



Delivering Outstanding Pharmacy Services

2015 ANNUAL REPORT

PharMerica serves a broad spectrum of the pharmacy services market.

PharMerica Corporation is a leading provider of pharmacy services. PharMerica serves the long-term care, hospital pharmacy management services, specialty home infusion and oncology pharmacy markets. PharMerica operates 94 institutional pharmacies, 17 specialty home infusion pharmacies and 5 specialty oncology pharmacies in 45 states. PharMerica’s customers are institutional healthcare providers, such as skilled nursing facilities, assisted living facilities, hospitals, individuals receiving in-home care and patients with cancer.

At a Glance

116

Pharmacies

34M

Prescriptions

1,700

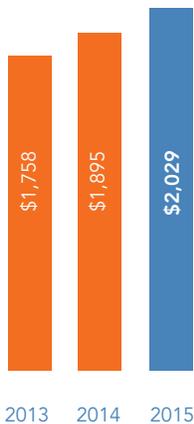
Pharmacists

5,800

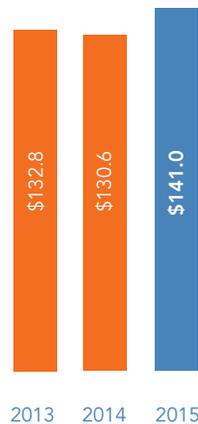
Associates

Financial Highlights

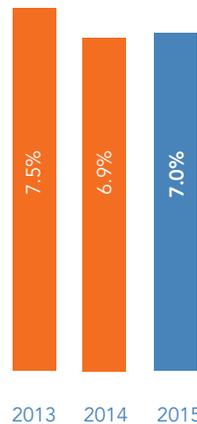
Revenue
(\$ in millions)



Adjusted EBITDA
(\$ in millions)



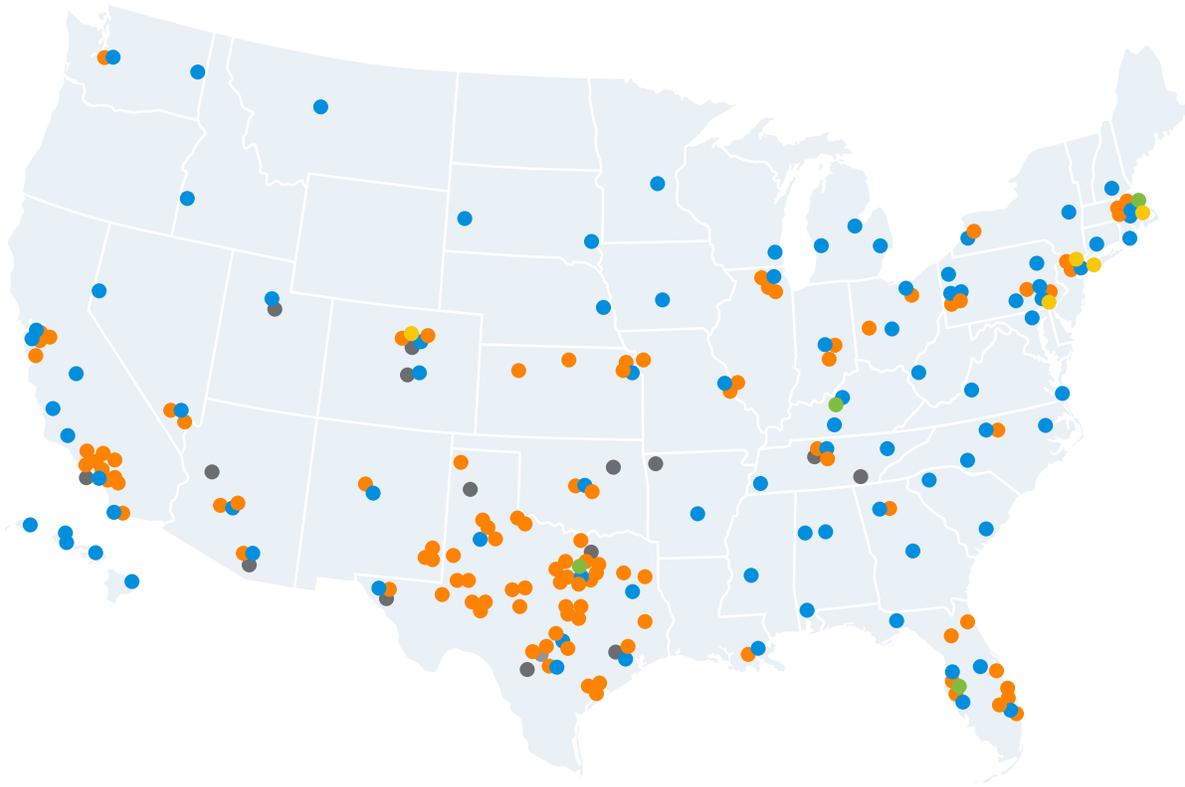
Adjusted EBITDA Margin
(in percent)



