

# Financial Statements – Cash Flows

\$'000s

Statement of Cash Flows	2013	2014	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
(000s)	Actual	Budget	Latest Estimate	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Operating activities</b>												
Net income (loss) after tax	\$ 762,693	\$ 409,154	\$ 384,323	\$ 153,693	\$ 253,062	\$ 326,970	\$ 390,056	\$ 432,441	\$ 447,277	\$ 211,578	\$ 74,351	\$ 29,081
Non-cash changes (credits) to net income:												
Depreciation	24,657	26,393	26,393	25,000	25,337	24,797	24,279	23,883	23,569	23,382	21,898	19,797
Amortization	6,851	6,840	6,840	7,185	7,185	6,795	2,830	2,830	2,830	2,830	2,830	2,830
Deferred income taxes	1,285	-	-	-	-	-	-	-	-	-	-	-
Gain on investment in Infinity	(124,581)	-	-	-	-	-	-	-	-	-	-	-
Impairment of intangible asset	50,500	-	-	-	-	-	-	-	-	-	-	-
Distribution of Infinity stock	216,663	-	-	-	-	-	-	-	-	-	-	-
Loss on disposal of properties	28	-	-	-	-	-	-	-	-	-	-	-
Loss on equity investment companies	183,780	187,877	190,293	192,368	144,059	82,059	57,683	29,139	26,225	23,602	21,243	19,119
Working capital changes	101,190	(350,549)	(340,188)	22,026	24,913	2,503	(170)	10,843	(8,235)	(189,121)	(21,573)	(35,579)
Long-term assets and liabilities	22,686	8,967	8,967	(1,298)	(1,298)	(1,298)	(1,298)	(1,298)	(1,298)	(1,298)	(1,298)	(1,298)
<b>Cash flow from operations</b>	<b>1,245,740</b>	<b>288,682</b>	<b>276,628</b>	<b>398,974</b>	<b>453,257</b>	<b>441,826</b>	<b>473,379</b>	<b>497,838</b>	<b>490,368</b>	<b>70,973</b>	<b>97,451</b>	<b>33,951</b>
<b>Investing activities</b>												
Capital expenditure	(27,740)	(61,000)	(61,000)	(27,582)	(21,198)	(20,821)	(21,240)	(21,475)	(22,136)	(12,001)	(5,783)	(3,671)
Product/License Acquisitions	-	(8,054)	(8,054)	-	-	-	-	-	-	-	-	-
Restricted cash, net	3,590	16,932	16,932	(10,000)	-	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-	-	-	-	-	-
Investments in JV and associates	(212,802)	(188,068)	(192,801)	(195,740)	(144,596)	(74,018)	(31,377)	(29,139)	(26,225)	(23,602)	(21,243)	(19,119)
<b>Cash flow used by investing</b>	<b>(236,952)</b>	<b>(240,191)</b>	<b>(244,923)</b>	<b>(233,322)</b>	<b>(165,794)</b>	<b>(94,839)</b>	<b>(52,617)</b>	<b>(50,614)</b>	<b>(48,361)</b>	<b>(35,603)</b>	<b>(27,026)</b>	<b>(22,790)</b>
<b>Financing activities*</b>												
Proceeds from (to) associated companies, net	6,503	-	-	6,775	154	(25)	(92)	930	837	753	678	610
Capital contributions	931	-	-	-	-	-	-	-	-	-	-	-
Distributions for required tax payments	(399,068)	(120,200)	(155,669)	(78,847)	(126,531)	(163,485)	(195,028)	(216,220)	(223,639)	(105,789)	(37,176)	(14,541)
Distributions non-tax / available for investments	(540,567)	(331,900)	(288,831)	(141,147)	(126,531)	(163,484)	(392,738)	(226,683)	(209,102)	(55,000)	(113,030)	(24,000)
<b>Cash flow provided by financing</b>	<b>(932,201)</b>	<b>(452,100)</b>	<b>(444,500)</b>	<b>(211,219)</b>	<b>(252,909)</b>	<b>(326,994)</b>	<b>(587,858)</b>	<b>(441,874)</b>	<b>(431,905)</b>	<b>(160,036)</b>	<b>(149,528)</b>	<b>(37,931)</b>
<b>Increase in cash and cash equivalents</b>	<b>76,587</b>	<b>(403,608)</b>	<b>(412,795)</b>	<b>(45,567)</b>	<b>34,555</b>	<b>19,993</b>	<b>(167,096)</b>	<b>5,250</b>	<b>10,102</b>	<b>(124,666)</b>	<b>(79,103)</b>	<b>(26,770)</b>
Unrestricted Cash at beginning of period	755,593	836,000	832,180	419,385	373,818	408,372	428,365	261,269	266,520	276,622	151,955	72,852
<b>Unrestricted Cash at end of period</b>	<b>\$ 832,180</b>	<b>\$ 432,391</b>	<b>\$ 419,385</b>	<b>\$ 373,818</b>	<b>\$ 408,372</b>	<b>\$ 428,365</b>	<b>\$ 261,269</b>	<b>\$ 266,520</b>	<b>\$ 276,622</b>	<b>\$ 151,955</b>	<b>\$ 72,852</b>	<b>\$ 46,082</b>

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Business Development Committee  
May 14, 2014



**Business Development Committee Requests from  
April 22<sup>nd</sup> Meeting**

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Market Model Walk-through

Additional Deal Structures

Strategic Fit with 10-Year Plan

## Why Myoscience iovera° (Focused Cold Therapy)?

### Strategic Fit

- **Core** - Broadens Purdue and Mundipharma into non-opioid, device based pain therapies
- **Cost** - Could reduce some of the \$28.5B annual healthcare cost associated with knee surgery.
- **Creation** – Large unmet need in growing knee OA market

### Platform for Growth

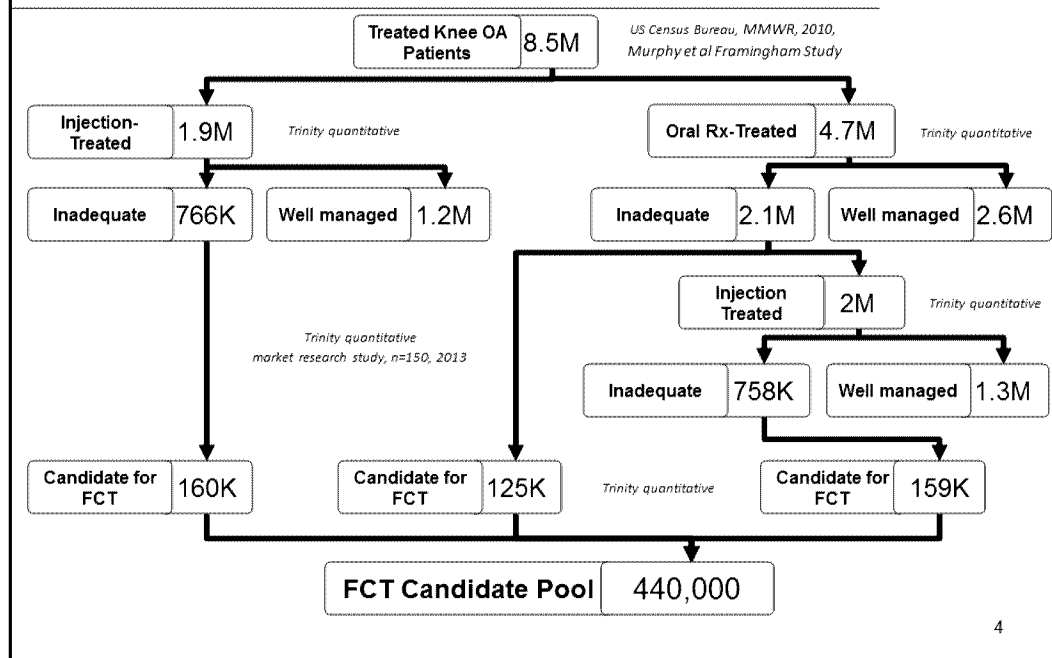
- Reimbursement and coding enables initial sales for generating revenue in 2014
- Expansion from knee OA into other peripheral pain and motor disorders opens a \$1.57B market potential

### Strong Profitability and Revenue Generation

- Risk-adjusted WW NPV of \$123M and ROI of 66% for knee OA only
- Sustainable revenue stream with additional indications and continuous device improvements

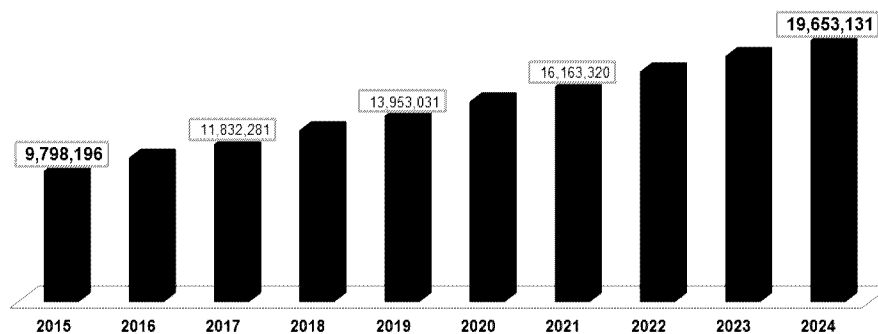
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## Opportunity to start selling immediately



## Epidemiological Growth of Knee OA in the US

### Diagnosed & Symptomatic Knee OA Prevalence in US 45+ Age Group



#### Population

- Overall Growth 0.77%
- 45+ Growth Rate 3.51%
- Treatment Rate 87%

#### Obesity

- Raises OA Risk (RR 2.0)
- 36% of Americans today
- 45% of Americans by 2030

#### Symptomatic Knee OA (45+ Age Group)

- Framingham, MA 6.7%
- (2014)
- Johnston, NC 16.7%
- (2030)

1 MMWR, 2010 : CDC report on prevalence of OA

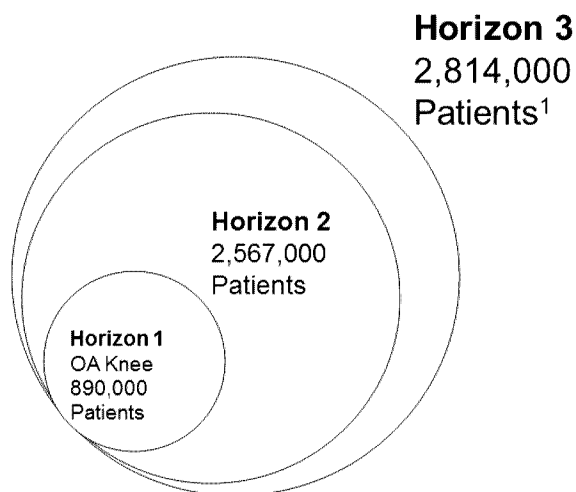
2 Murphy et al Framingham Study

3 NHS data

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## FCT Expected Patient Pool for Core and Expanded Indications in US Only at Peak in 2024

Horizon	Indication
1	Osteoarthritis - knee
2	Total knee replacement
2	Carpal tunnel syndrome
2	Morton's neuroma
2	Lumbar facet joint arthropathy
2	Sciatica
2	Cervical facet joint arthropathy
2	Temporomandibular joint pain
2	Plantar fasciitis
2	Occipital neuralgia
2	Trigeminal neuralgia
3	Migraine
3	Osteoarthritis - ankle
3	Sacroiliac joint pain
3	Ulnar neuropathy
3	Meralgia paresthetica
3	Tarsal tunnel syndrome
3	Critical limb ischemia
3	Gout
3	Radial neuropathy



<sup>1</sup> Junicon Quantitative Market Research, March 2013 (N=270, Pain Specialists, Neurosurgeons, Podiatrists, Pain Specialists and N=104 Orthopedic Surgeons)

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## iovera° US Knee OA Patient Flow at Peak Year 2024

FCT Candidate Pool: 890K				
	Ortho SM/Phys	Rheum	Pain	PCP/Late Adopters
Total MDs	19,200	4,900	3,200	246,000
Discounted MD Share	12%	13%	18%	1%
MD Adopters	2,540	740	640	1,551
Monthly Procedures	15	11.2	13.2	8.1
Total Tx per year	459,000	99,000	101,000	150,000
Tx per patient per year	3	3	3	3
Total FCT Patients	153,000	33,000	34,000	50,000
Direct Competitor Share	15%	15%	15%	15%
iovera° treated patients	130,000	28,000	29,000	43,000
Annual Patients Treated: 229K				

1 Trinity quantitative market research study, n=150, 2013, Orthopedic Surgeons, Rheumatologists, Pain Specialists

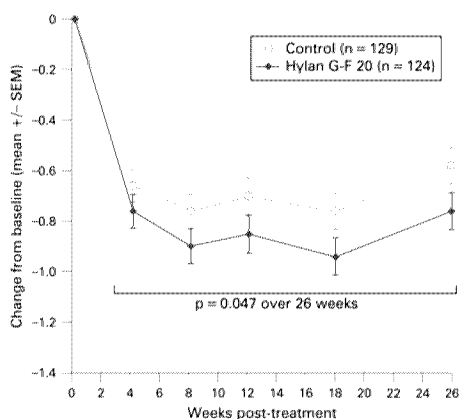
2Trinity qualitative marker research study, n = 24, 2013

3 American Pain Society, American Academy of Orthopedic Surgeons , American College of Rheumatology

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## Medicare Payment Rates for HA: Code 20610

**Mean Change from Baseline in WOMAC A (Pain), ITT<sup>1</sup>**  
 36% v 29% improvement at Week 26;  $p=0.047$



### Medicare: Hyaluronic Acids

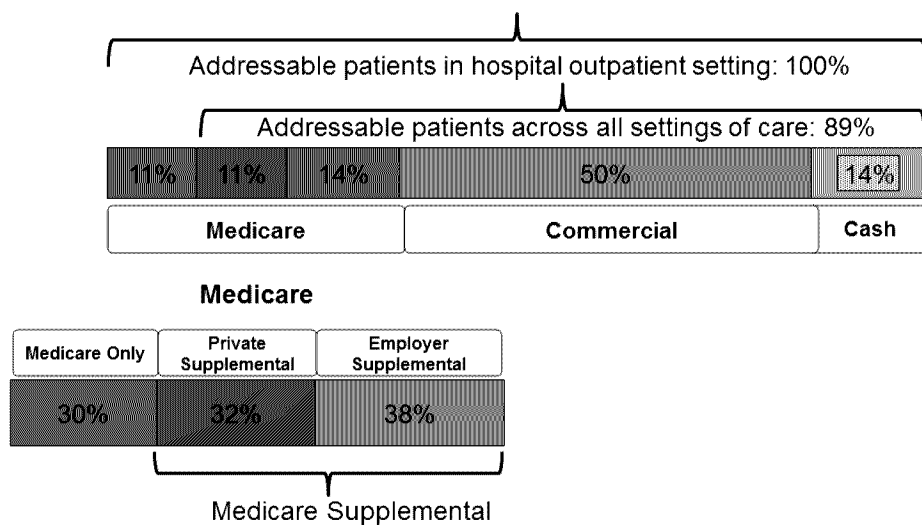
20610	Physician Office	Ambulatory Surgery Center (ASC)	Hospital Outpatient Department
Physician Fee	\$61	\$47	\$47
Facility Fee	NA	\$29	\$202
HA Agent	\$617	\$617	\$617
<b>Total Payment</b>	<b>\$678</b>	<b>\$693</b>	<b>\$866</b>
HA Cost	-\$617	-\$617	-\$617
Available for practice costs	\$61	\$76	\$249

1 Chevalier X. et al. *Ann Rheum Dis*, 2010; 69: 113-119.

2 Covance payer market research, N = 17 payers 3 Medicare payment guide

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## Reimbursement structure for HA patients applied to 64640 usage by insurance and setting of care



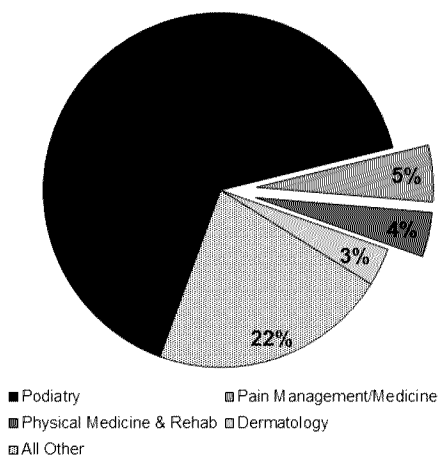
1 Truven Coding data 2014  
2 AARP Fact Sheet 2009

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75% of patients covered by Commercial and Medicare Supplemental<sup>1</sup>  
14% out of pocket<sup>1</sup>, 11% Medicare only<sup>1,2</sup>

## Commercial Payment Rates for 64640: Physical Medicine and Pain Specialists

64640 Use by Specialty, 2012



### Commercial: Neurolysis

64640	Mean Payment across all settings of care	Smart Tip Cost	Available for Practice costs
Pain Management	\$745	-\$384	\$361
Physical Medicine and Rehab	\$695	-\$384	\$311
Device cost		\$10,000	
Available for practice costs		\$361	
Recoup investment		28 patients	

64640 applies to broader indications beyond knee OA

1 IMS, NSP 2014  
2 Truven Coding data 2014

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## Medicare Payment Rates for Codes: Neurolysis 64640

### Medicare Only: Neurolysis

<b>64640</b>	<b>Physician Office</b>	<b>Ambulatory Surgery Center (ASC)</b>	<b>Hospital Outpatient Department</b>
Physician Fee:	\$135	\$96	\$96
Facility Fee:	NA	\$87	\$669
Disposable:	\$0	\$0	\$0
<b>Total Payment:</b>	<b>\$135</b>	<b>\$183</b>	<b>\$765</b>
SmartTip Cost	-\$384	-\$384	-\$384
Available for practice costs	-\$249	-\$203	\$381

Patient Coverage  
Based on HA code usage

Medicare only

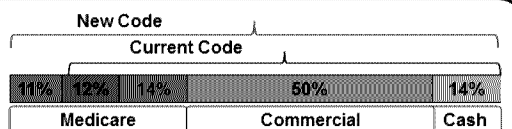
11%

1 Covance payer market research, N = 17 payers  
2 Medicare payment guide

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## Market advantage of an FCT-specific code

Increased share of Medicare patients



Easier access across all settings of care

$$[\text{Physician work RVU} + \text{Practice Expense RVU} + \text{Malpractice RVU}] \times \text{Conversion Factor}$$

FCT-specific pricing

Current Code  
SmartTip Price  
\$384

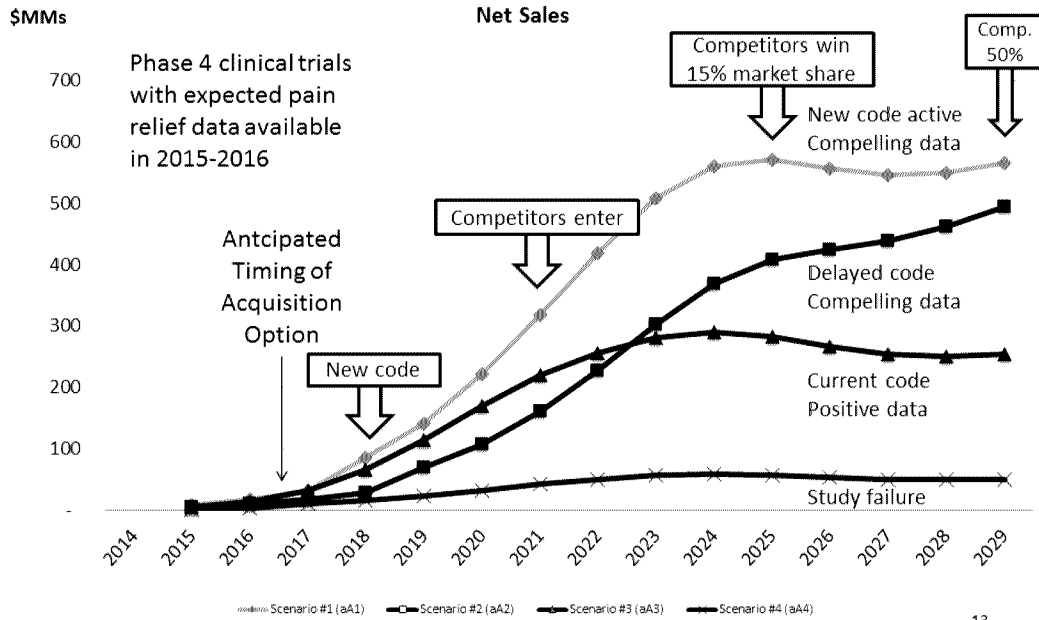
New Code  
SmartTip Price  
\$617

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# Net Sales Summary US Knee OA

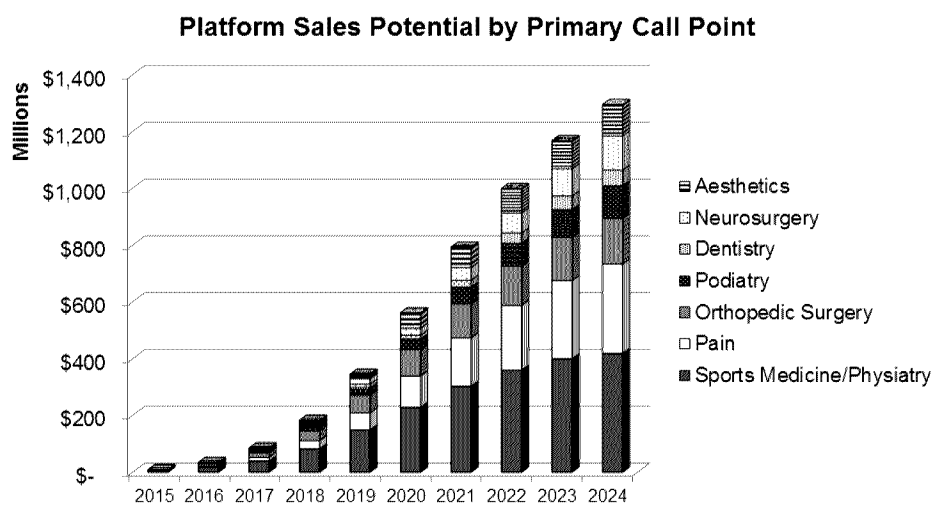
(Net Sales = Gross Sales – Rebates – Discounts)

Scenario #1: New code, compelling data; Higher Tip Price  
 Scenario #2: Delayed code, compelling data; Higher Tip Price  
 Scenario #3: Current 64640 code, positive data  
 Scenario #4: Clinical study failed; cash pay; Higher Tip Price



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## lovera<sup>o</sup> Potential Revenue Contribution to 10-year Plan



1 Junicon Quantitative Market Research, March 2013 (N=270, Pain Specialists, Neurosurgeons, Podiatrists, Pain Specialists and N=104 Orthopedic Surgeons)  
 2 Assumes tip price of \$384, except Aesthetics with tip price of \$250

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### Critical milestones: Clinical, Reimbursement, and Sales



## Risk Analysis

Consideration	Attractiveness	Concerns	Mitigation
Broad regulatory clearance for pain	<ul style="list-style-type: none"> <li>• Utility in many therapeutic areas</li> <li>• Entirely new category of pain management</li> </ul>	<ul style="list-style-type: none"> <li>• Cannot promote for knee OA</li> <li>• Limited ability to communicate value to payors</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct clinical trials to extend label and meet payor expectations</li> </ul>
Long term use	<ul style="list-style-type: none"> <li>• Wallerian degeneration can be reliably repeated many times with no known limit</li> </ul>	<ul style="list-style-type: none"> <li>• Long term safety studies have not been conducted</li> <li>• Optimal treatment frequency unknown</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct long term studies to demonstrate safety, ideal treatment frequency, and cost effectiveness</li> </ul>
Duration of effect	<ul style="list-style-type: none"> <li>• Immediate effect with ~3 months duration is expected to be supported by the planned clinical trials</li> </ul>	<ul style="list-style-type: none"> <li>• Synvisc-One labeled for 6 months efficacy</li> </ul>	<ul style="list-style-type: none"> <li>• Demonstrate superior outcomes, return to function, cost efficiency</li> <li>• Adjust pricing by Rx frequency</li> </ul>
Placebo Effect	<ul style="list-style-type: none"> <li>• Proof-of-concept study showed strong efficacy and patient satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Proof-of-concept study was open-label and uncontrolled</li> </ul>	<ul style="list-style-type: none"> <li>• Work with Myoscience to ensure properly designed and executed sham-controlled trial</li> </ul>
Physician interest	<ul style="list-style-type: none"> <li>• High enthusiasm from early adopter pain doctors and rheumatologists</li> <li>• Broad acceptance of the FCT concept and place in the care path</li> </ul>	<ul style="list-style-type: none"> <li>• Despite their enthusiasm, pain doctors and rheumatologists are a small fraction of the market</li> <li>• Orthopedists may resist widespread adoption</li> </ul>	<ul style="list-style-type: none"> <li>• Pain doctors to drive early adoption, work with orthopedic pilot sites to demonstrate practice compatibility</li> <li>• Find the right indication for the right physician call point</li> </ul>
Coding	<ul style="list-style-type: none"> <li>• Existing codes work across all settings</li> <li>• New FCT specific Category 1 code could receive better coverage and higher reimbursement</li> </ul>	<ul style="list-style-type: none"> <li>• Assignment of a Cat III code would lack payor coverage</li> </ul>	<ul style="list-style-type: none"> <li>• Use clinical trials and professional societies to create evidence base in support of new codes</li> </ul>
Cost of Goods	<ul style="list-style-type: none"> <li>• Reduced with volume</li> <li>• Well-defined reduction plan</li> </ul>	<ul style="list-style-type: none"> <li>• Current margins too thin</li> </ul>	<ul style="list-style-type: none"> <li>• Aggressive COGs reduction</li> <li>• New code to support higher tip price</li> </ul>
Key Personnel	<ul style="list-style-type: none"> <li>• R&amp;D staff at Myoscience drive continuous innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Employee retention could be challenging post-deal</li> </ul>	<ul style="list-style-type: none"> <li>• Retention contracts to be implemented for key personnel</li> </ul>

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## Deal Structure Options

#1: Staged Acquisition as Proposed at April 22 BOD	#2: New Staged Acquisition Proposal	#3: Buy Out Option
\$30M upfront for 19% equity	\$50M upfront for 32% equity	\$225 million due upon closing + \$30M 2 year operating budget
\$40M investment in R&D(\$10M converted to equity if option not exercised)	\$40M investment in R&D (\$10M converted to equity if option not exercised)	\$40M investment in R&D
\$275M to buy the remaining 81% upon receipt of comparator to HA trial final study report	\$240M to buy the remaining 68% upon receipt of comparator to HA trial final study report	
\$50M in Development CVR's	\$75M in Development CVR's	\$75M in Development CVR's
\$100M in sales CVR's	\$0M in Sales CVR's	\$0M in Sales CVR's
Purdue retains ex-US & ex-CA rights and pays a 7.5% royalty	Purdue retains ex-US & ex-CA rights and pays a 7.5% royalty	Purdue takes complete ownership. Myoscience remains an independent entity reporting into Purdue.
Deal Total: \$410M - \$495M	Deal Total: \$405M	Deal Total: \$370M

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## Extra Commercial Slides

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## 2024 assumptions for sales scenarios

	Scenario #1 New code, compelling data; Higher Tip Price	Scenario #2 Delayed code, compelling data; Higher Tip Price	Scenario #3 Current 64640 code, positive data	Scenario #4 Clinical study failed; cash pay; Higher Tip Price
Physician adoption: (% of MDs)				
• Rheumatologists	19.8%, 1051	14%, 694	14.9%, 737	2.7%, 135
• Orthopedic Surgeons	17.6%, 3626	12.4%, 2395	13.2%, 2542	2.4%, 467
• Pain specialists	26.4%, 906	18.7%, 599	19.8%, 635	3.6%, 117
• PCPs	.6%, 2040	0.2%, 698	.8%, 1551	0%, 0
Procedures per MD (per month)				
• Rheumatologists	10.9 / month	10.5 / month	11.2 / month	11 / month
• Orthopedic Surgeons	14.8 / month	14.5 / month	15 / month	14.9 / month
• Pain specialists	12.8 / month	12.3 / month	13.2 / month	12.9 / month
• PCPs	8 / month	8 / month	8.1 / month	8 / month
Candidate Patient Pool	890,000	890,000	890,000	890,000
Patient Share	32%	21%	25.7%	4%
Patients Treated	284,000	186,000	229,000	35,000
Procedure per year	3	3	3	3
Total Procedures	852,000	558,000	687,000	105,000
SmartTip Price @ start	\$617	\$617	\$384	\$617
SmartTip Price increase (inflation)	2.82%	2.82%	2.82%	2.82%
SmartTip Volume Discounts	10%	10%	10%	10%
iovera® device Price	\$10,000	\$10,000	\$10,000	\$10,000
Sales representatives	180	130	140	35



Mundipharma: Device-Based Pain Therapies  
*EU Commercialization rights to Myoscience's iovera<sup>o</sup> (Focus Cold Therapy)*

Presentation to the Board of Directors

May 2014

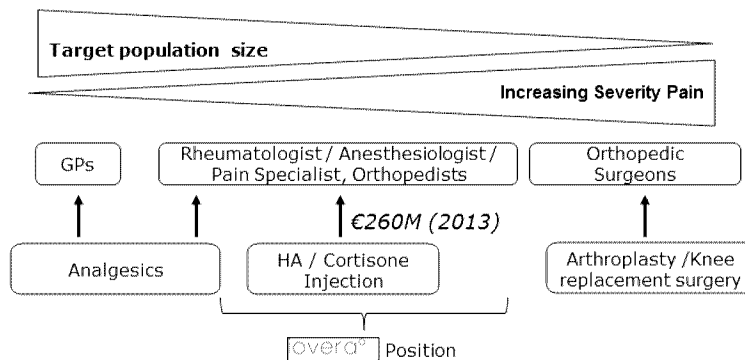
## Approval Request:

Mundipharma International seeks Board of Director approval to enter into a partnership with Myosciences to gain EU commercialization rights to the novel pain treatment iovera<sup>o</sup> FCT.

