



Cost Basis Allocation

On July 31, 2007, AmerisourceBergen Corporation (ABC) and Kindred Healthcare, Inc. (Kindred) completed the spinoffs and subsequent combination of their institutional pharmacy services businesses to form PharMerica Corporation (PMC). Following the spinoffs, the institutional pharmacy services businesses were merged into subsidiaries of PMC and survived the mergers as operating subsidiaries of PMC. In the mergers, each holder of ABC common stock received 0.0833752 shares of PMC common stock for each share of ABC common stock held on the record date, and each holder of Kindred common stock received 0.3660241 shares of PMC common stock for each share of Kindred common stock held on the record date. The record date for the transaction was July 20, 2007 and the closing date for the transaction was July 31, 2007.

For tax purposes, the cost basis of ABC common stock or Kindred common stock held by you immediately before the spin-offs and mergers will be apportioned between such shares of ABC common stock or Kindred common stock and the shares of PMC common stock received by you, including any fractional shares deemed received (cash will be paid to you in lieu of issuance of fractional shares), in proportion to the fair market value of such shares of ABC common stock or Kindred common stock and the shares of PMC common stock at the transaction's closing.

ABC Cost Basis Allocation:

The following is an example of the allocation of cost basis:

| | | |
|---------------------------------|---------|------------------------------|
| August 1, 2007 Stock Price: ABC | \$46.10 | |
| August 1, 2007 Stock Price: PMC | \$16.50 | |
| | | <u>Allocation Percentage</u> |
| ABC (1 share) | \$46.10 | 97.1% |
| PMC (0.0833752 shares) | \$1.38 | 2.9% |
| Total | \$47.48 | 100.00% |

Therefore, allocation of cost basis would be 2.9% to PMC common stock and the remainder to ABC common stock.

This example reflects the NYSE opening price (on August 1, 2007) of both ABC and PMC. Please consult your tax advisor to determine your allocation of cost basis in ABC and PMC.

Note: In this example, the impact of the AmerisourceBergen 2 for 1 stock split that occurred on June 15, 2009 is not included in the calculation.