Adjusted EPS
(\$ in dollars)



Our Locations

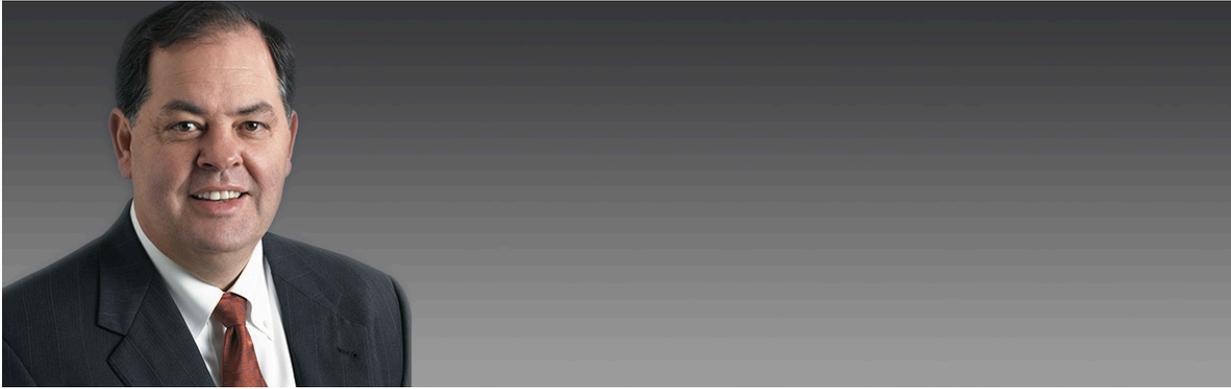


- Institutional Pharmacies
- Hospital Pharmacies
- Corporate Offices
- Amerita Home Infusion Pharmacies
- Onco360 Pharmacies

Delivering outstanding pharmacy management services around the clock
and across the nation.

PharMerica Customers Skilled Nursing Facilities, Hospitals, Physicians, Patients

PharMerica Markets Long-Term Care, Hospitals, Home Infusion, Oncology



To Our Shareholders, Customers and Employees:

2015 was a great year for PharMerica; a year where we exceeded financial and operational expectations and executed on important strategic initiatives. We are confident our strategies will further enhance a solid financial and operational foundation built over the last several years, and we remain optimistic on the Company's long-term prospects.

Highlights of PharMerica's financial results for the full year are as follows:

- Revenues increased 7.1% to slightly more than \$2.0 billion;
- Adjusted EBITDA increased 8.0% to \$141.0 million;
- Generic drug dispensing rate increased 110 basis points to a record 86.0%; and
- Five acquisitions were completed that will generate revenues of approximately \$100 million in 2016.

These results were achieved despite several significant 2015 planned headwinds. First, in 2015, in an effort to improve the Company's client quality mix in the institutional pharmacy business, we withdrew from providing service to certain clients. Second, we changed drug wholesalers early in the year as a result of poor performance which resulted in higher drug acquisition costs than planned for the year. And, third, the Company's revenues increased 7.1% despite a very strong year for branded drugs that went to lower priced generics. The Company's specialty pharmacy business was primarily responsible for the growth in revenues.

We also completed five acquisitions which added approximately \$100 million in annualized revenues. We have an annual goal of acquiring \$100 million or more of annualized revenues. So, we are happy to report that we once again achieved this goal. Revenues associated with the acquisitions completed in 2015 were approximately evenly split between the institutional pharmacy and specialty markets.

PharMerica's strategy is twofold: Drive market share in the institutional pharmacy market and diversify into high-growth specialty pharmacy markets. We seek to grow both organically and through acquisitions. From an organic growth perspective, growth is being fueled by a strong pipeline of new drugs in the specialty pharmacy market, a favorable pricing environment with respect to brand drugs and increased patient utilization.

We will continue to diversify into the specialty markets. Amerita, the specialty home infusion pharmacy, and Onco360, the specialty oncology pharmacy, represent two solid operating platforms to build upon over the next several years. Both of these specialty markets are experiencing double-digit growth and we expect growth to continue for the foreseeable future. We are confident the Company's organic growth and acquisition strategy will drive continued shareholder value.

Driving Growth Through Market Differentiation

In 2015, we continued to realize returns on investments that we made over the past several years in the Company's operating platform. These investments have created a competitive advantage and meaningful market differentiation, particularly against significantly smaller competitors. This competitive advantage has driven increased sales productivity and improved client retention. PharMerica's business model is simple in concept but difficult in execution. To be a market leader we must provide consistent, high quality pharmacy services and at the same time, save our clients money. To that end, we rely extensively on automated data driven solutions that drive operating scale, high quality pharmacy services and low cost. PharMerica has emerged as the leader in cost containment solutions and we are steadfast in driving the Company's value proposition of superior customer service, operational excellence, and leading cost containment programs.

