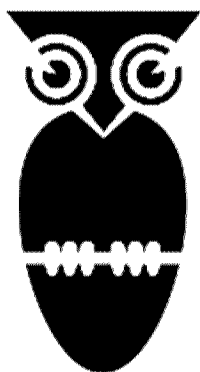


Compliance Lunch and Learn



May 28, 2014



The Compliance Team



2014 Corporate Compliance
Departmental Headcount/Duties & Responsibilities

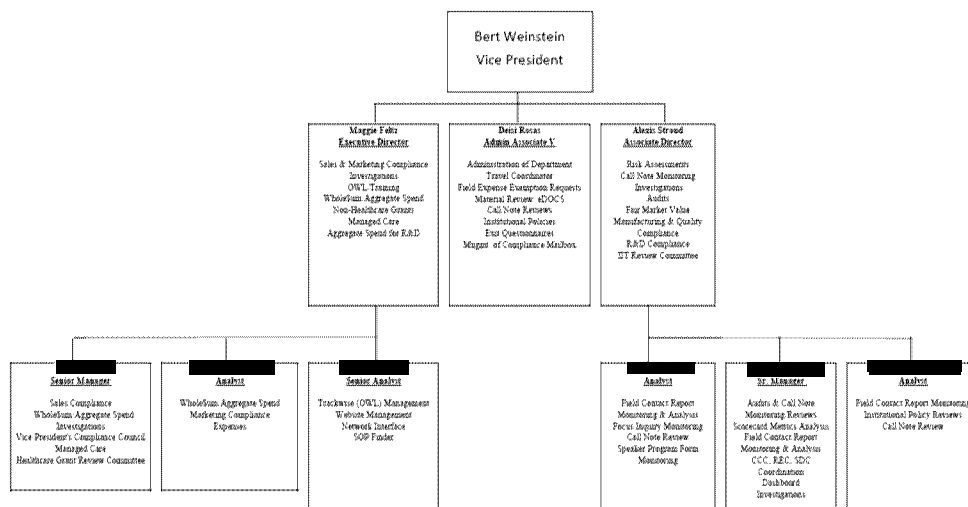
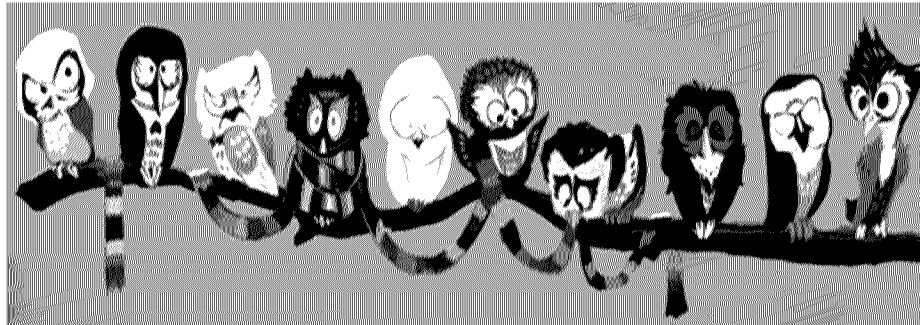


PHOTO OF THE TEAM



3

Continuous Improvement and Evolution of Our Compliance Program

...with help from Uncle Sam



Purdue's CIA – Our Past



- Before July 2001, “certain employees made, or told other employees to make, statements to some healthcare professionals about OxyContin that went beyond what was included in the FDA-approved prescribing information for the product.”
- \$634 million Settlement in 2007 with 5 year CIA.
- It's behind us now

BUT there can be no let up



Our Present , Our Future



Government pharma prosecutions continue unabated, with aggressive plaintiffs bar “supplementing” government resources; **\$8 billion** recovered in 2013 by Federal and State governments.

And pharmaceutical CIAs are much more complex, burdensome, and intrusive than ever:

- New CIAs reflect government's drive for individual accountability.
- Companies deemed to have an “effective compliance program” may receive special consideration, or not face prosecution, in the event of isolated violations – so it pays to evolve and keep up.
- We review new CIAs (as well as other information sources), and consider whether to adopt new requirements into Purdue's compliance program.



