.1.

Section 2.3. Annual Election Required.

The election made pursuant to Section 2.1 shall be irrevocable and shall be effective only for the Plan Year for which it was filed. A new Election Form is necessary for each Plan Year in which a Participant wishes to defer Compensation. [Such Election Form shall contain the information specified in Section 2.1 with the exception that the time and method of payment of the Deferred Benefit is to commence pursuant to Section 4 may not be changed from the designation made in the initial application.]

Section 2.4. Termination of Participation and/or Deferrals.

If the Plan Administrator determines in good faith that a Participant no longer qualifies as a member of a select group of management or highly compensated employees, as membership in such group is determined in accordance with Sections 201(2), 301 (a) (3) and 401(a) (1) of ERISA, the Plan Administrator shall have the right, in its sole discretion, to (i)

terminate any deferral election the Participant has made for the Plan Year in which the Participant's membership status changes and (ii) prevent the Participant from making future deferral elections. The Plan Administrator may, in its sole discretion, reinstate the Participant to full Plan participation at such time in the future as the Participant again becomes a member of the select group described above.

Section 2.5. Company Contributions.

From time to time as determined by and subject to such terms and conditions established by the Board of Directors, in its sole discretion, the Company may credit amounts to a Participant. The method of payment of any such amounts and the time such payment is to commence shall be determined by the Company at the time of any such contribution.

ARTICLE 3
EARNINGS ON DEFERRED BENEFITS

Section 3.1. General. A Participant's Deferred Benefit shall be credited with earnings in accordance with the Earnings Crediting Options elected by the Participant from time to time.

Section 3.2. Investment Options. The deemed rate of return, positive or negative, credited under each Earnings Crediting Option is based upon the actual investment performance of investment fund(s) as the Company may designate from time to time, and shall equal the total return of such investment fund net of asset-based charges, including, without limitation, money management fees, fund expenses and mortality and expense risk insurance contract charges. The Company reserves the right, on a prospective basis, to add or delete Earnings Crediting Options.

Section 3.3. Earnings Crediting Options. Notwithstanding that the rates of return credited to Participants' Deferred Benefits under the Earnings Crediting Options are based upon the actual performance of the investment options specified in Section 3.2, or such other investment funds as the Company may designate, the Company shall not be obligated to invest any Compensation deferred by Participants under this Plan or Company Contributions or any other amounts, in such funds or in any other investment funds.

Section 3.4. Changes in Earnings Crediting Options. A Participant may change the Earnings Crediting Options to which the Participant's Deferred Benefit are deemed to be allocated, subject to such rules as may be determined by the Plan Administrator, and as determined from time to time consistent with legal restrictions. Each such change may include (a) reallocation of the Participant's existing Deferred Benefits and/or (b) change in investment allocation of amounts to be credited to the Participant's Deferred Benefits in the future, as the Participant may elect. The effect of a Participant's change in Earnings Crediting Options shall be reflected in the Participant's Deferred Benefit as soon as reasonably practicable following the Plan Administrator's receipt of notice of such change, as determined by the Plan Administrator in its sole discretion.

Section 3.5. Valuation of Accounts. The value of a Participant's Deferred Benefit as of any date shall equal the amounts theretofore credited to such Deferred Benefit, including any earnings (positive or negative) deemed to be earned on such Deferred Benefit in accordance with this Article III through the day preceding such date, less the amounts theretofore deducted from such Deferred Benefit.

ARTICLE 4
PAYMENT OF BENEFITS

Section 4.1. Methods of Payment.

4.1.1. Not later than the appropriate date referred to in Section 2.1, a Participant shall elect, in the Election Form made pursuant to Section 2.1, a method of payment of the Deferred Benefit. Any earnings attributable to amounts deferred for which an election is effective shall be distributed pursuant to such election.

4.1.2. A Participant may elect to receive his Deferred Benefit at the time elected pursuant to Section 4.2.2 and 4.2.3 either:

(a) over annual periods ranging from three to fifteen years and payable in quarterly installments; or

(b) in a single distribution.

If a Participant elects to receive the Deferred Benefit in installments, the Participant shall continue to be credited with earnings in accordance with Article III. The amount of each installment shall be equal to the total dollar balance of the Deferred Benefit divided by the number of installments remaining (including the installment then being calculated for payment) to be paid.

Section 4.2. Time of Payment.

4.2.1. Separation from Service Before Attaining Age 55. If an Employee Participant has a “separation from service” with the Company within the meaning of Treas. Reg. 1.409A-1(h) before he attains age 55, then notwithstanding the Participant’s election of a time and method of payment set forth in an Election Form payment, such Employee Participant’s Deferred Benefit shall be made in the form of a lump sum on the first business day that follows the expiration of the six-month period commencing on the Participant’s “separation from service” with the Company within the meaning of Treas. Reg. 1.409A-1(h).

4.2.2. Separation from Service On or After Attaining Age 55. If an Employee Participant has a “separation from service” with the Company within the meaning of Treas. Reg. 1.409A-1(h) on or after he attains age 55, payment of such Employee Participant’s Deferred Benefit shall be made or shall commence in the Plan Year irrevocably elected by the Participant in the Election Form, provided that in no event will any payment be made within the six month period immediately following the Employee Participant’s separation from service. [The election under this Section shall be made at the time of the Participant’s first application to defer Compensation under Section 2.1.]

4.2.3. Director Participants. Notwithstanding the foregoing, payment of a Director Participant’s Deferred Benefit shall be made or shall commence in the Plan Year in which the Director Participant ceases being a director of the Company and has a “separation from service” within the meaning of Treas. Reg. 1.409A-1(h).

Section 4.3. Payments in Case of Hardship.

While it is the primary purpose of the Plan to provide funds for the years when Participants no longer render active service to the Company, it is recognized that in certain urgent circumstances it would be in the best interests of a Participant to accelerate part or all of the payments to be made to the Participant. Accordingly, the Plan Administrator, in its sole discretion, may, upon written request of a Participant (or Beneficiary, in case of death of a Participant) accelerate the payment of part of all of the Deferred Benefit in an amount necessary to meet an Unforeseeable Emergency, in a manner consistent with section 409A of the Code and the regulations issued thereunder. The written request shall contain evidence which sets forth in reasonable detail the facts which constitute the severe financial hardship and the circumstances which occasioned such hardship. The Plan Administrator shall exercise its discretion in this regard in a uniform and nondiscriminatory manner. The amount of any such accelerated payment or payments shall not exceed the lesser of:

4.3.1. the amount necessary to take account of and ameliorate such Unforeseeable Emergency; or

4.3.2. the entire undistributed Deferred Benefit of such Participant.

The remaining undistributed portion of such Participant's Deferred Benefit, if any, shall be distributed according to the election made pursuant to Article IV or according to the provisions of Article V. This Section shall not be construed to allow distribution under the Plan of amounts greater than those the Participant would have otherwise received, if no adjustment under this Section had been made.

Section 4.4. Required Delay. To the extent compliance with the requirements of Treas. Reg. § 1.409A-3(i)(2) (or any successor provision) is necessary to avoid the application of an additional tax under Section 409A of the Code to payments due to the Participant upon or following his separation from service, then notwithstanding any other provision of the Plan (or any otherwise applicable plan, policy, agreement or arrangement), any such payments that are otherwise due within six months following the Participant's separation from service will be deferred (without interest) and paid to the Participant in a lump sum immediately following that six month period.

Section 4.5. Subsequent Election. Participants may irrevocably elect to change the method and commencement date of payment of a Deferred Benefit by making a Subsequent Election. Limitations on the form and commencement date under a Subsequent Election shall be determined by the Plan Administrator in its sole discretion.

Section 4.6. Small Benefit Cash-Out. The Plan Administrator reserves the right to cash out a Participant's Deferred Benefit if the aggregate value of the Participant's Deferred Benefits, together with any other deferred amounts under agreements, methods, programs, or other arrangements treated with the Plan as a single nonqualified deferred compensation plan under Treas. Reg. 1.409A-1(c)(2), is not greater than the applicable dollar amount under Section 402(g)(1)(B) of the Code.

ARTICLE 5
BENEFITS UPON DEATH

Section 5.1. Designation of Beneficiary.

Each Participant shall have the right to designate, revoke and redesignate Beneficiaries hereunder, including the estate of the Participant, and to direct payment thereto of the amount of the unpaid portion of the Deferred Benefit, such designation, revocation or redesignation to be made in writing on a form provided by the Company and to become effective upon delivery to the Plan Administrator.

Section 5.2. Rights of Beneficiary.

5.2.1. In the event of the death of a Participant, such Participant's estate if designated as Beneficiary or other designated Beneficiaries if then living shall be entitled upon compliance with the reasonable requirements of the Company to receive the unpaid portion of such Participant's Deferred Benefit, in the manner set forth in the Beneficiary designation form, or if no such designation has been made, in a single lump sum payment promptly following the death of the Participant (but in no event later than March 15 of the year following the year of the Participant's death).

5.2.2. Prior to payment, the Deferred Benefit shall continue to be credited with earnings in accordance with Article III.

Section 5.3. Failure to Designate Beneficiary.

If a deceased Participant shall have failed to designate any Beneficiary under Section 5.1, the unpaid portion of the Deferred Benefit shall be paid to the Participant's surviving spouse, if any, and otherwise to the Participant's estate.

ARTICLE 6
ADMINISTRATIVE PROVISIONS

Section 6.1. Duties and Powers.

The Plan Administrator shall conduct the general administration of the Plan in accordance with the Plan and shall retain all the necessary power and authority to carry out that function. Among such necessary powers and duties are the following:

6.1.1. To construe, interpret and administer the terms and provisions of the Plan;

6.1.2. To make allocations and determinations required by the Plan;

6.1.3. To compute and certify to the Company the amount and kind of benefits payable to Participants;

6.1.4. To authorize all disbursements by the Company pursuant to the Plan;

6.1.5. To determine the necessity for and the amount of any hardship adjustment pursuant to Section 4.3;

6.1.6. To maintain all the necessary records for the administration of the Plan;

6.1.7. To prepare and submit such reports as shall be required by the Board of Directors from time to time;

6.1.8. To make and publish such rules for the regulation of the Plan as are not inconsistent with the terms hereof; and

6.1.9. To establish a procedure for notifying, in writing, any Participant or Beneficiary whose claim for benefits under the Plan is denied, stating the specific reasons for such denial, and for providing any such Participant or Beneficiary a reasonable opportunity for a full and fair review by the Plan Administrator of such denial.

Section 6.2. Effect of Company Action.

All actions taken and all determinations made by the Plan Administrator or the Company in good faith shall be final and binding upon all Participants, the Company and any persons interested in the Plan or in any rights accrued thereunder.

Section 6.3. Delegation of Routine Duties.

The Plan Administrator may delegate the authority to perform ministerial duties in connection with the administration of the Plan. This authority may be delegated to any person designated to the Plan Administrator in writing by the Chief Executive Officer or Secretary of the Company. Such authority shall include that necessary to perform the recordkeeping and notification functions of the Plan Administrator; provided, however, that such authority shall not be construed to include the exercise of discretionary powers which are vested solely in the Plan Administrator.

Section 6.4. Statement to Participants.

Within one hundred eighty days after each Anniversary Date, the Plan Administrator shall furnish to each Participant a statement setting forth such Participant's Deferred Benefit and such other information as the Plan Administrator shall deem advisable to furnish.

Section 6.5. Inspection of Records.

Copies of the Plan, records reflecting a Participant's individual Credits, and any other documents and records which a Participant is entitled by law to inspect shall be open to inspection by the Participant or by the Participant's duly authorized representatives at the office of the Plan Administrator at any reasonable business hour.

Section 6.6. Information.

To enable the Plan Administrator to perform its functions, the Company shall supply full and timely information to the Plan Administrator on all matters relating to the compensation of all Participants, their employment, their retirement, death, or the cause for termination of employment, and such other pertinent facts as the Plan Administrator may require.

Section 6.7. Employment of Outside Advisors.

The Plan Administrator may consult with legal counsel (who may be counsel for the Company), accountants, consultants, physicians, or other persons and shall be fully protected with respect to any action taken or omitted by it in good faith pursuant to the advice of such advisors.

Section 6.8. Administrative Costs.

All costs and expenses incurred in the administration of the Plan shall be borne by the Company.

ARTICLE 7
AMENDMENT AND TERMINATION

Section 7.1. Amendments.

The Company shall have the right to amend or modify this Plan in whole or in part at any time or from time to time by resolutions of the Board of Directors, and to amend or cancel any amendments; provided, however, that no action under this Section shall cancel or affect in any way amounts previously credited to any Participant. Such amendments shall be stated in an instrument in writing, executed by the Company in the same manner as this Plan, and this Plan shall be amended in the manner end at the time therein set forth, and all Participants shall be bound thereby.

Section 7.2. Discontinuance of Plan.

It is the expectation of the Company that this Plan will be continued indefinitely, but continuance of the Plan is not assumed as a contractual obligation of the Company, and the right is reserved at any time to discontinue and terminate this Plan. In the event that the Company decides to discontinue and terminate the Plan, it shall notify the Plan Administrator of its action in an instrument in writing, executed by the Company in the same manner as this Plan, and this Plan shall be terminated at the time therein set forth, and all Participants and any other person who has accrued rights under the Plan shall be bound thereby; provided, however, that no action under this Section shall cancel or affect in any way amounts previously credited to any Participant. For avoidance of doubt, however, the Company may terminate the Plan and provide

for immediate distributions of all benefits accrued hereunder (as though each Participant had experienced a “separation from service” within the meaning of Treas. Reg. 1.409A-1(h) as of the date of such termination), subject to the requirements of Treas. Reg. § 1.409A-3(j)(4)(ix) or any succeeding regulations.

ARTICLE 8
CLAIMS PROCEDURES

Section 8.1. Presentation of Claim.