Furthermore, in early 2015, PharMerica entered into a new and exciting partnership with Cardinal Health. This new partnership provides operating certainty with regards to drug sourcing and distribution. Cardinal's scale and expertise in sourcing and distribution will drive additional supply chain efficiencies.

Driving Growth Through Diversification

Diversification into high-growth specialty pharmacy markets is integral to the Company's long-term success. PharMerica's investments in Onco360 and Amerita represent important steps forward in capturing share in the higher-growth specialty pharmacy markets. In 2015, we saw double-digit growth in these specialty pharmacy businesses and we anticipate growth will continue. We set a goal in 2014 of approximately \$400 million in diversified revenues by the end of 2016, and achieved this goal in 2015, a full year earlier. In addition, we completed an acquisition in 2015 to expand the important hospital pharmacy management business. At the close of 2015, the yearly run rate associated with these businesses is over \$550 million, and we anticipate revenue growth in the range of 25% to 30%.

Outlook

As we look to the future, we are confident that we will continue to build operating and financial momentum as we leverage the accomplishments of the past year and continue to pursue the Company's strategic objectives. We are confident that PharMerica will continue to deliver strong financial performance while successfully capitalizing on opportunities that drive scale, profitability and margins. We will continue to differentiate the Company through creative programs that save clients money and pursue acquisitions with discipline and thoughtfulness.

We benefit from the dedication and contributions of outstanding leaders and talented employees, and their efforts to deliver strong results to both shareholders and customers. We remain loyal to the Company's mission to lead the industry in performance, provide outstanding value and be a trusted pharmacy services partner.

Thank you for your investment in PharMerica, and your ongoing confidence and support.

Sincerely,



Gregory S. Weishar
Chief Executive Officer

Board of Directors



Geoffrey G. Meyers
Chairman of the Board,
Retired, Chief Financial
Officer, Executive Vice
President and Treasurer
of Manor Care, Inc.



Gregory S. Weishar
Chief Executive Officer,
PharMerica Corporation



Frank Collins, ESQ.
Former Senior Vice
President Legal and
Administration of Sierra
Health Services, Inc.



W. Robert Dahl, Jr.
Private Investor



Marjorie W. Dorr
Former Executive
Vice President and
Chief Strategy Officer,
WellPoint, Inc.



Thomas B. Gerrity, Ph.D.
Professor of
Management and Dean
Emeritus, The Wharton
School, University of
Pennsylvania



Patrick G. LePore
Former Chairman of
the Board and Chief
Executive Officer, Par
Pharmaceutical
Companies, Inc.



Thomas P. Mac Mahon
Retired, Chairman of the
Board, President and
Chief Executive Officer,
Laboratory Corporation
of America Holdings



Robert A. Oakley, Ph.D.
Retired, Executive Vice
President and Chief
Financial Officer,
Nationwide Financial
Services, Inc.

Executive Officers

Gregory S. Weishar
Chief Executive Officer

Robert A. McKay
Senior Vice President
of Purchasing and
Trade Relations

Berard E. Tomassetti
Senior Vice President and
Chief Accounting Officer

David W. Froesel, Jr.
Executive Vice President,
Chief Financial Officer
and Treasurer

Thomas A. Caneris
Senior Vice President,
General Counsel and Secretary

Suresh Vishnubhatla
Executive Vice President
of Long-Term Care Operations

Mark Lindemoen
Senior Vice President of
Sales and Client Services

Corporate Information

Corporate Headquarters

PharMerica Corporation
1901 Campus Place
Louisville, Kentucky 40299
www.pharmerica.com

Independent Registered Public Accounting Firm

KPMG LLP
400 West Market Street, Suite 2600
Louisville, Kentucky 40202

Transfer Agent and Registrar

Computershare
211 Quality Circle, Suite 210
College Station, TX 77845
P: 800-522-6645
www.computershare.com/investor

Annual Meeting

The Annual Meeting of Shareholders will be held on June 17, 2016 at 9:00 a.m. local time at The Marriott Louisville Downtown, 280 West Jefferson Street, Louisville, Kentucky 40202.

Form 10-K

The Company has filed an annual report on Form 10-K for the year ended December 31, 2015, with the United States Securities and Exchange Commission. Shareholders may obtain a copy of this report, without charge, by writing: Investor Relations, PharMerica Corporation, 1901 Campus Place, Louisville, Kentucky 40299, or by visiting the Company's website at www.pharmerica.com.