## Market Outlook: OA Pain

EU OA pain market\* size was >€850M in 2013; iovera<sup>®</sup> Focused Cold Therapy offers additional value for severe OA pain

### Treatment Algorithm of Chronic OA Knee Pain and Positioning of FCT



- OA prevalence is increasing but limited growth in the HA/Steroid part of the market is anticipated due to generic competition (IA steroids) and reimbursement challenges (IA HA)

\*Market defined as intraarticular (IA) steroids and hyaluronic acid (HA).

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Work in Progress



## Iovera<sup>o</sup> Outlook: Europe

Iovera<sup>o</sup> is approved for use in US (pain) and EU (pain and wrinkles); additional evidence needed for EU reimbursement in OA pain

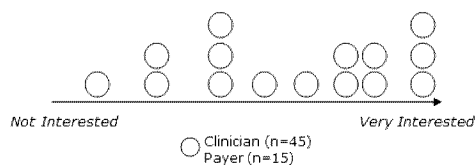
### EU Launch Timeline



- Myosciences launched June 2013 for wrinkles
- Currently marketed in wrinkles by Myosciences
- Reimbursed launch in pain indication ~2018 with additional data

### Payer and Clinician Perceptions

#### EU Clinician and Payer Interest in FCT<sup>1</sup> (n=60)



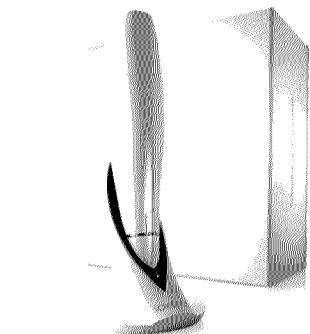
- Payers and physicians particularly interested in a conservative, minimally invasive treatment that could delay or avoid surgery, or provide an option those who cannot undergo surgery
- FCT is well positioned for the small European private market acceptance however public market penetration will require investment in additional evidence (tolerance, long-term safety and side effects)
- US: FDA device approval for broad Pain indication (Jan 2013)

<sup>1</sup> Source: Market Research (ZS Associates 2014)

## Understanding the Situation: iovera<sup>®</sup> Device

Iovera device brings cryo-analgesia out of theatre and into the clinic; benefits include instantaneous pain relief and rapid return to function

### iovera<sup>®</sup> FCT



#### MoA

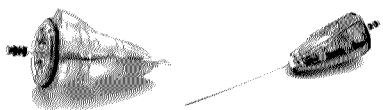
- Micro-needles inserted percutaneously while cold therapy is applied
- Heat transferred away from peripheral nerve tissue, disrupting signal transduction and instantly relieving pain

#### Procedure Details

- Performed under local anesthetic; limited opportunity for systemic adverse effects since no material is injected

#### Benefits

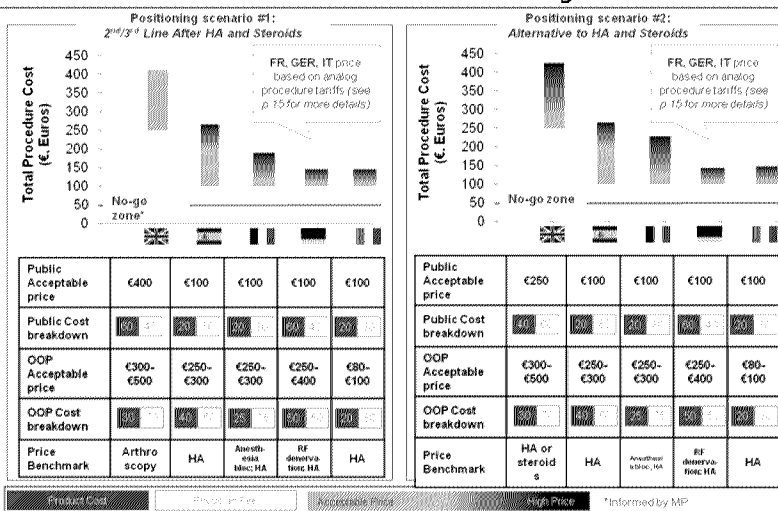
- Instantaneous relief from pain
- Rapid return to function
- Safety – no systemic effect or joint injection
- Reduced surgeries and other utilization



## Understanding the Situation: iovera<sup>o</sup> Pricing

Pricing analysis for the device indicates a range of acceptable prices, though we believe €200 would be acceptable

### iovera<sup>o</sup> FCT: Procedure Pricing



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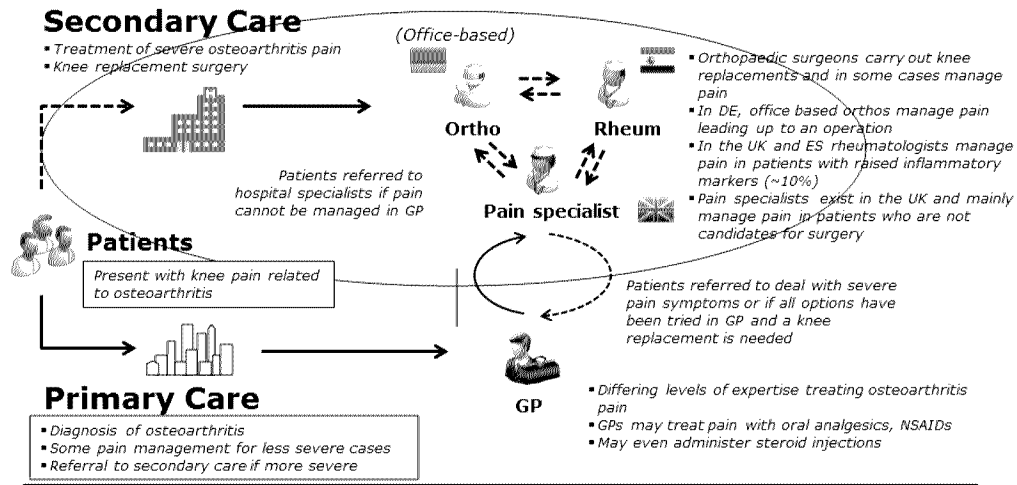
Work in Progress



## Understanding the Situation: iovera<sup>o</sup> Setting of Care

Patients are usually treated for severe OA knee pain symptoms in secondary care by either orthos, pain specialists or rheumatologists

### iovera<sup>o</sup> FCT: Setting of Care



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Work in Progress



## Understanding the Situation: Company Background

Established in 2005, Myoscience is an innovation-driven medical technology company based in the Silicon Valley

myoscience

2013
# Employees
65

- Established in 2005
- Based in Redwood City, California
- Inventors of proprietary platform technology (FCT) as a treatment for peripheral nerve conditions
- Capital investment of \$88M to date
  - 5 rounds of financing, most recently \$25M E round, two tranches closed September 2013 and January 2014
  - Most recent post money valuation of \$131M
- Venture backed by financial investors; no strategic investors
  - Largest investors are valiance with 1/3, AMEQ (a European consortium of private investors) with 1/3 and De Novo and Accuitive Medical with 20%

## Opportunity Summary

While there is considerable upside to the opportunity, market access barriers and unknown long-term safety do present some challenges

### Opportunities

- Expand pain portfolio into non-opioids/devices
- Commercialization rights survive any Purdue breakup with Myoscience
- Utilise existing sales force capacity and capability for lead generation
- Deal requires no upfront investment for Mundipharma
- Existing pay/copay models in countries such as Germany may represent upside
- Potential applications beyond pain of the knew could be significant and increase the value of the product

### Challenges

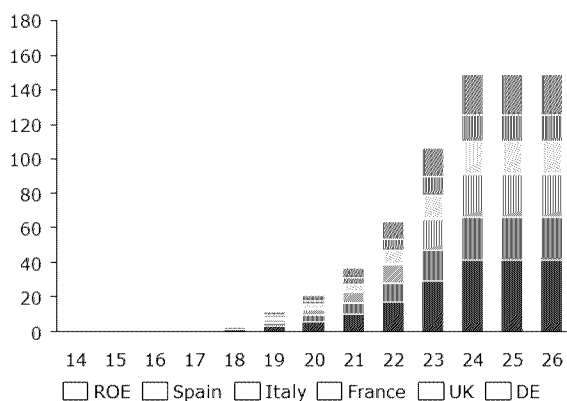
- Current understanding of MOA limits use to 3 treatments/knee, thus limiting longer term use
- Trial results may be delayed
- Slow physician adoption given novel device/procedure and procedure duration currently requiring 2-3 NO cartridge change
- Long term and repeat procedure safety has yet to be assessed
- Full reimbursement likely only at prices that limit margins given current CoGs
- CoGs reductions are not yet proven and depends on USA volumes

## Revenue Potential:

Peak sales in the EU are estimated to reach €150M by 2024 with the EU5 markets driving ~85% of the value

### Iovera FCT Revenue Forecast (€M)

#### EU Revenue Forecast (€M)\*



#### Key Base Case Assumptions

##### Launch:

- 2018 (Reimbursed)

##### Royalties:

- 7.5% of net sales

##### Reimbursement:

- 100% across all EU markets

##### Market Price:

- €200 therapy/knee

##### CoGS (US commercial success):

- Device (€1021)
- Smart Tip (€33)
- Gas Cartridge (€11)

\*Note: sales assumed to plateau in 2024; forecast period does extend out 15 years post-launch.

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Work in Progress



## Key Deal Terms:

EU commercialization allows Mundipharma to expand into non-opioid, device based pain therapies with no upfront investment required

### Key Deal Terms

---

- **Background:** Myoscience shareholders are looking for an exit strategy
  - Myoscience prefers to sell the company and not individual asset
  - Purdue is looking to proceed with staged acquisition of the company once contracts have been fully negotiated
  - As part of the deal, Purdue will have ex-US/Canada commercialization rights with Mundipharma taking on commercialization in the EU markets
- **Scope:** ex-US/Canada commercialization rights for iovera<sup>®</sup>
  - Mundipharma will promote in the EU; other markets (TBD, out of scope)
  - Ex-US/Canada commercialization rights will not be impacted by Purdue exercising or not exercising the Acquisition Option
- **Duration:** 15 years post-product launch
- **Royalty Payment:** flat rate of 7.5% of net sales

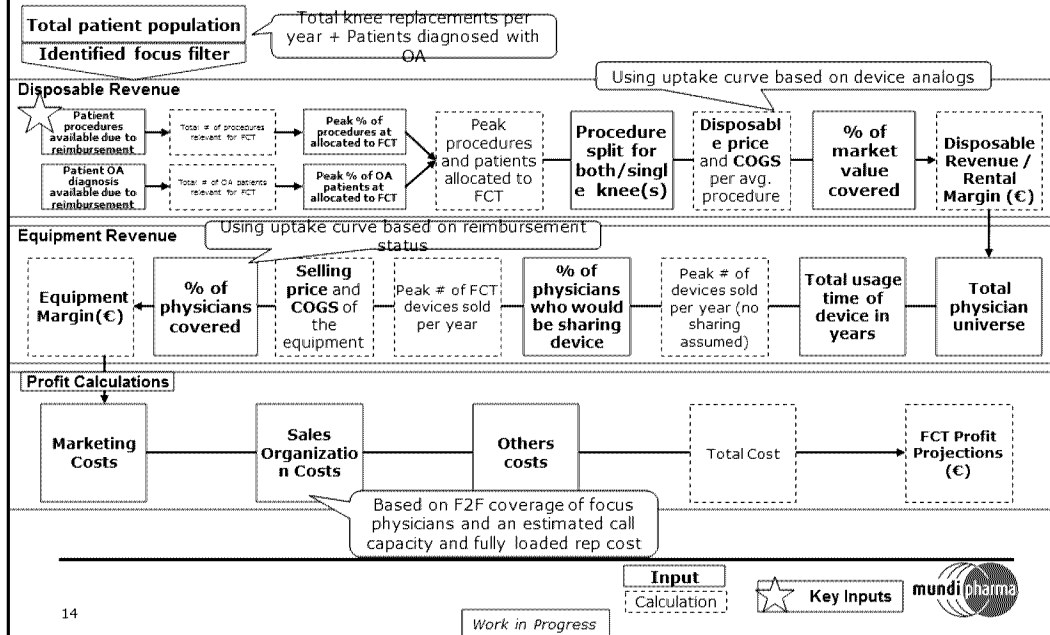
## Approval Request:

Mundipharma International seeks Board of Director approval to enter into a partnership with Myosciences to gain EU commercialization rights to the novel pain treatment iovera<sup>o</sup> FCT.

BACK UP

## Understanding the Situation: iovera<sup>o</sup> Patients

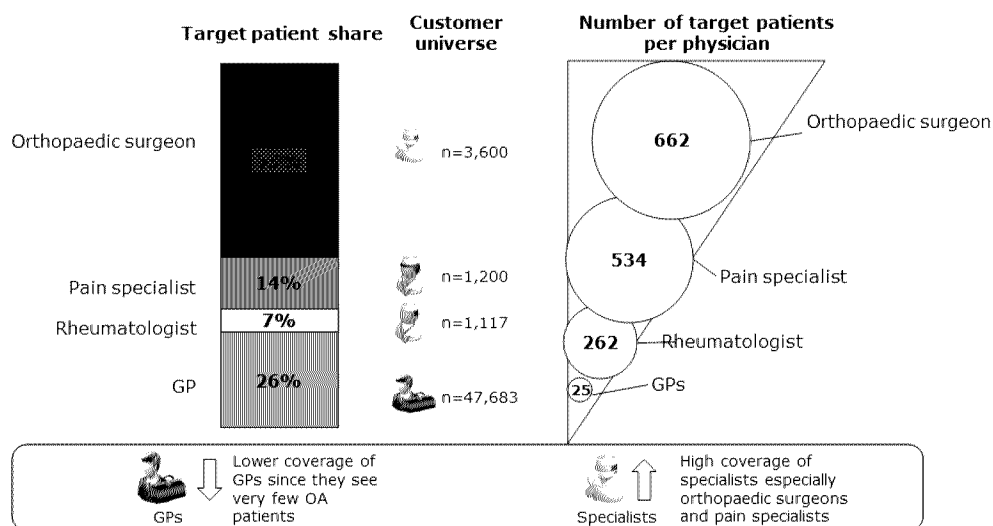
To determine FCT profit potential, patient and physician universe coverage for the relevant markets has been modeled





## Understanding the Situation: iovera<sup>o</sup> Customer Segments

Orthopedic surgeons and pain specialists in the UK have the highest value and should be prioritized when deciding FCT target customers



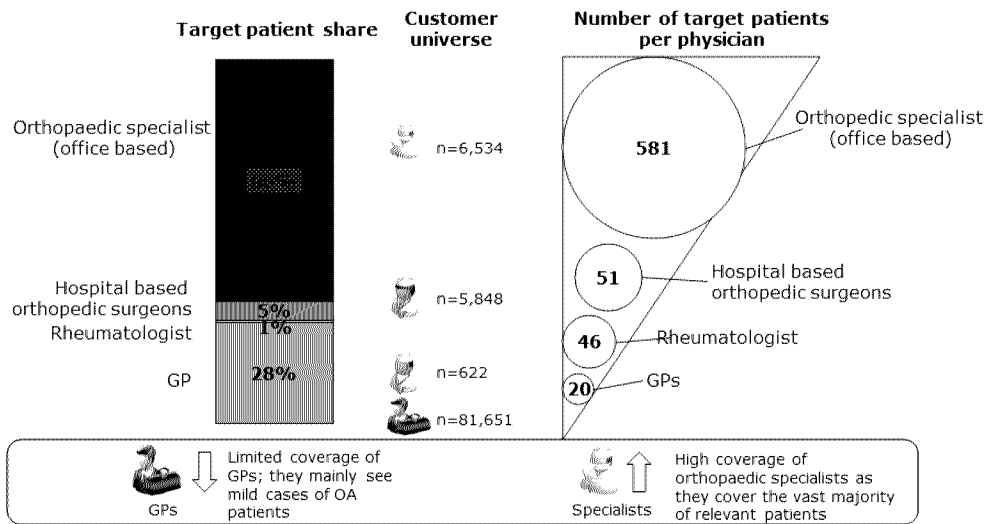
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## Understanding the Situation: iovera<sup>o</sup> Customer Segments

In Germany, office-based orthopedic specialists should be the primary target for promoting FCT



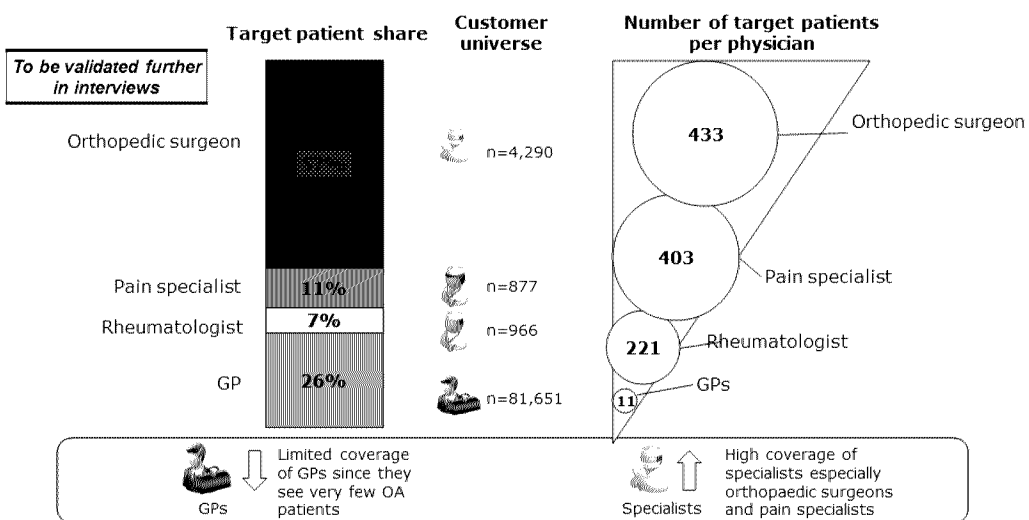
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Work in Progress



## Understanding the Situation: iovera<sup>o</sup> Customer Segments

Orthopedic surgeons and pain specialists in Spain have the highest value and should be prioritized when deciding FCT target customers



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Work in Progress



# Myoscience iovera<sup>o</sup>

Focused Cold Therapy (FCT)

## Financial Evaluation

PRELIMINARY - CONFIDENTIAL

Version D.2, 5/6/2014

Non-Binding Working Draft for Discussion Only

Disclaimer: Many key assumptions, such as sales forecasts, cost of R&D, probability of approval success, sales force assumptions, are based on very preliminary, last-known good assumptions and with certain modifications. They are subject to change with further market research and due diligence.

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## Myoscience Financial Analysis

- Summary
- U.S. Sales Scenarios
  - P&L and Cash Flows
  - NPV
- E.U. Sales Scenarios
  - P&L and Cash Flows
  - NPV
- Deal Terms: New Proposal and Alternatives
- NPV and Cash Summary
- Risks and Opportunities

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## Summary

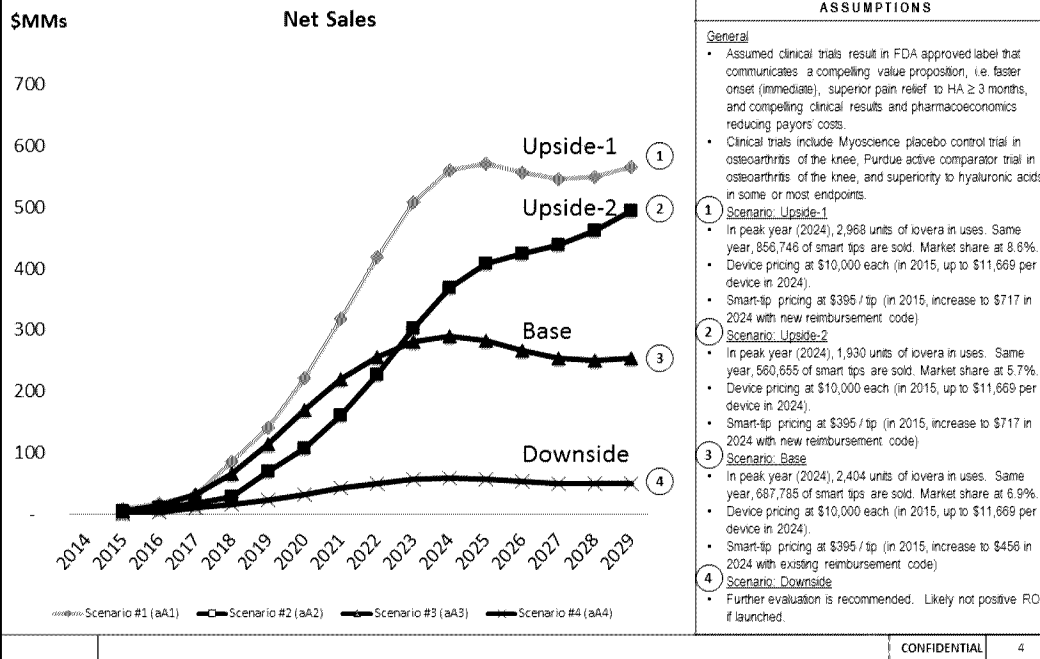
### Recommend:

- License Myoscience iovera device.
- Develop initially for knee OA in Myoscience company.
- Buy 32% of equity for \$50 million and invest \$40 million for knee OA pain related and total knee replacement pain relief indications.
- Initially license product worldwide except U.S. and Canada for 7.5% of net sales royalty
- In 2016, evaluate to buy the Myoscience company and gain U.S. product/platform rights and royalty-free ex-US rights for \$240 million plus \$75 million of CVRs.
- Maximum cash outflow committed \$90 million and another \$315 million contingent on our option.
- Purdue ROI comes in several ways:
  - Ex-US rights
  - Initial equity value
  - Option – if exercised
  - Subsequent equity participation or later negotiated acquisition
- Purdue/Mundipharma ENPV = \$123 million

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# U.S. Sales



Note: included all deal terms and US/EU values. Assumed acquisition option is triggered.

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### ③ Scenario Base: P&L / Cash Flows / NPV

Note: included all deal terms and US/EU values. Assumed acquisition option is not triggered.