Any Participant or Beneficiary of a deceased Participant (such Participant or Beneficiary being referred to below as a “Claimant”) may deliver to the Plan Administrator a written claim for a determination with respect to the amounts distributable to such Claimant from the Plan. If such a claim relates to the contents of a notice received by the Claimant. The claim must be made within 60 days after such notice was received by the Claimant, All other claims must be made within 180 days of the date on which the event that caused the claim to arise occurred. The claim must state with particularity the determination desired by the Claimant.

Section 8.2. Notification of Decision.

The Plan Administrator shall consider a Claimant’s claim within a reasonable time, and shall notify the Claimant in writing:

8.2.1. that the Claimant’s requested determination has been made, and that the claim has been allowed in full; or

8.2.2. that the Plan Administrator has reached a conclusion contrary, in whole or in part, to the Claimant’s requested determination, and such notice must set forth in a manner calculated to be understood by the Claimant:

(a) the specific reason(s) for the denial of the claim, or any part of it;

(b) specific reference(s) to pertinent provisions of the Plan upon which such denial was based;

(c) a description of any additional material or information necessary for the Claimant to perfect the claim, and an explanation of why such material or information is necessary; and

(d) an explanation of the claim review procedure set forth in Section 8.3 below.

Section 8.3. Review of a Denied Claim.

Within 60 days after receiving a notice from the Plan Administrator that a claim has been denied, in whole or in part, a Claimant (or the Claimant’s duly authorized representative) may file with the Plan Administrator a written request for a review of the denial of the claim. Thereafter, but not later than 30 days after the review procedure began, the Claimant (or the Claimant’s duly authorized representative):

8.3.1. may review pertinent documents;

8.3.2. may submit written comments or other documents; and/or

8.3.3. may request a hearing, which the Plan Administrator, in its sole discretion, may grant.

Section 8.4. Decision on Review.

The Plan Administrator shall render its decision on review promptly, and not later than 60 days after receiving a written request for review of the denial, unless a hearing is held or other special circumstances require additional time, in which case the Plan Administrator's decision must be rendered within 120 days after such date. Such decision must be written in a manner calculated to be understood by the Claimant, and it must contain:

8.4.1. specific reasons for the decision;

8.4.2. specific reference(s) to the pertinent Plan provisions upon which the decision was based; and

8.4.3. such other matters as the Plan Administrator deems relevant.

Section 8.5. Legal Action.

A Claimant's compliance with the foregoing provisions of this Article VIII is a mandatory prerequisite to a Claimant's right to commence any legal action with respect to any claim for benefits under this Plan.

ARTICLE 9
MISCELLANEOUS

Section 9.1. Limitation on Participant's Rights.

Participation in this Plan shall not give any Participant the right to be retained in the Company's employ, the right to exercise any of the rights or privileges of a shareholder with respect to any stock credited to the Participant, or any right or interest in this Plan other than as herein provided. The Company reserves the right to dismiss any Participant without any liability for any claim against the Company, except to the extent provided herein. This Plan shall create only a contractual obligation on the part of the Company and shall not be construed as creating a trust or any fiduciary relationship. The right of a Participant or Beneficiary to receive payments pursuant to the Plan shall be no greater than the right of other unsecured creditors of the Company.

Section 9.2. Receipt or Release.

Any payment to any Participant or Beneficiary in accordance with the provisions of this Plan shall, to the extent thereof, be in full satisfaction of all claims against the Plan Administrator and the Company as they relate to the benefits under this Plan, and the Plan Administrator may require such Participant or Beneficiary, as a condition precedent to such payment, to execute a receipt and release to such effect.

Section 9.3. Delaware Law Governs.

This Plan shall be construed, administered and governed in all respects under and by the laws of the State of Delaware. If any provisions of this instrument shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall continue to be fully effective.

Section 9.4. Headings Not Part of Agreement.

Headings and subheadings in this Plan are inserted for convenience of reference only and are not to be considered in the construction of the provisions hereof.

Section 9.5. Successors and Assigns.

This Plan shall inure to the benefit of, and be binding upon, the parties hereto and their successors and assigns; provided, however, that the amounts credited to the accounts of a Participant shall not be assignable, transferable or subject to be taken in execution by levy, attachment or garnishment, and any purported transfer, assignment, encumbrance or attachment shall be void.

Section 9.6. Payment on Behalf of Participant or Beneficiary.

In the event any amount becomes payable under the Plan to a Participant or Beneficiary who, in the sole judgment of the Plan Administrator, is considered by reason of physical or mental condition to be unable to give a valid receipt therefor, the Plan Administrator may direct that such payment be made to the legally appointed guardian or conservator of the person or estate of the Participant or the Beneficiary, to any person with whom the Participant or Beneficiary resides, or to any person who has custody of the Participant or Beneficiary, without any duty to supervise or inquire into the application of any funds so paid. Any payment made pursuant to such determination shall constitute a full release and discharge of the Plan Administrator, the Company and its employees.

Section 9.7. Forfeiture.

Except as otherwise provided by Article V, any payment or distribution to a Participant under the Plan which is not claimed by the Participant, Beneficiary, or other person entitled thereto within three years after becoming payable shall be forfeited and canceled and shall remain with the Company and no other person shall have any right thereto or interest therein. Neither the Plan Administrator nor the Company shall have any duty to give notice that amounts are payable under the Plan to any person other than the Participant.

Section 9.8. Withholding.

9.8.1. The Company or appropriate subsidiary shall deduct from the amount of all distributions under the Plan any Federal, state, local or other taxes it determines are required to be withheld.

9.8.2. If the whole or any part of the amounts credited to a Participant shall become liable for the payment of any estate, inheritance, income or other tax which the Company shall be required to pay, the Company shall have full power and authority to pay such tax out of any moneys or other property in its hands for the account of the person whose interests hereunder are so liable. Prior to making any payment, the Company may require such releases or other documents from any lawful taxing authority as it shall deem necessary.

Section 9.9. Participant's Obligations to Company.

Notwithstanding any other provision of the Plan, in the event a Participant defaults upon any debt, obligation, or other liability owed to the Company, irrespective of the basis therefor, such Participant's Deferred Benefit shall be subject to offset by the Company in full or in part as required for the payment of any such debt, obligation or liability to the Company; provided, however, that such offset shall not occur until the Participant or Beneficiary shall become entitled to receive payments pursuant to Article IV or Article V.

Section 9.10. Shares of Common Stock Subject to Plan.

9.10.1. In the event that shares of Common Stock may be issued under the Plan and there occurs a stock dividend, recapitalization, reorganization, merger, consolidation, stock split, combination or exchange of shares or any other significant corporate event affecting the Common Stock, the Board, in its discretion, may make (i) such proportionate adjustments it considers appropriate in the aggregate number of shares of Common Stock reserved for issuance under the Plan and/or (ii) such other adjustments as it deems appropriate.

IN WITNESS WHEREOF, this Plan has been adopted this 24th day of November, 2008.

Attest:	AMERISOURCEBERGEN CORPORATION
By: /s/ Vicki Bausinger	By: /s/ John G. Chou
	Title: Senior Vice President, General Counsel and Secretary

Exhibit 10.20

AMERISOURCEBERGEN CORPORATION

SUPPLEMENTAL 401(K) PLAN

(Effective as of January 1, 2006; Amended and Restated November 24, 2008)

TABLE OF CONTENTS

		PAGE
ARTICLE I	NAME, EFFECTIVE DATE AND PURPOSE	1
1.1	Name	1
1.2	Effective Date	1
1.3	Purpose	1
ARTICLE II	DEFINITIONS	2
2.1	Account or Participant's Account	2
2.2	Affiliated Employer	2
2.3	Base Salary	2
2.4	Beneficiary or Beneficiaries	2
2.5	Board of Directors	2
2.6	Bonus	2
2.7	Cause	2
2.8	Change of Control	3
2.9	Code	4
2.10	Company	4
2.11	Compensation Limit	4
2.12	Effective Date	4
2.13	Employee	4
2.14	Employer	4
2.15	ERISA	4
2.16	Executive Retirement Plan Credits	4
2.17	Participant	4
2.18	Plan	5
2.19	Plan Administrator	5
2.20	Plan Year	5
2.21	Termination Date	5
2.22	Total and Permanent Disability	5
2.23	Valuation Date	5
2.24	Years of Service	6
ARTICLE III	ELIGIBILITY AND PARTICIPATION	7
3.1	Eligibility and Commencement of Participation	7
3.2	Notification	7
ARTICLE IV	EXECUTIVE RETIREMENT PLAN CREDITS	8
4.1	Initial Executive Retirement Plan Credit	8
4.2	Annual Executive Retirement Plan Credit	8
ARTICLE V	VESTING	9
5.1	Vesting	9
5.2	Forfeiture of Unvested Balances	9
5.3	Forfeiture for Cause Termination	9

ARTICLE VI	PARTICIPANT ACCOUNTS	10
6.1	Separate Account	10
6.2	Investment Credits and Debits	10
6.3	Valuation of Account	10
6.4	Participant Statement	10
ARTICLE VII	DISTRIBUTION OF BENEFITS	11
7.1	Payment of Benefits Upon Termination of Employment	11
7.2	Payment of Benefits Upon Death	11
7.3	Payment of Benefits Upon a Change of Control	11
ARTICLE VIII	BENEFICIARY DESIGNATION	12
8.1	Beneficiary Designation	12
8.2	Change in Beneficiary Designation	12
8.3	Lack of Beneficiary Designation or Surviving Beneficiary	12
ARTICLE IX	ADMINISTRATION OF THE PLAN	13
9.1	Appointment of the Plan Administrator	13
9.2	Committee as Plan Administrator	13
9.3	Expenses of the Plan Administrator and Plan Costs	13
9.4	Records of the Plan Administrator	13
9.5	Plan Administrator’s Right to Administer and Interpret the Plan	13
9.6	Claims Procedure	14
9.7	Responsibility and Authority of the Plan Administrator	15
9.8	Indemnity of the Plan Administrator	15
ARTICLE X	AMENDMENT AND TERMINATION	16
10.1	Amendment	16
10.2	Termination	16
ARTICLE XI	MISCELLANEOUS	18
11.1	Unsecured Creditor	18
11.2	Unfunded Plan	18
11.3	Non-Assignability	18
11.4	Not a Contract of Employment	18
11.5	Receipt or Release	19
11.6	Governing Law	19
11.7	Binding Agreement	19
11.8	Invalidity of Certain Provisions	19
11.9	Incapacity	19
11.10	Forfeiture	19
11.11	Headings Not Part of Agreement	19
11.12	Masculine, Feminine, Singular and Plural	20
11.13	Withholding of Taxes	20
11.14	Number of Counterparts	20

ARTICLE I
NAME, EFFECTIVE DATE AND PURPOSE

1.1. Name

The name of the Plan is "AmerisourceBergen Corporation Supplemental 401(k) Plan," hereinafter referred to as the "Plan."

1.2. Effective Date

The effective date of the Plan is as of January 1, 2006.

1.3. Purpose

The purpose of the Plan is to provide deferred compensation on behalf of certain select highly compensated and management employees of AmerisourceBergen Corporation and its subsidiaries in accordance with the terms of the Plan as hereinafter set forth and to thereby provide supplemental retirement accumulations for such employees.

ARTICLE II
DEFINITIONS

2.1. Account or Participant's Account

Shall mean the notional account maintained by the Plan Administrator pursuant to Section 6.1 which shall be comprised of Executive Retirement Plan Credits, as adjusted for investment credits and debits and any distributions.

2.2. Affiliated Employer

Shall mean any member of the same controlled group of corporations as the Company or an Employer as determined under Section 414 of the Code.

2.3. Base Salary

Shall mean the base salary paid to a Participant in the applicable Plan Year while a Participant in the Plan.

2.4. Beneficiary or Beneficiaries

Shall mean the person or persons or a trust designated by a Participant to receive distribution of the then remaining balance of such Participant's Account upon the death of such Participant.

2.5. Board of Directors

Shall mean the Board of Directors of AmerisourceBergen Corporation or to the extent delegated by the Board of Directors, the Compensation Committee of the Board of Directors, as constituted from time to time.

2.6. Bonus

Shall mean the amount of any performance-based bonuses, incentive awards and commissions (before required withholdings) paid to an Employee for services rendered to the Company or a subsidiary in that Plan Year. Performance-based bonuses do not include retention bonuses, sign-on bonuses or other amounts the payment of which is not conditioned upon the attainment of applicable business criteria.

2.7. Cause

Shall mean: (i) conviction of, or the entry of a plea of guilty or no contest to a felony or any other crime that causes the Company, or any of its respective affiliates, public disgrace or disrepute, or adversely affects the Company's operations or financial performance or their relationships with its customers, (ii) negligence or misconduct with respect to the Company, or any of its respective affiliates, including, without limitation fraud, embezzlement, theft or proven dishonesty in the course of his/her employment; (iii) refusal, failure or inability to perform any material obligation or fulfill any duty to

the Company, which failure, refusal or inability is not cured within 15 days after delivery of notice thereof; or (iv) material breach of any agreement with or duty owed to the Company. Notwithstanding the foregoing, if a Participant and the Company have entered into a written employment agreement, consulting agreement or other similar agreement that specifically defines “cause,” then “Cause” shall have the meaning defined in such agreement.

2.8. Change of Control

Shall mean the occurrence of any of the following events provided that such event qualifies as a “Change in Control event” as defined under Code Section 409A and rulings and regulations issued thereunder:

(a) If any one person, or more than one person acting as a group, acquires ownership of stock of the Company that, together with stock held by such person or group, constitutes more than 50 percent of the total fair market value or total voting power of the stock of the Company. However, if any one person, or more than one person acting as a group, is considered to own more than 50 percent of the total fair market value or total voting power of the stock of the Company, the acquisition of additional stock by the same person or persons is not considered to cause a Change of Control of the Company.

Provided, however, that acquisition of additional control by a person, or more than one person acting as a group, will not result in a Change of Control if such person or group already has effective control of the Company.