Certifications

The CEO and CFO certifications required by Sections 302 and 906 of the Sarbanes-Oxley Act have been filed as exhibits to PharMerica's Annual Report on Form 10-K with the SEC. Additionally, the CEO has filed a certification with the New York Stock Exchange (NYSE) that he was not aware of any violation by the Company of the NYSE's corporate governance listing standards as of the date of the certification.

Cautionary Statement

Forward-looking statements made in this 2015 Annual Report are subject to the Company's "Cautionary Statement" contained in the accompanying 2015 Annual Report on Form 10-K.

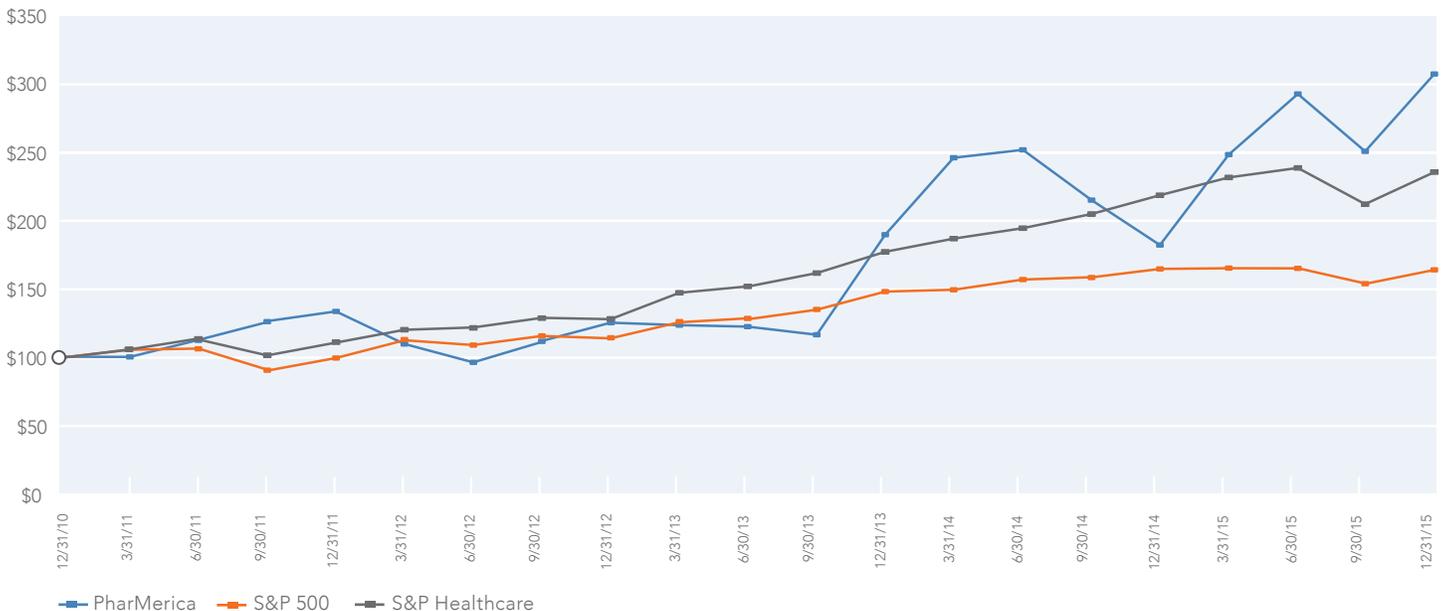
Common Stock

PharMerica Corporation began trading on the New York Stock Exchange under the symbol "PMC" on August 1, 2007. Prior to that time, there was no public trading market for the Company's common stock. At March 31, 2016, the Company had a total of approximately 25,639 shareholders, including 2,463 shareholders of record and approximately 23,176 persons or entities holding common stock in nominee name. No dividends have been paid on the common stock, and the Company does not currently intend to declare or pay any dividends. The following table shows, for periods indicated, the high and low sales prices per share at closing of the Company's common stock as reports by the New York Stock Exchange:

	High	Low
Fiscal 2013		
First Quarter	\$15.42	\$13.39
Second Quarter	\$16.45	\$12.22
Third Quarter	\$15.80	\$11.84
Fourth Quarter	\$22.85	\$13.24
Fiscal 2014		
First Quarter	\$28.35	\$20.01
Second Quarter	\$30.48	\$25.56
Third Quarter	\$29.73	\$24.12
Fourth Quarter	\$30.00	\$19.42
Fiscal 2015		
First Quarter	\$28.32	\$27.98
Second Quarter	\$33.87	\$33.24
Third Quarter	\$28.71	\$27.57
Fourth Quarter	\$35.47	\$34.46

Stock Performance Graph

The following graph assumes an investment in the Company's common stock and the indices of \$100 from December 31, 2010 to December 31, 2015 and that all dividends were reinvested.





PharMerica Corporation

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www.pharmerica.com