Scenario:	aa3 Myoscience										US\$MMs										NPV: \$ 141.8	
US\$MMs	Base Year																					
Myoscience (US Only) - Proforma P&L																						
Minority Stake's Value = \$ 6.7 millions																						
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027								
Gross sales	\$ -	\$ 5.9	\$ 15.6	\$ 35.0	\$ 71.9	\$ 127.2	\$ 190.1	\$ 245.2	\$ 285.4	\$ 313.5	\$ 324.3	\$ 316.3	\$ 298.5	\$ 284.7								
Net sales	-	5.7	14.6	32.3	65.0	113.7	170.0	219.2	255.1	280.2	289.8	282.7	266.8	254.4								
Costs of goods sold (@27.5%)	-	2.5	6.6	12.7	23.7	37.4	52.5	66.5	78.4	86.1	89.0	86.7	81.8	77.9								
Shipping and warehousing (@10%)	-	0.2	0.5	1.1	2.2	3.8	5.7	7.4	8.6	9.4	9.7	9.5	9.0	8.5								
Costs of sales (incl. royalties, shipping)	-	2.7	7.0	13.8	27.9	41.5	58.2	73.9	86.9	95.5	98.7	96.2	90.7	86.4								
Gross margin	-	3.0	7.8	18.6	37.1	72.4	111.8	145.3	168.2	184.7	191.1	186.5	176.1	168.0								
Gross margin as % of net sales		93%	92%	97%	97%	84%	86%	88%	88%	88%	88%	88%	88%	88%								
Operating expenses																						
Selling and promotion	5.0	8.1	11.2	15.6	24.5	38.3	55.6	76.1	96.0	79.4	81.9	83.1	83.5	84.3								
Marketing spend	5.0	5.0	3.2	5.4	7.9	12.9	18.6	27.9	36.2	23.3	24.8	23.7	22.4	21.8								
S&M PTE	-	3.1	8.0	10.2	18.7	23.9	36.0	48.2	59.8	55.9	57.6	59.3	61.1	63.0								
General and admin (governance-related)	-	4.0	4.0	4.0	4.0	4.0	5.1	6.6	7.7	8.4	8.7	8.5	8.0	7.6								
Research and development	5.2	7.0	5.4	3.2	6.4	10.2	15.2	19.6	22.8	25.1	25.9	25.3	23.9	22.8								
Total operating expenses	10.2	19.1	20.6	22.8	34.9	52.5	76.0	102.3	126.5	112.9	116.6	116.8	115.4	114.7								
Operating income / (loss)	(10.2)	(16.1)	(13.1)	(4.2)	2.2	19.9	35.8	43.0	41.7	71.8	74.5	69.6	60.7	53.3								
Provision for income taxes (@35.0%)	(3.6)	(5.6)	(4.6)	(1.5)	0.8	7.0	12.5	15.1	14.6	25.1	26.1	24.4	21.2	18.7								
Net income	\$ (6.6)	\$ (10.5)	\$ (8.5)	\$ (2.8)	\$ 1.4	\$ 13.0	\$ 23.3	\$ 28.0	\$ 27.1	\$ 46.7	\$ 48.4	\$ 45.3	\$ 39.5	\$ 34.6								
NPV SUMMARY																						
Operating cash flows	\$ (6.6)	\$ (11.2)	\$ (9.6)	\$ (5.1)	\$ (3.0)	\$ 6.4	\$ 15.7	\$ 21.4	\$ 22.3	\$ 43.3	\$ 47.2	\$ 46.2	\$ 41.6	\$ 36.3								
Milestones payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
Free cash flows	\$ (6.6)	\$ (11.2)	\$ (9.6)	\$ (5.1)	\$ (3.0)	\$ 6.4	\$ 15.7	\$ 21.4	\$ 22.3	\$ 43.3	\$ 47.2	\$ 46.2	\$ 41.6	\$ 36.3								
Both NPV and IRR are calculated using the base year above, discounted @9% after-tax. No terminal value is assumed.																						
Purdue/Mundipharma NPV = \$ 78 millions																						
PURDUE/MUNDIPHARMA - CASH FLOWS (\$mm)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2014-27							
Upfront share purchase	(50.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	(50.0)							
R&D clinical trials - tax-deductible	(7.3)	(9.8)	(2.4)	-	-	-	-	-	-	-	-	-	-	-	(19.5)							
R&D CVRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
Sales/Coding CVRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
Additional share purchase	-	-	(10.0)	-	-	-	-	-	-	-	-	-	-	-	(10.0)							
Acquisition option exercised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
Employee retention bonus - tax-deductible	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
US free cash flows	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-							
EU free cash flows	-	-	-	(12.8)	(13.4)	(12.4)	(10.9)	(8.3)	2.2	9.8	23.4	40.2	40.2	40.2	98.1							
TOTAL CASH FLOWS	(57.3)	(9.8)	(12.4)	(12.8)	(13.4)	(12.4)	(10.9)	(8.3)	2.2	9.8	23.4	40.2	40.2	40.2	18.6							
CUMULATIVE CASH FLOWS	(57.3)	(67.1)	(79.5)	(92.3)	(105.6)	(118.1)	(129.0)	(137.3)	(135.1)	(125.3)	(101.9)	(61.7)	(21.6)	18.6								
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# E.U. P&L

Euros

		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
<i>Pan-Europe P&amp;L</i>														
Net Sales.....	\$ MM	0	0	0	2	6	12	21	37	62	106	149	149	149
Costs of Good Sold.....	\$ MM	34%	0	0	0	1	2	4	7	13	21	36	53	55
Royalties to Partner.....	\$ MM	7.5%	0	0	0	0	0	1	2	3	5	8	11	11
Sum of CGOS/Royalties as % of Net Sales.....			0%	0%	0%	41%	41%	41%	41%	41%	41%	41%	41%	41%
Distribution.....	\$ MM		0	0	0	0	0	1	1	2	3	5	7	7
Costs of Sales (incl. royalties, distribution).....	\$ MM		0	0	0	1	3	5	10	17	29	49	69	69
Gross Margin.....	\$ MM	54%	0	0	0	1	3	6	11	20	34	57	80	80
Gross Margin as % of Net Sales.....			0%	0%	0%	54%	54%	54%	54%	54%	54%	54%	54%	54%
Operating Expenses:														
Selling and Promotion.....	\$ MM	14%	0	0	0	21	21	21	21	21	11	11	11	11
S&P FTE.....			0	0	0	16	16	16	16	16	8	8	8	8
Marketing.....			0	0	0	5	5	5	5	3	3	3	3	3
General and Admin.....	\$ MM		0	0	0	0	1	1	2	3	5	7	7	7
Research and Development.....	\$ MM		0	0	0	0	0	0	0	0	0	0	0	0
Total Operating Expenses.....	\$ MM	19%	0	0	0	21	21	22	22	23	14	16	18	18
Operating Expense % of Net Sales.....														
Operating Income(Loss).....	\$ MM		0	0	0	-20	-18	-16	-11	-3	20	41	62	62
Taxable Income.....	\$ MM		0	0	0	-20	-18	-16	-11	-3	20	41	62	62
Provision for Income Taxes.....			0	0	0	-7	-6	-5	-4	-1	7	19	22	22
Net Income.....	\$ MM		0	0	0	-17	-12	-10	-7	-2	13	27	40	40
<b>NPV SUMMARY</b>														
Working Capital.....			0	0	0	0	1	3	7	13	24	41	58	58
Change in Working Capital.....			0	0	0	0	-1	-2	-4	-6	-11	-17	-17	0
Net Cash Flow.....	\$ MM		0	0	0	-17	-13	-12	-11	-8	2	10	23	40
NPV.....														
IRR.....														

1 Euros = 1.4 US Dollars

EU NPV w/royalties to Myoscience = US \$91 million (if acquisition is not triggered)

EU NPV w/o royalties to Myoscience= US \$125 million (if acquisition is triggered)

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## Value Measures:

In the base case, iovera<sup>®</sup> EU commercialization opportunity is positive across all EU markets. The base case assumes US success to get us CoGS where they need to be. The eNPV assumes this to be 80% likely

### Value Measures Summary

Option	Performance Metrics					
	Peak Revenues (€M)	EU Revenues AUC (€M)	R&D Costs (€M)	NPV (€M) <sup>2</sup>	IRR (%)	eNPV (€M) <sup>2</sup>
Scenario 1: No reimbursement/High CoGs	51	539	0 <sup>1</sup>	-68	NA	NA
Scenario 2: Reimbursement/High CoGs	149	1589	0 <sup>1</sup>	-54	NA	NA
Scenario 3: No reimbursement/Low CoGs	51	539	0 <sup>1</sup>	-28	NA	NA
Base Case (Scenario 4): Reimbursement/Low CoGs	149	1589	0 <sup>1</sup>	65	23	53

<sup>1</sup>All R&D costs will be born by Purdue.

<sup>2</sup>NPV time horizon is 15 years (2017 through 2032 in base case)

1 Euros = 1.4 US Dollars

EU NPV w/royalties to Myoscience= US \$91 million (if acquisition is not triggered)

EU NPV w/o royalties to Myoscience= US \$125 million (if acquisition is triggered)

Overall eNPV = 80% x launch case + 20% x no-launch case = 53 million Euros / US\$ 73 million

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# NPV and Investment Summary

Myoscience iovera					\$ millions
Time Horizon: 15 Years, 2015-2029					
	S#1	S#2	S#3	S #4	Risk-Adjusted
Deal Terms Set #2 : Upfront \$50MM	Upside-1	Upside-2	Base	Downside	(a)
VALUE TO PURDUE/MUNDIPHARMA					
US Market	599	383	-	-	207
EU Market	125	125	91	-	73
Myoscience equity value if minority stake	-	-	67	6	31
Other territories not valued	-	-	-	-	-
Total Value	\$ 723	\$ 508	\$ 158	\$ 6	\$ 310
INVESTMENTS BY PURDUE/MUNDIPHARMA					
	(\$ 378)	(\$ 378)	(\$ 80)	(\$ 80)	(\$ 187)
Purdue/Mundipharma Share of Total Value	48%	26%	50%	-1156%	40%
RETURNS					
Net Present Value (NPV)	\$ 345	\$ 130	\$ 78	(\$ 73)	\$ 123
Return on Investment (ROI) - Total	91%	34%	98%	-92%	66%
Percentage of Myoscience owned by Purdue	100%	100%	38%	38%	
Note (a): Probabilities of scenarios: S#1 at 32%, S#2 at 4%, S#3 at 44%, and S#4 at 20%					
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## Deal Terms Recommended

#1: Staged Acquisition as Proposed at April 22 BOD	#2: New Staged Acquisition Proposal	#3: Buy Out Option
\$30M upfront for 19% equity [To be used for 2-year operating budget]	\$50M upfront for 32% equity	\$225 million due upon closing plus \$30M 2 year operating budget
\$40M investment in R&D(\$10M converted to 6% equity if option not exercised)	\$40M investment in R&D (\$10M converted to 6% equity if option not exercised)	\$40M investment in R&D
\$275M to buy the remaining 81% upon receipt of comparator to HA trial final study report	\$240M to buy the remaining 68% upon receipt of comparator to HA trial final study report	
\$50M in Development CVR's	\$75M in Development CVR's	\$75M in Development CVR's
\$100M in sales CVR's	\$0M in Sales CVR's	\$0M in Sales CVR's
Purdue retains ex-US & ex-CA rights and pays a 7.5% royalty	Purdue retains ex-US & ex-CA rights and pays a 7.5% royalty	Purdue takes complete ownership. Myoscience remains an independent entity reporting into Purdue.
Deal Total: \$410M - \$495M	Deal Total: \$405M	Deal Total: \$370M
		CONFIDENTIAL 10

# NPV and Investment Summary

Myoscience iovera					\$ millions
Time Horizon: 15 Years, 2015-2029					
	S#1	S#2	S#3	S#4	Risk-Adjusted
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## Opportunities and Risks

OPPORTUNITIES	RISKS
<ul style="list-style-type: none"> <li>• Deal structure for Purdue as <u>38% equity holder</u> so multiple opportunities to recoup investment</li> <li>• <u>Full ex-US rights</u> to technology achieved at signing for 7.5% net sales royalty.</li> <li>• <u>Platform</u> can be extended to multiple indications and achieve very significant sales beyond the forecast.</li> </ul>	<ul style="list-style-type: none"> <li>• <u>New U.S. pricing</u> must be achieved to support higher sales forecast – contingent on clinical trials, publications, and price approval.</li> <li>• <u>Clinical trial results</u></li> <li>• <u>Buyout option</u> negotiated very hard but <u>timing</u> may be before full confidence is achieved on our end.</li> </ul>
	<div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="border: 1px solid black; padding: 2px 5px;">CONFIDENTIAL</div> <div style="margin-left: 10px;">12</div> </div>

Recommendation	
Proceed !	
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Financial Back Up

## **TIMELINE**

## **U.S. P&L**

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## Timeline – Key Milestones Assumptions

Key Milestones	2014	2015	2016	2017	2018	2019	2020
1) Upfront equity stake of \$50 million	◆						
2) R&D funding of \$40 million		←◆→					
3) R&D CVRs: \$10MM on blunt tip cannula and \$20MM on nerve finding tip		◆	◆				
4a) Study 0: FCT vs Sham result (favorable CSR)		◆	◆				
4b) Study 1: FCT vs HA result (favorable CSR)			◆				
5) Total Knee Replacement: FCT vs Std of Care			◆				
6) Option to Acquire -- \$240MM			◆				
7) U.S. net sales in 2016 at \$3-18 million; Base Case: 253 physicians base, 111 devices installed, 36,568 tips sold in 2016			◆				
8) Study 2: OL long-term efficacy results			◆				
9) Achieve FDA clearance and literature publications				◆			
10) Study 3: 2-yr HOPE study result				◆			
11) Achieve new reimbursement code (best scenario)					◆		
12) CVR for coding success at \$25MM					◆		
13) First year of ex-USA sales (net sales at \$36MM)					◆		
14) U.S. net sales in 2020 at \$32-220MM							◆
						CONFIDENTIAL	15

## Deal Term Set #2 - NPV Details

Myoscience Iovera					\$ millions	
Time Horizon: 15 Years, 2015-2029						
	S#1	S#2	S#3	S#4	Risk-Adjusted	
<b>Myoscience Value</b>						
US Value	599	383	142	17		273
ex-USA (from 7.5% sales royalty)	-	-	34	-		15
<b>Total Myoscience US Value</b>	<b>\$ 599</b>	<b>\$ 383</b>	<b>\$ 175</b>	<b>\$ 17</b>	<b>\$</b>	<b>287</b>
<b>Purdue Ownership of Myoscience</b>						
Purdue Ownership	100%	100%	38%	38%		60%
<b>Value of Purdue's Shares</b>	<b>\$ 599</b>	<b>\$ 383</b>	<b>\$ 67</b>	<b>\$ 6</b>	<b>\$</b>	<b>237</b>
<b>Mundipharma (EU) <sup>(1)</sup></b>						
Present Value of Cash Flows, EU	125	125	125	-		100
7.5% sales royalty to Myoscience <sup>(2)</sup>	-	-	(34)	-		(27)
<b>Value of EU</b>	<b>\$ 125</b>	<b>\$ 125</b>	<b>\$ 91</b>	<b>\$ -</b>	<b>\$</b>	<b>73</b>
<b>PURDUE+MUNDIPHARMA TOTAL VALUE</b>	<b>\$ 723</b>	<b>\$ 508</b>	<b>\$ 158</b>	<b>\$ 6</b>	<b>\$</b>	<b>310</b>
<b>Purdue Investments</b>						
Upfront share purchase	(50)	(50)	(50)	(50)		(50)
R&D clinical trials, tax-deductible	(20)	(20)	(20)	(20)		(20)
R&D CVRs	(30)	(30)	-	-		(11)
Sales/Coding CVRs	(25)	(25)	-	-		(9)
Additional share purchase	(10)	(10)	(10)	(10)		(10)
Acquisition option exercised	(240)	(240)	-	-		(86)
Employee retention bonus, tax-deductible	(3)	(3)	-	-		(1)
<b>Total Purdue Investments</b>	<b>\$ (378)</b>	<b>\$ (378)</b>	<b>\$ (80)</b>	<b>\$ (80)</b>	<b>\$</b>	<b>(187)</b>
<b>PURDUE+MUNDIPHARMA NPV</b>	<b>\$ 345</b>	<b>\$ 130</b>	<b>\$ 78</b>	<b>\$ (73)</b>	<b>\$</b>	<b>123</b>
<b>PURDUE+MUNDIPHARMA ROI (total)</b>	<b>91%</b>	<b>34%</b>	<b>98%</b>	<b>n/a</b>	<b>\$</b>	<b>66%</b>

Note 1: Mundipharma's Value is from 5/3/2014 email.

Note 2: CVRs and Royalties to Myoscience are assumed to be paid out to shareholders and not retained in business enterprise value.

Note 3: ex-USA royalties are terminated once acquisition option is triggered. CVRs are triggered once Acquisition Option is activated.

Purdue tax rate = 35%, Purdue discount rate = 9%, after-tax.

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# Maximum Cash at Risk Before Clinical Readouts

THREE SETS OF DEAL TERMS (b)		Timing	Scenario 1: Comparing compensable cost higher To Price	Scenario 2: Delayed compensable cost higher To Price	BASE Scenario 4D: Current SAS-4D code	Low Scenario 4E: Clinical study failed, cash pay higher To Price	Maximum Cash at Risk Before Clinical Trial Readouts
1. \$200MM Upfront (Current Deal Structure) for 19% Equity							\$70 million (pre-tax)
a.	\$20M Upfront for 19% equity (any form of a downround is a show stopper)	2014	✓	✓	✓	✓	
b.	\$40M investment in R&D	2014-2015	✓	✓	✓	✓	
i.	\$10M to be converted to 6% equity later if option not exercised						
ii.	\$20M to be considered compensation for ex-US & ex-Canadian rights						
c.	\$25M to buy the remaining 81% upon receipt of comparator to HK final study report	2015	✓	✓	x	x	
d.	\$75M in CVRs						
i.	\$25M for FDA approval of a nerve stimulating / finding sp 2015	2015	✓	✓	x	x	
ii.	\$10M for FDA approval of pain sp Canada 2015	2015	✓	✓	x	x	
iii.	\$10M for FDA approval for the TMA indication 2015	2015	(B)	(B)	x	x	
iv.	\$10M for FDA approval for aesthetics, including treatment of wrinkles 2015	2015	(B)	(B)	x	x	
e.	\$100M in sales CVRs						\$90 million (pre-tax)
i.	\$15M for sales > \$250M	TBD	✓	✓	x	x	
ii.	\$15M for sales > \$400M	TBD	✓	✓	x	x	
iii.	\$10M for sales > \$750M	TBD	✓	✓	x	x	
f.	7.5% royalty for rights outside of the US and Canada	2015-	x	x	✓	✓	
g.	\$5 million per employee retention program	2017-2018	✓	✓	x	x	
2. \$100MM Upfront for 32% Equity							
a.	\$50M Upfront for 32% equity (any form of a downround is a show stopper)	2014	✓	✓	✓	✓	
b.	\$40M investment in R&D	2014-2015	✓	✓	✓	✓	
i.	\$10M to be converted to 6% equity later if option not exercised						
ii.	\$20M to be considered compensation for ex-US & ex-Canadian rights						
c.	\$20M to buy the remaining 68% upon receipt of comparator to HK final study report	2015	✓	✓	x	x	
d.	\$75M in CVRs						
i.	\$25M for FDA approval of a nerve stimulating / finding sp 2015	2015	✓	✓	x	x	
ii.	\$10M for FDA approval of pain sp Canada 2015	2015	✓	✓	x	x	
iii.	\$10M for FDA approval for the TMA indication 2015	2015	(B)	(B)	x	x	
iv.	\$10M for FDA approval for aesthetics, including treatment of wrinkles 2015	2015	(B)	(B)	x	x	
v.	\$25M for coding to be defined 2017	2017	✓	✓	x	x	
vi.	\$0 for sales milestones						
e.	7.5% royalty for rights outside of the US and Canada		x	x	✓	✓	
f.	\$5 million per employee retention program	2017-2018	✓	✓	x	x	
3. Buy Out Now at \$225MM Upfront for 18% Equity							\$295 million (pre-tax)
a.	\$225 million buy out on closing	2014	✓	✓	✓	✓	
b.	\$75M in CVRs						
i.	\$20M for FDA approval of a nerve stimulating / finding sp 2015	2015	✓	✓	✓	✓	
ii.	\$10M for FDA approval of pain sp Canada 2015	2015	✓	✓	✓	✓	
iii.	\$10M for FDA approval for the TMA indication 2015	2015	(B)	(B)	(B)	(B)	
iv.	\$10M for FDA approval for aesthetics, including treatment of wrinkles 2015	2015	(B)	(B)	(B)	(B)	
v.	\$25M for coding to be defined 2017	2017	✓	✓	x	x	
vi.	\$0 for sales milestones						
c.	\$5 million per employee retention program	2015-2016	✓	✓	✓	✓	

(b) (2)(c)

(a) Since no incremental sales from TMA and aesthetics are included in sales projections, the CVRs are also not included.

(c) CVRs are payable if Acquisition Option is triggered; a MUSA royalties obligation is voided when Acquisition Option is triggered.

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# Myoscience P&L – Scenario #1

Scenario #1: Compelling comparative data; Higher Tip Price

Launch: 2015-Q1  
LOE: 2029-Q4

Gross Sales Peak: \$628MM (2024)  
Net Sales Peak: \$561MM (2024)

\$ millions

Scenario:	aa1 Myoscience														US\$MMs														NPV: \$ 598.5	
US\$MMs																														
Myoscience (US Only) - Proforma P&L																														
US Market Value = \$ 599 millions																														
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027																
Gross sales	\$ -	\$ 8.8	\$ 18.8	\$ 34.7	\$ 95.1	\$ 158.4	\$ 247.5	\$ 356.8	\$ 469.3	\$ 585.5	\$ 627.9	\$ 639.6	\$ 623.4	\$ 610.6																
Net sales	-	8.5	17.5	32.1	85.9	141.6	221.3	318.9	419.5	508.1	561.3	571.7	557.2	545.8																
Costs of goods sold (@13.3%)	-	3.6	6.4	12.0	20.8	24.6	32.7	45.1	59.9	72.8	80.2	81.8	79.8	78.2																
Shipping and warehousing (@10%)	-	0.3	0.6	1.0	2.9	4.8	7.4	10.7	14.1	17.1	18.8	19.2	18.7	18.3																
Costs of sales (incl.royalties,shipping)	-	3.9	6.9	13.0	23.6	29.3	40.2	55.8	74.0	89.6	99.1	101.0	98.5	96.5																
Gross margin	-	4.6	10.6	19.1	62.3	112.2	181.1	263.1	345.5	418.5	482.2	470.8	458.7	449.3																
Gross margin as % of net sales	-	34%	61%	60%	72%	79%	82%	83%	82%	82%	82%	82%	82%	82%																
Operating expenses																														
Selling and promotion	5.0	8.1	11.2	15.6	24.5	38.3	55.6	76.1	96.0	112.4	121.5	124.1	124.7	125.7																
Marketing spend	3.0	3.0	3.2	3.4	7.9	12.8	19.6	27.9	36.2	42.4	47.5	47.9	46.2	44.9																
S&P FTE	-	3.1	8.0	10.2	18.7	23.3	38.0	48.2	59.6	69.0	74.0	78.2	78.3	80.8																
General and admin (governance related)	-	4.0	4.0	1.0	2.6	4.2	6.6	9.6	12.6	15.2	16.8	17.2	16.7	16.4																
Research and development	5.2	7.0	6.6	4.3	9.4	14.4	21.7	29.8	38.8	46.8	51.6	52.6	51.3	50.4																
Total operating expenses	10.2	19.1	21.8	20.9	36.5	57.0	83.9	115.5	147.4	174.5	189.9	193.8	192.7	192.4																
Operating Income / (Loss)	(10.2)	(14.5)	(11.2)	(1.8)	25.7	55.2	97.2	147.6	198.1	244.0	272.3	277.0	266.0	256.8																
Provision for income taxes (@35.0%)	(3.6)	(5.1)	(3.9)	(0.6)	9.0	19.3	34.0	51.7	69.3	85.4	95.3	96.9	93.1	89.9																
Net income	\$ (6.6)	\$ (9.4)	\$ (7.3)	\$ (1.2)	\$ 16.7	\$ 35.9	\$ 63.2	\$ 96.0	\$ 128.7	\$ 158.6	\$ 177.0	\$ 180.0	\$ 172.9	\$ 166.9																
NPV SUMMARY																														
Operating Cash Flows	\$ (6.6)	\$ (10.5)	\$ (8.5)	\$ (3.1)	\$ 9.5	\$ 28.3	\$ 52.5	\$ 82.9	\$ 115.3	\$ 146.8	\$ 169.9	\$ 178.6	\$ 174.8	\$ 168.5																
Millstones payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-																
Free Cash Flows	\$ (6.6)	\$ (10.5)	\$ (8.5)	\$ (3.1)	\$ 9.5	\$ 28.3	\$ 52.5	\$ 82.9	\$ 115.3	\$ 146.8	\$ 169.9	\$ 178.6	\$ 174.8	\$ 168.5																
Both NPV and IRR are calculated using the base year above, discounted @8% after-tax																No terminal value is assumed														
Purdue/Mundipharma NPV = \$ 345 millions																														
PURDUE/MUNDIPHARMA - CASH FLOWS (\$mms)																														
Upfront share purchase	(50.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	(50.0)	2018-27														
R&D clinical trials - ex-manufacturer	(7.3)	(9.8)	(2.4)	-	-	-	-	-	-	-	-	-	-	-	-	(19.5)														
R&D CVRs	-	(10.0)	(20.0)	-	-	-	-	-	-	-	-	-	-	-	-	(30.0)														
Sales/Coating CVRs	-	-	-	(25.0)	-	-	-	-	-	-	-	-	-	-	-	(25.0)														
Additional share purchase	-	-	(10.0)	-	-	-	-	-	-	-	-	-	-	-	-	(10.0)														
Acquisition option exercised	-	-	(240.0)	-	-	-	-	-	-	-	-	-	-	-	-	(240.0)														
Employee retention bonus - ex-manufacturer	-	-	-	(1.6)	(1.6)	-	-	-	-	-	-	-	-	-	-	(3.3)														
US free cash flows	-	-	(8.5)	(3.1)	9.5	28.3	52.5	82.9	115.3	146.8	169.9	178.6	174.8	168.5	1,115.6															
EU free cash flows	-	-	-	(12.7)	(13.1)	(11.9)	(9.8)	(6.3)	5.3	14.9	30.7	47.4	47.4	47.4	139.2															
TOTAL CASH FLOWS	(57.3)	(19.8)	(280.9)	(42.4)	(3.2)	16.5	42.7	76.4	120.6	161.7	200.6	226.0	222.3	215.9	877.0															
CUMULATIVE CASH FLOWS	(57.3)	(77.1)	(358.0)	(400.4)	(403.5)	(389.1)	(346.4)	(270.0)	(149.4)	12.9	212.8	438.9	661.1	877.0																
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# Myoscience P&L – Scenario #2