Some “New” CIA Provisions



New CIA Provision	Explanation	Purdue?
Risk Assessment & Mitigation Processes	Formal process for identification and mitigation of compliance risks	Yes
Speaker Programs	Independent audits of speaker programs	Yes
Rep Ride-Alongs	Independent Ride-Alongs each year	Yes
Records Reviews	Reviews of records related to Representative interactions with HCPs	Yes
HCP Consulting	Audit specified numbers of HCP consulting arrangements annually	Yes
Publications	Written agreements with HCP-authors	Yes
Author, Researcher, and Consultant Disclosure Requirements	Authors required to disclose conflicts of interest	Yes



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Compliance Scorecard



Annual Compliance Scorecard = Accountability



- Recall that *compliance is everyone's job*.
- The Compliance Performance Scorecard directly impacts employee annual bonuses:
 - The Scorecard was in response to our Board's requirement that we come up with objective measures of success for compliance
 - Measures determined each year; results reviewed quarterly by Corporate Compliance Council
 - At year-end, the Board reviews the scorecard, and based on compliance results, annual bonuses may go up or down



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HAND OUT COPY OF COMPLIANCE SCORECARD

Compliance Scorecard



PPLP Compliance Scorecard

- Updated each quarter with compliance data from all major business areas.
- The expected Company standard for Compliance is targeted at a normative rating of 3, with upward and downward variance between 2.5 and 3.5 based on performance outside of expectations.
- Scoring impacts annual bonuses
- 2013 score was 3.15; in-line with previous years (2010= 3.10; 2011= 3.09; 2012= 3.12)
 - Score based on sustained performance over a period of years, so that continued good performance year to year is recognized.

(Copies of Scorecard and other oversized/long documents are available)



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Compliance Scorecard



Purdue
Corporate Compliance
2013 Business Success Scorecard Summary
YTD thru September 30, 2013

Risk Area	Components	Weight	Score	Total
Compliance Department	Satisfied Corporate requirements for all: Policies, Training, Communications, Screening, Committees, Hotline, Reporting to the Board, Promotion and Medical Services Monitoring, Abuse and Diversion Detection Reports, Sunshine Act systems readiness affirmed through third-party audit	20%	3.30	0.66
Sales & Marketing	Adherence to Sales Standard Operating Procedures (SOPs) and state and federal pricing requirements, Absence of Food Drug Administration (FDA) warning letters or agency action regarding practices, Timely reporting of Adverse Events, Reports of Concern, Product Complaints and Abuse and Diversion Detection Reports, accurate state and federal expense reports	40%	3.14	1.26
Manufacturing, Quality, R&D	Successful Good Manufacturing Practices (GMP), Good Laboratory Practices (GLP), Drug Enforcement Agency (DEA), Occupational Safety Health Administration (OSHA), Environmental Protection Agency (EPA), other applicable federal, state, and local regulatory audits, inspections, permits and good standing, Absence of FDA warning letters or agency action regarding practices, Adherence to Good Clinical Practices (GCP) and GLP standards, Absence of FDA warning letters or agency action regarding practices, Adherence to requirements for registration of clinical trials and reporting of results, Absence of issues with respect to regulatory status, Medical Services function, patient protection, integrity of scientific publications, and data integrity	40%	3.10	1.24

2013 Business Success Compliance Score

3.18

Note: The expected company standard for annual Compliance has been targeted at a rating of 3. This figure may move upward/downward between 2.5 and 3.5 based on performance outside of expectation. Additional details for each risk area are included as part of the back-up.

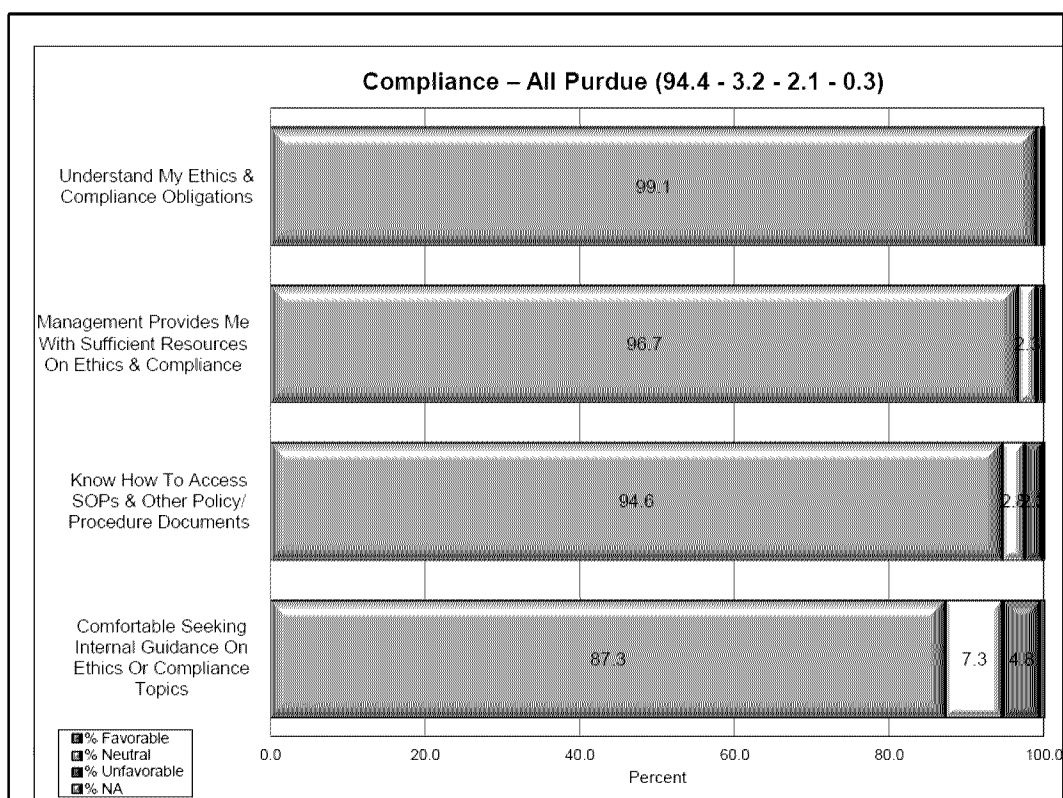
3264
2010 Business Success Score = 3.10
2011 Business Success Score = 3.09
2012 Business Success Score = 3.12