(b) Either:

(1) Any one person, or more than one person acting as a group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of stock of the Company possessing 35 percent or more of the total voting power of the stock of the Company; or

(2) A majority of members of the Company’s Board of Directors is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Company’s Board of Directors prior to the date of the appointment or election, provided that this only applies if no other corporation is a majority shareholder of the Company.

Provided, however, that acquisition of additional control by a person, or more than one person acting as a group, will not result in a Change of Control if such person or group already has effective control of the Company.

(c) A change in the ownership of a substantial portion of the Company’s assets. For this purpose, a change in the ownership of a substantial portion of the Company’s assets occurs on the date that any one person, or more than one person acting as a

group, acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 40 percent of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions. For this purpose, a change in ownership shall not be taken into account if the Company continues to exercise control over the assets, for example, in a sale/leaseback transaction.

2.9. Code

Shall mean the Internal Revenue Code of 1986, as amended from time to time.

2.10. Company

Shall mean the AmerisourceBergen Corporation, and any successor thereto.

2.11. Compensation Limit

Shall mean the limit under Section 40l(a)(17) of the Code as in effect for a Plan Year.

2.12. Effective Date

Shall mean the date the Plan becomes operative; the Effective Date is January 1, 2006.

2.13. Employee

Shall mean any person who is a common law employee of an Employer.

2.14. Employer

Shall mean the Company and any subsidiary or affiliated organization.

2.15. ERISA

Shall mean the Employee Retirement Income Security Act of 1974, as amended.

2.16. Executive Retirement Plan Credits

Shall mean the amounts credited to a Participant's Account pursuant to Article IV.

2.17. Participant

Shall mean any Employee who is eligible to participate in the Plan pursuant to Article III; provided, however, an Employee shall only be a Participant eligible to have Executive Retirement Plan Credits credited to his Account while he meets the eligibility requirements prescribed above. If he subsequently fails to satisfy such requirements after becoming a Participant, he shall no longer be a Participant for purposes of Section 4 and shall not be eligible to have Executive Retirement Plan Credits credited to his Account for any period in which he fails to meet such requirements, but remain a Participant for the other purposes of the Plan to the extent of any existing Account balance.

2.18. Plan

Shall mean the AmerisourceBergen Corporation Supplemental 401(k) Plan as set forth herein and as amended from time to time.

2.19. Plan Administrator

Shall mean the person or persons or the committee appointed pursuant to Section 9.1.

2.20. Plan Year

Shall mean the calendar year; provided, however, that the first Plan Year shall be the period beginning January 1, 2006 and ending December 31, 2006.

2.21. Termination Date

Shall mean the date that an Employee ceases to be employed by an Employer for any reason.

2.22. Total and Permanent Disability

Shall mean a Participant's inability, due to accident, injury, or disease, to engage in any work for remuneration or profit for the balance of his life. In addition, Total and Permanent Disability shall also mean a condition that would qualify a Participant for benefits under the AmerisourceBergen Drug Corporation Long-Term Disability Plan. Disability resulting from the following causes shall not constitute Total and Permanent Disability under the Plan:

(a) service in the Armed Forces or Merchant Marine of the United States or any other country;

(b) warfare or acts of a public enemy;

(c) willful participation in any criminal act;

(d) intentionally self-inflicted or self-incurred injury; or

(e) use of drugs or narcotics contrary to law.

2.23. Valuation Date

Shall mean the last business day of each calendar month in the Plan Year or more frequently as the Plan Administrator shall designate.

2.24. Years of Service

Shall mean the total number of full years the participant has been actively employed by the Company or an Affiliated Employer, including employment provided by a predecessor company acquired by or merged into the Company or and Affiliate Employer, provided that the participant was actively employed by the predecessor at the time of the acquisition or merger.

ARTICLE III
ELIGIBILITY AND PARTICIPATION

3.1. Eligibility and Commencement of Participation

An Employee of the Employer shall be eligible to participate in the Plan if:

(a) Such Employee has been selected by the Board of Directors to participate in the Plan; provided, however, that such Employee is a member of a select group of management or highly compensated employees, as membership in such group is determined in accordance with Sections 201, 301 and 401 of ERISA as determined by the Plan Administrator.

An Employee who meets the eligibility requirements described above shall be eligible to enter the Plan and become a Participant as of the date designated by the Board of Directors.

3.2. Notification

The Plan Administrator shall notify in writing each Employee whom it has determined is eligible to participate in the Plan and shall advise in writing of the rights, privileges and duties of a Participant in the Plan. The Plan Administrator shall provide forms to Participants so that they may designate a Beneficiary or Beneficiaries pursuant to Section 8.1.

ARTICLE IV
EXECUTIVE RETIREMENT PLAN CREDITS

4.1. Initial Executive Retirement Plan Credit

As soon as administratively practicable after the Effective Date, the Account of each Employee who is a Participant as of the Effective Date and who is identified on Schedule A attached hereto shall have credited to his Account the amount (the "Initial Executive Retirement Plan Credit set forth next to his name on Schedule A.

4.2. Annual Executive Retirement Plan Credit

The Account of a Participant who is employed on the last day of the Plan Year shall be credited with an amount (the "Annual Executive Retirement Plan Credit") as hereinafter determined. The Annual Executive Retirement Plan Credit shall be equal to 4% of the amount, if any, by which the sum of such Participant's Base Salary and Bonus for such Plan Year exceeds the Compensation Limit for such Plan Year. Notwithstanding the foregoing, the Annual Executive Retirement Plan Credit for a Plan Year made to the Account of a Participant who is employed in Canada shall be equal to 4% of the Participant's Base Salary and earned bonus in such Plan Year less the maximum amount that can be allocated to a Participant for such Plan Year under a defined contribution plan qualified under Canadian tax law. Only Participants who are employed on the last day of the Plan Year shall be entitled to an Annual Executive Retirement Plan Credit for such Plan Year. The Annual Executive Retirement Plan Credit for a Plan Year shall be credited to a Participant's Account as soon as administratively practicable after the end of such Plan Year.

ARTICLE V
VESTING

5.1. Vesting

Upon his Termination Date, a Participant shall have a vested interest in his Account in accordance with the following schedule:

Termination Date	Years of Service	Vested Percentage
Prior to age 55	Any Tenure	0%
Age 55-62	Less than 5	50%
	6-15 years	75%
	More than 15 years	100%
Age 62 or older	Any tenure	100%

Notwithstanding the foregoing, a Participant shall become one hundred percent (100%) vested interest in his Account upon the earliest to occur of the following events:

(a) such Participant's death;

(b) such Participant's Total and Permanent Disability; or

(c) upon a Change of Control;

provided, however, in each case, the Participant is in the employment of an Employer when the event described in (a), (b), or (c) above, as applicable, occurs.

5.2. Forfeiture of Unvested Balances

If a Participant ceases to be employed by any Employer, other than by death or Total and Permanent Disability, prior to having a 100% vested interest in his Account, such Participant shall forfeit his non-vested Account balance and such Participant, or his Beneficiary, shall not have any further entitlement to the amounts so forfeited.

5.3. Forfeiture for Cause Termination

If a Participant ceases to be employed by any Employer as a result of being terminated for Cause, such Participant shall forfeit his entire account (whether or not such account had previously been considered vested) and such Participant, or his Beneficiary, shall not have any further entitlement to the amounts so forfeited.

ARTICLE VI
PARTICIPANT ACCOUNTS

6.1. Separate Account

The Plan Administrator shall maintain a separate Account for each Participant in order to reflect his interest in the Plan.

6.2. Investment Credits and Debits

A Participant's Account shall be credited and debited with investment gains and losses. The Plan Administrator may establish a procedure whereby each Participant can elect that amounts credited to his Account shall be credited and debited with investment gains and losses by allocating his Account among the investment options, if any, specified by the Plan Administrator from time to time. Any such election shall be only for the purpose of determining gains and losses to be credited to a Participant's Account and shall not require that any assets be invested in such investment options or otherwise segregated or set aside for the benefit of a Participant.

Notwithstanding the forgoing, the Board of Directors, or the extent delegated by the Board of Directors, the Plan Administrator shall have the sole power to determine whether and the extent to which investment options shall be available under the Plan, and the terms and conditions under which such investment options will be, from time to time, offered through this Plan.

6.3. Valuation of Account

As of a Valuation Date, the Plan Administrator shall adjust the previous Account balance for Executive Retirement Plan Credits, investment credits and debits and distributions. Upon complete distribution of a Participant's Account as provided for in Section 7.1, Section 7.2 or Section 7.3, the Participant's Account shall be canceled and he or she shall cease to be a Participant.

6.4. Participant Statement

At least annually or more frequently as the Plan Administrator shall determine, the Plan Administrator shall provide the Participant with a statement of his Account balance.

ARTICLE VII
DISTRIBUTION OF BENEFITS

7.1. Payment of Benefits Upon Termination of Employment

A Participant shall receive a distribution of his vested Account in a single lump sum amount as soon as administratively practicable following (but in no event later than 75 days following) the first Valuation Date that occurs after the date that is six months after the Participant's "separation from service" (within the meaning of Treasury Regulation Section 1.409A-1 (h)), including by reason of Total and Permanent Disability, with the Employer and each Affiliated Employer.

7.2. Payment of Benefits Upon Death

If a Participant dies prior to termination of employment, his Beneficiary shall receive a distribution of the Participant's Account in a single lump sum amount as soon as administratively practicable following the Valuation Date which occurs coincident with or next following the Participant's death, but in no event later than March 15 of the calendar year following the calendar year in which the Participant died.

7.3. Payment of Benefits Upon a Change of Control

In the event that there is a Change of Control, such Participant shall receive a distribution of his Account in a single lump sum amount as soon as administratively practicable following such Change of Control, but in no event later than March 15 of the calendar year following the calendar year in which such Change in Control occurred.

7.4. Small Benefit Cash-Out

The Plan Administrator reserves the right to cash out a Participant's Account if the aggregate value of the Participant's Account, together with any other deferred amounts under agreements, methods, programs, or other arrangements treated with the Plan as a single nonqualified deferred compensation plan under Treas. Reg. 1.409A-1(c)(2), is not greater than the applicable dollar amount under Section 402(g)(1)(B) of the Code.

ARTICLE VIII
BENEFICIARY DESIGNATION

8.1. Beneficiary Designation

A beneficiary designation can only be made on forms prescribed by the Plan Administrator for such purpose and shall only be effective when filed with the Plan Administrator during the Participant's lifetime.

8.2. Change in Beneficiary Designation

Any beneficiary designation may be changed by the Participant without the consent of any designated Beneficiary by filing the prescribed form with the Plan Administrator. The filing of a new beneficiary designation election will cancel the previous beneficiary designation. However, any beneficiary designation shall remain in effect until a new beneficiary designation election is made in accordance with the foregoing.

8.3. Lack of Beneficiary Designation or Surviving Beneficiary

If the Plan Administrator determines, in his sole discretion that a Beneficiary has not been designated under the Plan or if no designated Beneficiary is surviving, distribution shall be made to the Participant's spouse and if there is no spouse, in equal shares to any surviving children of the Participant. In the event none of the above-named individuals survives the Participant, distribution shall be made in a lump sum to the executor or administrator of the Participant's estate.

ARTICLE IX
ADMINISTRATION OF THE PLAN

9.1. Appointment of the Plan Administrator

The day-to-day administration of the Plan, as provided herein, including the supervision of the payment of all benefits to Participants and their beneficiaries, shall be vested in and be the responsibility of the Plan Administrator. The Plan Administrator and its successors shall be appointed from time to time by the Board of Directors and shall serve at the pleasure of the Board of Directors, without compensation, unless otherwise determined by the Board of Directors. In the absence of a specific appointment in accordance with the foregoing, AmerisourceBergen Corporation shall be the Plan Administrator.

9.2. Committee as Plan Administrator

If the Plan Administrator is a committee, the committee shall conduct its business and hold meetings as determined by it from time to time. A majority of the committee shall have the power to act, and the concurrence of any member may be by telephone, telegram or letter. The committee may delegate any one of its members to carry out specific duties and to sign appropriate forms and authorizations. In carrying out its duties, the committee may, from time to time, employ an administrative organization and agents and may delegate to them administrative and limited discretionary duties as it sees fit, and may consult with counsel, who may be of counsel to the Employer.

The committee shall elect from its members a Chairman and a Secretary and shall appoint such subcommittees as it shall deem necessary and appropriate, and may authorize one (1) or more of its members or any agent to execute or deliver any instrument on its behalf and do any and all other things necessary and proper in the administration of the Plan.

9.3. Expenses of the Plan Administrator and Plan Costs

The expenses of administering the Plan, including the printing of literature and forms related thereto, the disbursement of benefits thereunder, and the compensation of administrative organizations, agents, consultants, actuaries, or counsel shall be paid by the Employer.

9.4. Records of the Plan Administrator

The Plan Administrator shall keep a record of all its proceedings, which shall be open to inspection by the Employer.

9.5. Plan Administrator's Right to Administer and Interpret the Plan

The Plan Administrator shall have the absolute power, discretion, and authority to administer and interpret the Plan and to adopt such rules and regulations as in the opinion of the Plan Administrator are necessary or advisable to implement, administer, and interpret the Plan, or to transact its business. Such rules and regulations as are adopted by the Plan Administrator shall be binding upon any persons having an interest in or under the Plan.

9.6. Claims Procedure

(a) The Plan Administrator will advise each Participant and Beneficiary of any benefits to which he is entitled under the Plan. If any person believes that the Plan Administrator has failed to advise him of any benefit to which he is entitled, he may file a written claim with the Plan Administrator. The claim shall be reviewed, and a response provided, within 90 days of the Plan Administrator's receipt of the claim; provided, however, that in special circumstances the Plan Administrator may extent the response period for up to an additional 90 days provided the Plan Administrator so notifies the claimant in writing and specifies the reason or reasons for such extension. Every claimant who is denied a claim for benefits shall be provided with written notice setting forth in a manner calculated to be understood by the claimant:

(1) the specific reason or reasons for the denial;

(2) specific reference to pertinent Plan provisions on which denial is based;

(3) a description of any additional material or information necessary for the claimant to perfect the claim; and

(4) an explanation of the claim review procedures set forth in paragraph (b), below.