Scenario #2: Delayed compelling data; Higher Tip Price

Launch: 2015-Q1  
Life: 2029-Q4

Gross Sales Peak: \$412MM (2024)  
Net Sales Peak: \$368MM (2024)

\$ millions

Scenario:	US\$MMs														NPV: \$ 383.1	
US\$MMs	US\$MMs															
Myoscience (US Only) - Proforma P&L																
US Market Value = \$ 383.1 millions																
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027		
Gross sales	\$ -	\$ 5.7	\$ 11.1	\$ 19.0	\$ 31.5	\$ 77.5	\$ 120.2	\$ 179.6	\$ 234.4	\$ 338.8	\$ 412.0	\$ 456.3	\$ 475.5	\$ 491.1		
Net sales	-	5.5	10.3	17.6	28.5	69.3	107.4	160.5	227.4	302.8	368.3	407.8	425.0	439.0		
Costs of goods sold (@13.9%)	-	2.3	4.5	6.8	11.4	17.6	26.0	28.5	34.4	45.8	52.7	58.4	60.9	63.0		
Shipping and warehousing (@10%)	-	0.2	0.3	0.6	0.9	2.3	3.6	5.4	7.6	10.2	12.4	13.7	14.3	14.7		
Costs of sales (incl. royalties, shipping)	-	2.5	4.9	7.3	12.3	19.9	29.6	33.8	42.0	56.0	65.0	72.1	75.2	77.7		
Gross margin	-	5.0	5.5	10.3	16.2	49.4	77.8	126.7	185.4	246.9	303.2	355.8	349.9	361.3		
Gross margin as % of net sales	-	94%	93%	93%	97%	71%	72%	79%	82%	82%	82%	82%	82%	82%		
Operating expenses																
Selling and promotion	5.0	6.1	8.3	10.3	10.7	18.6	28.0	40.7	55.7	71.1	83.2	89.0	91.4	93.7		
Marketing spend	5.0	5.0	5.0	5.0	2.5	6.2	9.8	16.4	20.1	26.3	31.4	34.0	34.8	35.3		
S&M PTE	-	3.1	3.3	5.2	8.2	12.4	18.2	28.9	39.9	44.8	51.8	59.0	56.6	58.3		
General and admin (incl. non-research related)	-	4.0	4.0	0.5	0.9	2.1	3.2	4.8	6.8	9.1	11.0	12.2	12.8	13.2		
Research and development	5.2	7.0	6.5	3.0	4.3	7.4	10.8	15.6	21.6	28.4	34.3	37.9	39.5	40.8		
Total operating expenses	10.2	19.1	18.8	13.8	15.8	28.1	42.0	61.1	84.2	108.7	128.5	139.2	143.7	147.6		
Operating income / (loss)	(10.2)	(16.1)	(13.3)	(3.5)	0.4	21.3	35.8	65.6	101.2	138.2	174.7	196.6	206.2	213.7		
Provision for income taxes (@35.0%)	(3.6)	(5.7)	(4.7)	(1.2)	0.1	7.5	12.5	22.9	35.4	48.4	61.1	68.8	72.2	74.8		
Net income	\$ (6.6)	\$ (10.5)	\$ (8.7)	\$ (2.3)	\$ 0.3	\$ 13.9	\$ 23.3	\$ 42.6	\$ 65.8	\$ 89.8	\$ 113.5	\$ 127.8	\$ 134.0	\$ 138.9		
NPV SUMMARY																
Operating cash flows	\$ (6.6)	\$ (11.2)	\$ (9.3)	\$ (3.2)	\$ (1.2)	\$ 8.4	\$ 18.2	\$ 35.5	\$ 56.8	\$ 79.7	\$ 104.8	\$ 122.5	\$ 131.7	\$ 137.0		
Millstones payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Free cash flows	\$ (6.6)	\$ (11.2)	\$ (9.3)	\$ (3.2)	\$ (1.2)	\$ 8.4	\$ 18.2	\$ 35.5	\$ 56.8	\$ 79.7	\$ 104.8	\$ 122.5	\$ 131.7	\$ 137.0		
Both NPV and IRR are calculated using the base year above, discounted @9% after-tax. No terminal value is assumed.																
Purdue/Mundipharma NPV = \$ 130 millions																
PURDUE/MUNDIPHARMA - CASH FLOWS (\$mms)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2014-27	
Upfront share purchase	(50.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	(50.0)	
R&D clinical trials (tax-deductible)	(7.3)	(9.3)	(2.4)	-	-	-	-	-	-	-	-	-	-	-	(19.5)	
R&D CVRs	-	(10.0)	(20.0)	-	-	-	-	-	-	-	-	-	-	-	(30.0)	
Sales/CoS CVRs	-	-	-	-	(25.0)	-	-	-	-	-	-	-	-	-	(25.0)	
Additional share purchase	-	-	(10.0)	-	-	-	-	-	-	-	-	-	-	-	(10.0)	
Acquisition option exercised	-	-	(240.0)	-	-	-	-	-	-	-	-	-	-	-	(240.0)	
Employee retention bonus (tax-deductible)	-	-	-	(1.6)	(1.6)	-	-	-	-	-	-	-	-	-	(3.3)	
US free cash flows	-	-	(9.3)	(3.2)	(1.2)	8.4	18.2	35.5	56.8	79.7	104.8	122.5	131.7	137.0	680.9	
EU free cash flows	-	-	-	(12.7)	(13.1)	(11.9)	(9.8)	(6.5)	5.3	14.9	30.7	47.4	47.4	47.4	139.2	
TOTAL CASH FLOWS	(57.3)	(19.8)	(261.7)	(17.5)	(40.8)	(3.5)	8.5	29.0	62.1	94.7	135.5	169.9	179.2	184.4	442.4	
CUMULATIVE CASH FLOWS	(57.3)	(77.1)	(358.8)	(376.3)	(417.3)	(420.8)	(412.5)	(383.4)	(321.3)	(226.6)	(91.1)	7.8	257.9	442.4		
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# Myoscience P&L – Scenario #3

Scenario #3: Current 64640 code

Launch: 2015-Q1  
Life: 2029-Q4

Gross Sales Peak: \$324MM (2024)  
Net Sales Peak: \$290MM (2024)

\$ millions

Scenario:	Myoscience													US\$MMs													NPV: \$ 141.8	
US\$MMs																												
Base Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027														
Myoscience (US Only) - Proforma P&L																												
Minority Stake's Value = \$ 6.7 millions																												
Gross sales	\$ -	\$ 5.9	\$ 15.6	\$ 35.0	\$ 71.9	\$ 127.2	\$ 190.1	\$ 245.2	\$ 285.4	\$ 313.5	\$ 324.3	\$ 316.3	\$ 298.5	\$ 284.7														
Net sales	-	5.7	14.6	32.3	65.0	113.7	170.0	219.2	255.1	280.2	289.8	282.7	266.8	254.4														
Costs of goods sold (@27.5%)	-	2.5	6.6	12.7	23.7	37.4	52.5	66.5	78.4	86.1	89.0	86.7	81.8	77.9														
Shipping and warehousing (@10%)	-	0.2	0.5	1.1	2.2	3.8	5.7	7.4	8.6	9.4	9.7	9.5	9.0	8.5														
Costs of sales (incl. royalties, shipping)	-	2.7	7.0	13.8	27.9	41.3	58.2	73.9	86.9	95.5	98.7	96.2	90.7	86.4														
Gross margin	-	3.0	7.8	18.6	37.1	72.4	111.8	145.3	168.2	184.7	191.1	186.5	176.1	168.0														
Gross margin as % of net sales	-	93%	92%	97%	97%	84%	66%	68%	66%	66%	66%	66%	66%	66%														
Operating expenses																												
Selling and promotion	5.0	6.1	11.2	15.6	24.5	38.3	55.6	76.1	96.0	79.4	81.9	83.1	83.5	84.3														
Marketing spend	5.0	5.0	3.2	5.4	7.9	12.9	18.6	27.9	36.2	23.3	24.8	23.7	22.4	21.8														
S&M FTE	-	3.1	8.0	30.2	18.7	23.9	36.0	48.2	59.8	53.9	57.6	59.3	61.1	63.0														
General and admin (incl. non-research related)	-	4.0	4.0	4.0	4.0	4.0	5.1	6.6	7.7	8.4	8.7	8.5	8.0	7.6														
Research and development	5.2	7.0	5.4	3.2	6.4	10.2	15.2	19.6	22.8	25.1	25.9	25.3	23.9	22.8														
Total operating expenses	10.2	19.1	20.6	22.8	34.9	52.5	76.0	102.3	126.5	112.9	116.6	116.8	115.4	114.7														
Operating income / (loss)	(10.2)	(16.1)	(13.1)	(4.2)	2.2	19.9	35.8	43.0	41.7	71.8	74.5	69.6	60.7	53.3														
Provision for income taxes (@35.0%)	(3.6)	(5.6)	(4.6)	(1.5)	0.8	7.0	12.5	15.1	14.6	25.1	26.1	24.4	21.2	18.7														
Net income	\$ (6.6)	\$ (10.5)	\$ (8.5)	\$ (2.8)	\$ 1.4	\$ 13.0	\$ 23.3	\$ 28.0	\$ 27.1	\$ 46.7	\$ 48.4	\$ 45.3	\$ 39.5	\$ 34.6														
NPV SUMMARY																												
Operating cash flows	\$ (6.6)	\$ (11.2)	\$ (9.6)	\$ (5.1)	\$ (3.0)	\$ 6.4	\$ 15.7	\$ 21.4	\$ 22.3	\$ 43.3	\$ 47.2	\$ 46.2	\$ 41.6	\$ 36.3														
Milestones payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-														
Free Cash Flows	\$ (6.6)	\$ (11.2)	\$ (9.6)	\$ (5.1)	\$ (3.0)	\$ 6.4	\$ 15.7	\$ 21.4	\$ 22.3	\$ 43.3	\$ 47.2	\$ 46.2	\$ 41.6	\$ 36.3														
Both NPV and IRR are calculated using the base year above, discounted @9% after-tax															No terminal value is assumed													
Purdue/Mundipharma NPV = \$ 78 millions																												
PURDUE/MUNDIPHARMA - CASH FLOWS (\$mm)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2014-27													
Upfront share purchase	(50.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	(50.0)													
R&D clinical trials tax deduction	(7.3)	(9.8)	(2.4)	-	-	-	-	-	-	-	-	-	-	-	(19.5)													
R&D CVRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
Sales/CoIing CVRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
Additional share purchase	-	-	(10.0)	-	-	-	-	-	-	-	-	-	-	-	(10.0)													
Acquisition option exercised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
Employee retention bonus tax deduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
US free cash flows	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-													
EU free cash flows	-	-	-	(12.6)	(13.4)	(12.4)	(10.9)	(8.3)	2.2	9.8	23.4	40.2	40.2	40.2	98.1													
TOTAL CASH FLOWS	(57.3)	(9.8)	(12.4)	(12.6)	(13.4)	(12.4)	(10.9)	(8.3)	2.2	9.8	23.4	40.2	40.2	40.2	18.6													
CUMULATIVE CASH FLOWS	(57.3)	(67.1)	(79.5)	(92.3)	(105.6)	(118.1)	(129.0)	(137.3)	(135.1)	(125.3)	(101.9)	(61.7)	(21.6)	18.6														
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# Myoscience P&L – Scenario #4

Scenario #4: Clinical study failed;  
cash pay; Higher Tip Price

Launch: 2015-Q1  
Life: 2029-Q4

Gross Sales Peak: \$66MM (2024)  
Net Sales Peak: \$59MM (2024)

\$ millions

Scenario:	Myoscience													NPV: \$ 16.7	
US\$MM	US\$MM														
Minority Stake's Value = \$ 6 millions															
Base Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
Gross sales	\$ -	\$ 1.9	\$ 3.5	\$ 10.8	\$ 17.1	\$ 25.9	\$ 36.1	\$ 46.7	\$ 56.1	\$ 63.0	\$ 65.5	\$ 65.3	\$ 59.2	\$ 56.1	
Net sales	-	1.7	3.3	10.0	15.5	23.2	32.2	41.8	50.2	56.4	58.5	56.6	52.9	50.2	
Costs of goods sold (@25.7%)	-	0.7	1.5	3.1	5.0	7.6	9.1	11.9	14.0	15.8	16.4	15.8	14.8	14.4	
Shipping and warehousing (@10%)	-	0.1	0.1	0.3	0.5	0.8	1.1	1.4	1.7	1.9	2.0	1.9	1.8	1.7	
Costs of sales (incl. royalties, shipping)	-	0.8	1.6	3.4	5.5	8.4	10.1	13.3	15.7	17.7	18.3	17.7	16.6	16.1	
Gross margin	-	0.9	1.7	6.5	10.0	14.8	22.1	28.5	34.5	38.7	40.2	38.9	36.3	34.0	
Gross margin as % of net sales		93%	91%	89%	85%	84%	89%	88%	89%	89%	89%	89%	89%	88%	
Operating expenses															
Selling and promotion	9.0	8.1	8.2	8.3	6.0	8.7	11.8	14.9	17.5	19.2	19.4	18.4	16.8	15.7	
Marketing spend	5.0	5.0	5.0	5.0	3.8	1.9	2.7	9.5	4.2	4.7	4.9	4.7	4.4	4.2	
S&M FTE	-	3.1	3.2	3.3	4.8	8.7	9.1	11.4	13.8	14.4	14.3	13.8	12.4	11.3	
General and admin (governance-related)	-	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	
Research and development	5.2	5.9	5.4	1.7	2.1	2.1	2.9	3.7	4.5	5.0	5.2	5.1	4.7	4.5	
Total operating expenses	10.2	18.1	17.7	14.1	12.1	14.8	18.7	22.7	26.0	28.2	28.7	27.4	25.8	24.2	
Operating income / (loss)	(10.2)	(17.2)	(16.0)	(7.5)	(2.1)	0.0	3.4	5.8	8.4	10.5	11.5	11.4	10.8	9.9	
Provision for income taxes (@35.0%)	(3.6)	(6.0)	(5.6)	(2.6)	(0.7)	0.0	1.2	2.0	3.0	3.7	4.0	4.0	3.8	3.5	
Net income	\$ (6.6)	\$ (11.2)	\$ (10.4)	\$ (4.9)	\$ (1.4)	\$ 0.0	\$ 2.2	\$ 3.8	\$ 5.5	\$ 6.8	\$ 7.5	\$ 7.4	\$ 7.0	\$ 6.4	
NPV SUMMARY															
Operating cash flows	\$ (6.6)	\$ (11.4)	\$ (10.6)	\$ (5.8)	\$ (2.1)	\$ (1.0)	\$ 1.0	\$ 2.5	\$ 4.4	\$ 6.0	\$ 7.2	\$ 7.7	\$ 7.5	\$ 6.8	
Milestones payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Free Cash Flows	\$ (6.6)	\$ (11.4)	\$ (10.6)	\$ (5.8)	\$ (2.1)	\$ (1.0)	\$ 1.0	\$ 2.5	\$ 4.4	\$ 6.0	\$ 7.2	\$ 7.7	\$ 7.5	\$ 6.8	
Both NPV and IRR are calculated using the base year above, discounted @9% after-tax. No terminal value is assumed.															
Purdue/Mundipharma NPV = \$ -73 millions															
PURDUE/MUNDIPHARMA - CASH FLOWS (\$mms)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2014-27
Upfront share purchase	(50.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	(50.0)
R&D clinical trials tax-deduction	(7.3)	(9.8)	(2.4)	-	-	-	-	-	-	-	-	-	-	-	(19.5)
R&D CVRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales/Coding CVRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional share purchase	-	-	(10.0)	-	-	-	-	-	-	-	-	-	-	-	(10.0)
Acquisition option exercised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Employee retention bonus tax-deduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
US free cash flows	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EU free cash flows	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH FLOWS	(57.3)	(9.8)	(12.4)	-	-	-	-	-	-	-	-	-	-	-	(79.5)
CUMULATIVE CASH FLOWS	(57.3)	(67.1)	(79.5)	(79.5)	(79.5)	(79.5)	(79.5)	(79.5)	(79.5)	(79.5)	(79.5)	(79.5)	(79.5)	(79.5)	(79.5)

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Financial Backup

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# P&Ls: EU

		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2031	2032
<i>Pan-Europe P&amp;L</i>														
Net Sales.....	\$ MM	0	0	0	2	6	12	21	37	63	106	148	149	149
Costs of Good Sold.....	\$ MM	24%	0	0	0	1	2	4	7	13	21	36	51	51
Royalties to Partner.....	\$ MM	7.5%	0	0	0	0	0	1	2	3	5	8	11	11
Sum of COGS/Royalties as % of Net Sales.....			0%	0%	0%	40%	40%	40%	40%	40%	40%	40%	40%	40%
Distribution.....	\$ MM		0	0	0	0	1	1	2	3	5	7	7	7
Costs of Sales (incl. royalties, distribution).....	\$ MM		0	0	0	1	3	5	10	17	29	49	69	69
Gross Margin.....	\$ MM	54%	0	0	0	1	3	6	11	20	34	57	80	80
Gross Margin as % of Net Sales.....			0%	0%	0%	54%	54%	54%	54%	54%	54%	54%	54%	54%
Operating Expenses.....														
Selling and Promotion.....	\$ MM	14%	0	0	0	21	21	21	21	21	11	11	11	11
SUP FTE.....			0	0	0	16	16	16	16	16	8	8	8	8
Marketing.....			0	0	0	5	5	5	5	5	3	3	3	3
General and Admin.....	\$ MM		0	0	0	0	1	1	2	3	5	7	7	7
Research and Development.....	\$ MM		0	0	0	0	0	0	0	0	0	0	0	0
Total Operating Expenses.....	\$ MM	18%	0	0	0	21	21	22	22	23	14	16	18	18
Operating Expense % of Net Sales.....														
Operating Income(Loss).....	\$ MM		0	0	0	-20	-18	-16	-11	-3	20	41	62	62
Taxable Income.....	\$ MM		0	0	0	-20	-18	-16	-11	-3	20	41	62	62
Provision for Income Taxes.....			0	0	0	-7	-6	-5	-4	-1	7	14	22	22
Net Income.....	\$ MM		0	0	0	-13	-12	-10	-7	-2	12	27	40	40
<b>NPV SUMMARY</b>														
Working Capital.....			0	0	0	0	1	3	7	13	24	41	58	58
Change in Working Capital.....			0	0	0	0	-1	-2	-4	-6	-11	-17	-17	0
Net Cash Flow.....	\$ MM		0	0	0	-13	-13	-12	-11	-8	2	10	23	40
NPV.....			65											
IRR.....			23%											
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# P&Ls: EU5

		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2031	2032
EUR/PL														
Net Sales.....	\$ MM	0	0	0	2	5	10	18	31	53	90	126	126	126
Costs of Good Sold.....	\$ MM	32%	0	0	0	1	2	3	6	10	17	29	41	41
Royalties to Partner.....	\$ MM	7.5%	0	0	0	0	1	1	2	4	7	9	9	9
Sum of COGS/Royalties as % of Net Sales.....			0%	0%	0%	40%	40%	40%	40%	40%	40%	40%	40%	40%
Distribution.....	\$ MM		0	0	0	0	0	1	2	3	4	5	5	5
Costs of Sales (incl. royalties, distribution).....	\$ MM		0	0	0	1	2	4	8	14	24	40	56	56
Gross Margin.....	\$ MM	55%	0	0	0	1	3	5	10	17	29	49	69	69
Gross Margin as % of Net Sales.....			0%	0%	0%	55%	55%	55%	55%	55%	55%	55%	55%	55%
Operating Expenses														
Selling and Promotion.....	\$ MM	14%	0	0	0	21	21	21	21	21	11	11	11	11
S&P FTE.....			0	0	0	16	16	16	16	16	8	8	8	8
Marketing.....			0	0	0	5	5	5	5	5	3	3	3	3
General and Admin.....	\$ MM		0	0	0	0	0	0	1	2	3	4	6	6
Research and Development.....	\$ MM		0	0	0	0	0	0	0	0	0	0	0	0
Total Operating Expenses.....	\$ MM	13%	0	0	0	21	21	22	22	23	13	15	17	17
Operating Expense % of Net Sales.....														
Operating Income/(Loss).....	\$ MM		0	0	0	-20	-19	-16	-12	-6	16	34	52	52
Taxable Income.....	\$ MM		0	0	0	-20	-19	-16	-12	-6	16	34	52	52
Provision for Income Taxes.....	\$ MM		0	0	0	-7	-7	-6	-4	-2	6	12	19	19
Net Income.....	\$ MM		0	0	0	-13	-12	-11	-8	-4	11	22	34	34
NPV SUMMARY														
Working Capital.....			0	0	0	0	1	3	6	11	20	34	49	49
Change in Working Capital.....			0	0	0	0	-1	-2	-3	-5	-9	-14	-14	0
Net Cash Flow.....	\$ MM		0	0	0	-13	-13	-13	-11	-9	1	8	20	24
NPV.....			50											
IRR.....			21%											
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		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2031	2032
Germany P/L														
Net Sales.....	\$ MM	0	0	0	1	2	3	6	10	17	29	41	41	41
Costs of Good Sold.....	\$ MM	3%	0	0	0	0	1	2	3	5	9	13	13	13
Royalties to Partner.....	\$ MM	7.5%	0	0	0	0	0	0	1	1	2	3	3	3
Sum of COGS/Royalties as % of Net Sales.....		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Distribution.....	\$ MM	0	0	0	0	0	0	0	1	1	1	2	2	2
Costs of Sales (incl. royalties, distribution).....	\$ MM	0	0	0	0	1	1	3	4	8	13	18	18	18
Gross Margin.....	\$ MM	0	0	0	0	1	2	3	6	10	16	23	23	23
Gross Margin as % of Net Sales.....		0%	0%	0%	0%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Operating Expenses														
Selling and Promotion.....	\$ MM	10%	0	0	0	4	4	4	4	4	2	2	2	2
S&P FTE.....		0	0	0	3	3	3	3	2	2	2	2	2	2
Marketing.....		0	0	0	1	1	1	1	1	1	1	1	1	1
General and Admin.....	\$ MM	0	0	0	0	0	0	0	1	1	1	2	2	2
Total Operating Expenses.....	\$ MM	15%	0	0	0	4	4	4	5	5	3	4	4	4
Operating Expense % of Net Sales.....														
Operating Income/(Loss).....	\$ MM	0	0	0	-4	-3	-3	-1	1	7	13	19	19	19
Taxable Income.....	\$ MM	0	0	0	-4	-3	-3	-1	1	7	13	19	19	19
Provision for Income Taxes.....		0	0	0	-1	-1	-1	0	0	2	4	7	7	7
Net Income.....	\$ MM	0	0	0	-3	-2	-2	-1	1	4	8	12	12	12
NPV SUMMARY														
Working Capital.....		0	0	0	0	0	1	2	4	7	11	16	16	16
Change in Working Capital.....		0	0	0	0	0	-1	-1	-2	-3	-5	-5	0	0
Net Cash Flow.....	\$ MM	0	0	0	-3	-2	-2	-1	2	4	8	12	12	12
NPV.....		25.1												
IFIR.....		32%												

# P&Ls: UK

		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
UK P&L														
Net Sales.....	\$ MM	0	0	0	0	1	2	4	6	11	18	25	25	25
Costs of Good Sold.....	\$ MM	32%	0	0	0	0	0	1	1	2	3	6	8	8
Royalties to Partner.....	\$ MM	75%	0	0	0	0	0	0	0	1	1	2	2	2
Sum of CGS/Royalties as % of Net Sales.....		0%	0%	0%	40%	40%	40%	40%	40%	40%	40%	40%	40%	40%
Distribution.....	\$ MM	0	0	0	0	0	0	0	0	1	1	1	1	1
Costs of Sales (incl. royalties, distribution).....	\$ MM	0	0	0	0	0	1	2	3	5	8	11	11	11
Gross Margin.....	\$ MM	0	0	0	0	1	1	2	3	6	10	14	14	14
Gross Margin as % of Net Sales.....		0%	0%	0%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Operating Expenses														
Selling and Promotion.....	\$ MM	17%	0	0	0	4	4	4	4	4	4	4	4	4
S&P FTE.....		0	0	0	3	3	3	3	3	2	2	2	2	2
Marketing.....		0	0	0	1	1	1	1	1	1	1	1	1	1
General and Admin.....	\$ MM	0	0	0	0	0	0	0	0	1	1	1	1	1
Total Operating Expenses.....	\$ MM	22%	0	0	0	4	4	4	4	5	7	10	10	10
Operating Expense % of Net Sales.....														
Operating Income(Loss).....	\$ MM	0	0	0	4	4	3	2	1	3	7	10	10	10
Taxable Income.....	\$ MM	0	0	0	4	4	3	2	1	3	7	10	10	10
Provision for Income Taxes.....		0	0	0	1	1	1	1	0	1	2	4	4	4
Net Income.....	\$ MM	0	0	0	3	3	2	1	1	2	5	6	6	6
NPV SUMMARY														
Working Capital.....		0	0	0	0	0	1	1	2	4	7	9	9	9
Change in Working Capital.....		0	0	0	0	0	0	1	1	2	3	3	0	0
Net Cash Flow.....	\$ MM	0	0	0	3	3	3	2	2	0	2	4	7	7
NPV.....		10												
IRR.....		21%												