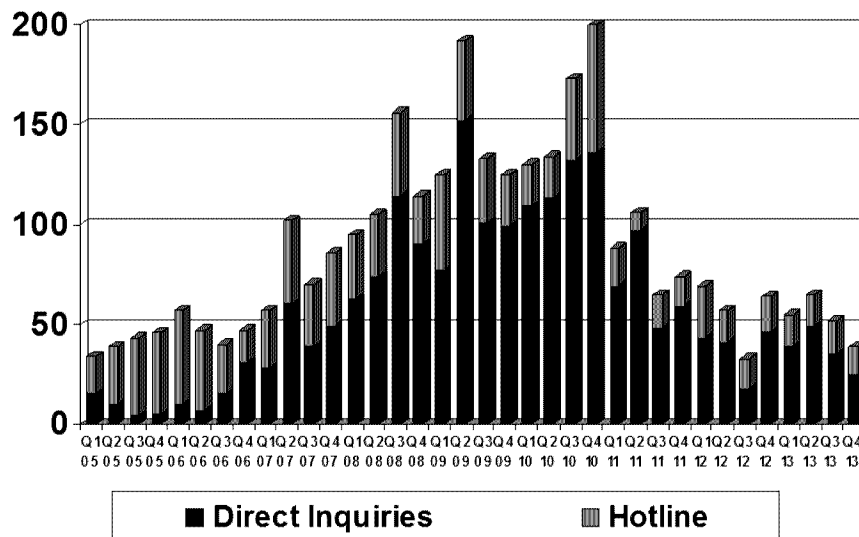
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HIGH LEVEL COMPANY-WIDE METRICS

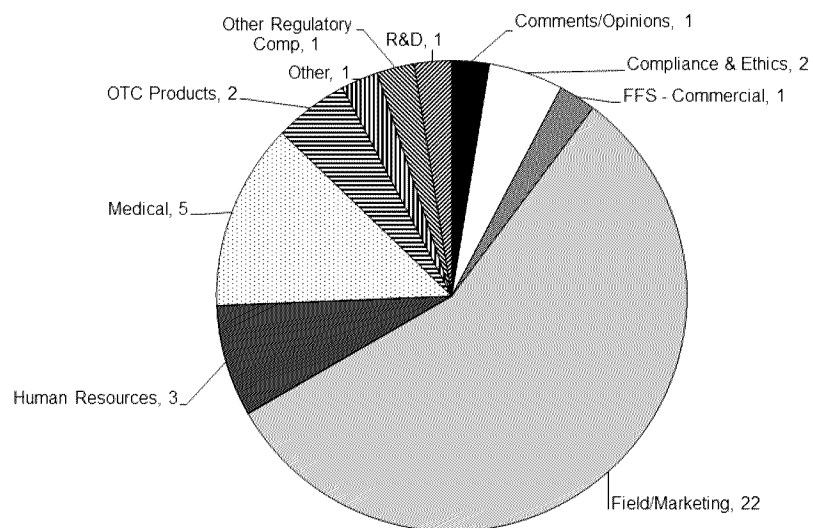




Tracking Compliance Matters



Compliance Matters by Type



Q4 2013 data

The Ethics & Compliance Hotline

1-877-PURDUE1



Our Disclosure Program



- Purdue is committed to promoting a culture of legal, ethical and regulatory compliance by encouraging questions and the reporting of actual or potential ethics or compliance violations or concerns.
- Purdue's Code requires employees to report issues or concerns by:
 - Reporting to Purdue's Ethics and Compliance Hotline
 - Contacting Corporate Compliance
 - Reporting to the employee's Department Head
 - Reporting to any attorney in the Law Department
 - Reporting to any Business Partner in Human Resources
 - Reporting to anyone else in a position of responsibility
- All reports are addressed promptly by Corporate Compliance and, where applicable, by appropriate members of Purdue management.
- Confidentiality is respected to the extent possible and appropriate.