(b) Within 60 days of receipt by a claimant of a notice denying a claim under the Plan under paragraph (a), the claimant or his duly authorized representative may request in writing a full and fair review of the claim by the Plan Administrator. The Plan Administrator may extent the 60-day period where the nature of the benefit involved or other attendant circumstances make such extension appropriate. In connection with such review, the claimant or his duly authorized representative may review pertinent documents and may submit issues and comments in writing. The Plan Administrator shall make a decision promptly, and not later than 60 days after the Plan Administrator's receipt of a request for review, unless special circumstances (such as the need to hold a hearing, if the Plan Administrator deems one necessary) require an extension of time for processing, in which case a decision shall be rendered as soon as possible, but not later than 120 days after receipt of a request for review. The decision on review shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, and specific references to the pertinent Plan provisions on which the decision is based.

9.7. Responsibility and Authority of the Plan Administrator

The responsibilities and authority of the Plan Administrator shall not exceed the limitations of this Article IX. The Plan Administrator shall direct the Employer to make payments to Plan Participants or beneficiaries as provided under the Plan.

9.8. Indemnity of the Plan Administrator

The Employer shall indemnify and hold harmless the Plan Administrator against any and all claims, loss, damage, expense or liability arising from any action or failure to act with respect to this Plan, except in the case of gross negligence or willful misconduct.

ARTICLE X
AMENDMENT AND TERMINATION

10.1. Amendment

The Company shall have the right to amend or modify the Plan in whole or in part at any time or from time to time; provided, however, that no amendment shall have the effect of reducing the amount of the benefit which has accrued to a Participant as of the amendment date. Any such amendment shall be made pursuant to a resolution of the Board of Directors.

10.2. Termination

Although it is the expectation of the Company that this Plan will be continued indefinitely, the continuance of the Plan is not assumed as a contractual obligation of the Company, and the right is reserved at any time to discontinue and terminate this Plan. The Employer reserves the right to terminate the Plan at any time. However, no termination shall have the effect of reducing the amount of the benefit which has accrued to a Participant as of the termination date. The Plan may only be terminated by resolution of the Board of Directors. Except as provided below, upon such termination, a Participant's vested Account shall be held and administered in accordance with the terms of the Plan until distributed pursuant to Article VII.

Notwithstanding the foregoing, at the sole discretion of the Board of Directors, vested Accounts may be paid to

Participants by reason of termination of the Plan, as follows:

(a) If the Plan terminates within 12 months of a corporate dissolution taxed under Code Section 331, or with the approval of a bankruptcy court pursuant to 11 U.S.C. §503(b)(1)(A), provided that the amounts deferred under the Plan are included in the Participants' gross incomes in the latest of:

(1) The calendar year in which the plan termination occurs;

(2) The calendar year in which the amount is no longer subject to a substantial risk of forfeiture; or

(3) The first calendar year in which the payment is administratively practicable.

(b) If the Plan terminates within the 30 days preceding or the 12 months following a change of control as defined in Treasury Regulations issued under Code Section 409A (including a change of ownership, a change of effective control or a change in the ownership of a substantial portion of the assets of the corporation as provided for in such Regulations). For this purpose, an arrangement will be treated as terminated only if all substantially similar arrangements sponsored by the Company and the Affiliated Employers are terminated, so that the Participant

in the arrangement and all participants under substantially similar arrangements are required to receive all amounts of compensation deferred under the terminated arrangements within 12 months of the date of termination of the arrangements.

(c) If the Plan terminates, provided that:

(1) All arrangements sponsored by the Company and the Affiliated Employers that would be aggregated with any terminated arrangement under Treas. Reg. §1 .409A-l(c) if the same Participant participated in all of the arrangements are terminated;

(2) No payments other than payments that would be payable under the terms of the arrangements if the termination had not occurred are made within 12 months of the termination of the arrangements;

(3) All payments are made within 24 months of the termination of the arrangements; and

(4) The Company and the Affiliated Employers do not adopt a new arrangement that would be aggregated with any terminated arrangement under Treas. Reg. § 1 .409A-l(c) if the same Participant participated in both arrangements at any time within five years following the date of termination of the arrangement.

ARTICLE XI
MISCELLANEOUS

11.1. Unsecured Creditor

A Participant or his Beneficiary under this Plan shall have solely those rights of an unsecured creditor of such Participant's Employer. An Employer shall have no liability to pay benefits to a Participant who was not its Employee or to the Beneficiary of a Participant who was not its Employee. Except to the extent otherwise provided in any trust established by the Employer to pay Plan benefits, as described in Section 11.2, no assets of the Employer shall be deemed to be held in trust for any Participant or his Beneficiary, nor shall any assets be considered security for the performance of obligations of the Employer and said assets shall at all times remain unpledged, unrestricted general assets of the Employer. The Employer's obligation under the Plan shall be an unsecured and unfunded promise to pay at a future date benefits to or on behalf of its Employees who are Participants.

11.2. Unfunded Plan

The Employer may, in its sole discretion, contribute assets to a trust fund in order to pay some or all benefits to Participants and their Beneficiaries. However, no funds or assets shall be segregated or physically set aside with respect to the Employer's obligations under the Plan in a manner which would cause the Plan to be "funded" for purposes of ERISA. This Plan shall be maintained to provide supplemental retirement benefits for a select group of management and highly compensated employees. Any Participant's Account under the Plan is maintained for recordkeeping purposes only and is not to be construed as funded for tax or ERISA purposes. If the Employer establishes a trust fund in connection with the Plan, the assets of such trust fund shall be subject to the claims of the general creditors of the Employer in the event that the Employer becomes insolvent.

11.3. Non-Assignability

A Participant or Beneficiary shall not have any right to commute, sell, pledge, assign, transfer or otherwise convey the right to receive any payment under this Plan. The right to any payment of benefits shall be non-assignable and non-transferable. Except to the extent required by law, right to payment shall not be subject to legal process or levy of any kind.

11.4. Not a Contract of Employment

The terms and conditions of this Plan shall not be deemed to constitute a contract of employment between the Employer and the Participant, and the Participant (or his Beneficiary) shall have no rights against the Employer except as may otherwise be specifically provided herein. Moreover, nothing in this Plan shall be deemed to give a Participant the right to be retained in the service of the Employer or to interfere with the right of the Employer to discipline or discharge him at any time.

11.5. Receipt or Release

Any payment to any Participant or Beneficiary in accordance with the provisions of this Plan shall, to the extent thereof, be in full satisfaction of all claims against the Plan Administrator, the Company and all Employers as they relate to the benefits under this Plan, and the Plan Administrator may require such Participant or Beneficiary, as a condition precedent to such payment, to execute a receipt and release to such effect.

11.6. Governing Law

The provisions of this Plan shall be construed and interpreted under the laws of the Commonwealth of Pennsylvania, except to the extent preempted by the laws of the United States of America.

11.7. Binding Agreement

This Plan shall be binding on the parties hereto, their heirs, executors, administrators, and successors in interest.

11.8. Invalidity of Certain Provisions

If any provision of this Plan is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof and this Plan shall be construed and enforced as if such provision had not been included.

11.9. Incapacity

In the event that any Participant is unable to care for his affairs because of illness or accident, any payment due may be paid to the Participant's spouse, parent, brother, sister or other person deemed by the Plan Administrator to have incurred expenses for the care of such Participant, unless a duly qualified guardian or other legal representative has been appointed.

11.10. Forfeiture

Notwithstanding any other provision of this Plan, any payment or distribution to a Participant under the Plan which is not claimed by the Participant, Beneficiary, or other person entitled thereto within three years after becoming payable shall be forfeited and canceled and shall remain with the Company and no other person shall have any right thereto or interest therein. None of the Plan Administrator, the Company nor any Employer shall have any duty to give notice that amounts are payable under the Plan to any person other than the Participant.

11.11. Headings Not Part of Agreement

Headings and subheadings in this Plan are inserted for convenience of reference only and are not to be considered in the construction of the provisions hereof

11.12. Masculine, Feminine, Singular and Plural

The masculine shall include the feminine and the singular shall include the plural and the plural the singular wherever the person or entity or context shall plainly so require.

11.13. Withholding of Taxes

It is the intent of the Employer that amounts accrued under the Plan shall not be subject to federal income tax until distributed from the Plan. However, the Employer does not guarantee or warrant that Plan benefits will be excludable from a Participant’s gross income for federal or state income tax purposes until distributed, and the Participant (or beneficiary) shall in all cases be liable for any taxes due on benefits attributable to such Participant or beneficiary.

The Employer shall make appropriate arrangements to (a) withhold FICA/FUTA taxes due on amounts accrued and vested under the Plan and (b) withhold federal and state income taxes due on amounts distributed from the Plan. Further, the Employer may make appropriate arrangements to withhold for any other taxes required to be withheld by any government or governmental agency.

11.14. Number of Counterparts

This Plan may be executed in any number of counterparts, each of which when duly executed by the Employer shall be deemed to be an original, but all of which shall together constitute but one instrument, which may be evidenced by any counterpart.

IN WITNESS WHEREOF, this Plan has been adopted this 24th day of November , 2008.

Attest:	AMERISOURCEBERGEN CORPORATION
By: /s/ Vicki Bausinger	By: /s/ John G. Chou
	Title: Senior Vice President, General Counsel and Secretary

Schedule A

Participant	Initial Retirement Plan Credit

Exhibit 10.25

EMPLOYMENT AGREEMENT

THIS AGREEMENT by and between AmerisourceBergen Corporation, a Delaware corporation (hereinafter the "Company"), and Jeanne B. Fisher (the "Executive"), dated and effective as of October 1, 2003.

WHEREAS, the Board of Directors of the Company (the "Board"), upon the recommendation of the Compensation and Succession Planning Committee of the Board (the "Committee"), has determined that it is in the best interests of the Company and its shareholders to continue to employ the Executive as the Senior Vice President Human Resources of the Company, and the Executive desires to continue to serve in that capacity;

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Employment Period. The Company shall continue to employ the Executive, either directly or through a Subsidiary, and the Executive shall continue to serve the Company or any such Subsidiary, on the terms and conditions set forth in this Agreement, for the period beginning on October 1, 2003 (the "Employment Date") and ending on September 30, 2005 (the "Employment Period"). In addition, the Employment Period shall automatically renew for periods of two years unless one party gives written notice to the other, at least 60 days prior to the end of the initial or any renewal period, as applicable, that the Agreement shall not be further extended. In addition, the Executive's employment may be terminated as provided below in Section 4.

2. Position and Duties.

(a) During the Employment Period, the Executive shall be employed as the Senior Vice President Human Resources of the Company. The Executive shall report to the Chief Executive Officer of the Company and shall perform such duties for the Company as are related typically to the office of Senior Vice President Human Resources, in the manner reasonably directed by the Board, in its discretion, or the Chief Executive Officer of the Company, in his discretion.

(b) During the Employment Period, and excluding any periods of vacation and absence due to intermittent illness to which the Executive is entitled, any services that are approved by the Executive's direct supervisor on corporate, civic or charitable boards or committees not significantly interfering with the performance of her responsibilities to the Company or violating the provisions of Section 9, the Executive shall devote her full time and attention during normal business hours to the business and affairs of the Company and the Executive shall use reasonable efforts to carry out all duties and responsibilities assigned to her faithfully and efficiently.

3. Compensation.

(a) Base Salary. During the Employment Period, the Executive shall continue to receive annual base salary at the rate in effect as of the date of this Agreement, payable in accordance with the regular payroll practices of the Company. The Executive's base salary shall be reviewed annually by the Committee and/or the Chief Executive Officer of the Company, in accordance with the Company's standard practices for executives generally, and may be increased as determined by the Committee, in its sole discretion, or by any person or persons to whom the Committee has delegated such authority.

(b) Annual Bonus and Incentive Plans; Other Benefits. During the Employment Period: (i) the Executive shall be entitled to participate in any short-term and long-term incentive programs established and/or maintained by the Company for its senior level executives generally; (ii) the

Executive shall be entitled to continue to participate in all incentive, savings and retirement plans, practices, policies and programs of the Company to at least the same extent as other senior executives of the Company; (iii) the Executive and/or the Executive's family, as the case may be, shall be eligible for continued participation in, and shall continue to receive all benefits under, all welfare benefit plans, practices, policies and programs provided by the Company to at least the same extent as other senior executives of the Company; and (iv) the Executive shall continue to be entitled to, and the Company shall continue to provide the Executive with, not less than the number of weeks of paid vacation during each calendar year to which the Executive is entitled as of the date of this Agreement. In addition to the foregoing, the Executive shall be entitled to annual reimbursement of up to $5,000 per year for tax and financial planning and tax preparation.

(c) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in carrying out the Executive's duties under this Agreement, provided that the Executive complies with the generally applicable policies, practices and procedures of the Company for submission of expense reports, receipts, or similar documentation of such expenses.

4. Termination of Employment.

(a) Death or Disability. The Executive's employment and the Employment Period shall terminate automatically upon the Executive's death or long term Disability during the Employment Period. "Disability" shall be as defined under the Company's Long Term Disability Plan.

(b) By the Company. The Company may terminate the Executive's employment under this Agreement during the Employment Period for Cause or without Cause. "Cause" means

(i) the continued failure by the Executive to substantially perform her duties as contemplated by this Agreement (other than any such failure resulting from her incapacity due to physical or mental illness or injury or any such actual or anticipated failure after the issuance by the Executive of a Notice of Termination for Good Reason) over a period of not less than thirty days after a demand for substantial performance is delivered to the Executive by the Board or by the Chief Executive Officer of the Company, which demand identifies the manner in which it is believed that the Executive has not substantially performed her duties;

(ii) the willful misconduct of the Executive materially and demonstrably injurious to the Company (including, without limitation, any breach by the Executive of Section 9 of this Agreement); provided that no act or failure to act on the Executive's part will be considered willful if done, or omitted to be done, by her in good faith and with reasonable belief that her action or omission was in the best interest of the Company;

(iii) the Executive's conviction of a misdemeanor, which, as determined in good faith by the Board, constitutes a crime of moral turpitude and gives rise to material harm to the Company or to any subsidiary or affiliate of the Company; or

(iv) the Executive's conviction of a felony (including, without limitation, any felony constituting a crime of moral turpitude).