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# P&Ls: Spain

			2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2031	2032
<i>Spain P&amp;L</i>															
Net Sales	\$ MM		0	0	0	0	1	1	2	4	6	11	15	15	15
Costs of Good Sold	\$ MM	34%	0	0	0	0	0	0	1	1	2	4	5	5	5
Revenues to Partner	\$ MM	8%	0	0	0	0	0	0	0	0	0	1	1	1	1
Sum of COGS/Revenues as % of Net Sales			0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Distribution	\$ MM		0	0	0	0	0	0	0	0	0	1	1	1	1
Costs of Sales (incl. royalties, distribution)	\$ MM		0	0	0	0	0	1	1	2	3	5	7	7	7
Gross Margin	\$ MM		0	0	0	0	0	1	1	2	3	6	8	8	8
Gross Margin as % of Net Sales			0%	0%	0%	0%	54%	54%	54%	54%	54%	54%	54%	54%	54%
Operating Expenses															
Selling and Promotion	\$ MM	24%	0	0	0	4	4	4	4	4	2	2	2	2	2
S&P FTE			0	0	0	3	3	3	3	3	1	1	1	1	1
Marketing			0	0	0	1	1	1	1	1	1	1	1	1	1
General and Admin	\$ MM		0	0	0	0	0	0	0	0	1	1	1	1	1
Total Operating Expenses	\$ MM	28%	0	0	0	4	4	4	4	4	2	2	3	3	3
Operating Expense % of Net Sales															
Operating Income(Loss)	\$ MM		0	0	0	4	-3	-3	-3	-2	1	3	6	6	6
Taxable Income	\$ MM		0	0	0	4	-3	-3	-3	-2	1	3	6	6	6
Provision for Income Taxes			0	0	0	-1	-1	-1	-1	-1	0	1	2	2	2
Net Income	\$ MM		0	0	0	2	2	2	2	1	1	2	4	4	4
<b>NPV SUMMARY</b>															
Working Capital			0	0	0	0	0	0	1	1	2	4	6	6	6
Change in Working Capital			0	0	0	0	0	0	0	-1	-1	-2	-2	0	0
Net Cash Flow	\$ MM		0	0	0	-2	-2	-2	-2	-2	0	1	2	4	4
NPV			2												
IRR			13%												

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# Key Financial Terms and Commitments:

Mundipharma Commitment						
Mundipharma Commitment	Unit	Y1	Y2	Y3	Y4	Y5+
Royalty Payment	%	Flat rate of 7.5% of net sales				

## Key Assumptions: Revenue Build

Inputs	Unit	Assumption L-B-H			Rationale/ Sources:
# of Cartridges per Knee	#	--	2.5	--	• Based on assumption from FCT Business Case v3 spreadsheet; input consistent across all scenarios
Peak % of FCT Patients at identified Focus Specialties	%	--	45	--	• Based on assumption from FCT Business Case v3 spreadsheet; input consistent across all scenarios
Peak Share of Patients seen by Focus Specialties	%	--	5	--	• Based on assumption from FCT Business Case v3 spreadsheet; input consistent across all scenarios
# of Patients with Both Knees	%	--	30	--	• Based on assumption from FCT Business Case v3 spreadsheet; input consistent across all scenarios
DE Reimbursement	%	60	100	--	• Based on assumption from Myosciences EU Pain Business Case v5 • Base case taken from Scenario 2 and 4 input assumption
UK Reimbursement	%	15	100	--	• Low case taken from Scenario 1 and 3 input assumption
ES Reimbursement	%	30	100	--	• Reimbursement across markets was assumed to be independent
Reimbursement Probability	%	10	90	--	• Probability of trial success needed to establish reimbursement • MP assumption
Hand set device life:	yrs	--	3	--	• Based on assumption from FCT Business Case v3 spreadsheet; input consistent across all scenarios

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## Key Assumptions: Revenue Build

Inputs	Unit	Assumption L-B-H			Rationale/ Sources:
Launch Year	yr	--	2018	--	<ul style="list-style-type: none"> <li>• MP assumption</li> <li>• Assumes very minimal sales in 2017 with reimbursement in 2018</li> </ul>
Time to Peak Sales	yrs	--	8	--	<ul style="list-style-type: none"> <li>• MP assumption</li> </ul>
FR Multiplier	#	--	0.99	--	<ul style="list-style-type: none"> <li>• Multiplier off of UK sales</li> <li>• MP assumption</li> </ul>
IT Multiplier	#	--	1.32	--	<ul style="list-style-type: none"> <li>• Multiplier off of Spain sales</li> <li>• MP assumption</li> </ul>
ROE Multiplier	#	--	0.19	--	<ul style="list-style-type: none"> <li>• Multiplier off of EU5 sales</li> <li>• MP assumption</li> </ul>

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## Key Assumptions: Sales & Marketing

Inputs	Unit	Assumption L-B-H			Rationale/ Sources:
DE Sales Organization Costs	€M	--	3.30	--	<ul style="list-style-type: none"><li>• Based on assumption from FCT Business Case v3 spreadsheet; input consistent across all scenarios</li><li>• 50% reduction in sales costs 5 years post launch</li></ul>
DE Marketing Costs	€M	--	1	--	
DE Inflation Rate	%	2	0	--	<ul style="list-style-type: none"><li>• Based on assumption from FCT Business Case v3 spreadsheet; inflation assumed in Scenario 2</li><li>• Base case taken from all other Scenarios</li><li>• Low case taken from Scenario 2</li></ul>
UK Sales Organization Costs	€M	--	3.25	--	<ul style="list-style-type: none"><li>• Based on assumption from FCT Business Case v3 spreadsheet; input consistent across all scenarios</li><li>• 50% reduction in sales costs 5 years post launch</li></ul>
UK Marketing Costs	€M	--	1	--	
ES Sales Organization Costs	€M	--	2.64	--	<ul style="list-style-type: none"><li>• Based on assumption from FCT Business Case v3 spreadsheet; input consistent across all scenarios</li><li>• 50% reduction in sales costs 5 years post launch</li></ul>
ES Marketing Costs	€M	--	1	--	

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## Key Assumptions: CoGS

CoGS Inputs	Unit	Assumption L-B-H			Rationale/ Sources:
Selling price per handset:	€		0		• Rental model
Selling price per smart tip:	€		200		• Based on assumption from Myosciences EU Pain Business Case v5
Selling price per cartridge:	€		0		• Rental model
COGs per handset:	€		1021		• Based on assumption from Myosciences EU Pain Business Case v5
COGs per smart tip:	€	88	33	33	<ul style="list-style-type: none"> <li>• Based on assumption from Myosciences EU Pain Business Case v5</li> <li>• Base case taken from Scenario 3 and 4 input assumption (low CoGS)</li> <li>• Low case taken from Scenario 1 and 2 input assumption (high CoGS)</li> </ul>
COGs per cartridge:	€	11	8	8	<ul style="list-style-type: none"> <li>• Based on assumption from Myosciences EU Pain Business Case v5</li> <li>• BBase case taken from Scenario 3 and 4 input assumption (low CoGS)</li> <li>• Low case taken from Scenario 1 and 2 input assumption (high CoGS)</li> </ul>
Probability	%	20	80	--	• Model assumes that CoGS swing together across EU markets
ROE CoGs Multiplier	#	--	0.25	--	<ul style="list-style-type: none"> <li>• Off of EU\$ CoGS</li> <li>• MP assumption</li> </ul>

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## Key Assumptions: Additional

Inputs	Unit	Assumption L-B-H			Rationale/ Sources:
G&A	%	--	5	--	• MP assumption
Distribution	%	--	5	--	• MP assumption
Tax Rate	%	--	35	--	• Post-tax • MP assumption
Working Capital - Receivables	days	--	100	--	• MP assumption
Working Capital - Inventory	days	--	150	--	• MP assumption
Working Capital - Payables	days	--	120	--	• MP assumption
Discount Rate	%	--	9	--	• MP assumption

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# Project Jupiter

Strategic Options for Skyepharma

Update Document for Board Meeting

14<sup>th</sup> May 2014

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# Background

- MINT has previously reviewed the strategic options regarding Skyepharma with the Board, up to and including a full acquisition of the company
- At a recent meeting it was agreed that MINT would approach London-based investment banks to identify an organisation that was optimally placed to support a strategic review of options
- The purpose of this update is to inform the Board of the progress of these discussions and seek further input and guidance for this project

# Current status of the relationship with Skyepharma

- The rationale behind considering our strategic options remains the same
  - Flutiform remains a key driver for our business and assuming more strategic control of this asset will provide the opportunity to safeguard and maximize the value of this asset
  - Our operational relationship with Skyepharma remains challenging with significant issues remaining to be agreed by them at the JSC level
  - Remaining concerns that their short term mindset could impact the longer term potential in this franchise
- Their recent fund raising has removed concerns over taking on excessive debt on the business
  - £112m (£104 net) closed at the end April and the majority of the proceeds to be used for early repayment of the bonds
  - Post closing, the share price has remained stable (~£2.40) giving a market cap slightly in excess of £250m
- Recent discussions with Peter Grant (CEO) have identified a willingness to address the outstanding issues. Nevertheless, these discussions may be protracted and no certainty that the operational challenges that have impacted the collaboration can be unequivocally resolved by this mechanism

# Rothschild selected as financial adviser best placed to advise on strategic options

- Selection based on:
  - Detailed knowledge of SKP through a previous potential transaction on this company
  - Strong relationships with key stakeholders in the process (SKP Board, HBM Helathcare)
  - Extensive experience in the Respiratory Sector (they recently advised Vectura on the acquisition of Activaero)
  - Dedicated, experienced team will support the transaction
  - Experienced in complex deals structures inc. asset divestments, secondary placings, asset/royalty monetization as part of M&A deals
- Fees will be based on a no-retainer, success-driven structure, with a low flat fee supplemented by a discretionary fee based on our assessment of their performance
  - If transaction is less than a full acquisition, we will agree a reduced fee appropriate to the deal
- Rothschild preparing a letter of mandate and we are in a position to progress with a full analysis of options

## Next Steps

- Engage Rothschild and work with them to update/refine the financial analysis for a range of strategic options
- Generate recommendations and return to Board for input and guidance
- In parallel, we will continue to explore with SKP routes to address the current operational challenges in the collaboration.



# Project Phidias

Opportunity to acquire Archimedes Pharma Ltd

Update Document for Board Meeting

14<sup>th</sup> May 2014

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# Company Overview

- Archimedes is a specialty pharma company marketing a portfolio of products in pain, oncology and critical care
  - Wholly owned by Novo A/S
- Total sales for the company in 2013 - £41m (\$64m)
- Key product – PecFent (fentanyl pectin nasal spray) for the management of breakthrough pain in cancer patients
  - ~£15m sales in 2013 (77% growth in 2013)
  - Approved in 27 markets but actively promoted in 10 – significant geographical upside potential
  - Other LCM potential indicated
  - Mundipharma already co-promoting the product in Spain and France (from Q3 2013)
- Other promoted products in Pain, Oncology and Critical Care grew by 37% in 2013
- Strong EU commercial footprint – Spain, France, UK and Germany
- Proprietary technology platforms for nasal and oral drug delivery

# Background to the Opportunity

- Moelis and Co have been retained by Novo A/S to seek a purchaser for Archimedes Pharma Ltd
- Confidential Information pack received from Bank and Project Team have driven evaluation of the opportunity
- Process divided into two phases:
  - Phase I – Non-binding indicative offers to acquire to be received by Bank by 1700 CET Tuesday 6<sup>th</sup> May
  - Phase II – a limited number of prospective purchasers will be selected to proceed, and have access to the e-data room, presentations/discussions with management and to review the draft purchase agreement. No timescale for PhII has been communicated
- After initial discussions with Citibank, it was decided not to engage a financial advisor until the outcome of Phase I is communicated

# Financial model generated to support evaluation

- Adopted a conservative approach to valuation utilising as a key driver PecFent in Spain and France
  - Forecasts provided by IACs based on their experience with co-promoting the product in these markets
  - Limited potential in UK and Germany
  - Forecasts incl. for Nordic regions based on previous discussions for a promotion deal in these regions
  - Feedback from RoW received highlighting interest in the product but as a longer term opportunity. No forecasts included in initial valuation model
- Base case model assumes 40% reduction to book figures on other promoted products for a maximum duration of five years (Zomorph will be returned to Ethypharm on change of control)
- Preliminary advice on valuation on NOLs suggested that limited value should be placed on these for initial valuation of opportunity, pending review of full tax diligence report
- Valuation model supported an acquisition price of £110m
  - Upfront payment on closing - £60m
  - Earn out of £50m based on achievement of sales revenue targets for PecFent

## Sidebar discussion with Ethypharm

- After the process initiation, we were approached by Ethypharm via Rothschild to explore our interest in considering a deal in which the assets and infrastructure of Archimedes could be divided as follows:
  - Mundipharma – PecFent product, NOLs carried forward, Spain infrastructure and UK facility in Nottingham (R&D group)
  - Ethypharm – Commercial infrastructure in France, UK and Germany, remaining promoted and non-promoted products
- Their principal driver for the deal is the acquisition of infrastructure to support their strategic development into a integrated product development and commercialization play
  - Supported the private equity group Astorg Partners
- In principle, this deal structure would be attractive to us
- Tactically, both parties agreed to submit bids and discuss further when outcome of Phase I is known

## Anticipated Next Steps

- The outcome of Phase I should be communicated by Moelis & co by end of week (?May 9<sup>th</sup>)
- If one or both of Mundipharma or Ethypharm is taken through to the second phase, establish meeting between the parties to agree how to proceed:
  - Further define how assets and infrastructure will be divided between the companies
  - Generate pro-forma P&L model for split of company
  - Update valuation model based on more detailed market forecasts from key territories inc. RoW
  - Incorporate further tax advice on valuation of NOLs
  - Agree tactics on how to proceed (?preference for asset deal on PecFent)
- Return to Board with recommendation



# Appendix

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# Model summary – base case

Archimedes Pharma		Figures in \$Bn, mnt; unless otherwise stated																			
Relevant		Cum.		9	32	60	94	122	158	191	227	264	301	336	375	402	430	454	475	493	507
Period		Period		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Discounted F&L		Discount on management numbers																			
Total gross revenue		Discount on management numbers																			
20%	Pectent	37	18	23	28	30	32	34	35	36	37	37	37	35	33	32	29	24	21	18	14
40%	Apomorphine	3	1	2	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40%	Glaxo	4	3	3	4	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40%	Fabrinex	5	4	4	4	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
100%	Zomorph	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40%	Oramorph	2	1	1	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40%	Probanthine	1	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40%	Other products	5	4	5	5	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total gross revenue		50	31	39	46	50	52	54	55	56	57	57	55	53	52	49	44	38	32	26	21
Mark downs / Royalties		0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other income		0	0	2	3	5	6	7	8	9	9	9	9	9	9	8	7	6	5	4	3
Net Revenue		55	31	40	49	55	58	61	63	65	66	66	64	62	61	57	51	44	37	31	25
COGS		-1.9	-6.9	-8.2	-9.7	-11.1	-5.8	-6.1	-6.3	-6.5	-6.7	-6.7	-6.4	-6.2	-6.0	-5.7	-5.1	-4.5	-4.0	-3.4	-2.8
as % of net sales		22%	22%	20%	20%	20%	15%	15%	15%	15%	15%	14%	14%	14%	15%	16%	16%	17%	18%	19%	20%
Share of royalties		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
as % of net sales		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Write-offs		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
as % of net sales		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total Cost of Goods		-2	-7	-8	-10	-11	-6	-6	-6	-7	-7	-7	-6	-6	-6	-6	-5	-5	-4	-3	-2
as % of net sales		22%	22%	20%	20%	20%	15%	15%	15%	15%	15%	14%	14%	14%	15%	16%	16%	17%	18%	19%	20%
Gross profits		44	24.3	32.2	39.3	44.3	33	35	37	38	39	40	38	37	35	31	26	22	18	15	12
as % of net sales		86%	78%	80%	80%	80%	85%	85%	85%	85%	85%	86%	86%	86%	85%	84%	83%	82%	81%	80%	79%
Synergies		20%	-2.3	-1.5	-1.9	-2.2	-2.3	-1.6	-1.3	-1.3	-1.3	-1.3	-1.3	-1.3	-1.3	-1.1	-0.9	-0.8	-0.6	-0.5	-0.4
80%	Marketing	-0.7	-0.7	-0.7	-0.7	-0.7	-0.5	-0.5	-0.6	-0.6	-0.6	-0.6	-0.6	-0.5	-0.5	-0.5	-0.4	-0.4	-0.3	-0.2	-0.2
80%	Selling	-2.9	-2.7	-2.7	-2.9	-2.7	-1.9	-1.4	-1.1	-1.0	-0.8	-0.7	-0.6	-0.6	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5
20%	Technical ops.	-1.0	-1.0	-1.0	-1.0	-1.0	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8
30%	Development	-4.3	-4.1	-4.2	-4.2	-4.3	-3.0	-2.2	-1.8	-1.5	-1.3	-1.1	-1.0	-0.9	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8
50%	G&A	-3.5	-3.5	-3.4	-3.5	-3.5	-2.6	-2.7	-2.7	-2.8	-2.8	-2.7	-2.6	-2.5	-2.2	-2.0	-1.8	-1.5	-1.3	-1.0	-0.7
Total Opex		-15	-13.5	-14.0	-14.5	-14.6	-10.4	-9.0	-8.3	-7.9	-7.6	-7.2	-7.0	-6.8	-6.6	-6.2	-5.7	-5.2	-4.8	-4.3	-3.8
as % of net sales		43%	43%	35%	30%	26%	27%	22%	19%	18%	16%	16%	16%	16%	16%	17%	18%	20%	21%	24%	27%
R&D / Restructuring		-5	-5	-5	-5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Phase III		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Phase Safety		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Phase Registration an		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total R&D / Restructur		-5	-5	-5	-5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Milestone payment amortization		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Milestone payments		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sales milestones		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Milestones		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total operating profit		33	5.7	13.2	19.8	29.7	22.1	25.6	28.2	30.1	31.8	32.5	31.2	29.8	28.1	24.7	20.3	16.7	13.7	10.3	7.7
as % of net sales		70%	18%	33%	40%	54%	58%	63%	66%	68%	69%	70%	70%	69%	67%	65%	63%	61%	57%	54%	49%
Taxes		30%	-2	-5	-8	-12	-9	-10	-11	-12	-13	-13	-12	-12	-11	-10	-8	-7	-5	-4	-3
NOPAT		20	3	8	12	18	13	15	17	18	19	20	19	18	17	15	12	10	8	6	5
Net working capital		3	14	19	23	26	12	13	14	15	16	16	16	15	14	13	11	9	8	6	5
as % of net sales		47%	44%	46%	46%	47%	31%	32%	33%	34%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%
Change in working capital		5.9	4.8	4.1	3.3	-14.0	1.1	1.1	1.0	1.0	0.1	-0.6	-0.6	-0.7	-1.4	-1.9	-1.6	-1.4	-1.6	-1.3	-1.0
Capex		0.3	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0
as % of net sales		0.9%	0.6%	0.4%	0.4%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Upfront payment / milestones		60.0	12.5	17.5	20.0																
FCF		-62.7	2.9	7.6	1.8	27.1	-3.4	15.7	16.9	-2.1	19.2	19.3	18.4	17.5	16.1	14.0	11.6	9.5	7.7	5.9	4.4
Cumulative FCF		-62.7	-59.8	-52.3	-50.5	-23.3	-26.7	-11.0	5.9	3.9	23.1	42.3	60.7	78.2	94.3	108.4	119.9	129.5	137.2	143.1	147.5



# Return profile

## Risk / Return on various scenarios

	Base case	Small molecule erosion curve	Pecfent sales upside	Tax losses	Tax losses + 24% UK tax + 9% WACC
<b>Description</b>	- Smooth erosion curve (20% of peak sales, 10 years post LOE)	- Smooth erosion curve (10% of peak sales, 10 years post LOE)	- Smooth erosion curve (20% of peak sales, 10 years post LOE)	- Smooth erosion curve (20% of peak sales, 10 years post LOE)	- Smooth erosion curve (20% of peak sales, 10 years post LOE)
<b>Tax rate</b>	40%	40%	40%	40%	24%
<b>Tax losses</b>	No NOLs utilized	No NOLs utilized	No NOLs utilized	GBP190mn NOLs utilised	GBP190mn NOLs utilised
<b>Restructuring costs</b>	GBP15mn over 3 years	GBP15mn over 3 years	GBP15mn over 3 years	GBP15mn over 3 years	GBP15mn over 3 years
<b>Discount on Pecfent sales est.</b>	20%	20%	Based on Moelis figures	20%	20%
<b>Discount on non-core product sales est.</b>	40%	40%	20%	40%	40%
<b>Upfront</b>	GBP60	GBP60	GBP60	GBP60	GBP60
<b>Milestones</b>	GBP50	GBP50	GBP50	GBP50	GBP50
<b>NPV (GBP, mn)</b>	15.2	6.2	48.0	57.0	100.2
<b>NPV (USD, mn)</b>	25.4	10.5	80.4	95.6	168.0
<b>IRR (%)</b>	14.8%	13.4%	23.0%	26.6%	27.6%

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**Subject:** Worldwide Sales - April 2014  
[WW Sales 2014 D April Send.pdf](#)

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### **HIGHLIGHTS – April 2014**

- Worldwide year to date sales of \$1,235.1m are 2.9% up on 2013 and 5.0% ahead of budget. (Page 3)
- For the fourth consecutive month, sales in Europe, Asia and Australia were each ahead of both last year and budget. (Page 3)
- Italy and China are the main contributors to growth, adding \$14.5m and \$10.3m, respectively, to year to date sales compared to last year. (Page 3A)
- Year to date worldwide sales of OxyContin of \$701.6m are 3.6% down on 2013. Sales of all other products of \$533.5m are 13.1% better than last year. (Page 6)
- OxyContin sales accounted for 56.8% of the total year to date sales, compared to 60.7% for the same period last year. (Page 6)
- Together, Targin, Buprenorphine, Levact and Flutiform account 96% of the cumulative net growth in products excluding OxyContin. (Page 6)
- Record monthly sales were achieved for total Asia and in France, Korea and Belgium.
- Total worldwide sales of OxyContin since its first launch in December 1995 passed the \$28 billion mark this month. (Page 8)
- Year to date sales for joint ventures (which are not included above), are \$56.0m, being 6.7% higher than 2013, but 5.0% down on budget. Sales in India of \$27.9m are 8.5% up on 2013, whilst sales in Israel of \$25.8m are

4.7% better than 2013. (Page 9)

### **Year to Date - April 2014**

**Worldwide sales of \$1,235.1m are 2.9% up on last year and 5.0% ahead of budget.**

**Worldwide excluding USA** sales of \$607.3m are 10.3% up on 2013 and 4.6% better than budget.

**USA** sales of \$627.8m are 3.3% less than last year, but 5.4% ahead of budget and on track to meet the budget for the year. OxyContin sales of \$566.9m are 4.1% down on 2013, but 5.8% up on budget. Gross sales of all OxyContin strengths except the 80mg are ahead of last year, but rebates have increased by 59% to \$247.1m. BuTrans prescription demand is on budget and likely to improve from that due to significant managed case listing.

Year to date sales in **Europe** of \$409.9m are 10.2% better than 2013 and 4.9% ahead of budget. **Italy** (+ \$14.5m / 62.4%), **France** (+ \$5.7m / 19.0%) and **Spain** (+ \$4.4m / 31.4%) have been the engines of growth so far this year, although 15 markets show growth over last year (9 of them by >10%). Flutiform continues to perform positively, with year to date sales of \$21.6m being 10.2% better than budget.

**Canada** sales of \$83.9m are 3.3% down on 2013, but in line with budget. After good sales in March and April, OxyNEO year to date sales of \$29.3m are now ahead of budget by 2.1% (but 14.7% down on last year). Sales excluding OxyNEO are 4.3% up on 2013, but marginally down on budget.

Sales in **Australia** of \$48.7m are 9.2% up on last year and 4.1% better than budget. Targin sales of \$9.9m are growing 82.0% and sales of Norspan of \$15.4m are growing 8.0%. This combined growth more than offsets the 8.2% decline in OxyContin sales to \$16.9m. These 3 products make up 87% of total sales.

Flutiform sales of \$0.2m are 39.0% behind budget.

Sales in **Asia** of \$55.0m are 33.1% up on 2013 and 10.0% higher than budget.

**China** is up on 2013 and budget by 47.8% and 13.7%, respectively; **Korea** is up on 2013 by 14.8% and in line with budget; and **Philippines** is up on 2013 and budget by 24.7% and 10.2%, respectively. OxyContin sales in **China** make up 34% of the total Asia sales and are growing at 59.7%.

**Latin America** sales of \$5.6m (including \$0.7m of sales made by MLG and MMCO to markets in Latin America) are 7.0% behind budget. Sales in **Brazil** of \$4.1m are 4.2% up on budget.

**Middle East and North Africa** sales in the year of \$3.4m are 17.1% ahead of budget.

### **Month - April 2014**

**Worldwide sales of \$344.2m were 3.6% up on April 2013 and 18.2% ahead of budget.**

**Worldwide excluding USA** sales of \$160.2m were 10.8% up on 2013 and 6.3%

better than budget.

**USA** sales of \$184.0m were 2.0% less than last year, but 30.9% up on budget. OxyContin sales of \$165.6m were 3.3% down on April 2013, but 30.5% ahead of budget. After a disappointing March, BuTrans sales in April of \$11.5m were 36.0% up on last year and 38.1% better than budget.

**Europe** has built on the good momentum of the first quarter and in April achieved the 2<sup>nd</sup> highest ever monthly sales. Sales in the month of \$108.7m were 11.9% up on last year and 7.7% better than budget. Record sales were achieved by **France** (first time past €7m) and **Belgium** (first time past €1m), whilst **Italy** achieved 2<sup>nd</sup> highest ever sales. 13 (out of 18) markets were ahead of budget, with 8 of these being ahead by >10%.

**Canada** sales of \$22.2m were 5.7% down on April 2013 and 1.7% below budget. Other than BuTrans, the main products were down on last year. However, OxyNEO sales of \$7.9m were 13.0% ahead of budget. Hydromorph Contin sales of \$8.2m were 5.4% down on last year and 4.6% less than budget.