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The Ethics & Compliance Hotline



- Purdue maintains a 24 hour toll-free confidential Ethics & Compliance Hotline with “The Network,” a third party vendor.
 - Callers may remain anonymous
 - Every matter is logged into a tracking system
 - Electronic files of every matter are maintained in our tracking system
 - Disclosure Log – reviewed by Purdue’s Reportable Events Committee meetings, by Law Department
- Purdue policy expressly prohibits retaliation or retribution against any employee for making a good faith report of suspected misconduct or improper behavior.
- We regularly publicize our compliance program and our Disclosure Program through training, presentations, e-mails, posters, Purdue’s newsletter, and other items.

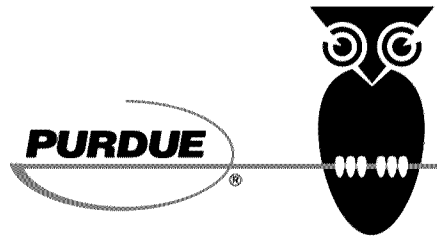


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Compliance Training



Online Workplace Learning = OWL



OWL training includes:

Purdue's Code of Business Ethics, Healthcare Law Compliance Policies,
Adverse Events & Product Complaints, Preventing Workplace
Harassment, Antitrust, Careful Communication, Ethical Leadership and
Conflicts of Interest



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Talk about importance of branding

Live Training Sessions – In House



• In addition to online training, the Corporate Compliance Department conducts live training.

• All new sales and marketing staff participate in live training sessions on HCLC Policies.

• These training sessions address laws and regulations of the FDA, CMS, and other regulatory agencies.

• Trainers are evaluated by participants.

Level	Attendees	Content	Training Dates
100	New Sales Representatives	(1) HCLC Policies - standard slide deck and hand out folder; (2) Scenarios	September 27 and 30, October 18-19, November 8-19
150	Sales Representatives with 6-9 months experience	Snowball Fight	November 2-5
200	Sales Representatives with approx. 24 months experience	Start with Snowball Fight, finish with Gladiators	November 4
300	Sales Representatives with 3+ years experience	Gladiators; last 15 minutes = scenario development in teams	October 14
400	Sales Representatives with 7+ years experience	Discussion and Gladiators	November 15-19 (cancelled)
500	District Field Trainers - 1 per district	In Development	November 3
600	New DMs, Part I	Phoenix/Compliance Training to include: Call Note Review and Annotation, Field Contact Reports, etc. (see below)	October 18-19, November 15-18
610	New DMs, Part II	General Compliance Background: FCRs, Ride Alongs, Call Note Review, Call Annotations - Part II	
820	New DMs, Part III	Gladiators	
710	SMBA with focus on Coaching, Hiring & Recruiting	Current issues in compliance world; key points, Gladiator	November 8-11
720	SMBA with focus on Communications Skills	Current issues in compliance world; key points, Gladiator	
730	SMBA with focus on Business Acumen	Current issues in compliance world; key points, Gladiator	October 25-28

Level 200 Sales Development Class Speaker Evaluations

November 2 - 6, 2009

Rating Scale:

Rating: 1 = Poor; 2 = Fair; 3 = Average; 4 = Good; 5 = Excellent

* Comments are required for a rating of less than 3.

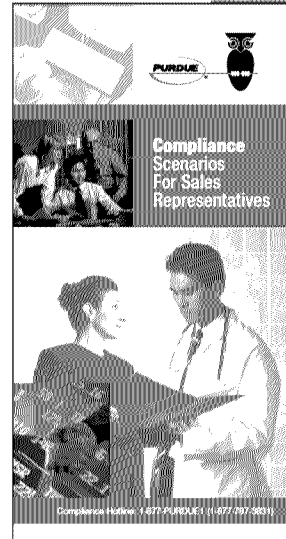
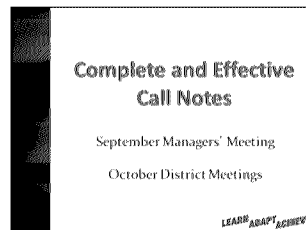
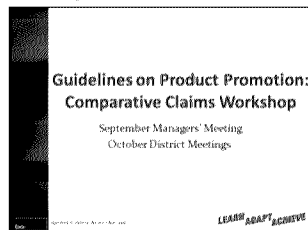
Presentation Speaker(s)	Rating for Speaker Delivery	Rating for Presentation Content	* Comment
Healthcare Compliance Jaggee Felt	4.5	4.5	Fun exercise, very real world info. Like snowball method to start activity.



Compliance Training In the Field



- Significant live compliance training is conducted in the home office and the field:
 - Regional and District Meetings
 - Manager Meetings
 - National Sales Meetings
 - Ride-alongs
- Training is also conducted by Sales Trainers, District and Regional Field Trainers, and by DMs and RDs. This helps to make Sales “owners” of compliance.