(c) By the Executive. The Executive may terminate employment under this Agreement for Good Reason or without Good Reason. "Good Reason" means:

(i) any reduction in the Executive's Base Salary;

(ii) material failure by the Company to comply with any provision of Sections 2 and 3 of this Agreement, other than an isolated, insubstantial or inadvertent failure that is not taken in bad faith and is remedied by the Company within 30 days after receipt of written notice thereof from the Executive; or

(iii) notice by the Company of non-renewal under Section 1.

A termination of employment by the Executive for Good Reason shall be effectuated by giving the Company written notice ("Notice of Termination for Good Reason") of the termination, setting forth in reasonable detail the specific conduct that constitutes Good Reason and the specific provision(s) of this Agreement on which the Executive relies. The Company shall have 20 days to remedy the conduct set forth in the Notice of Termination for Good Reason. A termination of employment by the Executive for Good Reason shall be effective on the thirtieth business day following the date when the Notice of Termination for Good Reason is given, unless the conduct set forth in the notice is remedied by the Company within the 20-day period. A termination of the Executive's employment by the Executive without Good Reason shall be effected by giving the Company at least 30 days' advance written notice of the termination.

(d) Date of Termination. The "Date of Termination" means the date of the Executive's death, the date of the Executive's Disability, the date the termination of the Executive's employment under this Agreement by the Company for Cause or without Cause or by the Executive for Good Reason or without Good Reason, as the case may be, is effective. The Employment Period shall end on the Date of Termination.

5. Obligations of the Company upon Termination.

(a) By the Company Other Than for Cause; or By the Executive for Good Reason. If, during the Employment Period, the Company terminates the Executive's employment under this Agreement (other than for Cause) or the Executive terminates employment under this Agreement for Good Reason, the Executive shall be entitled to continued payment for two years of (i) the Executive's current base salary (as in effect on the Date of Termination), and (ii) a bonus equal to the average of the annual bonuses paid by the Company to the Executive over the prior three years (or if less than three years, the average bonus during such shorter period). In addition, the Executive shall be entitled to receive executive level outplacement assistance under any outplacement assistance program then being maintained by the Company in accordance with the terms of any such program. The Company shall also pay, or cause to be paid, to the Executive, in a lump sum in cash within 30 days after the Date of Termination (or, in the case of the pro-rated Annual Bonus Amount, at the time such bonus is generally paid), the Executive's accrued but unpaid cash compensation (the "Accrued Obligations"), which shall include but not be limited to, (1) the Executive's base salary through the Date of Termination that has not yet been paid (2) an amount representing a 100% target bonus for the Executive's salary grade for the year of termination, multiplied by a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 (the "Annual Bonus Amount"), (3) any accrued but unpaid vacation pay, and (4) similar unpaid items that have accrued and as to which the Executive has become entitled as of the Date of Termination, including declared but unpaid bonuses and unreimbursed employee business expenses; provided, however, that the Company's obligation to make any payments, or cause any payments to be made, under this paragraph (a) to the extent any such payment shall not have accrued as of the day before the Date of Termination shall also be conditioned upon the Executive's execution, and non-revocation, of a written release, substantially in the form attached hereto as Annex 1, of any and all claims against the Company and all related parties with respect to all matters arising out of the Executive's employment under this Agreement or the termination thereof (other than any entitlements under the terms of this Agreement to indemnification or under any

other plans or programs of the Company in which the Executive participated and under which the Executive has accrued and is due a benefit).

(b) Death or Disability. If the Executive's employment is terminated by reason of the Executive's death or Disability during the Employment Period, the Company shall pay the Accrued Obligations to the Executive or the Executive's estate or legal representative, as applicable, in a lump sum in cash within 30 days after the Date of Termination. In such event, the Company shall have no further obligations under this Agreement or otherwise to or with respect to the Executive; and for any entitlements under the terms of any other plans or programs of the Company in which the Executive participated and under which the Executive has become entitled to a benefit.

(c) By the Company for Cause; By the Executive Other than for Good Reason. If the Executive's employment is terminated by the Company for Cause during the Employment Period, or the Executive voluntarily terminates employment during the Employment Period, other than for Good Reason, the Company shall pay the Executive, or shall cause the Executive to be paid, the Executive's base salary through the Date of Termination that has not been paid and the amount of any declared but unpaid bonuses, accrued but unpaid vacation pay, and unreimbursed employee business expenses, and the Company shall have no further obligations under this Agreement or otherwise to or with respect to the Executive other than for any entitlements under the terms of any other plans or programs of the Company in which the Executive participated and under which the Executive has become entitled to a benefit.

6. Change in Control. It is the intention of the parties that payments to be made to the Executive whether under the terms of this Agreement or otherwise shall not constitute "excess parachute payments" within the meaning of Section 280G of the Internal Revenue Code of 1986 (as amended from time to time) (the "Code) and any regulations thereunder. If the independent accountants serving as auditors for the Company on the date of this Agreement (or any other independent certified public accounting firm designated by the Company) determine that any payment or distribution by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise) would be nondeductible by the Company, under Section 280G of the Code (or any successor provision), then the amounts payable or distributable under this Agreement will be reduced to the maximum amount which may be paid or distributed without causing such payments or distributions to be nondeductible. The determination shall take into account (a) whether the payments or distributions are "parachute payments" under Section 280G, (b) the amount of payments and distributions under this Agreement that constitute reasonable compensation, and (c) the present value of such payments and distributions determined in accordance with Treasury Regulations in effect from time to time. The Executive shall have the right to designate which payments or distributions will be reduced.

7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company for which the Executive may qualify. Vested benefits and other amounts that the Executive is otherwise entitled to receive on or after the Date of Termination under any plan, policy, practice or program of, or any contract or agreement with, the Company shall be payable in accordance with such plan, policy, practice, program, contract or agreement, as the case may be, except as explicitly modified by this Agreement.

8. No Mitigation. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced, regardless of whether the Executive obtains other employment.

9. Confidential Information; Non-solicitation; Non-competition.

(a) The Executive agrees and acknowledges that by reason of her employment by and service to the Company, he will have access to, become exposed to and/or become knowledgeable about confidential information of the Company (the "Confidential Information") from time to time during the Employment Period, including, without limitation, proposals, plans, inventions, practices, systems, programs, processes, methods, techniques, research, records, supplier sources, customer lists and other forms of business information that are not known to the Company's competitors, are not recognized as being encompassed within standard business or management practices and/or are kept secret and confidential by the Company. Executive agrees that at no time during or after the Employment Period will he disclose or use the Confidential Information except as may be required in the prudent course of business for the benefit of the Company. The Executive also agrees to be subject to the Company's Code of Ethics and Business Conduct as in effect from time to time during the Employment Period.

(b) The Executive acknowledges that the Company is generally engaged in business throughout the United States. During the Executive's employment by the Company and for two years after the Date of Termination or the expiration of the final Employment Period, the Executive agrees that he will not, unless acting with the prior written consent of the Company, directly or indirectly, own, manage, control, or participate in the ownership, management or control of, or be employed or engaged by, or otherwise affiliated or associated with, as an officer, director, employee, consultant, independent contractor or otherwise, any other corporation, partnership, proprietorship, firm, association or other business entity, or otherwise engage in any business, which is engaged in the wholesale distribution of pharmaceutical products as of the Date of Termination or expiration of the final Employment Period, as applicable, is engaged in by the Company, has been reviewed with the Board for development to be owned or managed by the Company, and/or has been divested by the Company but as to which the Company has an obligation to refrain from involvement, but only for so long as such restriction applies to the Company; provided, however, that the ownership of not more than 5% of the equity of a publicly traded entity shall not be deemed to be a violation of this paragraph. During such two-year period, Executive also agrees to make herself reasonably available to the Company for consulting at a per diem rate that reflects her annual salary as in an effect prior to her termination of employment (plus reimbursement of Executive's reasonable expenses). Notwithstanding the foregoing, the Executive shall be relieved of the covenants provided for in this subsection in the event that the Company fails to make payments to Executive as provided for in Section 5(a) of this Agreement.

(c) The Executive also agrees that he will not, directly or indirectly, during the period described in paragraph (b) of this Section 9 induce any person who is an employee, officer, director, or agent of the Company, to terminate such relationship, or employ, assist in employing or otherwise be associated in business with any present or former employee or officer of the Company, including without limitation those who commence such positions with the Company after the Date of Termination.

(d) The Executive acknowledges and agrees that the restrictions contained in this Section 9 are reasonable and necessary to protect and preserve the legitimate interests, properties, goodwill and business of the Company, that the Company would not have entered into this Agreement in the absence of such restrictions and that irreparable injury will be suffered by the Company should the Executive breach the provisions of this Section. The Executive represents and acknowledges that (i) the Executive has been advised by the Company to consult the Executive's own legal counsel in respect of this Agreement, (ii) the Executive has consulted with and been advised by her own counsel in respect of this Agreement, and (iii) the Executive has had full opportunity, prior to execution of this Agreement, to review thoroughly this Agreement with the Executive's counsel.

(e) The Executive further acknowledges and agrees that a breach of the restrictions in this Section 9 will not be adequately compensated by monetary damages. The Executive agrees that actual damage may be difficult to ascertain and that, in the event of any such breach, the Company shall be entitled to injunctive relief in addition to such other legal or equitable remedies as may be available to the Company. In the event that the provisions of this Section 9 should ever be adjudicated to exceed the limitations permitted by applicable law in any jurisdiction, it is the intention of the parties that the provision shall be amended such that those provisions are made consistent with the maximum limitations permitted by applicable law, that such amendment shall apply only within the jurisdiction of the court that made such adjudication and that those provisions otherwise be enforced to the maximum extent permitted by law.

(f) If the Executive breaches her obligations under this Section 9, he agrees that suit may be brought, and that he consents to personal jurisdiction, in the United States District Court for the Eastern District of Pennsylvania, or if such court does not have jurisdiction or will not accept jurisdiction, in any court of general jurisdiction in Chester County, Pennsylvania; consents to the non-exclusive jurisdiction of any such court in any such suit, action or proceeding; and waives any objection which he may have to the laying of venue of any such suit, action or proceeding in any such court. The Executive also irrevocably and unconditionally consents to the service of any process, pleadings, notices or other papers.

(g) For purposes of this Section 9, the term "Company" shall be deemed to include subsidiaries and affiliates of the Company.

10. Successors.

(a) This Agreement is personal to the Executive and, without the prior written consent of the Company, shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would have been required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean both the Company as defined above and any such successor that assumes and agrees to perform this Agreement, by operation of law or otherwise.

11. Miscellaneous.

(a) This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified except by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications under this Agreement shall be in writing and shall be given by hand to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

Jeanne B. Fisher

____

____

____

If to the Company:

AmerisourceBergen Corporation
1300 Morris Drive, Suite 100
Chesterbrook, PA 19087
Attention: General Counsel

or to such other address as either party furnishes to the other in writing in accordance with this paragraph (b) of Section 11. Notices and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. If any provision of this Agreement shall be held invalid or unenforceable in part, the remaining portion of such provision, together with all other provisions of this Agreement, shall remain valid and enforceable and continue in full force and effect to the fullest extent consistent with law.

(d) Notwithstanding any other provision of this Agreement, the Company may withhold from amounts payable under this Agreement all federal, state, local and foreign taxes that are required to be withheld by applicable laws or regulations.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision of, or to assert any right under, this Agreement (including, without limitation, the right of the Executive to terminate employment for Good Reason pursuant to paragraph (c) of Section 5 of this Agreement) shall not be deemed to be a waiver of such provision or right or of any other provision of or right under this Agreement.

(f) This Agreement may be executed in several counterparts, each of which shall be deemed an original, and said counterparts shall constitute but one and the same instrument.

12. The respective rights and obligations of the parties hereunder shall survive any termination of the Executive's employment to the extent necessary to the intended preservation of such rights and obligations, including, but not by way of limitation, those rights and obligations set forth in Sections 3, 5, 6, 9 and 11.

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization of the Committee, the Company has caused this Agreement to be executed in its name on its behalf, all as of the day and year first above written.

AMERISOURCEBERGEN CORPORATION

By: /s/ R. David Yost
Name: R. David Yost
Title: Chief Executive Officer

EXECUTIVE

/s/ Jeanne B. Fisher
Jeanne B. Fisher

ANNEX 1

SEPARATION OF EMPLOYMENT AGREEMENT AND GENERAL RELEASE

THIS SEPARATION OF EMPLOYMENT AGREEMENT AND GENERAL RELEASE (the "Agreement") is made as of this __ day of ______, __, by and between AmerisourceBergen Corporation (the "Company") and __________ (the "Executive").

WHEREAS, Executive formerly was employed as __________;

WHEREAS, Executive and Company entered into an Employment Agreement, dated __________, __, (the "Employment Agreement") which provides for certain severance benefits in the event that Executive's employment is terminated on account of a reason set forth in the Employment Agreement;

WHEREAS, Executive and the Company mutually desire to terminate Executive's employment on an amicable basis, such termination to be effective ______, __ (the "Date of Resignation"); and

WHEREAS, in connection with the termination of Executive's employment, the parties have agreed to a separation package and the resolution of any and all disputes between them.