Sales in **Australia** of \$12.4m were 4.7% up on last year and 4.4% better than budget. Re-formulated OxyContin was launched on 1 April and this caused a significant buy-in of product in March, resulting in reduced sales in April. Sales of OxyContin in April of \$3.7m were 24.0% down on last year. Highest ever Targin sales of \$2.9m were 79.3% up on 2013 and 11.1% ahead of budget. Norspan sales of \$4.0m were the 2<sup>nd</sup> highest ever, being 10.6% up on April 2013 and 8.0% better than budget.

Sales in **Asia** of \$14.2m were 39.5% up on 2013 and 10.0% higher than budget. April sales were the highest on record and included highest ever sales in **Korea** of \$3.2m (23.1% up on 2013 and 1.0% better than budget). **China** sales of \$8.2m were the 2<sup>nd</sup> best ever, being 47.4% up on April 2013 and 14.6% better than budget. OxyContin continues to lead the way and sales of \$4.8m were 61.8% up on last year.

**Latin America** sales in April were \$2.3m (\$1.8m from Brazil), which was in line with budget. After the narcotics license was renewed on 31 March in **Brazil**, sales in April were boosted by back orders and ended 73.0% up on budget, but this favourable variance was offset by below budget sales in the other Latin America markets.

**Middle East and North Africa** sales in the month of \$0.3m are more than double the budgeted amount.

For more detailed comments, reference should be made to individual country managers' reports and also to Antony Mattessich's European summary. Please contact me should you have any questions regarding this report.

With best regards,



**WORLDWIDE SALES REPORT (US \$'000)**

**April 2014**

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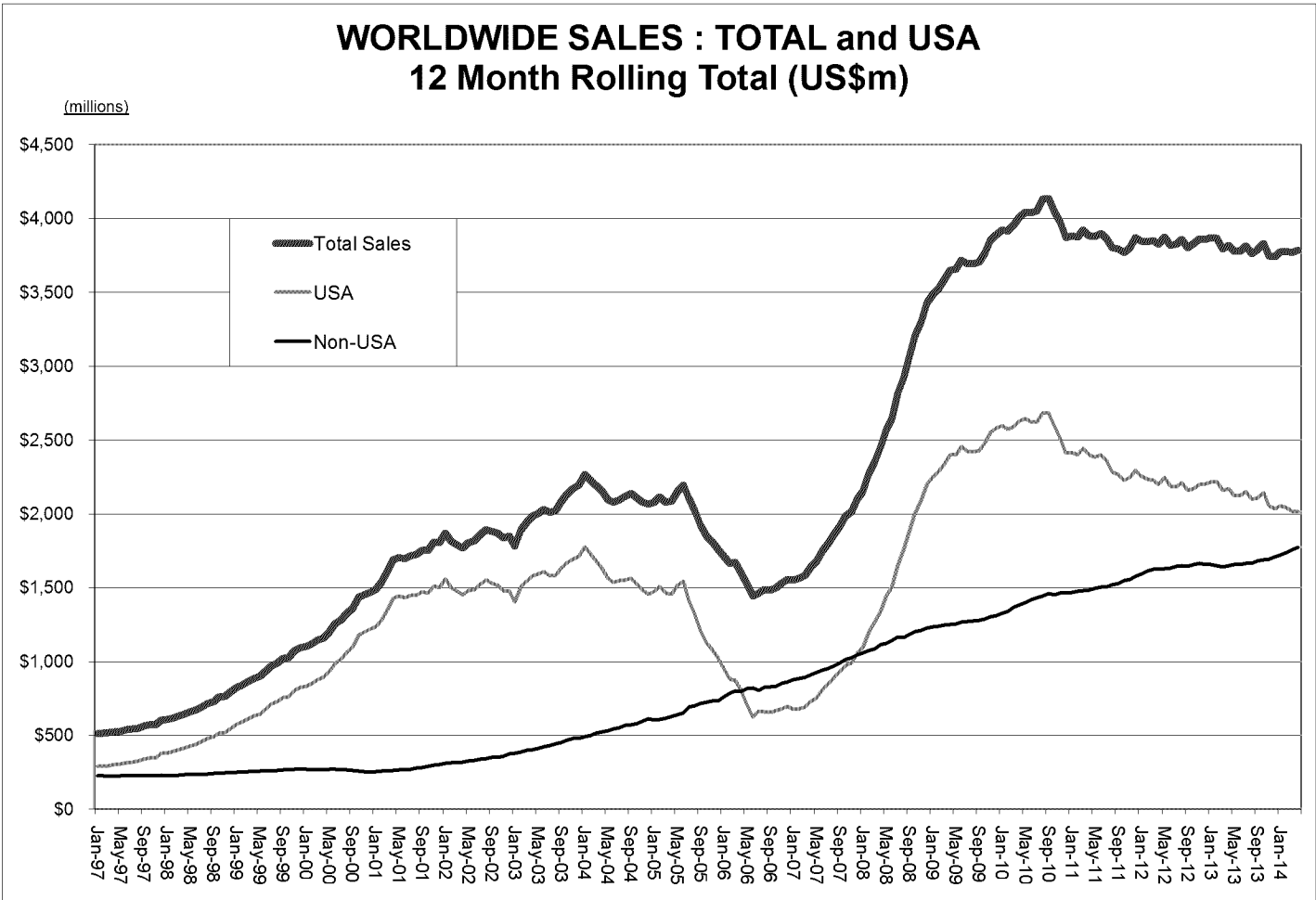
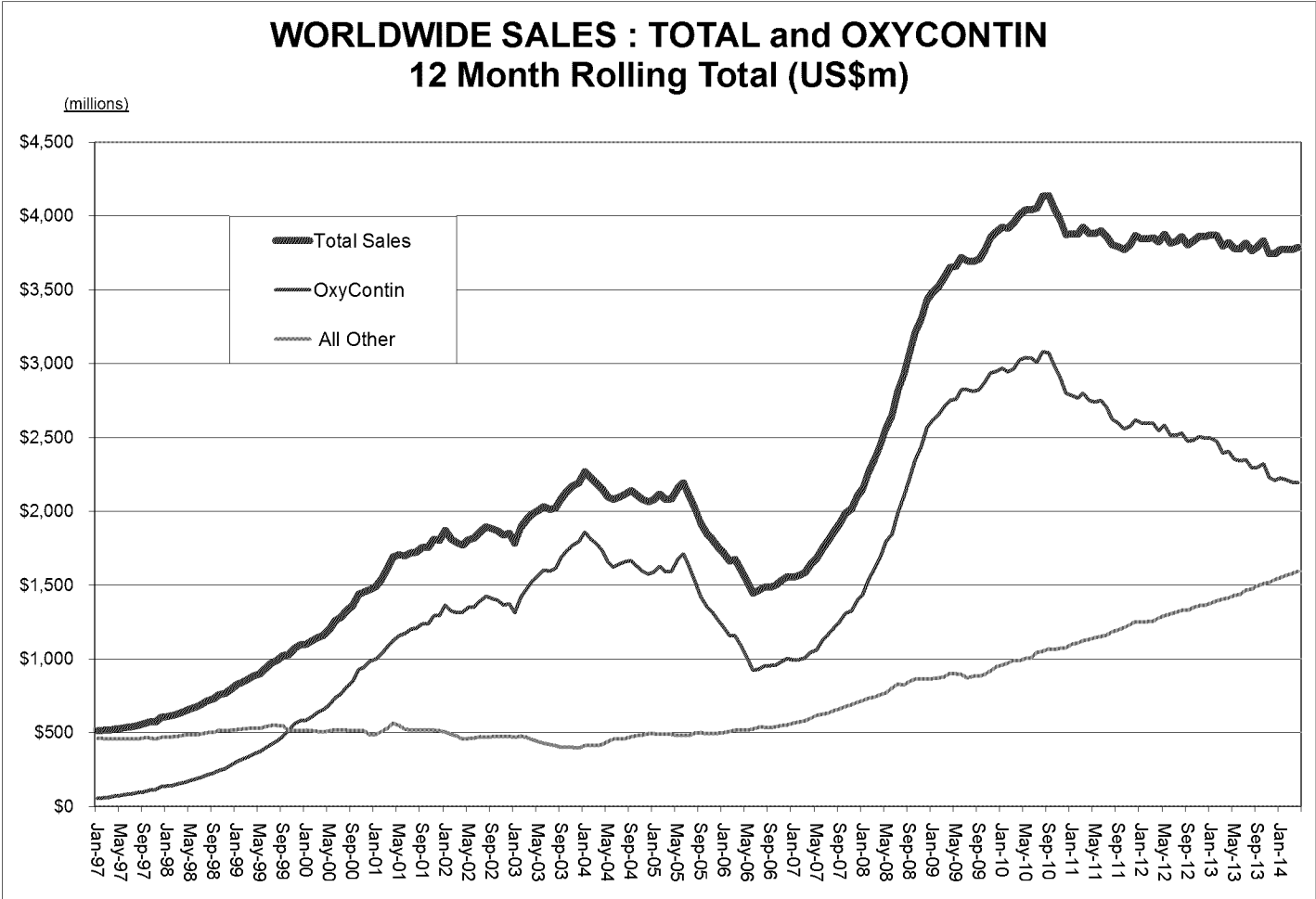
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HISTORICAL SALES CHART



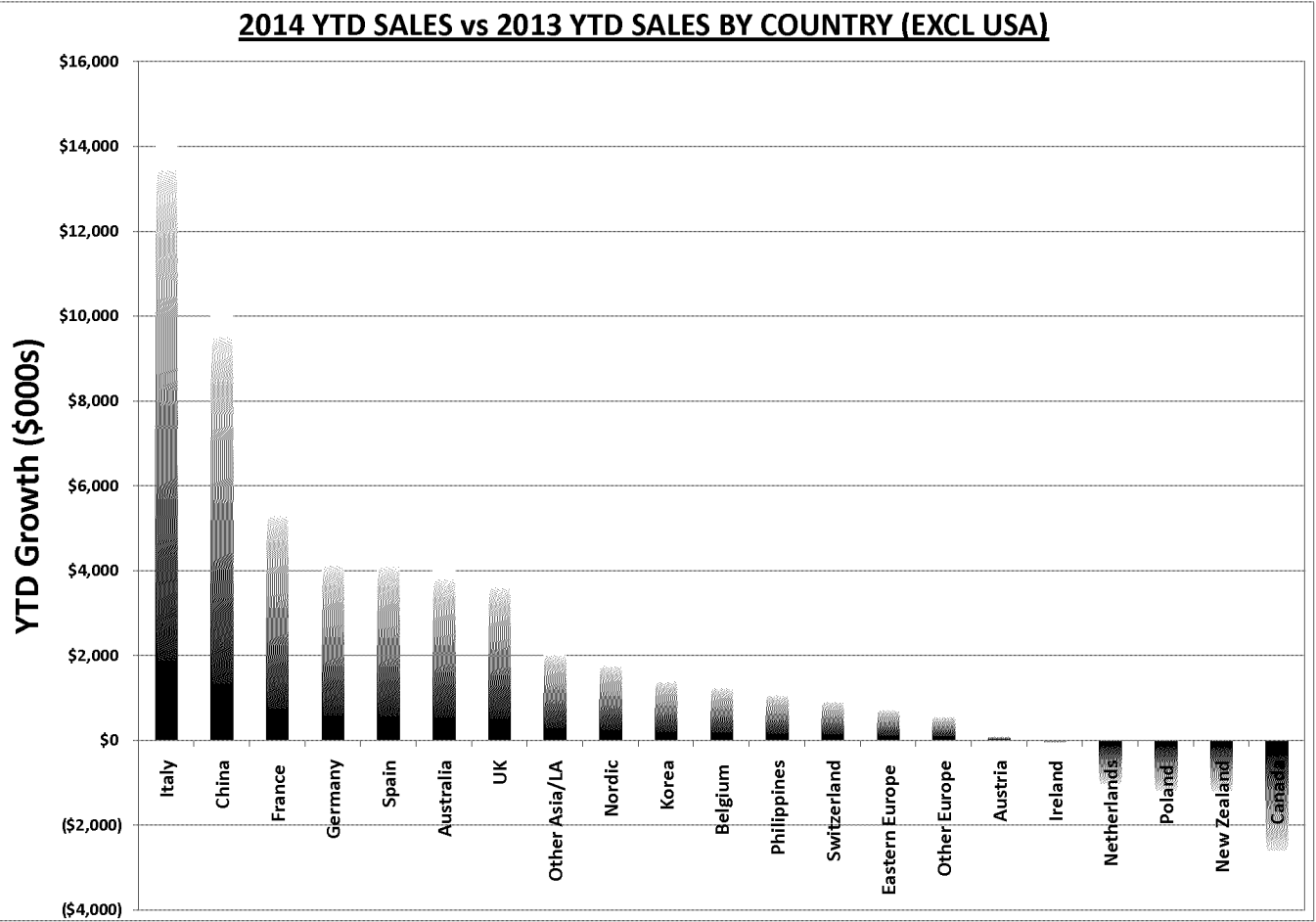
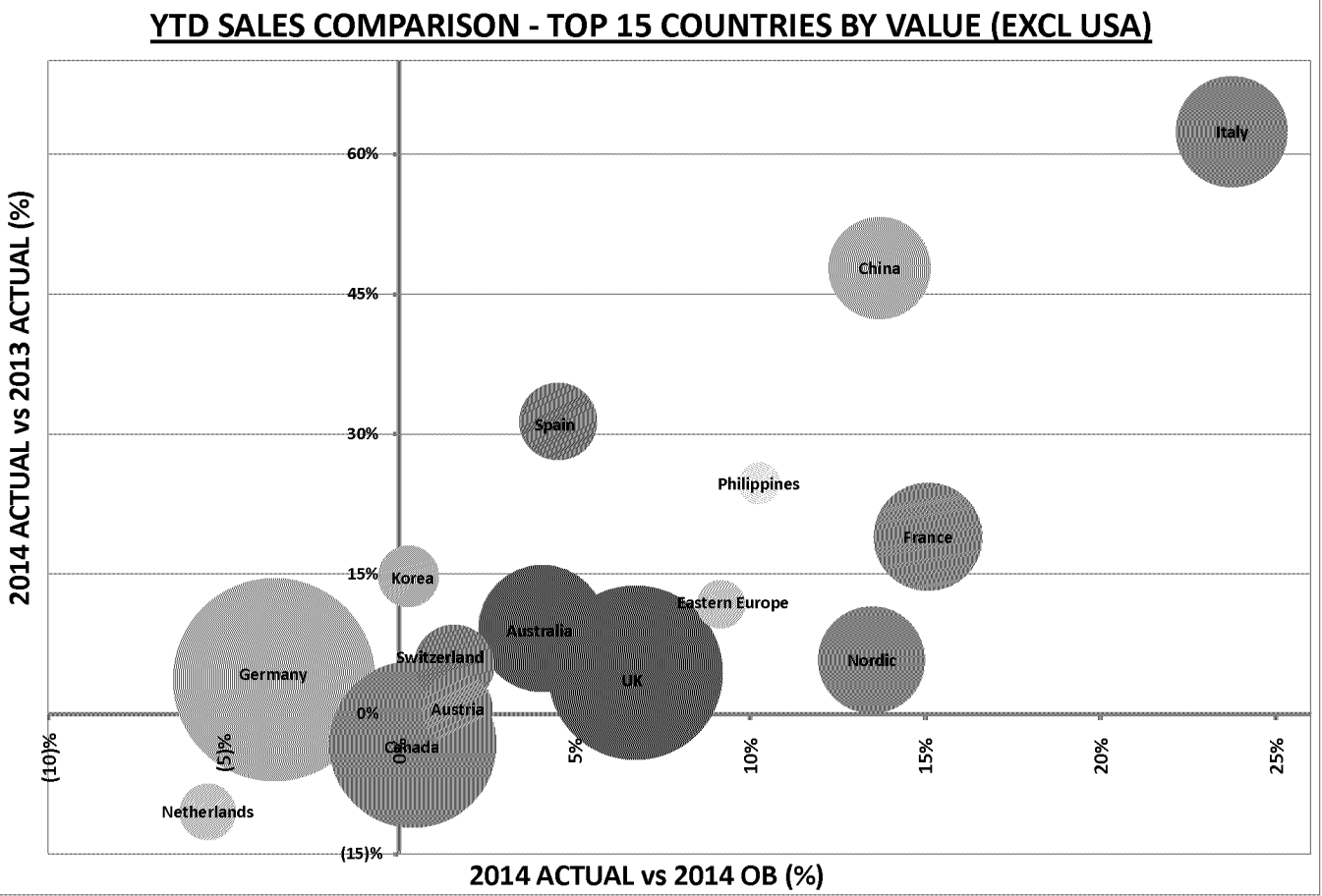
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SUMMARY OF YEAR TO DATE SALES BY COUNTRY

		2014 Actual	% of Total	2013 Actual	2014 vs 2013	2014 Budget	2014 vs Bud
		US\$'000	%	US\$'000	%	US\$'000	%
Germany	(Mundipharma GmbH)	124,357	10.1	119,913	103.7	128,960	96.4
UK	(Napp Pharmaceuticals Ltd)	91,752	7.4	87,860	104.4	85,968	106.7
Italy	(Mundipharma Srl)	37,833	3.1	23,296	162.4	30,573	123.7
France	(Mundipharma SAS)	35,734	2.9	30,026	119.0	31,051	115.1
Nordic	(Norpharma / Mundipharma)	34,478	2.8	32,589	105.8	30,385	113.5
Switzerland	(Mundipharma Medical Co)	19,286	1.6	18,309	105.3	18,988	101.6
Spain	(Mundipharma SL)	18,447	1.5	14,042	131.4	17,647	104.5
Austria	(Mundipharma GesmbH)	15,501	1.3	15,415	100.6	15,248	101.7
Netherlands	(Mundipharma Pharmaceuticals BV)	9,698	0.8	10,833	89.5	10,259	94.5
Eastern Europe	(Mundipharma Medical GmbH)	7,235	0.6	6,472	111.8	6,628	109.2
Ireland	(Mundipharma Pharmaceuticals Ltd)	5,391	0.4	5,463	98.7	5,764	93.5
Belgium	(Mundipharma CVA)	4,803	0.4	3,473	138.3	4,389	109.4
Poland	(Norpharma)	3,907	0.3	3,291	118.7	3,072	127.2
South Africa	(Mundipharma Pty Ltd)	1,288	0.1	710	181.3	1,535	83.9
Portugal	(Mundipharma Farmaceutica Lda)	160	0.0	148	108.3	205	78.0
Total Europe		409,871	33.2	371,840	110.2	390,673	104.9
China	(MCPC)	31,766	2.6	21,491	147.8	27,939	113.7
Korea	(Mundipharma Korea Ltd)	11,581	0.9	10,092	114.8	11,550	100.3
Philippines	(Mundipharma Dist GmbH)	5,749	0.5	4,611	124.7	5,215	110.2
Thailand	(Mundipharma (Thailand) Ltd / MMCO)	1,783	0.1	2,235	79.8	1,520	117.2
Malaysia	(Mundipharma Pharm. Sdn Bhd)	1,318	0.1	1,219	108.1	1,404	93.9
Myanmar	(R.O. of Mundipharma Pharm. Pte. Ltd.)	672	0.1	301	222.9	485	138.6
Hong Kong	(Mundipharma (Hong Kong) Ltd)	671	0.1	567	118.3	870	77.2
Vietnam	(R.O. of Mundipharma Pharm. Pte. Ltd.)	564	0.0	126	449.0	564	100.0
Singapore	(Mundipharma Pharmaceutical Pte Ltd)	537	0.0	428	125.4	430	124.7
Taiwan	(MMCO)	343	0.0	245	140.4	0	0.0
Total Asia		54,984	4.5	41,315	133.1	49,978	110.0
Brazil	(Mundipharma Brasil Ltda)	4,067	1.2	69	5915.2	3,902	104.2
Colombia	(Mundipharma (Colombia) SAS)	629	0.2	5	12270.7	1,018	61.8
Mexico	(Mundipharma Mexico)	273	0.1	270	101.2	201	135.8
Other Latin America	(MMCO / MLG)	653	0.2	1,151	56.7	922	70.8
Total Latin America		5,622	1.6	1,495	376.1	6,043	93.0
Middle East and Africa	(MAG)	3,388	1.0	2,432	139.3	2,893	117.1
Total MAL		63,994	18.6	45,242	141.4	58,914	108.6
Australia	(Mundipharma Pty Ltd)	48,693	3.9	44,605	109.2	46,788	104.1
New Zealand	(Mundipharma NZ Ltd)	866	0.1	2,178	39.7	541	160.1
Total ANZ		49,558	4.0	46,783	105.9	47,328	104.7
Canada	(Purdue Pharma)	83,873	6.8	86,710	96.7	83,552	100.4
Total excluding USA		607,296	49.2	550,575	110.3	580,467	104.6
U.S.A.	(Purdue Pharma LP)	627,787	50.8	649,124	96.7	595,517	105.4
Total Sales		1,235,083	100.0	1,199,698	102.9	1,175,984	105.0

SUMMARY OF THIS MONTH'S SALES BY COUNTRY

		2014 Actual	% of Total	2013 Actual	2014 vs 2013	2014 Budget	2014 vs Bud
		US\$'000	%	US\$'000	%	US\$'000	%
Germany	(Mundipharma GmbH)	33,046	9.6	31,341	105.4	32,551	101.5
UK	(Napp Pharmaceuticals Ltd)	23,970	7.0	22,187	108.0	22,766	105.3
Italy	(Mundipharma Srl)	10,552	3.1	6,474	163.0	7,951	132.7
France	(Mundipharma SAS)	9,681	2.8	8,410	115.1	8,461	114.4
Nordic	(Norpharma / Mundipharma)	9,320	2.7	8,496	109.7	7,526	123.8
Switzerland	(Mundipharma Medical Co)	4,938	1.4	4,539	108.8	4,801	102.9
Spain	(Mundipharma SL)	4,356	1.3	3,725	116.9	4,442	98.1
Austria	(Mundipharma GesmbH)	4,104	1.2	4,032	101.8	3,785	108.4
Netherlands	(Mundipharma Pharmaceuticals BV)	2,375	0.7	2,377	99.9	2,641	89.9
Eastern Europe	(Mundipharma Medical GmbH)	2,031	0.6	1,936	104.9	2,011	101.0
Belgium	(Mundipharma CVA)	1,530	0.4	851	179.9	1,150	133.0
Ireland	(Mundipharma Pharmaceuticals Ltd)	1,410	0.4	1,435	98.2	1,524	92.5
Poland	(Norpharma)	952	0.3	1,121	84.9	795	119.6
South Africa	(Mundipharma Pty Ltd)	391	0.1	148	264.1	444	88.0
Portugal	(Mundipharma Farmaceutica Lda)	48	0.0	41	117.1	51	94.5
Total Europe		108,703	31.6	97,112	111.9	100,899	107.7
China	(MCPC)	8,181	2.4	5,552	147.4	7,141	114.6
Korea	(Mundipharma Korea Ltd)	3,167	0.9	2,572	123.1	3,135	101.0
Philippines	(Mundipharma Dist GmbH)	1,192	0.3	940	126.8	1,189	100.2
Thailand	(Mundipharma (Thailand) Ltd / MMCO)	660	0.2	229	288.6	538	122.7
Malaysia	(Mundipharma Pharm. Sdn Bhd)	368	0.1	281	130.9	445	82.6
Taiwan	(MMCO)	236	0.1	168	140.5	0	0.0
Hong Kong	(Mundipharma (Hong Kong) Ltd)	164	0.0	185	88.5	268	61.1
Singapore	(Mundipharma Pharmaceutical Pte Ltd)	137	0.0	156	87.9	134	102.6
Myanmar	(R.O. of Mundipharma Pharm. Pte. Ltd.)	64	0.0	0	0.0	24	271.3
Vietnam	(R.O. of Mundipharma Pharm. Pte. Ltd.)	52	0.0	109	47.7	55	94.6
Total Asia		14,222	4.1	10,192	139.5	12,929	110.0
Brazil	(Mundipharma Brasil Ltda)	1,845	0.5	1	0.0	1,067	173.0
Colombia	(Mundipharma Mexico)	203	0.1	5	3947.9	339	59.7
Mexico	(Mundipharma (Colombia) SAS)	0	0.0	0	0.0	101	0.0
Other Latin America	(MMCO / MLG)	203	0.1	504	40.3	748	27.2
Total Latin America		2,251	0.7	510	441.6	2,254	99.8
Middle East and Africa	(MAG)	253	0.1	927	27.3	119	212.7
Total MAL		16,725	4.9	11,629	143.8	15,302	109.3
Australia	(Mundipharma Pty Ltd)	12,384	3.6	11,825	104.7	11,858	104.4
New Zealand	(Mundipharma NZ Ltd)	263	0.1	603	43.7	135	194.9
Total ANZ		12,648	3.7	12,428	101.8	11,993	105.5
Canada	(Purdue Pharma)	22,163	6.4	23,505	94.3	22,537	98.3
Total excluding USA		160,239	46.6	144,674	110.8	150,732	106.3
U.S.A.	(Purdue Pharma LP)	183,977	53.4	187,703	98.0	140,499	130.9
Total Sales		344,216	100.0	332,377	103.6	291,231	118.2