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Sunshine Act



Sunshine Act Update



- Phase I registration timely, with filings on behalf of six entities:
 - Purdue Pharma L.P.
 - Purdue Neuroscience Company
 - Purdue Pharma of Puerto Rico
 - Purdue Pharma Products L.P.
 - Purdue Transdermal Technologies L.P.
 - Rhodes Pharmaceuticals
- Phase II filing period is June 1 – June 30
 - 16,559 unique HCPs and Teaching Hospitals to be reported
- Data publication anticipated September 30, 2014 (?)



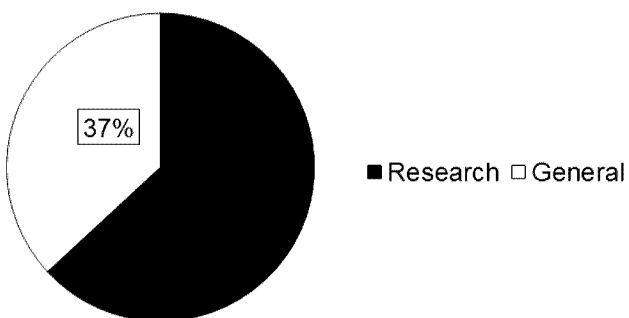
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Sunshine Act Update



Total spend reported in Phase I:
\$10,223,108.93

Type of Spend*



* As of May 5, 2014; subject to change.

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Auditing, Monitoring, and Risk Management



Compliance Audits - 2014



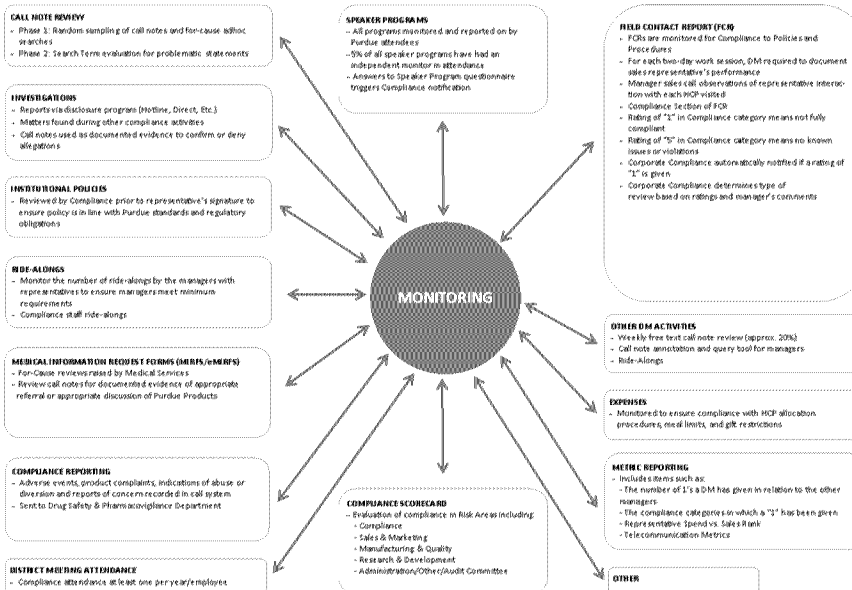
23 Audits Planned for 2014; Topics include:

- Medical Information Requests (MIRFs)
- Call Notes
- Material Review
- Field Contact Report Audits
- Managed Care
- Aggregate Spend
- Contracts with HCPs and FMV
- Speaker Programs
- Study Managers
- Healthcare Grants
- Publications, Authorship and Dissemination of Scientific Information
- Investigator Initiated Trials



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Compliance Monitoring



Sales Force Call Note Review



Review of full text call notes is a cornerstone of sales compliance. All notes are reviewed for key words and at random, within 30 days of each month's-end. Example from 4Q13:

Total Calls From Field	Reviewed by Compliance	% of Calls Reviewed	Minor, or No Findings	Major Findings	% Reviewed w/ Major Findings
245,096	25,825	10.54%	182	48	0.19%

531 total matters have been evaluated at our weekly Sales Discipline Committee meetings thru 4Q13:

Remediation	# / % Total
DM Coaching	381 / 72%
No follow up needed	63 / 12%
Warning Letter	48 / 9%
Coaching Letter	37 / 6%
Probation Letter	1 / 1%

Top 5 Issues Found	# / % Total
Product Indication Errors	174 / 33%
Products Discussed vs Reported	126 / 24%
Poorly Written Call Note	55 / 10%
Typos	54 / 10%
Cut & Paste	37 / 7%



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Phase 1 - The process will initially consist of a random sampling of call notes (10 notes/rep/month); for-cause adhoc searches

Phase 2 - Search Term evaluation for problematic statements

What we look for:

Unclear call notes, improper discussion of our products, off-label promotion, comparative claims, discussion of non-Purdue products formulary status, unreported product complaints and adverse events

Speaker Program Monitoring



Speaker Programs are in government crosshairs

- Each Purdue speaker program has a monitoring form.
- Independent auditors attend ~5% of programs, with selection based on speaker frequency or for cause.
- Most common compliance issues by speakers: did not stay strictly on label and/or follow approved slide deck. Remediated through letters to attendees, corrective speaker training, and dismissal of speakers for repeated lapses. Level of risk is low given our remedial and oversight actions. *2 issues in 2014 were not speaker related.