NOW, THEREFORE, IT IS HEREBY AGREED by and between Executive and the Company as follows:

1. (a) Executive, for and in consideration of the commitments of the Company as set forth in Paragraph 5 of this Agreement, and intending to be legally bound, does hereby REMISE, RELEASE AND FOREVER DISCHARGE the Company, its affiliates, subsidiaries and parents, and its officers, directors, employees, and agents, and its and their respective successors and assigns, heirs, executors, and administrators (each, a "Releasee" and collectively, "Releasees") from all causes of action, suits, debts, claims and demands whatsoever in law or in equity, which Executive ever had, now has, or hereafter may have, whether known or unknown, or which Executive's heirs, executors, or administrators may have, by reason of any matter, cause or thing whatsoever, from the beginning of Executive's employment to the date of this Agreement, and particularly, but without limitation of the foregoing general terms, any claims arising from or relating in any way to Executive's employment relationship with the Company and/or its predecessors, subsidiaries or affiliates, the terms and conditions of that employment relationship, and the termination of that employment relationship, including, but not limited to, any claims arising under the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act ("OWBPA"), Title VII of The Civil Rights Act of 1964, the Americans with Disabilities Act, the Family and Medical Leave Act of 1993, the Employee Retirement Income Security Act of 1974, the Pennsylvania Human Relations Act, and any other claims under any federal, state or local common law, statutory, or regulatory provision, now or hereafter recognized, and any claims for attorneys' fees and costs. This Agreement is effective without regard to the legal nature of the claims raised and without regard to whether any such claims are based upon tort, equity, implied or express contract or discrimination of any sort.

(b) To the fullest extent permitted by law, and subject to the provisions of Paragraph 10 below, Executive represents and affirms that (i) Executive has not filed or caused to be filed on Executive's behalf any claim for relief against the Company or any Releasee and, to the best of

Executive's knowledge and belief, no outstanding claims for relief have been filed or asserted against the Company or any Releasee on Executive's behalf; (ii) Executive has not reported any improper, unethical or illegal conduct or activities to any supervisor, manager, department head, human resources representative, agent or other representative of the Company, to any member of the Company's legal or compliance departments, or to the ethics hotline, and has no knowledge of any such improper, unethical or illegal conduct or activities; and (iii) Executive will not file, commence, prosecute or participate in any judicial or arbitral action or proceeding against the Company or any Releasee based upon or arising out of any act, omission, transaction, occurrence, contract, claim or event existing or occurring on or before the date of this Agreement.

2. In consideration of the Company's agreements as set forth in Paragraph 5 herein, Executive agrees to be bound by the terms of Section 9 of the Employment Agreement.

3. Executive agrees and recognizes that Executive has permanently and irrevocably severed Executive's employment relationship with the Company, that Executive shall not seek employment with the Company or any affiliated entity at any time in the future, and that the Company has no obligation to employ Executive in the future.

4. Executive further agrees that Executive will not disparage or subvert the Company, or make any statement reflecting negatively on the Company, its affiliated corporations or entities, or any of their officers, directors, employees, agents or representatives, including, but not limited to, any matters relating to the operation or management of the Company, Executive's employment and the termination of Executive's employment, irrespective of the truthfulness or falsity of such statement.

5. In consideration for Executive's agreement as set forth herein, the Company agrees that the Company shall provide the following:

(a) Executive shall receive continued payment for two years after the Date of Resignation of (i) Executive's current base salary (as in effect on the Date of Resignation), and (ii) a bonus equal to the average of the annual bonuses paid by the Company to the Executive over the prior three years [**if less than three years, the average bonus during such shorter period; if the Executive was not previously employed by the Company and therefore not eligible for a bonus, the Executive's target bonus**].

(b) [**Executive shall receive the executive level outplacement assistance benefits under any outplacement program that the Company may then have in effect.]**].

(c) Executive shall receive, in a lump sum in cash within 30 days after the Date of Resignation (or, in the case of the prorated Annual Bonus Amount (as defined below), at the time such bonus is generally paid), the Executive's accrued but unpaid cash compensation, which shall include but not be limited to, (i) the Executive's base salary through the Date of Resignation that has not yet been paid, (ii) an amount representing a 100% target bonus for the Executive's salary grade for the year of termination, multiplied by a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Resignation, and the denominator of which is 365 (the "Annual Bonus Amount"), (iii) any accrued but unpaid vacation pay, and (iv) similar unpaid items that have accrued and as to which the Executive has become entitled as of the Date of Resignation, including declared but unpaid bonuses and unreimbursed employee business expenses.

6. Executive understands and agrees that the payments, benefits and agreements provided in this Agreement are being provided to Executive in consideration for Executive's acceptance and execution of, and in reliance upon Executive's representations in, this Agreement. Executive acknowledges that if Executive had not executed this Agreement containing a release of all claims against the Company, Executive would only have been entitled to the payments provided in the Company's standard severance pay plan for employees.

7. Executive acknowledges and agrees that the Company previously has satisfied any and all obligations owed to Executive under any employment agreement or offer letter Executive has with the Company and, further, that this Agreement supersedes any employment agreement or offer letter Executive has with the Company, and any and all prior agreements or understandings, whether written or oral, between the parties shall remain in full force and effect to the extent not inconsistent with this Agreement, and further, that, except as set forth expressly herein, no promises or representations have been made to Executive in connection with the termination of Executive's employment agreement or offer letter with the Company, or the terms of this Agreement.

8. Executive agrees not to disclose the terms of this Agreement to anyone, except Executive's spouse, attorney and, as necessary, tax/financial advisor. Likewise, the Company agrees that the terms of this Agreement will not be disclosed except as may be necessary to obtain approval or authorization to fulfill its obligations hereunder or as required by law. It is expressly understood that any violation of the confidentiality obligation imposed hereunder constitutes a material breach of this Agreement.

9. Executive represents that Executive does not presently have in Executive's possession any records and business documents, whether on computer or hard copy, and other materials (including but not limited to computer disks and tapes, computer programs and software, office keys, correspondence, files, customer lists, technical information, customer information, pricing information, business strategies and plans, sales records and all copies thereof) (collectively, the "Corporate Records") provided by the Company and/or its predecessors, subsidiaries or affiliates or obtained as a result of Executive's prior employment with the Company and/or its predecessors, subsidiaries or affiliates, or created by Executive while employed by or rendering services to the Company and/or its predecessors, subsidiaries or affiliates. Executive acknowledges that all such Corporate Records are the property of the Company. In addition, Executive shall promptly return in good condition any and all beepers, credit cards, cellular telephone equipment, business cards and computers. As of the Date of Resignation, the Company will make arrangements to remove, terminate or transfer any and all business communication lines including network access, cellular phone, fax line and other business numbers.

10. Nothing in this Agreement shall prohibit or restrict Executive from: (i) making any disclosure of information required by law; (ii) providing information to, or testifying or otherwise assisting in any investigation or proceeding brought by, any federal regulatory or law enforcement agency or legislative body, any self-regulatory organization, or the Company's [**designated legal, compliance or human resources officer**]; or (iii) filing, testifying, participating in or otherwise assisting in a proceeding relating to an alleged violation of any federal, state or municipal law relating to fraud, or any rule or regulation of the Securities and Exchange Commission or any self-regulatory organization.

11. The parties agree and acknowledge that the agreement by the Company described herein, and the settlement and termination of any asserted or unasserted claims against the Releasees, are not and

shall not be construed to be an admission of any violation of any federal, state or local statute or regulation, or of any duty owed by any of the Releasees to Executive.

12. Executive agrees and recognizes that should Executive breach any of the obligations or covenants set forth in this Agreement, the Company will have no further obligation to provide Executive with the consideration set forth herein, and will have the right to seek repayment of all consideration paid up to the time of any such breach. Further, Executive acknowledges in the event of a breach of this Agreement, Releasees may seek any and all appropriate relief for any such breach, including equitable relief and/or money damages, attorney's fees and costs.

13. Executive further agrees that the Company shall be entitled to preliminary and permanent injunctive relief, without the necessity of proving actual damages, as well as to an equitable accounting of all earnings, profits and other benefits arising from any violations of this Agreement, which rights shall be cumulative and in addition to any other rights or remedies to which the Company may be entitled.

14. This Agreement and the obligations of the parties hereunder shall be construed, interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania.

15. Executive certifies and acknowledges as follows:

(a) That Executive has read the terms of this Agreement, and that Executive understands its terms and effects, including the fact that Executive has agreed to RELEASE AND FOREVER DISCHARGE the Company and each and everyone of its affiliated entities from any legal action arising out of Executive's employment relationship with the Company and the termination of that employment relationship;

(b) That Executive has signed this Agreement voluntarily and knowingly in exchange for the consideration described herein, which Executive acknowledges is adequate and satisfactory to Executive and which Executive acknowledges is in addition to any other benefits to which Executive is otherwise entitled;

(c) That Executive has been and is hereby advised in writing to consult with an attorney prior to signing this Agreement;

(d) That Executive does not waive rights or claims that may arise after the date this Agreement is executed;

(e) That the Company has provided Executive with a period of twenty-one (21) days within which to consider this Agreement, and that Executive has signed on the date indicated below after concluding that this Agreement is satisfactory to Executive; and

(f) Executive acknowledges that this Agreement may be revoked by Executive within seven (7) days after execution, and it shall not become effective until the expiration of such seven day revocation period. In the event of a timely revocation by Executive, this Agreement will be deemed null and void and the Company will have no obligations hereunder.

[*SIGNATURE PAGE FOLLOWS*]

Intending to be legally bound hereby, Executive and the Company executed the foregoing Separation of Employment Agreement and General Release this ______ day of ______, ______.

______________________________	Witness: ______________________________
[Executive]	

AMERISOURCEBERGEN CORPORATION

By:	______________________________	Witness: ______________________________
Name:	______________________________	
Title:	______________________________	

Exhibit 10.26

EMPLOYMENT AGREEMENT

THIS AGREEMENT by and between AmerisourceBergen Corporation, a Delaware corporation (hereinafter the "Company"), and John G. Chou (the "Executive"), dated and effective as of January 1, 2007.

WHEREAS, the Board of Directors of the Company (the "Board"), upon the recommendation of the Compensation and Succession Planning Committee of the Board (the "Committee"), has determined that it is in the best interests of the Company and its shareholders to employ the Executive, effective as of the date of this Agreement, as the Senior Vice President, General Counsel and Secretary of the Company, and the Executive desires to serve in that capacity, effective as of the date of this Agreement;

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Employment Period. The Company shall continue to employ the Executive, either directly or through a Subsidiary, and the Executive shall continue to serve the Company or any such Subsidiary, on the terms and conditions set forth in this Agreement, for the period beginning on January 1, 2007 (the "Employment Date") and ending on September 30, 2007 (the "Employment Period"). Thereafter, the Employment Period shall automatically renew for periods of two years unless one party gives written notice to the other, at least 60 days prior to the end of the initial or any renewal period, as applicable, that the Agreement shall not be further extended. In addition, the Executive's employment may be terminated as provided below in Section 4.

2. Position and Duties.

(a) During the Employment Period, the Executive shall be employed as the Senior Vice President, General Counsel and Secretary of the Company, subject to such changes in title as may be proposed by the Board or the Chief Executive Officer and consented to by the Executive. The Executive shall report to the Chief Executive Officer of the Company and shall perform such duties for the Company as are related typically to the office of Senior Vice President, General Counsel and Secretary, in the manner reasonably directed by the Board, in its discretion, or the Chief Executive Officer of the Company, in his discretion.

(b) During the Employment Period, and excluding any periods of vacation and absence due to intermittent illness to which the Executive is entitled, any services that are approved by the Executive's direct supervisor on corporate, civic or charitable boards or committees not significantly interfering with the performance of his responsibilities to the Company or violating the provisions of Section 9, the Executive shall devote his full time and attention during normal business hours to the business and affairs of the Company and the Executive shall use reasonable efforts to carry out all duties and responsibilities assigned to him faithfully and efficiently.

3. Compensation.

(a) Base Salary. During the Employment Period, the Executive shall continue to receive annual base salary at the rate in effect as of the date of this Agreement, payable in accordance with the regular payroll practices of the Company. The Executive's base salary shall be reviewed annually by the Committee and/or the Chief Executive Officer of the Company, in accordance with the Company's standard practices for executives generally, and may be increased as determined by the Committee, in its sole discretion, or by any person or persons to whom the Committee has delegated such authority.

(b) Annual Bonus and Incentive Plans; Other Benefits. During the Employment Period: (i) the Executive shall be entitled to participate in any short-term and long-term incentive programs established and/or maintained by the Company for its senior level executives generally; (ii) the Executive shall be entitled to continue to participate in all incentive, savings and retirement plans, practices, policies and programs of the Company to at least the same extent as other senior executives of the Company; (iii) the Executive and/or the Executive's family, as the case may be, shall be eligible for continued participation in, and shall continue to receive all benefits under, all welfare benefit plans, practices, policies and programs provided by the Company to at least the same extent as other senior executives of the Company; and (iv) the Executive shall continue to be entitled to, and the Company shall continue to provide the Executive with, not less than the number of weeks of paid vacation during each calendar year to which the Executive is entitled as of the date of this Agreement. In addition to the foregoing, the Executive shall be entitled to annual reimbursement of up to $5,000 per year for tax and financial planning and tax preparation.

(c) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in carrying out the Executive's duties under this Agreement, provided that the Executive complies with the generally applicable policies, practices and procedures of the Company for submission of expense reports, receipts, or similar documentation of such expenses.

4. Termination of Employment.

(a) Death or Disability. The Executive's employment and the Employment Period shall terminate automatically upon the Executive's death or long term Disability during the Employment Period. "Disability" shall be as defined under the Company's Long Term Disability Plan.