April 2014

## YEAR TO DATE SALES

	USA (Purdue Pharma LP) US\$'000	Europe US\$'000	Canada (Purdue Pharma) US\$'000	ANZ US\$'000	Asia / Lat Am / MEA US\$'000	2014 Total US\$'000	% of Total	2013 Actual US\$'000	2014 vs 2013 %	2014 Budget US\$'000	2014 vs Bud %
OxyContin	566,913	62,004	29,313	17,082	26,240	701,552	56.8	727,857	96.4	657,317	106.7
Targin / Targinact		94,892	812	9,928	4,528	110,160	8.9	90,991	121.1	109,818	100.3
Other Oxycodone		29,994	653	2,100	3,206	35,953	2.9	35,798	100.4	30,658	117.3
MST	2,590	20,548	1,448	3,186	8,297	36,070	2.9	36,746	98.2	35,505	101.6
DHC		4,334		315		4,649	0.4	5,112	90.9	4,684	99.2
Tramadol / Ryzolt	(60)	1,297	1,516		4,657	7,411	0.6	7,228	102.5	6,217	119.2
Palladone / Dilaudid	2,515	26,064	30,894	1,010		60,483	4.9	61,019	99.1	61,050	99.1
Norspan / BuTrans	34,399	50,429	2,719	15,453	3,067	106,068	8.6	94,603	112.1	107,392	98.8
Transtec		2,859				2,859	0.2	2,794	102.3	2,225	128.5
Other		523	2,175	330	163	3,192	0.3	5,445	58.6	2,632	121.3
<b>ANALGESIC - Total</b>	<b>606,357</b>	<b>292,946</b>	<b>69,530</b>	<b>49,405</b>	<b>50,158</b>	<b>1,068,396</b>	<b>86.5</b>	<b>1,067,593</b>	<b>100.1</b>	<b>1,017,498</b>	<b>105.0</b>
	56.8%	27.4%	6.5%	4.6%	4.7%	100.0%					
<b>ANTISEPTIC - Total</b>	<b>2,981</b>	<b>6,650</b>	<b>295</b>		<b>11,264</b>	<b>21,190</b>	<b>1.7</b>	<b>19,478</b>	<b>108.8</b>	<b>21,571</b>	<b>98.2</b>
	14.1%	31.4%	1.4%	0.0%	53.2%	100.0%					
Flutiform		21,590		150	377	22,117	1.8	3,762	587.9	20,164	109.7
Uniphyl / Uniphyllin		1,282	306		452	2,040	0.2	1,996	102.2	1,904	107.2
Other Respiratory		549	133		172	854	0.1	746	114.4	672	127.1
<b>RESPIRATORY - Total</b>		<b>23,421</b>	<b>439</b>	<b>150</b>	<b>1,001</b>	<b>25,011</b>	<b>2.0</b>	<b>6,504</b>	<b>384.6</b>	<b>22,740</b>	<b>110.0</b>
	0.0%	93.6%	1.8%	0.6%	4.0%	100.0%					
Adizem		5,434				5,434	0.4	5,874	92.5	5,223	104.0
Other					106	106	0.0	101	105.4	83	128.3
<b>CARDIOVASCULAR - Total</b>		<b>5,434</b>			<b>106</b>	<b>5,540</b>	<b>0.4</b>	<b>5,975</b>	<b>92.7</b>	<b>5,306</b>	<b>104.4</b>
	0.0%	98.1%	0.0%	0.0%	1.9%	100.0%					
Senokot	4,824	20	5,513		762	11,119	0.9	10,983	101.2	11,191	99.4
Colace	7,500					7,500	0.6	7,592	98.8	6,530	114.9
Other		2,393			169	2,562	0.2	2,814	91.1	2,424	105.7
<b>LAXATIVE - Total</b>	<b>12,325</b>	<b>2,413</b>	<b>5,513</b>		<b>931</b>	<b>21,182</b>	<b>1.7</b>	<b>21,388</b>	<b>99.0</b>	<b>20,144</b>	<b>105.2</b>
	58.2%	11.4%	26.0%	0.0%	4.4%	100.0%					
Levact		58,775				58,775	4.8	48,798	120.4	56,545	103.9
DepoCyte		4,982			35	5,016	0.4	2,663	188.4	4,479	112.0
Folotyn		65			92	157	0.0	173	90.8	259	60.7
<b>ONCOLOGY - Total</b>		<b>63,822</b>			<b>127</b>	<b>63,949</b>	<b>5.2</b>	<b>51,634</b>	<b>123.9</b>	<b>61,283</b>	<b>104.4</b>
	0.0%	99.8%	0.0%	0.0%	0.2%	100.0%					
Intermezzo	3,633					3,633	0.3	2,916	124.6		
Other	2,490	15,185	8,095	4	406	26,181	2.1	24,212	108.1	27,442	95.4
<b>ALL OTHER - Total</b>	<b>6,124</b>	<b>15,185</b>	<b>8,095</b>	<b>4</b>	<b>406</b>	<b>29,815</b>	<b>2.4</b>	<b>27,127</b>	<b>109.9</b>	<b>27,442</b>	<b>108.6</b>
	20.5%	50.9%	27.2%	0.0%	1.4%	100.0%					
<b>TOTAL SALES</b>	<b>627,787</b>	<b>409,871</b>	<b>83,873</b>	<b>49,558</b>	<b>63,994</b>	<b>1,235,083</b>	<b>100.0</b>	<b>1,199,698</b>	<b>102.9</b>	<b>1,175,984</b>	<b>105.0</b>
	50.8%	33.2%	6.8%	4.0%	5.2%	100.0%					

April 2014

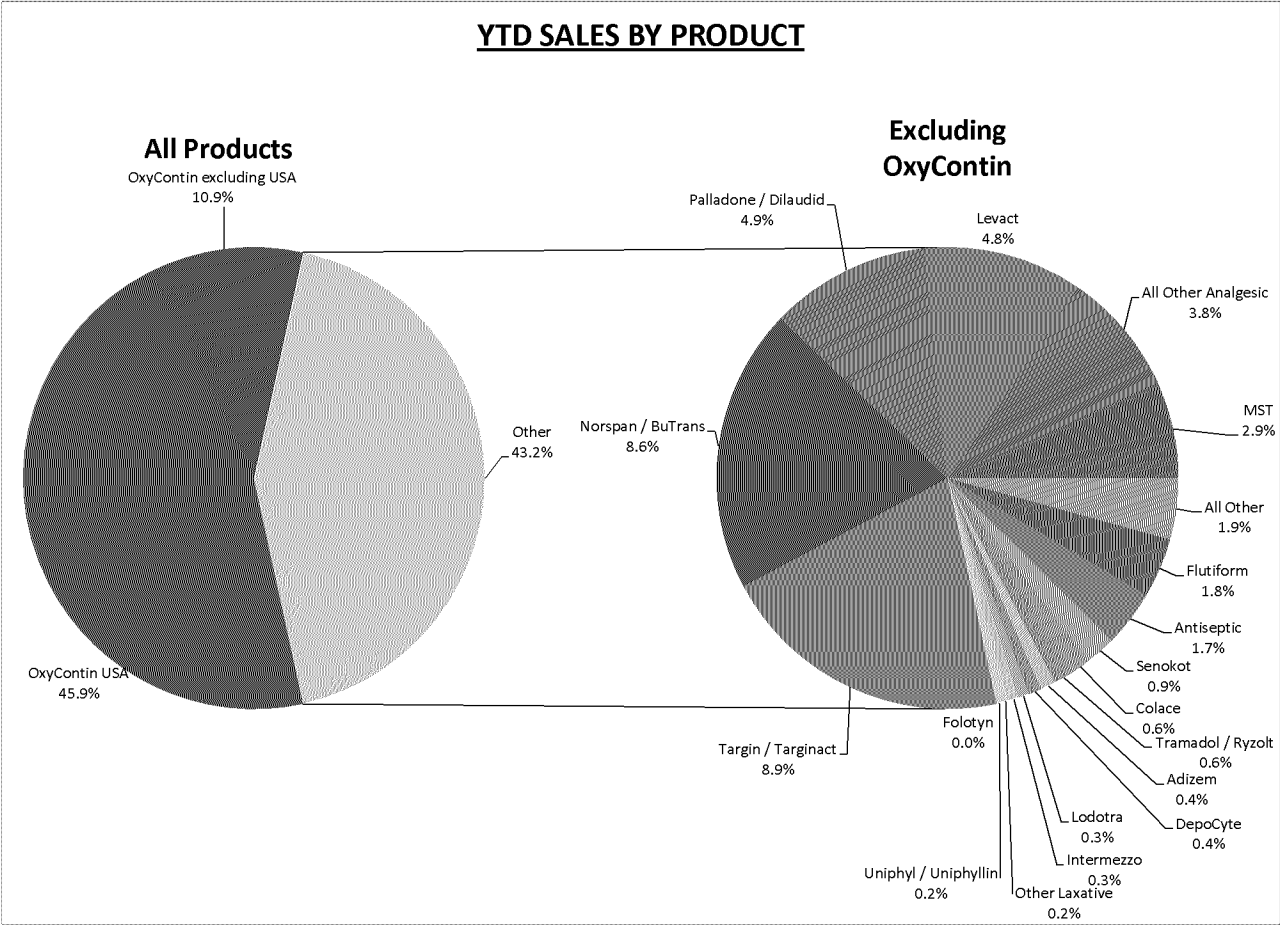
## MONTH SALES

	USA (Purdue Pharma LP) US\$'000	Europe US\$'000	Canada (Purdue Pharma) US\$'000	ANZ US\$'000	Asia / Lat Am / MEA US\$'000	2014 Total US\$'000	% of Total	2013 Actual US\$'000	2014 vs 2013 %	2014 Budget US\$'000	2014 vs Bud %
OxyContin	165,611	17,253	7,873	3,752	7,526	202,014	58.7	206,458	97.8	157,901	127.9
Targin / Targinact		23,281	209	2,884	1,230	27,604	8.0	23,835	115.8	28,610	96.5
Other Oxycodone		7,541	177	600	970	9,289	2.7	9,361	99.2	7,945	116.9
MST	771	5,224	437	842	2,062	9,335	2.7	9,825	95.0	9,416	99.1
DHC		1,170		86		1,256	0.4	1,308	96.0	1,187	105.8
Tramadol / Ryzolt	(8)	296	399		1,182	1,869	0.5	1,830	102.1	1,675	111.6
Palladone / Dilaudid	835	6,910	8,230	287		16,262	4.7	16,130	100.8	15,437	105.3
Norspan / BuTrans	11,490	13,163	756	4,025	974	30,408	8.8	24,843	122.4	26,783	113.5
Transtec		763				763	0.2	674	113.3	538	142.0
Other		121	609	86	38	854	0.2	1,541	55.4	912	93.7
<b>ANALGESIC - Total</b>	<b>178,698</b>	<b>75,721</b>	<b>18,691</b>	<b>12,562</b>	<b>13,982</b>	<b>299,654</b>	<b>87.1</b>	<b>295,806</b>	<b>101.3</b>	<b>250,403</b>	<b>119.7</b>
	59.6%	25.3%	6.2%	4.2%	4.7%	100.0%					
<b>ANTISEPTIC - Total</b>	<b>670</b>	<b>1,697</b>	<b>81</b>		<b>2,081</b>	<b>4,528</b>	<b>1.3</b>	<b>5,270</b>	<b>85.9</b>	<b>4,797</b>	<b>94.4</b>
	14.8%	37.5%	1.8%	0.0%	46.0%	100.0%					
Flutiform		6,516		85	45	6,646	1.9	1,317	504.7	5,827	114.1
Uniphyl / Uniphyllin		322	70		201	593	0.2	522	113.6	494	120.2
Other Respiratory		147	27		148	322	0.1	169	190.3	172	186.9
<b>RESPIRATORY - Total</b>		<b>6,985</b>	<b>97</b>	<b>85</b>	<b>394</b>	<b>7,561</b>	<b>2.2</b>	<b>2,008</b>	<b>376.5</b>	<b>6,493</b>	<b>116.5</b>
	0.0%	92.4%	1.3%	1.1%	5.2%	100.0%					
Adizem		1,483				1,483	0.4	1,537	96.5	1,358	109.2
Other					44	44	0.0	26	167.7	21	210.8
<b>CARDIOVASCULAR - Total</b>		<b>1,483</b>			<b>44</b>	<b>1,527</b>	<b>0.4</b>	<b>1,563</b>	<b>97.7</b>	<b>1,379</b>	<b>110.7</b>
	0.0%	97.1%	0.0%	0.0%	2.9%	100.0%					
Senokot	1,236	4	1,378		101	2,719	0.8	2,866	94.9	2,604	104.4
Colace	1,888					1,888	0.5	2,168	87.1	1,512	124.9
Other		602				602	0.2	615	98.0	753	80.0
<b>LAXATIVE - Total</b>	<b>3,124</b>	<b>607</b>	<b>1,378</b>		<b>101</b>	<b>5,210</b>	<b>1.5</b>	<b>5,649</b>	<b>92.2</b>	<b>4,870</b>	<b>107.0</b>
	60.0%	11.6%	26.5%	0.0%	1.9%	100.0%					
Levact		16,678				16,678	4.8	13,703	121.7	14,869	112.2
DepoCyte		1,294			11	1,305	0.4	758	172.2	1,175	111.1
Folotyn		65			2	67	0.0	53	126.4	94	71.7
Other oncology							0.0				
<b>ONCOLOGY - Total</b>		<b>18,038</b>			<b>13</b>	<b>18,051</b>	<b>5.2</b>	<b>14,515</b>	<b>124.4</b>	<b>16,138</b>	<b>111.9</b>
	0.0%	99.9%	0.0%	0.0%	0.1%	100.0%					
Intermezzo	829					829	0.2	367	226.0		
Other	656	4,172	1,915	1	111	6,856	2.0	7,200	95.2	7,152	95.9
<b>ALL OTHER - Total</b>	<b>1,485</b>	<b>4,172</b>	<b>1,915</b>	<b>1</b>	<b>111</b>	<b>7,685</b>	<b>2.2</b>	<b>7,566</b>	<b>101.6</b>	<b>7,152</b>	<b>107.5</b>
	19.3%	54.3%	24.9%	0.0%	1.4%	100.0%					
<b>TOTAL SALES</b>	<b>183,977</b>	<b>108,703</b>	<b>22,163</b>	<b>12,648</b>	<b>16,725</b>	<b>344,216</b>	<b>100.0</b>	<b>332,377</b>	<b>103.6</b>	<b>291,231</b>	<b>118.2</b>
	53.4%	31.6%	6.4%	3.7%	4.9%	100.0%					

April 2014

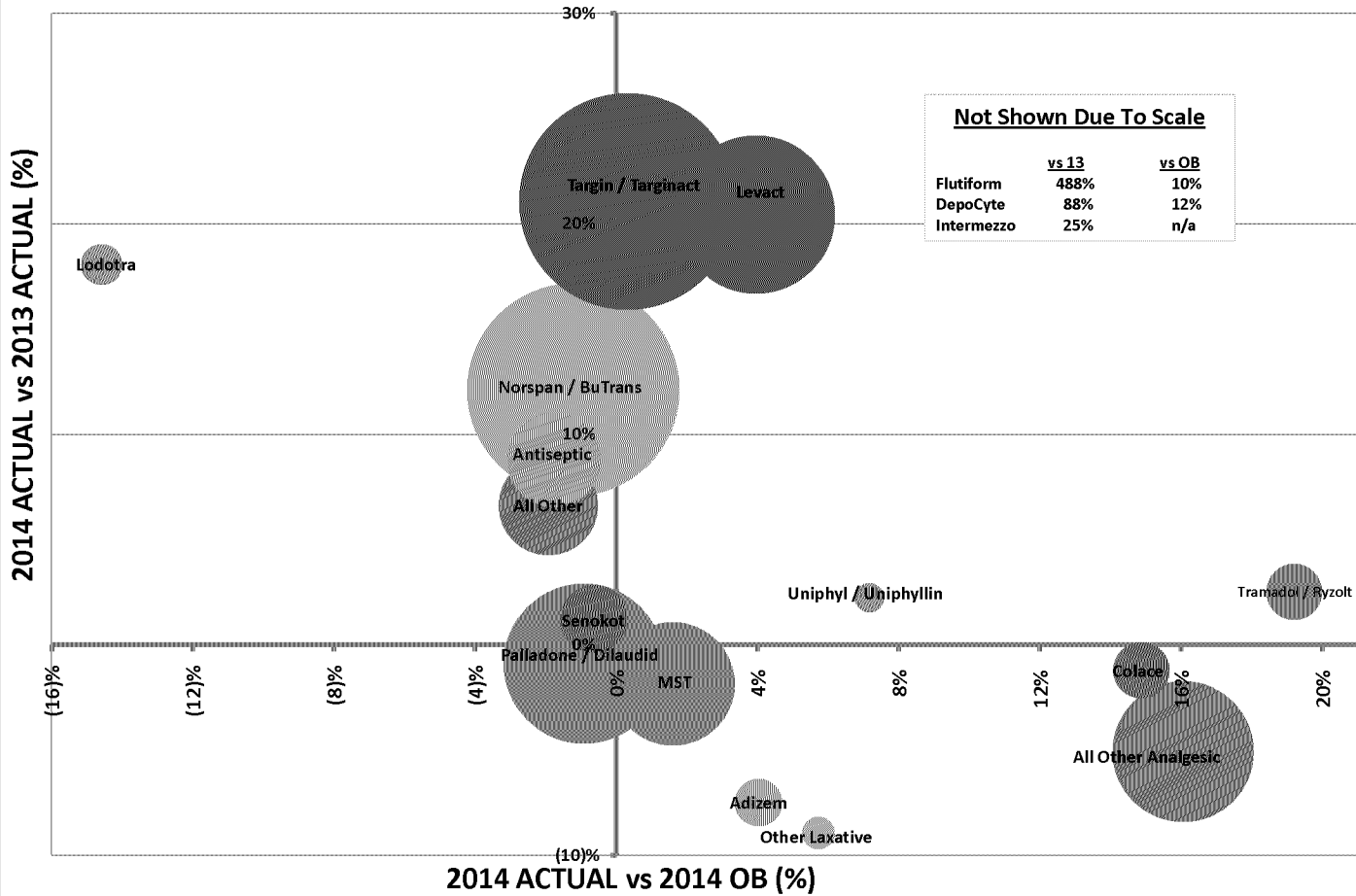
SALES BY PRODUCT - YEAR TO DATE

	2014 Actual		2013 Actual		2014 vs 2013		2014 Budget		2014 vs Bud	
	Total US\$'000	% of Total	Total US\$'000	% of Total	US\$'000	%	Total US\$'000	% of Total	US\$'000	%
Excluding OxyContin										
<u>Growing Products</u>										
Targin / Targinact	110,160	20.6	90,991	19.3	19,169	121.1	109,818	21.2	343	100.3
Norspan / BuTrans	106,068	19.9	94,603	20.0	11,465	112.1	107,392	20.7	(1,325)	98.8
Levact	58,775	11.0	48,798	10.3	9,978	120.4	56,545	10.9	2,231	103.9
All Other	23,044	4.3	21,588	4.6	1,456	106.7	23,399	4.5	(355)	98.5
Flutiform	22,117	4.1	3,762	0.8	18,355	587.9	20,164	3.9	1,953	109.7
Antiseptic	21,190	4.0	19,478	4.1	1,713	108.8	21,571	4.2	(381)	98.2
Senokot	11,119	2.1	10,983	2.3	136	101.2	11,191	2.2	(71)	99.4
Tramadol / Ryzolt	7,411	1.4	7,228	1.5	183	102.5	6,217	1.2	1,193	119.2
DepoCyte	5,016	0.9	2,663	0.6	2,354	188.4	4,479	0.9	537	112.0
Lodotra	4,097	0.8	3,470	0.7	627	118.1	4,797	0.9	(700)	85.4
Intermezzo	3,633	0.7	2,916	0.6	718	124.6	0	0.0	3,633	n/a
Uniphyl / Uniphyllin	2,040	0.4	1,996	0.4	45	102.2	1,904	0.4	136	107.2
Sub-total	374,672	70.2	308,475	65.4	66,197	121.5	367,477	70.9	7,195	102.0
<u>Products in Decline</u>										
Palladone / Dilaudid	60,483	11.3	61,019	12.9	(537)	99.1	61,050	11.8	(567)	99.1
All Other Analgesic	46,653	8.7	49,149	10.4	(2,496)	94.9	40,199	7.8	6,454	116.1
MST	36,070	6.8	36,746	7.8	(676)	98.2	35,505	6.8	565	101.6
Colace	7,500	1.4	7,592	1.6	(91)	98.8	6,530	1.3	971	114.9
Adizem	5,434	1.0	5,874	1.2	(440)	92.5	5,223	1.0	210	104.0
Other Laxative	2,562	0.5	2,814	0.6	(252)	91.1	2,424	0.5	139	105.7
Folotyn	157	0.0	173	0.0	(16)	90.8	259	0.1	(102)	60.7
Sub-total	158,859	29.8	163,367	34.6	(4,508)	97.2	151,190	29.1	7,669	105.1
Products excl Oxy	533,531	100.0	471,842	100.0	61,689	113.1	518,667	100.0	14,864	102.9
Products excl Oxy restated		43.2		39.3				44.1		
OxyContin	701,552	56.8	727,857	60.7	(26,305)	96.4	657,317	55.9	44,235	106.7
TOTALS	1,235,083	100.0	1,199,698	100.0	35,384	102.9	1,175,984	100.0	59,098	105.0

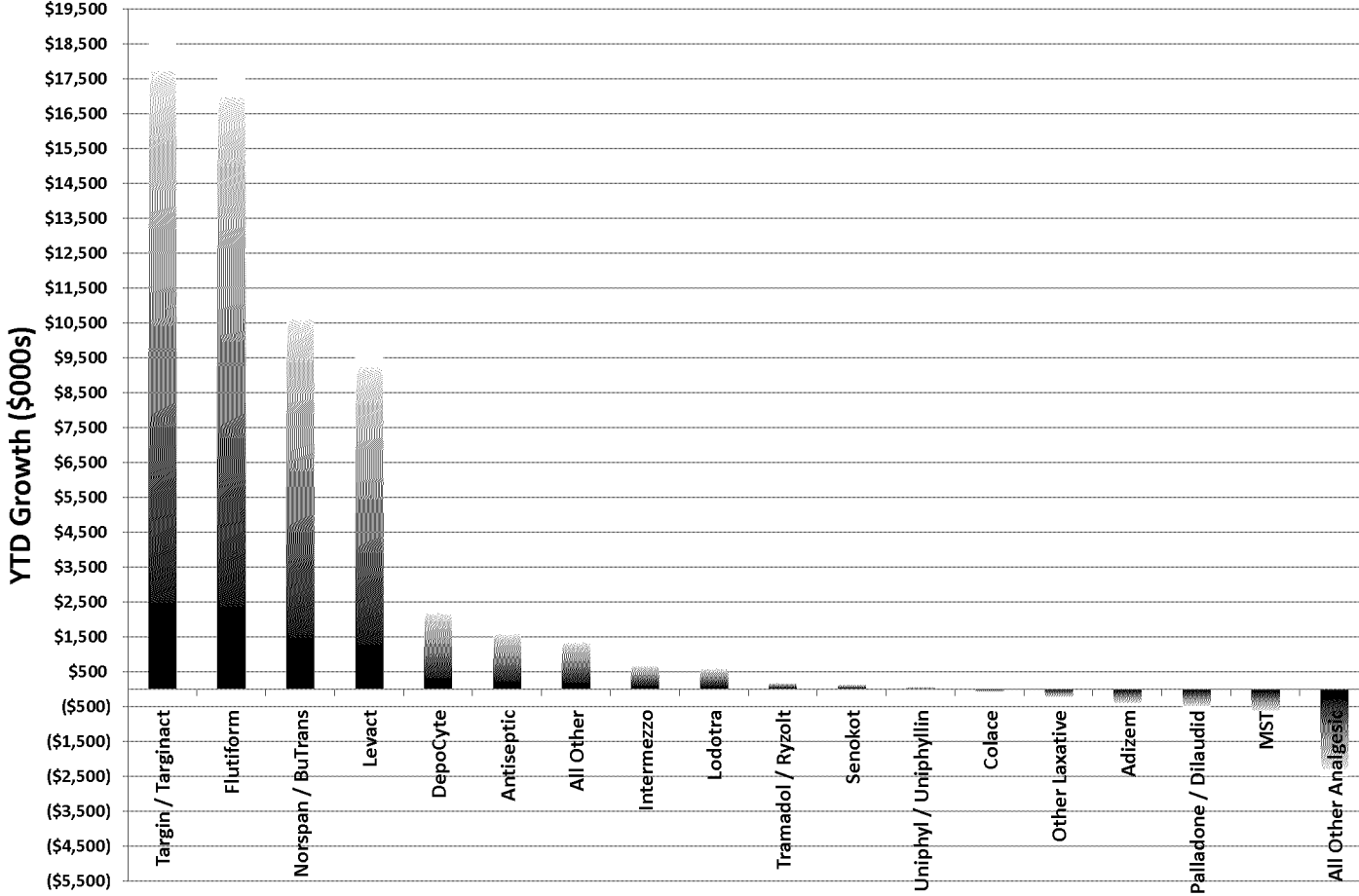


April 2014

YTD SALES COMPARISON - BY PRODUCT (EXCL OXYCONTIN)



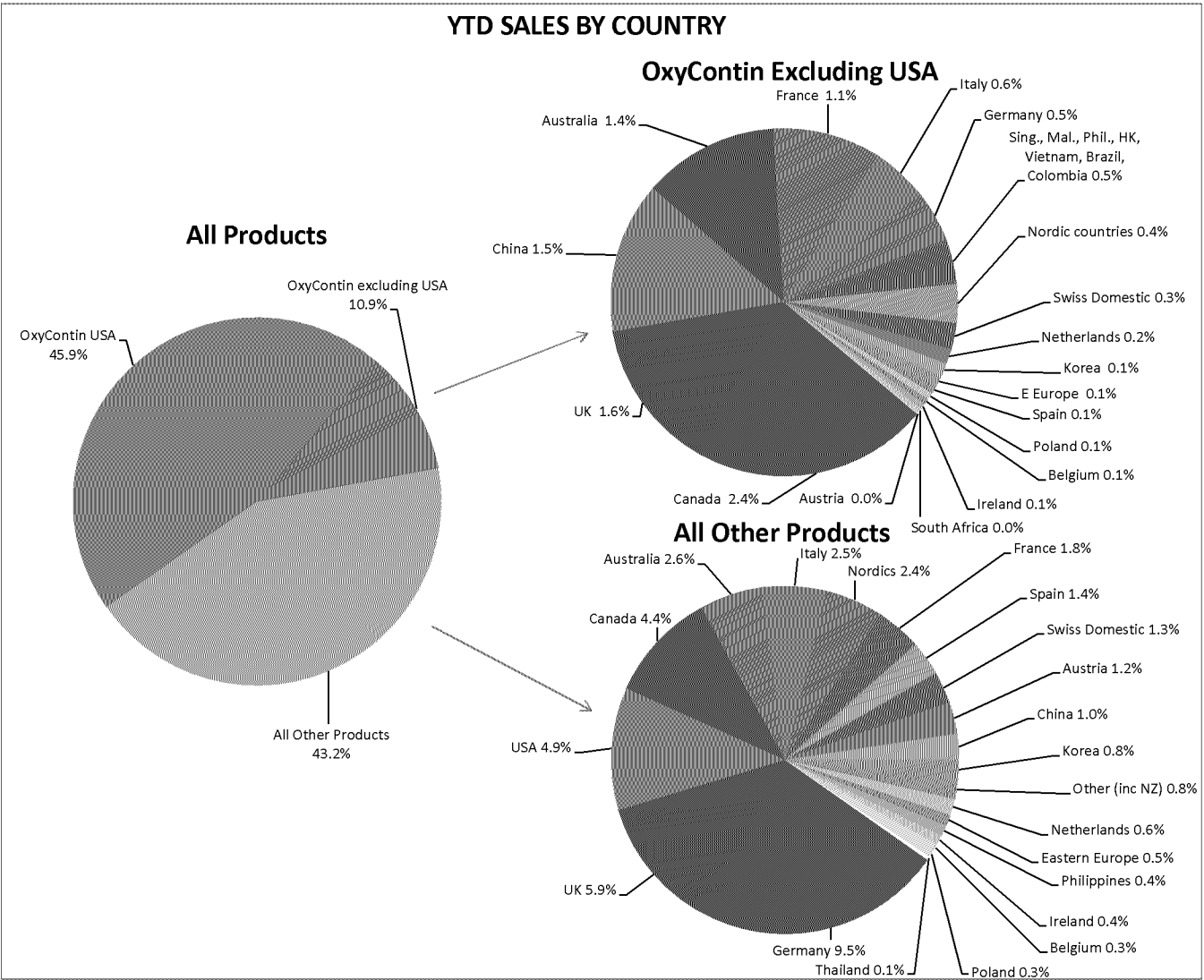
2014 YTD SALES vs 2013 YTD SALES BY PRODUCT (EXCL OXYCONTIN)