Year	Total Programs	Programs with Compliance Issues	% of Programs with Compliance Issues
2011	968	6	0.62%
2012	1290	12	0.93%
2013	894	5	0.55%
2014	68	2	2.9%*



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What we look for:

Adherence to expense policy and contract conditions, off-label discussions

Field Contact Report Monitoring



DM Ride-Alongs and Field Contact Reports are a means to monitor and correct sales representative performance in the field, including compliance.

- *Minimum* of 2 days of evaluation quarterly, for each Representative
- Compliance continuously monitors FCRs for compliance issues
- For full year 2013:
 - Sales force average exceeded their SOP requirements
 - Compliance issues reported by DMs in FCRs are overwhelmingly administrative in nature (e.g., late-entered call notes, late expense reporting), and not of a substantive nature



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What we look for:

using outdated or unapproved materials, potential improper statements about any Purdue product(s), including those improper statements relating to withdrawal, drug tolerance, drug addiction, drug abuse, or off-label uses of any product

Sales Scorecard - This report captures several activities including

- (1) the time between when an expense took place and when it was submitted for approval,
- (2) the time between when a sales call occurred and when a call note was recorded,
- (3) timely completion of compliance based training, and
- (4) whether stronger remediation beyond coaching (i.e. warning/probation letter) was required.

The 2014 results show an overall increase of 19% from the 2013 results (84% vs. 65%).

Risk Grid Slides



- The OIG continues to focus on the development of Risk Assessment and Mitigation Plans.
- Performing Compliance Risk Assessments is one step in Purdue's proactive approach to compliance.
- Objectives
 - Utilize a uniform approach to identifying and prioritizing compliance risks
 - Create uniform guidance for mitigating identified risks
 - Support a risk-based approach to downstream compliance efforts
 - Performed by Purdue's senior executives responsible for their area's performance



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Questions?



Message

From:

Sent:

6/10/2014 10:42:31 AM

To:

Sackler, Dr Richard

Subject:

Automatic reply: BuTrans Monthly Sales - May

I am on holiday and back to the office on 16th of June.

I will have limited access to emails.

For any urgent matter please call me at

Redacted

To: Sackler, Dr Raymond R [REDACTED]@pharma.com]; Sackler, Dame Theresa [REDACTED]@mdsackler.co.uk]; Sackler, Beverly [REDACTED]@pharma.com]; Sackler, Dr Richard [REDACTED]@pharma.com]; Sackler Lefcourt, Ilene [REDACTED]@pharma.com]; Sackler, Dr Kathe [REDACTED]@pharma.com]; Sackler, Jonathan [REDACTED]@pharma.com]; Sackler, Samantha [REDACTED]@pharma.com]; Sackler, Mortimer D.A. [REDACTED]@pharma.com]; Sackler, David A. [REDACTED]@srlc.com]; Boer, Peter [REDACTED]@pharma.com]; Lewent, Judy [REDACTED]@pharma.com]; Pickett, Cecil [REDACTED]@pharma.com]; Costa, Paulo [REDACTED]@pharma.com]; Snyderman, Ralph [REDACTED]@pharma.com]
Cc: Baker, Stuart [REDACTED]@chadbourn.com]; [REDACTED] White, Jonathan (Ogier.com) [REDACTED]@ogier.com]; [REDACTED]@revinova.ch]; Timney, Mark [REDACTED]@pharma.com]; Mahony, Edward [REDACTED]@pharma.com]; Wikström, Åke [REDACTED]@mundipharma.co.uk]; Hentzsch, Dr. Cornelia [REDACTED]@purdue.ca]; Landau, Dr. Craig (US) [REDACTED]@pharma.com]; [REDACTED] Levine, Ron [REDACTED]@pharma.com]; Singh, Raman [REDACTED]@mundipharma.com.sol]; [REDACTED]
From: [REDACTED]
Sent: Tue 6/10/2014 1:27:06 PM
Subject: Worldwide Sales - May 2014
[WW Sales 2014 E May Send.pdf](#)