(b) By the Company. The Company may terminate the Executive's employment under this Agreement during the Employment Period for Cause or without Cause. "Cause" means

(i) the continued failure by the Executive to substantially perform his duties as contemplated by this Agreement (other than any such failure resulting from his incapacity due to physical or mental illness or injury or any such actual or anticipated failure after the issuance by the Executive of a Notice of Termination for Good Reason) over a period of not less than thirty days after a demand for substantial performance is delivered to the Executive by the Board or by the Chief Executive Officer of the Company, which demand identifies the manner in which it is believed that the Executive has not substantially performed his duties;

(ii) the willful misconduct of the Executive materially and demonstrably injurious to the Company (including, without limitation, any breach by the Executive of Section 9 of this Agreement); provided that no act or failure to act on the Executive's part will be considered willful if done, or omitted to be done, by him in good faith and with reasonable belief that his action or omission was in the best interest of the Company;

(iii) the Executive's conviction of a misdemeanor, which, as determined in good faith by the Board, constitutes a crime of moral turpitude and gives rise to material harm to the Company or to any subsidiary or affiliate of the Company; or

(iv) the Executive's conviction of a felony (including, without limitation, any felony constituting a crime of moral turpitude).

(c) By the Executive. The Executive may terminate employment under this Agreement for Good Reason or without Good Reason. "Good Reason" means:

(i) any reduction in the Executive's Base Salary;

(ii) material failure by the Company to comply with any provision of Sections 2 and 3 of this Agreement, other than an isolated, insubstantial or inadvertent failure that is not taken in bad faith and is remedied by the Company within 30 days after receipt of written notice thereof from the Executive; or

(iii) notice by the Company of non-renewal under Section 1.

A termination of employment by the Executive for Good Reason shall be effectuated by giving the Company written notice ("Notice of Termination for Good Reason") of the termination, setting forth in reasonable detail the specific conduct that constitutes Good Reason and the specific provision(s) of this Agreement on which the Executive relies. The Company shall have 20 days to remedy the conduct set forth in the Notice of Termination for Good Reason. A termination of employment by the Executive for Good Reason shall be effective on the thirtieth business day following the date when the Notice of Termination for Good Reason is given, unless the conduct set forth in the notice is remedied by the Company within the 20-day period. A termination of the Executive's employment by the Executive without Good Reason shall be effected by giving the Company at least 30 days' advance written notice of the termination.

(d) Date of Termination. The "Date of Termination" means the date of the Executive's death, the date of the Executive's Disability, the date the termination of the Executive's employment under this Agreement by the Company for Cause or without Cause or by the Executive for Good Reason or without Good Reason, as the case may be, is effective. The Employment Period shall end on the Date of Termination.

5. Obligations of the Company upon Termination.

(a) By the Company Other Than for Cause; or By the Executive for Good Reason. If, during the Employment Period, the Company terminates the Executive's employment under this Agreement (other than for Cause) or the Executive terminates employment under this Agreement for Good Reason:

(1) the Executive shall be entitled to continued payment for two years after the Date of Termination of (i) the Executive's current base salary (as in effect on the Date of Termination), and (ii) a bonus equal to the average of the annual bonuses paid by the Company to the Executive over the prior three years (or if less than three years, the average bonus during such shorter period) and

(2) if after the Date of Termination the Executive elects to receive continuation coverage under the Company's group health plans pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), the Executive shall be entitled to reimbursement from the Company for the COBRA premium costs of medical, prescription, dental and vision coverage, if any, under the Company's group health plans (as in effect from time to time) for the Executive and, to the extent permitted under COBRA, the Executive's spouse and eligible dependents, such reimbursement not to exceed the COBRA rates for such coverage and, unless terminated sooner as described below, such reimbursement to continue for two years after the

Date of Termination; provided, however, that the Executive shall be required to submit to the Company reasonable evidence of payment by the Executive of any such COBRA premiums in order to obtain reimbursement from the Company and that the Executive may not submit any requests for reimbursement of such payments more than once per calendar month; provided, further, that the Company, in its sole discretion, may elect for the first two calendar months (or portions thereof) of the two year period to remit any such payments directly on behalf of the Executive rather than requiring the Executive to remit such payments and seek reimbursement therefor from the Company; provided, further, that the obligations of the Company to reimburse any such payments shall terminate on the date of occurrence of the first to occur of any of the following, if any of the following should occur prior to the end of the two year period: (i) the date of commencement of eligibility of the Executive under the group health plan of any other employer or (ii) the date of commencement of eligibility of the Executive for Medicare benefits under Title XVIII of the Social Security Act ("Medicare Benefits"); and provided, further, that the Executive nevertheless shall be entitled to elect COBRA continuation coverage without reimbursement under the Company's group health plans at the applicable COBRA premium rates through the date that is 18 months after the Date of Termination or, if earlier, the date that the Executive becomes covered under the group health plan of another employer or becomes eligible for Medicare Benefits, if the obligations of the Company to reimburse the Executive for COBRA premiums for continuation coverage under the Company's group health plans should terminate prior to such date. Notwithstanding anything to the contrary set forth above, the Company, in its sole discretion, may discontinue any coverage contemplated hereunder in the event that such continuation is not permitted under or would adversely affect the tax status of the plan or plans of the Company pursuant to which the coverage is provided, in which case the Company shall make supplemental severance payments to the Executive in monthly amounts equal to the amounts to which the Executive otherwise would have been entitled to reimbursement hereunder in respect of such coverage for the remainder of the period that the Company otherwise would have been obligated to make reimbursements hereunder to the Executive. Any amounts that are reimbursed to the Executive by the Company or paid directly to the Executive as supplemental severance payments will be considered taxable income to the Executive and any taxes on such amounts will be the Executive's responsibility and subject to applicable tax withholding.

In addition, the Executive shall be entitled to receive executive level outplacement assistance under any outplacement assistance program then being maintained by the Company in accordance with the terms of any such program. The Company shall also pay, or cause to be paid, to the Executive, in a lump sum in cash within 30 days after the Date of Termination (or, in the case of the pro-rated Annual Bonus Amount, at the time such bonus is generally paid), the Executive's accrued but unpaid cash compensation (the "Accrued Obligations"), which shall include but not be limited to, (W) the Executive's base salary through the Date of Termination that has not yet been paid (X) an amount representing a 100% target bonus for the Executive's salary grade for the year of termination, multiplied by a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 (the "Annual Bonus Amount"), (Y) any accrued but unpaid vacation pay, and (Z) similar unpaid items that have accrued and as to which the Executive has become entitled as of the Date of Termination, including declared but unpaid bonuses and unreimbursed employee business expenses; provided, however, that the Company's obligation to make any payments, or cause any payments to be made, under this paragraph (a) to the extent any such payment shall not have accrued as of the day before the Date of Termination shall also be conditioned upon the Executive's execution, and non-revocation, of a written release, substantially in the form attached hereto as Annex 1, of any and all claims against the Company and all related parties with respect to all matters arising out of the Executive's employment under this Agreement or the termination thereof (other than any entitlements under the terms of this Agreement to indemnification or under any other plans or programs of the

Company in which the Executive participated and under which the Executive has accrued and is due a benefit).

(b) Death or Disability. If the Executive's employment is terminated by reason of the Executive's death or Disability during the Employment Period, the Company shall pay the Accrued Obligations to the Executive or the Executive's estate or legal representative, as applicable, in a lump sum in cash within 30 days after the Date of Termination. In such event, the Company shall have no further obligations under this Agreement or otherwise to or with respect to the Executive; and for any entitlements under the terms of any other plans or programs of the Company in which the Executive participated and under which the Executive has become entitled to a benefit.

(c) By the Company for Cause; By the Executive Other than for Good Reason. If the Executive's employment is terminated by the Company for Cause during the Employment Period, or the Executive voluntarily terminates employment during the Employment Period, other than for Good Reason, the Company shall pay the Executive, or shall cause the Executive to be paid, the Executive's base salary through the Date of Termination that has not been paid and the amount of any declared but unpaid bonuses, accrued but unpaid vacation pay, and unreimbursed employee business expenses, and the Company shall have no further obligations under this Agreement or otherwise to or with respect to the Executive other than for any entitlements under the terms of any other plans or programs of the Company in which the Executive participated and under which the Executive has become entitled to a benefit.

6. Change in Control. It is the intention of the parties that payments to be made to the Executive whether under the terms of this Agreement or otherwise shall not constitute "excess parachute payments" within the meaning of Section 280G of the Internal Revenue Code of 1986 (as amended from time to time) (the "Code) and any regulations thereunder. If the independent accountants serving as auditors for the Company on the date of this Agreement (or any other independent certified public accounting firm designated by the Company) determine that any payment or distribution by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise) would be nondeductible by the Company, under Section 280G of the Code (or any successor provision), then the amounts payable or distributable under this Agreement will be reduced to the maximum amount which may be paid or distributed without causing such payments or distributions to be nondeductible. The determination shall take into account (a) whether the payments or distributions are "parachute payments" under Section 280G, (b) the amount of payments and distributions under this Agreement that constitute reasonable compensation, and (c) the present value of such payments and distributions determined in accordance with Treasury Regulations in effect from time to time. The Executive shall have the right to designate which payments or distributions will be reduced.

7. Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company for which the Executive may qualify. Vested benefits and other amounts that the Executive is otherwise entitled to receive on or after the Date of Termination under any plan, policy, practice or program of, or any contract or agreement with, the Company shall be payable in accordance with such plan, policy, practice, program, contract or agreement, as the case may be, except as explicitly modified by this Agreement.

8. No Mitigation. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced, regardless of whether the Executive obtains other employment.

9. Confidential Information; Non-solicitation; Non-competition.

(a) The Executive agrees and acknowledges that by reason of his employment by and service to the Company, he will have access to, become exposed to and/or become knowledgeable about confidential information of the Company (the "Confidential Information") from time to time during the Employment Period, including, without limitation, proposals, plans, inventions, practices, systems, programs, processes, methods, techniques, research, records, supplier sources, customer lists and other forms of business information that are not known to the Company's competitors, are not recognized as being encompassed within standard business or management practices and/or are kept secret and confidential by the Company. Executive agrees that at no time during or after the Employment Period will he disclose or use the Confidential Information except as may be required in the prudent course of business for the benefit of the Company. The Executive also agrees to be subject to the Company's Code of Ethics and Business Conduct as in effect from time to time during the Employment Period.

(b) The Executive acknowledges that the Company is generally engaged in business throughout the United States. During the Executive's employment by the Company and for two years after the Date of Termination or the expiration of the final Employment Period, the Executive agrees that he will not, unless acting with the prior written consent of the Company, directly or indirectly, own, manage, control, or participate in the ownership, management or control of, or be employed or engaged by, or otherwise affiliated or associated with, as an officer, director, employee, consultant, independent contractor or otherwise, any other corporation, partnership, proprietorship, firm, association or other business entity, or otherwise engage in any business, which is engaged in the wholesale distribution of pharmaceutical products as of the Date of Termination or expiration of the final Employment Period, as applicable, is engaged in by the Company, has been reviewed with the Board for development to be owned or managed by the Company, and/or has been divested by the Company but as to which the Company has an obligation to refrain from involvement, but only for so long as such restriction applies to the Company; provided, however, that the ownership of not more than 5% of the equity of a publicly traded entity shall not be deemed to be a violation of this paragraph. During such two-year period, Executive also agrees to make himself reasonably available to the Company for consulting at a per diem rate that reflects his annual salary as in an effect prior to his termination of employment (plus reimbursement of Executive's reasonable expenses). Notwithstanding the foregoing, the Executive shall be relieved of the covenants provided for in this subsection in the event that the Company fails to make payments to Executive as provided for in Section 5(a) of this Agreement.

(c) The Executive also agrees that he will not, directly or indirectly, during the period described in paragraph (b) of this Section 9 induce any person who is an employee, officer, director, or agent of the Company, to terminate such relationship, or employ, assist in employing or otherwise be associated in business with any present or former employee or officer of the Company, including without limitation those who commence such positions with the Company after the Date of Termination.

(d) The Executive acknowledges and agrees that the restrictions contained in this Section 9 are reasonable and necessary to protect and preserve the legitimate interests, properties, goodwill and business of the Company, that the Company would not have entered into this Agreement in the absence of such restrictions and that irreparable injury will be suffered by the Company should the Executive breach the provisions of this Section. The Executive represents and acknowledges that (i) the Executive has been advised by the Company to consult the Executive's own legal counsel in respect of this Agreement, (ii) the Executive has consulted with and been advised by his own counsel in respect of this Agreement, and (iii) the Executive has had full opportunity, prior to execution of this Agreement, to review thoroughly this Agreement with the Executive's counsel.

(e) The Executive further acknowledges and agrees that a breach of the restrictions in this Section 9 will not be adequately compensated by monetary damages. The Executive agrees that actual damage may be difficult to ascertain and that, in the event of any such breach, the Company shall be entitled to injunctive relief in addition to such other legal or equitable remedies as may be available to the Company. In the event that the provisions of this Section 9 should ever be adjudicated to exceed the limitations permitted by applicable law in any jurisdiction, it is the intention of the parties that the provision shall be amended such that those provisions are made consistent with the maximum limitations permitted by applicable law, that such amendment shall apply only within the jurisdiction of the court that made such adjudication and that those provisions otherwise be enforced to the maximum extent permitted by law.

(f) If the Executive breaches his obligations under this Section 9, he agrees that suit may be brought, and that he consents to personal jurisdiction, in the United States District Court for the Eastern District of Pennsylvania, or if such court does not have jurisdiction or will not accept jurisdiction, in any court of general jurisdiction in Chester County, Pennsylvania; consents to the non-exclusive jurisdiction of any such court in any such suit, action or proceeding; and waives any objection which he may have to the laying of venue of any such suit, action or proceeding in any such court. The Executive also irrevocably and unconditionally consents to the service of any process, pleadings, notices or other papers.

(g) For purposes of this Section 9, the term "Company" shall be deemed to include subsidiaries and affiliates of the Company.

10. Successors.

(a) This Agreement is personal to the Executive and, without the prior written consent of the Company, shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would have been required to perform it if no such succession had taken place. As used in this Agreement, "Company" shall mean both the Company as defined above and any such successor that assumes and agrees to perform this Agreement, by operation of law or otherwise.