April 2014

SALES BY COUNTRY - YEAR TO DATE

	2014 Actual		2013 Actual		2014 vs 2013		2014 Budget		2014 vs Bud	
	Total US\$'000	% of Total	Total US\$'000	% of Total	US\$'000	%	Total US\$'000	% of Total	US\$'000	%
Excluding OxyContin										
Germany (M. GmbH)	117,860	22.1	109,195	23.1	8,666	107.9	122,117	23.5	(4,256)	96.5
UK (Napp)	72,322	13.6	67,280	14.3	5,042	107.5	68,038	13.1	4,284	106.3
USA (Purdue)	60,874	11.4	58,275	12.4	2,599	104.5	59,599	11.5	1,275	102.1
Canada (Purdue)	54,560	10.2	52,330	11.1	2,230	104.3	54,839	10.6	(279)	99.5
Australia (M. Pty Ltd)	31,755	6.0	26,150	5.5	5,604	121.4	30,951	6.0	803	102.6
Italy (M. Srl)	30,912	5.8	17,681	3.7	13,232	174.8	26,668	5.1	4,244	115.9
Nordics (Norpharma)	29,594	5.5	26,730	5.7	2,864	110.7	26,980	5.2	2,613	109.7
France (M. SAS)	22,029	4.1	18,277	3.9	3,752	120.5	18,895	3.6	3,134	116.6
Spain (M. SL)	17,413	3.3	12,801	2.7	4,612	136.0	16,642	3.2	771	104.6
Swiss Domestic (MMCO)	16,017	3.0	14,326	3.0	1,691	111.8	16,279	3.1	(262)	98.4
Austria (M. GesmbH)	15,385	2.9	15,272	3.2	113	100.7	15,130	2.9	255	101.7
China (MCPC)	12,806	2.4	9,616	2.0	3,190	133.2	11,894	2.3	912	107.7
Korea (M. Korea Ltd)	9,931	1.9	8,308	1.8	1,623	119.5	10,112	1.9	(182)	98.2
Other (inc NZ)	9,484	1.8	7,164	1.5	2,321	132.4	8,168	1.6	1,317	116.1
Netherlands (M. P. BV)	7,802	1.5	8,054	1.7	(252)	96.9	8,971	1.7	(1,169)	87.0
Eastern Europe (MMG)	5,817	1.1	4,582	1.0	1,236	127.0	5,692	1.1	125	102.2
Philippines (M Dist GmbH)	5,353	1.0	4,268	0.9	1,085	125.4	4,975	1.0	378	107.6
Ireland (M. P. Ltd)	4,713	0.9	4,504	1.0	208	104.6	5,099	1.0	(386)	92.4
Belgium (M. CVA)	4,024	0.8	2,738	0.6	1,286	147.0	3,763	0.7	261	106.9
Poland (Norpharma)	3,097	0.6	2,055	0.4	1,041	150.7	2,333	0.4	764	132.7
Thailand (Mundi. (T'land) Ltd)	1,783	0.3	2,235	0.5	(452)	79.8	1,520	0.3	262	117.2
Products excl Oxy	533,531	100.0	471,842	100.0	61,689	113.1	518,667	100.0	14,864	102.9
Products excl Oxy restated		43.2		39.3				44.1		
OxyContin	701,552	56.8	727,857	60.7	(26,305)	96.4	657,317	55.9	44,235	106.7
TOTALS	1,235,083	100.0	1,199,698	100.0	35,384	102.9	1,175,984	100.0	59,098	105.0



April 2014  
OXYCONTIN SALES HISTORY

Date of Launch >	USA	Canada	Nordic	Germany	Ireland	Australia	UK	Neths.	Switzerland	E.Europe	Austria	Korea	France	Spain	Italy	New Zealand	SE Asia	China	Belgium	Poland	South Africa	at Am / MEA	Total Monthly	12 Mth	12 Mth
	(Purdue Pharma LP)	(Purdue Pharma)	(Norpharma / Mundipharma)	(Mundipharma GmbH)	(Mundipharma Pharm. Ltd)	(Mundipharma Pty Ltd)	(Napp Pharma Ltd)	(Mundipharma Pharm. BV)	(Mundipharma Medical Co)	(Mundipharma Medical GmbH)	(Mundipharma GesmbH)	(Mundipharma Korea Ltd)	(Mundipharma SAS)	(Mundipharma SL)	(Mundipharma Srl)	(Mundipharma NZ Ltd)	(Pipines, HK Malaysia, S'pore)	(MCPC)	(Mundipharma CVA)	(Norpharma)	(Mundipharma Pty Ltd)	(Brazil, Colombia, Mexico, Other)	Sales	Rolling	Moving
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
1996	47,982	122	12																				48,116	48,116	4,010
1997	133,255	1,014	240																				134,509	134,509	11,209
1998	273,219	2,614	646	2,669																			279,148	279,148	23,262
1999	562,570	5,111	1,541	10,956	228																		580,405	580,405	48,367
2000	951,446	9,583	2,620	14,612	326	1,663	2,320	22															982,592	982,599	81,883
	96.8%	1.0%	0.3%	1.5%	0.0%	0.2%	0.2%	0.0%															100.0%		
2001	1,232,159	18,349	4,783	21,915	553	3,985	6,639	351	41	92	262	1,419											1,290,548	1,290,548	107,546
	95.5%	1.4%	0.4%	1.7%	0.0%	0.3%	0.5%	0.0%	0.0%	0.0%	0.0%	0.1%											100.0%		
2002	1,269,342	29,691	9,739	37,060	845	6,681	11,793	1,333	213	283	662	2,200	629										1,370,471	1,370,471	114,206
	92.6%	2.2%	0.7%	2.7%	0.1%	0.5%	0.9%	0.1%	0.0%	0.0%	0.0%	0.2%	0.0%										100.0%		
2003	1,619,821	52,889	17,213	62,176	1,233	10,809	20,052	3,196	1,097	945	948	3,607	1,652										1,795,638	1,795,638	149,637
	90.2%	2.9%	1.0%	3.5%	0.1%	0.6%	1.1%	0.2%	0.1%	0.1%	0.1%	0.2%	0.1%										100.0%		
2004	1,334,601	75,404	22,170	79,186	1,262	16,051	24,696	5,655	2,208	1,681	1,360	5,533	3,345		336								1,573,488	1,573,488	131,124
	84.8%	4.8%	1.4%	5.0%	0.1%	1.0%	1.6%	0.4%	0.1%	0.1%	0.1%	0.4%	0.2%		0.0%								100.0%		
2005	941,705	93,960	27,676	114,711	1,988	20,032	33,687	7,317	3,300	3,537	1,399	5,663	5,404	1,169	839	103	345						1,262,836	1,262,836	105,236
	74.6%	7.4%	2.2%	7.1%	0.2%	1.6%	2.7%	0.6%	0.3%	0.3%	0.1%	0.4%	0.4%	0.1%	0.1%	0.0%	0.0%						100.0%		
2006	605,123	124,231	32,382	130,001	1,869	24,704	42,330	9,420	4,551	4,437	1,852	8,629	7,209	1,927	3,104	505	644						1,002,915	1,002,915	83,576
	60.3%	12.4%	3.2%	13.0%	0.2%	2.5%	4.2%	0.9%	0.5%	0.4%	0.2%	0.9%	0.7%	0.2%	0.3%	0.1%	0.1%						100.0%		
2007	955,636	152,630	41,294	90,966	2,404	33,018	57,144	11,982	6,425	6,718	2,274	11,035	10,126	3,066	6,690	1,198	954	2,421	516				1,396,496	1,396,496	116,375
	68.4%	10.9%	3.0%	6.5%	0.2%	2.4%	4.1%	0.9%	0.5%	0.5%	0.2%	0.8%	0.7%	0.2%	0.5%	0.1%	0.1%	0.2%	0.0%				100.0%		
2008	2,114,078	164,773	44,031	69,907	2,717	36,032	52,130	13,052	8,914	8,635	2,657	8,663	13,958	5,333	10,242	1,612	1,316	4,444	1,628	8			2,564,130	2,564,130	213,677
	82.4%	6.4%	1.7%	2.7%	0.1%	1.4%	2.0%	0.5%	0.3%	0.3%	0.1%	0.3%	0.5%	0.2%	0.4%	0.1%	0.1%	0.2%	0.1%	0.0%			100.0%		
2009	2,457,763	181,732	45,943	62,779	2,876	42,270	56,581	9,269	10,037	8,874	2,665	9,523	18,718	6,764	17,688	2,261	1,556	6,308	2,278	24			2,945,909	2,945,909	245,492
	83.4%	6.2%	1.6%	2.1%	0.1%	1.4%	1.9%	0.3%	0.3%	0.3%	0.1%	0.3%	0.6%	0.2%	0.6%	0.1%	0.1%	0.2%	0.1%	0.0%			100.0%		
2010	2,267,670	205,224	40,016	50,960	2,965	54,863	53,388	14,691	11,468	10,799	1,973	10,219	22,902	8,206	24,384	3,396	1,864	8,509	3,257	134			2,796,889	2,796,889	233,074
	81.1%	7.3%	1.4%	1.6%	0.1%	2.0%	1.9%	0.5%	0.4%	0.4%	0.1%	0.4%	0.8%	0.3%	0.9%	0.1%	0.1%	0.3%	0.1%	0.0%			100.0%		
2011	2,045,908	215,457	45,460	43,576	3,229	66,497	62,363	17,209	13,608	9,165	1,342	10,222	28,057	6,556	24,876	3,954	2,402	13,779	4,140	1,829			2,619,627	2,619,627	218,302
	78.1%	8.2%	1.7%	1.7%	0.1%	2.5%	2.4%	0.5%	0.3%	0.1%	0.1%	0.4%	1.1%	0.3%	0.9%	0.2%	0.1%	0.5%	0.2%	0.1%			100.0%		
2012	1,988,473	168,365	30,182	34,847	2,792	66,295	69,482	16,742	12,029	6,768	474	8,956	30,530	5,090	18,113	3,967	2,691	21,336	3,379	2,652	625		2,493,786	2,493,786	207,815
	79.7%	6.8%	1.2%	1.4%	0.1%	2.7%	2.8%	0.7%	0.5%	0.3%	0.0%	0.4%	1.2%	0.2%	0.7%	0.2%	0.1%	0.9%	0.1%	0.1%	0.0%		100.0%		
Jan-13	124,553	10,023	1,792	2,728	256	5,251	4,812	825	1,061	90	38	697	2,912	388	1,729	260	267	2,642	204	271	52		160,851	2,492,674	207,723
Feb-13	125,814	9,599	1,370	2,716	209	4,398	4,344	640	873	648	34	497	2,558	222	1,147	321	173	2,700	168	253	83		158,768	2,474,164	206,180
Mar-13	159,968	8,094	1,186	2,545	225	4,834	5,572	549	939	496	32	243	2,710	396	632	291	220	3,504	180	246	85		192,949	2,391,173	199,264
Apr-13	168,299	9,000	1,480	2,443	242	5,213	4,566	691	938	605	35	299	3,255	201	1,957	327	167	2,914	163	432	77		203,305	2,405,939	200,495
May-13	149,442	9,286	1,528	2,589	241	4,818	5,380	752	891	320	41	434	2,975	311	987	302	219	3,132	205	363	113		184,329	2,351,162	195,930
Jun-13	145,488	8,214	1,484	2,666	137	4,719	3,844	559	893	487	37	438	2,866	254	851	348	98	3,286	185	174	94		177,123	2,341,741	195,145
Jul-13	169,666	10,009	1,371	2,481	200	4,623	4,951	569	1,021	200	41	488	3,353	292	2,684	215	227	3,676	177	334	97	209	206,883	2,349,424	195,785
Aug-13	144,622	8,124	1,181	2,625	165	4,894	4,741	570	803	594	34	413	3,026	185	503	49	248	3,199	223	280	111	672	177,264	2,290,270	190,856
Sep-13	137,668	8,158	1,302	1,786	166	4,790	4,286	518	790	440	38	450	3,046	210	1,091	31	153	3,435	164	361	145	1,189	170,217	2,295,095	191,258
Oct-13	185,864	9,348	1,279	1,931	188	4,621	5,817	601	903	278	34	419	3,657	229	2,451	36	239	3,572	193	287	135	963	223,046	2,321,088	193,424
Nov-13	108,215	10,114	1,036	1,582	178	4,720	5,410	494	866	578	33	340	3,318	225	489	51	189	3,062	241	236	130	1,664	143,171	2,226,567	185,547
Dec-13	176,491	7,891	1,371	1,796	203	4,417	5,643	577	968	481	38	288	3,261	204	496	29	140	3,103	197	212	139	1,275	209,221	2,207,127	183,927
2013	1,796,090	107,860	16,380	27,889	2,411	57,299	59,366	7,346	10,946	5,219	434	5,006	36,937	3,117	15,016	2,260	2,340	38,225	2,301	3,449	1,262	5,973	2,207,127	2,207,127	183,927
	81.4%	4.9%	0.7%	1.3%	0.1%	2.6%	2.7%	0.3%	0.5%	0.2%	0.0%	0.2%	1.7%	0.1%	0.7%	0.1%	0.1%	1.7%	0.1%	0.2%	0.1%	0.3%	100.0%		
Jan-14	142,645	6,604	1,156	1,537	168	4,460	4,527	469	813	27	28	435	3,763	336	2,685	33	200	4,854	216	263	92	893	176,206	2,222,481	185,207
Feb-14	118,334	6,516	1,116	1,551	154	4,057	4,660	463	839	37	29	386	2,983	292	634	37	241	4,394	193	161	138	648	148,278	2,211,992	184,333
Mar-14	140,323	8,320	1,411	1,664	202	4,707	5,330	471	798	511	33	394	3,296	173	604	35	140	4,952	172	175	163	1,178	175,054	2,194,096	182,841
Apr-14	165,611	7,873	1,201	1,744	154	3,714	4,912	492	819	428	26	436	3,663	233	2,997	38	166	4,761	196	211	174	2,163	202,014	2,192,805	182,734
2014	566,913	29,313	4,884	6,496	678	16,938	19,429	1,896	3,269	1,418	116	1,650	13,705	1,034	6,921	144	748	18,960	778	811	567	4,882	701,552	2,192,805	182,734
	80.8%	4.2%	0.7%	0.9%	0.1%	2.4%	2.8%	0.3%	0.5%	0.2%	0.0%	0.2%	2.0%	0.1%	1.0%	0.0%	0.1%	2.7%	0.1%	0.1%	0.1%	0.7%	100.0%		
GRAND TOTAL																									
1996 - 2014 YTD	23,163,755	1,638,319	387,213	860,707	28,376	457,136	571,399	119,481	88,106	68,571	18,418	92,325	193,172	42,598	127,872	19,399	14,860	113,981	18,279	8,908	2,454	10,855	28,046,181		

## YEAR TO DATE APRIL 2014

	2014 Actual	2013 Actual	2014 Budget	2014 Actual vs 2013 Actual		2014 Actual vs. Bud	
	US\$'000	US\$'000	US\$'000	US\$'000	%	US\$'000	%
<b>Israel (Rafa Laboratories Ltd)</b>							
OxyContin	657	765	649	(108)	85.9	8	101.2
Targin / Targinact	1,430	1,300	1,404	131	110.0	26	101.8
Other Oxycodone	446	411	390	35	108.5	57	114.5
Morphine	189	171	189	19	110.9	0	100.1
BuTrans	327	290	318	37	112.6	9	102.8
Other analgesics	1,105	893	1,084	212	123.7	21	101.9
Antiseptics	2,211	2,150	2,177	61	102.8	34	101.6
Adizem	71	64	61	7	110.7	9	114.8
Other cardiovascular	2,303	2,013	2,292	290	114.4	11	100.5
Levact	601	509	487	92	118.0	114	123.5
Folotyn	70	0	102	70	n/a	(32)	68.9
Prioderm	(1)	140	0	(141)	(0.7)	(1)	
Hedrin	913	675	712	238	135.3	201	128.2
Lodotra	2	3	3	(0)	86.4	(1)	75.7
Consumer	4,393	4,068	4,150	325	108.0	243	105.9
Non Mundipharma products	11,060	11,164	11,493	(104)	99.1	(433)	96.2
	<b>25,778</b>	<b>24,617</b>	<b>25,511</b>	<b>1,161</b>	<b>104.7</b>	<b>267</b>	<b>101.0</b>
<b>India (Modi Mundipharma Ltd)</b>							
Analgesic	4,201	3,593	4,367	608	116.9	(165)	96.2
Betadine	10,204	9,962	12,280	242	n/a	(2,076)	83.1
Respiratory	1,695	1,593	1,662	102	106.4	34	102.0
Cardiovascular	3,432	3,011	3,436	421	114.0	(5)	99.9
Laxative	209	135	294	75	155.5	(85)	71.1
Consumer	1,355	1,335	2,148	20	101.5	(793)	63.1
Non Mundipharma products	6,779	6,071	6,941	708	111.7	(162)	97.7
	<b>27,876</b>	<b>25,700</b>	<b>31,128</b>	<b>2,176</b>	<b>108.5</b>	<b>(3,252)</b>	<b>89.6</b>
<b>Cyprus (Mundipharma Pharmaceuticals Ltd)</b>							
Analgesic	306	265	283	42	115.8	24	108.3
Betadine	511	495	508	15	103.1	3	100.5
Respiratory	196	180	191	16	108.9	6	103.0
Cardiovascular	17	21	21	(3)	83.6	(4)	81.6
Laxative	7	27	29	(19)	27.7	(21)	25.5
Hedrin	72	62	74	10	115.4	(2)	96.9
Oncology	240	104	182	136	230.6	58	132.0
Non Mundipharma products	996	1,024	1,034	(28)	97.2	(39)	96.3
	<b>2,346</b>	<b>2,178</b>	<b>2,322</b>	<b>168</b>	<b>107.7</b>	<b>24</b>	<b>101.0</b>
<b>TOTAL</b>	<b>56,000</b>	<b>52,495</b>	<b>58,962</b>	<b>3,506</b>	<b>106.7</b>	<b>(2,962)</b>	<b>95.0</b>

## MONTH OF APRIL 2014

	2014 Actual	2013 Actual	2014 Budget	2014 Actual vs 2013 Actual		2014 Actual vs. Bud	
	US\$'000	US\$'000	US\$'000	US\$'000	%	US\$'000	%
<b>Israel (Rafa Laboratories Ltd)</b>							
OxyContin	177	155	134	22	114.0	43	132.5
Targin / Targinact	342	242	271	100	141.1	71	126.1
Other Oxycodone	120	92	84	28	130.9	36	143.0
Morphine	54	26	37	28	209.7	17	146.4
BuTrans	90	71	67	19	126.7	23	134.8
Other analgesics	313	206	239	107	151.9	74	130.8
Antiseptics	439	380	457	59	115.6	(18)	96.1
Adizem	12	7	11	4	159.6	1	107.0
Other cardiovascular	503	722	622	(220)	69.6	(120)	80.8
Levact	162	86	91	76	188.1	71	177.3
Folotyn	53	0	25	53	n/a	27	207.9
Prioderm	0	(0)	0	0	0.0	0	n/a
Hedrin	359	77	108	282	465.3	251	331.6
Lodotra	1	1	1	(0)	82.2	0	125.9
Consumer	1,016	642	790	373	158.1	226	128.6
Non Mundipharma products	2,637	2,526	2,696	111	104.4	(60)	97.8
	<b>6,276</b>	<b>5,233</b>	<b>5,633</b>	<b>1,043</b>	<b>119.9</b>	<b>643</b>	<b>111.4</b>
<b>India (Modi Mundipharma Ltd)</b>							
Analgesic	1,010	814	1,159	196	124.1	(149)	87.2
Betadine	2,484	2,345	3,359	139	105.9	(875)	74.0
Respiratory	421	398	465	23	105.7	(44)	90.5
Cardiovascular	887	725	988	162	122.4	(101)	89.8
Laxative	55	43	83	12	127.5	(28)	66.3
Consumer	372	347	623	24	107.0	(252)	59.7
Non Mundipharma products	1,715	1,732	1,865	(17)	99.0	(150)	92.0
	<b>6,945</b>	<b>6,405</b>	<b>8,543</b>	<b>540</b>	<b>108.4</b>	<b>(1,598)</b>	<b>81.3</b>
<b>Cyprus (Mundipharma Pharmaceuticals Ltd)</b>							
Analgesic	80	56	68	24	143.2	12	117.5
Betadine	120	109	116	11	110.5	4	103.4
Respiratory	36	30	41	7	123.0	(4)	89.3
Cardiovascular	4	5	5	(1)	84.4	(1)	77.4
Laxative	0	4	5	(4)	0.0	(5)	0.0
Hedrin	20	13	16	7	153.7	4	121.3
Oncology	49	30	38	19	162.8	11	128.1
Non Mundipharma products	227	229	240	(2)	99.2	(13)	94.7
	<b>537</b>	<b>475</b>	<b>530</b>	<b>61</b>	<b>112.9</b>	<b>6</b>	<b>101.2</b>
<b>TOTAL</b>	<b>13,758</b>	<b>12,113</b>	<b>14,707</b>	<b>1,645</b>	<b>113.6</b>	<b>(948)</b>	<b>93.6</b>

**To:** Sackler, Jonathan [REDACTED]@pharma.com]  
**Cc:** Timney, Mark [REDACTED]@pharma.com]; Lundie, David [REDACTED]@pharma.com]  
**From:** Lundie, David  
**Sent:** Fri 5/23/2014 7:29:53 AM  
**Subject:** Follwoing up on our conversation

Jon

I had the opportunity to have detail discussion with Paul Copeland and Steve Harris yesterday. Two of the key internal (and external) opinion leaders on ADF and our commitments in this area.

It allowed me to explain how we were preparing the market with OxyIR as we move at full speed on an OxyIR-AD formulation. Paul was 100% supportive of this approach and described how we must have a commercial successful product to have the positive impact in the marketplace on launch of our OxyIR-AD.

I also encouraged him and Steve Harris to bring any further concerns to myself, Mark Timney or even yourself.

The ADF strategy is a very positive statement on Purdue's commitment to making the whole class safer and we continue to be the thought and industry leader.

We are including Paul in our ADF core strategy team and he welcomed this opportunity to ensure his knowledge was included.

In short, I see the matter as closed for the moment but will continue to ensure people across the company know we continue to use our innovation and resources to underpin this important broad class of products.

Regards

David

David Lundie  
Vice President  
Technical Operations  
Purdue Pharmaceuticals L.P.

**To:** Sackler, Dr Kathe [REDACTED]@pharma.com]  
**Cc:** Heins, James [REDACTED]@pharma.com]; Feltz, Margaret [REDACTED]@pharma.com];  
[REDACTED]  
**From:** Weinstein, Bert  
**Sent:** Tue 6/3/2014 12:36:57 PM  
**Subject:** FW: Compliance Lunch and Learn for 5 28 14 rev'd 05 27b.pptx  
Compliance Lunch and Learn for 5 28 14 FINAL.pptx

Dr. Kathe

Word was passed along to me of your inquiry regarding our lunch and learn program Last week.

Attached is the slide deck Maggie, [REDACTED] and I used. There were some 40-50 people in attendance, and we were asked many thoughtful and good questions, which made for a very productive and enjoyable hour.

We would be more than glad to step you (and others) through it live if you would like.

Bert

*Bert Weinstein*  
*VP, Corporate Compliance*  
*Purdue Pharma L.P.*  
*One Stamford Forum*  
*Stamford, CT 06901*

**Redacted**

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**From:** Weinstein, Bert  
**Sent:** Wednesday, May 28, 2014 2:47 PM  
**To:** Baker, Stuart; Baumgartner, Todd; Damas, Raul; Gasdia, Russell; Long, David; Lundie, David; Mahony, Edward; Mallin, William; [REDACTED] Motahari, Saeed; Strassburger, Philip; Timney, Mark; Weinstein, Bert  
**Cc:** Feltz, Margaret; [REDACTED]  
**Subject:** FW: Compliance Lunch and Learn for 5 28 14 rev'd 05 27b.pptx

EC – FYI

Here is the slide deck Maggie, [REDACTED] and I used at our lunch and learn program today, offering a high level view of some of the Compliance department's work.

We had 40-50 people join us, with many very good questions from the audience, running out of time for more.

I bet there is appetite for more of these by others....

b

*Bert Weinstein*  
*VP, Corporate Compliance*  
*Purdue Pharma L.P.*  
*One Stamford Forum*  
*Stamford, CT 06901*

**Redacted**