STRICTLY CONFIDENTIAL - PLEASE DO NOT COPY OR FORWARD

HIGHLIGHTS – May 2014

- Worldwide year to date sales of \$1,555.0m are 2.3% up on 2013 and 4.5% ahead of budget. (Page 3)
- As has been the case for all months in 2014, sales in each of Europe, Asia and Australia were ahead of both last year and budget. (Page 3)
- Italy and China are the main contributors to growth, adding \$17.5m and \$12.5m, respectively, to year to date sales compared to last year. (Page 3A)
- Year to date worldwide sales of OxyContin of \$878.1m are 4.4% down on 2013. Sales of all other products of \$676.9m are 12.4% better than last year. (Page 6)
- OxyContin sales accounted for 56.5% of the total year to date sales, compared to 60.4% for the same period last year. (Page 6)
- Together, Targin, Buprenorphine, Levact and Flutiform account for \$73.8m of growth, representing 99% of the cumulative net growth in products excluding OxyContin. (Page 6)
- Record monthly sales were achieved in Australia and Korea.
- Year to date sales for joint ventures (which are not included above), are \$70.3m, being 7.9% higher than 2013, but 5.7% down on budget. Sales in India of \$35.0m are 8.5% up on 2013, whilst sales in Israel of \$32.4m are 7.3% better than 2013. (Page 9)

Year to Date - May 2014

Worldwide sales of \$1,555.0m are 2.3% up on last year and 4.5% ahead of budget.

Worldwide excluding USA sales of \$766.3m are 9.8% up on 2013 and 4.5% better than budget.

USA sales of \$788.6m are 4.1% less than last year, but 4.5% ahead of budget and on track to meet the budget for the year. OxyContin sales of \$710.2m are 4.8% down on 2013, but 4.7% up on budget. Gross sales of all OxyContin strengths except the 80mg are ahead of last year, but rebates have increased by 55% to \$299.1m.

Year to date sales in **Europe** of \$517.2m are 9.7% better than 2013 and 4.8% ahead of budget. 14 markets (out of 18) show growth over last year (9 of them by over 10%). The 'Big 5' (**Germany, UK, Italy, France and Spain**) have contributed growth of \$39.2m (+11.2%), which represents 85% of total growth for Europe.

Flutiform continues to perform positively, with year to date sales of \$28.3m being 11.4% better than budget.

Canada sales of \$105.2m are 4.2% down on 2013, but in line with budget. After improved sales in recent months, OxyNEO year to date sales of \$36.9m are now ahead of budget by 3.7% (but 14.4% down on last year). Sales excluding OxyNEO of \$68.3m are 2.3% up on 2013, but 2.1% down on budget.

Sales in **Australia** of \$62.3m are 9.5% up on last year and 5.0% better than budget. Targin sales of \$13.2m are growing 80.2% and sales of Norspan of \$19.7m are growing 7.3%. This combined growth more than offsets the 8.7% decline in OxyContin sales to \$21.2m. These 3 products make up 87% of total sales. Flutiform sales of \$0.2m are 40.7% behind budget.

Sales in **Asia** of \$69.2m are 32.1% up on 2013 and 9.1% higher than budget.

China is up on 2013 and budget by 46.1% and 12.6%, respectively; **Korea** is up on 2013 by 15.3% and in line with budget; and **Philippines** is up on 2013 and budget by 19.5% and 10.1%, respectively. OxyContin sales in **China** make up 34% of the total Asia sales and are growing at 55.4%.

Latin America sales of \$7.0m (including \$0.9m of sales made by MLG and MMCO to markets in Latin America) are 14.4% behind budget. Sales in **Brazil** of \$5.0m are in line with budget.

Middle East and North Africa sales in the year of \$4.3m are 35.4% ahead of budget.

Month - May 2014

Worldwide sales of \$318.7m were marginally down on May 2013, but 2.3% ahead of budget.

Worldwide excluding USA sales of \$158.5m were 7.8% up on 2013 and 3.9% better than budget.

USA sales of \$160.3m were 7.5% less than last year, but marginally ahead of budget. OxyContin sales of \$143.3m were 7.7% down on May 2013, but

marginally ahead of budget. BuTrans sales in May of \$10.2m were 11.0% up on last year and in line with budget.

2014's good momentum in **Europe** continued in May and, despite a reduced number of selling days in some countries, sales in the month were only slightly lower than April's \$108.7m. Sales in the month of \$107.3m were 7.9% up on last year and 4.5% better than budget. Each of **Switzerland, Spain and Belgium** achieved their 2nd highest ever sales. 14 markets were ahead of budget, with 8 of these being ahead by over 10%.

Canada sales of \$21.4m were 7.9% down on May 2013 and 2.0% below budget. Biphentin sales in the month of \$2.2m were 42.0% up on last year, but 5.1% down on budget. OxyNEO sales of \$7.6m were 10.7% ahead of budget. Hydromorph Contin sales of \$7.8m were 9.1% down on last year and 3.5% less than budget. With the grandfathering period for OxyNEO over, growth of Hydromorph Contin will be lower than in the past.

Sales in **Australia** of \$13.2m were an all time high, being 10.8% up on last year and 8.7% better than budget. Targin (\$3.2m) achieved highest ever monthly sales, with Norspan sales (\$4.1m) being the 2nd highest ever. Sales of OxyContin in May of \$4.1m were 10.6% down on last year, but 8.3% ahead of budget.