11. Miscellaneous.

(a) This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania, without reference to principles of conflict of laws. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect. This Agreement may not be amended or modified except by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) All notices and other communications under this Agreement shall be in writing and shall be given by hand to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

John G. Chou

If to the Company:

AmerisourceBergen Corporation
1300 Morris Drive
Chesterbrook, PA 19087
Attention: Chief Executive Officer

or to such other address as either party furnishes to the other in writing in accordance with this paragraph (b) of Section 11. Notices and communications shall be effective when actually received by the addressee.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. If any provision of this Agreement shall be held invalid or unenforceable in part, the remaining portion of such provision, together with all other provisions of this Agreement, shall remain valid and enforceable and continue in full force and effect to the fullest extent consistent with law.

(d) Notwithstanding any other provision of this Agreement, the Company may withhold from amounts payable under this Agreement all federal, state, local and foreign taxes that are required to be withheld by applicable laws or regulations.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision of, or to assert any right under, this Agreement (including, without limitation, the right of the Executive to terminate employment for Good Reason pursuant to paragraph (c) of Section 5 of this Agreement) shall not be deemed to be a waiver of such provision or right or of any other provision of or right under this Agreement.

(f) This Agreement may be executed in several counterparts, each of which shall be deemed an original, and said counterparts shall constitute but one and the same instrument.

12. The respective rights and obligations of the parties hereunder shall survive any termination of the Executive's employment to the extent necessary to the intended preservation of such rights and obligations, including, but not by way of limitation, those rights and obligations set forth in Sections 3, 5, 6, 9 and 11.

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization of the Committee, the Company has caused this Agreement to be executed in its name on its behalf, all as of the day and year first above written.

AMERISOURCEBERGEN CORPORATION

By: /s/ R. David Yost
Name: R. David Yost
Title: CEO

EXECUTIVE

/s/ John G. Chou
John G. Chou

ANNEX 1

SEPARATION OF EMPLOYMENT AGREEMENT AND GENERAL RELEASE

THIS SEPARATION OF EMPLOYMENT AGREEMENT AND GENERAL RELEASE (the "Agreement") is made as of this __ day of __________, ______, by and between AmerisourceBergen Corporation (the "Company") and __________ (the "Executive").

WHEREAS, Executive formerly was employed as __________;

WHEREAS, Executive and Company entered into an Employment Agreement, dated ______, __, (the "Employment Agreement") which provides for certain severance benefits in the event that Executive's employment is terminated on account of a reason set forth in the Employment Agreement;

WHEREAS, Executive and the Company mutually desire to terminate Executive's employment on an amicable basis, such termination to be effective ________, __ (the "Date of Resignation"); and

WHEREAS, in connection with the termination of Executive's employment, the parties have agreed to a separation package and the resolution of any and all disputes between them.

NOW, THEREFORE, IT IS HEREBY AGREED by and between Executive and the Company as follows:

1. (a) Executive, for and in consideration of the commitments of the Company as set forth in Paragraph 5 of this Agreement, and intending to be legally bound, does hereby REMISE, RELEASE AND FOREVER DISCHARGE the Company, its affiliates, subsidiaries and parents, and its officers, directors, employees, and agents, and its and their respective successors and assigns, heirs, executors, and administrators (each, a "Releasee" and collectively, "Releasees") from all causes of action, suits, debts, claims and demands whatsoever in law or in equity, which Executive ever had, now has, or hereafter may have, whether known or unknown, or which Executive's heirs, executors, or administrators may have, by reason of any matter, cause or thing whatsoever, from the beginning of Executive's employment to the date of this Agreement, and particularly, but without limitation of the foregoing general terms, any claims arising from or relating in any way to Executive's employment relationship with the Company and/or its predecessors, subsidiaries or affiliates, the terms and conditions of that employment relationship, and the termination of that employment relationship, including, but not limited to, any claims arising under the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act ("OWBPA"), Title VII of The Civil Rights Act of 1964, the Americans with Disabilities Act, the Family and Medical Leave Act of 1993, the Employee Retirement Income Security Act of 1974, the Pennsylvania Human Relations Act, and any other claims under any federal, state or local common law, statutory, or regulatory provision, now or hereafter recognized, and any claims for attorneys' fees and costs. This Agreement is effective without regard to the legal nature of the claims raised and without regard to whether any such claims are based upon tort, equity, implied or express contract or discrimination of any sort.

(b) To the fullest extent permitted by law, and subject to the provisions of Paragraph 10 below, Executive represents and affirms that (i) Executive has not filed or caused to be filed on Executive's behalf any claim for relief against the Company or any Releasee and, to the best of

Executive's knowledge and belief, no outstanding claims for relief have been filed or asserted against the Company or any Releasee on Executive's behalf; (ii) Executive has not reported any improper, unethical or illegal conduct or activities to any supervisor, manager, department head, human resources representative, agent or other representative of the Company, to any member of the Company's legal or compliance departments, or to the ethics hotline, and has no knowledge of any such improper, unethical or illegal conduct or activities; and (iii) Executive will not file, commence, prosecute or participate in any judicial or arbitral action or proceeding against the Company or any Releasee based upon or arising out of any act, omission, transaction, occurrence, contract, claim or event existing or occurring on or before the date of this Agreement.

2. In consideration of the Company's agreements as set forth in Paragraph 5 herein, Executive agrees to be bound by the terms of Section 9 of the Employment Agreement.

3. Executive agrees and recognizes that Executive has permanently and irrevocably severed Executive's employment relationship with the Company, that Executive shall not seek employment with the Company or any affiliated entity at any time in the future, and that the Company has no obligation to employ Executive in the future.

4. Executive further agrees that Executive will not disparage or subvert the Company, or make any statement reflecting negatively on the Company, its affiliated corporations or entities, or any of their officers, directors, employees, agents or representatives, including, but not limited to, any matters relating to the operation or management of the Company, Executive's employment and the termination of Executive's employment, irrespective of the truthfulness or falsity of such statement.

5. In consideration for Executive's agreement as set forth herein, the Company agrees that the Company shall provide the following:

[**insert description of severance benefits to which Executive is entitled under the Employment Agreement**].

6. Executive understands and agrees that the payments, benefits and agreements provided in this Agreement are being provided to Executive in consideration for Executive's acceptance and execution of, and in reliance upon Executive's representations in, this Agreement. Executive acknowledges that if Executive had not executed this Agreement containing a release of all claims against the Company, Executive would only have been entitled to the payments provided in the Company's standard severance pay plan for employees.

7. Executive acknowledges and agrees that the Company previously has satisfied any and all obligations owed to Executive under any employment agreement or offer letter Executive has with the Company and, further, that this Agreement supersedes any employment agreement or offer letter Executive has with the Company, and any and all prior agreements or understandings, whether written or oral, between the parties shall remain in full force and effect to the extent not inconsistent with this Agreement, and further, that, except as set forth expressly herein, no promises or representations have been made to Executive in connection with the termination of Executive's employment agreement or offer letter with the Company, or the terms of this Agreement.

8. Executive agrees not to disclose the terms of this Agreement to anyone, except Executive's spouse, attorney and, as necessary, tax/financial advisor. Likewise, the Company agrees that the terms of this Agreement will not be disclosed except as may be necessary to obtain approval or authorization to fulfill its obligations hereunder or as required by law. It is expressly understood that any

violation of the confidentiality obligation imposed hereunder constitutes a material breach of this Agreement.

9. Executive represents that Executive does not presently have in Executive's possession any records and business documents, whether on computer or hard copy, and other materials (including but not limited to computer disks and tapes, computer programs and software, office keys, correspondence, files, customer lists, technical information, customer information, pricing information, business strategies and plans, sales records and all copies thereof) (collectively, the "Corporate Records") provided by the Company and/or its predecessors, subsidiaries or affiliates or obtained as a result of Executive's prior employment with the Company and/or its predecessors, subsidiaries or affiliates, or created by Executive while employed by or rendering services to the Company and/or its predecessors, subsidiaries or affiliates. Executive acknowledges that all such Corporate Records are the property of the Company. In addition, Executive shall promptly return in good condition any and all beepers, credit cards, cellular telephone equipment, business cards and computers. As of the Date of Resignation, the Company will make arrangements to remove, terminate or transfer any and all business communication lines including network access, cellular phone, fax line and other business numbers.

10. Nothing in this Agreement shall prohibit or restrict Executive from: (i) making any disclosure of information required by law; (ii) providing information to, or testifying or otherwise assisting in any investigation or proceeding brought by, any federal regulatory or law enforcement agency or legislative body, any self-regulatory organization, or the Company's [**designated legal, compliance or human resources officer**]; or (iii) filing, testifying, participating in or otherwise assisting in a proceeding relating to an alleged violation of any federal, state or municipal law relating to fraud, or any rule or regulation of the Securities and Exchange Commission or any self-regulatory organization.

11. The parties agree and acknowledge that the agreement by the Company described herein, and the settlement and termination of any asserted or unasserted claims against the Releasees, are not and shall not be construed to be an admission of any violation of any federal, state or local statute or regulation, or of any duty owed by any of the Releasees to Executive.

12. Executive agrees and recognizes that should Executive breach any of the obligations or covenants set forth in this Agreement, the Company will have no further obligation to provide Executive with the consideration set forth herein, and will have the right to seek repayment of all consideration paid up to the time of any such breach. Further, Executive acknowledges in the event of a breach of this Agreement, Releasees may seek any and all appropriate relief for any such breach, including equitable relief and/or money damages, attorney's fees and costs.

13. Executive further agrees that the Company shall be entitled to preliminary and permanent injunctive relief, without the necessity of proving actual damages, as well as to an equitable accounting of all earnings, profits and other benefits arising from any violations of this Agreement, which rights shall be cumulative and in addition to any other rights or remedies to which the Company may be entitled.

14. This Agreement and the obligations of the parties hereunder shall be construed, interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania.

15. Executive certifies and acknowledges as follows:

(a) That Executive has read the terms of this Agreement, and that Executive understands its terms and effects, including the fact that Executive has agreed to RELEASE AND FOREVER DISCHARGE the Company and each and everyone of its affiliated entities from any legal action arising out of Executive's employment relationship with the Company and the termination of that employment relationship;

(b) That Executive has signed this Agreement voluntarily and knowingly in exchange for the consideration described herein, which Executive acknowledges is adequate and satisfactory to Executive and which Executive acknowledges is in addition to any other benefits to which Executive is otherwise entitled;

(c) That Executive has been and is hereby advised in writing to consult with an attorney prior to signing this Agreement;

(d) That Executive does not waive rights or claims that may arise after the date this Agreement is executed;

(e) That the Company has provided Executive with a period of twenty-one (21) days within which to consider this Agreement, and that Executive has signed on the date indicated below after concluding that this Agreement is satisfactory to Executive; and

(f) Executive acknowledges that this Agreement may be revoked by Executive within seven (7) days after execution, and it shall not become effective until the expiration of such seven day revocation period. In the event of a timely revocation by Executive, this Agreement will be deemed null and void and the Company will have no obligations hereunder.

[*SIGNATURE PAGE FOLLOWS*]

Intending to be legally bound hereby, Executive and the Company executed the foregoing Separation of Employment Agreement and General Release this __ day of __________, __.

______________________________	Witness: ______________________________
[Executive]	

AMERISOURCEBERGEN CORPORATION

By: ______________________________	Witness: ______________________________
Name: ______________________________	
Title: ______________________________	

Exhibit 21

Subsidiaries

Name	Jurisdiction of Formation
AmerisourceBergen Drug Corporation	Delaware
AmerisourceBergen Holding Corporation	Delaware
Amerisource Health Services Corporation	Delaware
Amerisource Receivables Financial Corporation	Delaware
Amerisource Heritage Corporation	Delaware
ASD Specialty Healthcare, Inc.	California

Exhibit 23

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statements Nos. 333-102090 and 333-105743 on Form S-3, Nos. 333-69254, 333-88230, 333-101042, 333-101043, 333-110431, and 333-140470 on Form S-8, No. 333-61440 on Form S-4/S-8, and No. 333-132017 on Form S-4 of AmerisourceBergen Corporation of our reports dated November 25, 2008, with respect to the consolidated financial statements and schedule of AmerisourceBergen Corporation and subsidiaries and the effectiveness of internal control over financial reporting of AmerisourceBergen Corporation and subsidiaries, included in this Annual Report (Form 10-K) for the year ended September 30, 2008.

/s/ Ernst & Young LLP

Philadelphia, Pennsylvania
November 25, 2008

Exhibit 31.1

Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer

I, R. David Yost, certify that:

1. I have reviewed this Annual Report on Form 10-K (the "Report") of AmerisourceBergen Corporation (the "Registrant");

2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and

(d) Disclosed in this Report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors:

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: November 25, 2008

/s/ R. DAVID YOST

R. David Yost
President and Chief Executive Officer

Exhibit 31.2

Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer

I, Michael D. DiCandilo, certify that:

1. I have reviewed this Annual Report on Form 10-K (the "Report") of AmerisourceBergen Corporation (the "Registrant");

2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and

(d) Disclosed in this Report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors:

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: November 25, 2008

/s/ MICHAEL D. DICANDILO

Michael D. DiCandilo
Executive Vice President and
Chief Financial Officer

Exhibit 32.1

Section 1350 Certification of Chief Executive Officer

In connection with the Annual Report of AmerisourceBergen Corporation (the "Company") on Form 10-K for the fiscal year ended September 30, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, R. David Yost, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ R. DAVID YOST

R. David Yost
President and Chief Executive Officer

November 25, 2008

Exhibit 32.2

Section 1350 Certification of Chief Financial Officer

In connection with the Annual Report of AmerisourceBergen Corporation (the "Company") on Form 10-K for the fiscal year ended September 30, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael D. DiCandilo, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ MICHAEL D. DICANDILO

Michael D. DiCandilo
Executive Vice President and
Chief Financial Officer

November 25, 2008