Norspan sales were higher than OxyContin sales for the 2nd month in a row.

Sales in **Asia** of \$14.2m were just a little short of last month's record, being 29.4% up on 2013 and 5.6% higher than budget. May sales included highest ever sales in **Korea** of \$3.2m (17.2% up on 2013, but 2.0% down on budget). **China** sales of \$7.9m were 39.8% up on May 2013 and 8.6% better than budget. OxyContin continues to lead the way in China and sales of \$4.4m were 39.4% up on last year.

Latin America sales in May were \$1.3m (\$0.9m from Brazil), which was 37.3% down on budget. Sales in **Colombia** continue to be affected by healthcare reforms and were 36.2% behind budget.

Middle East and North Africa sales in the month of \$0.9m are more than three times the budgeted amount.

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

With best regards,

[REDACTED]

WORLDWIDE SALES REPORT (US \$'000)

May 2014

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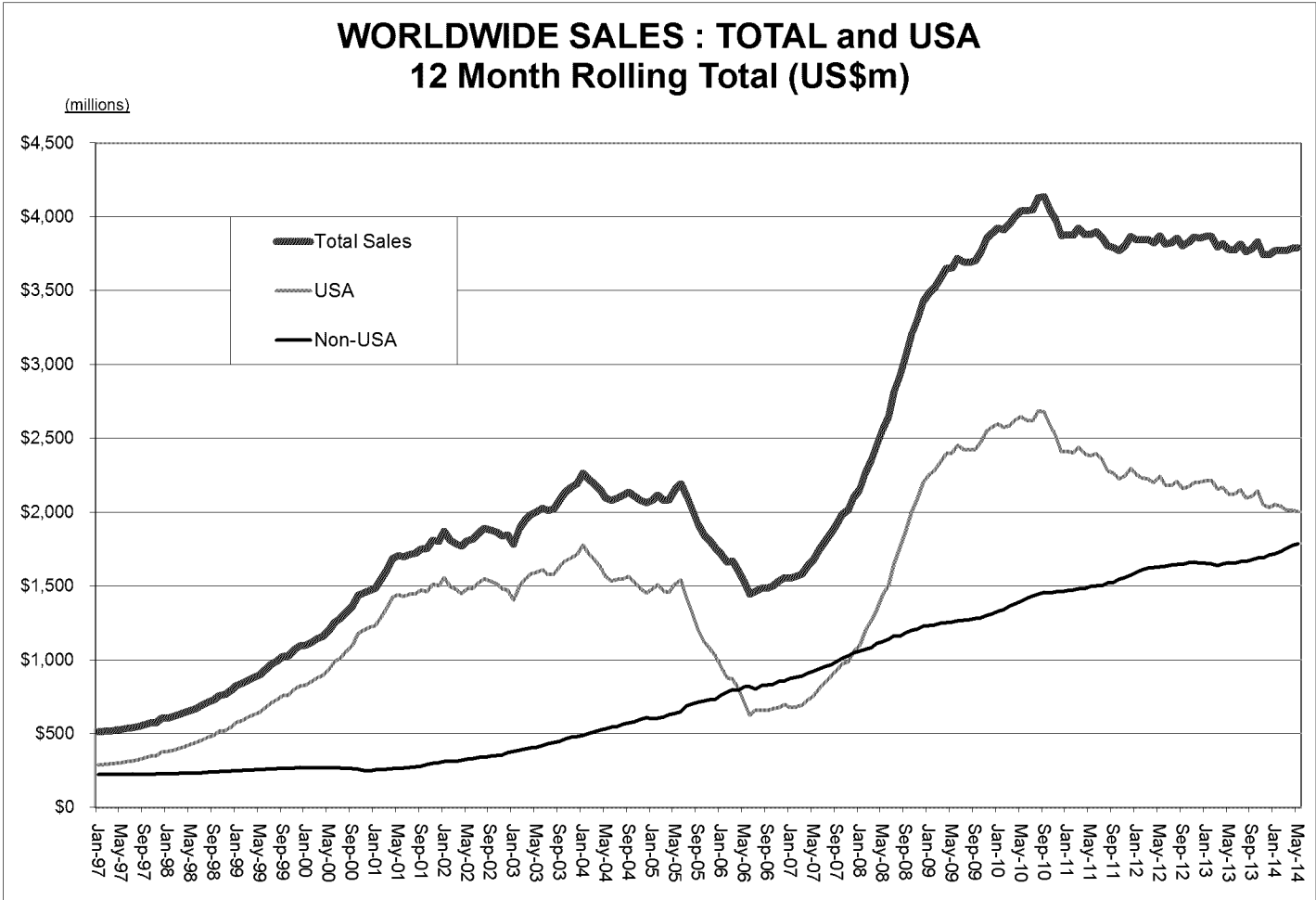
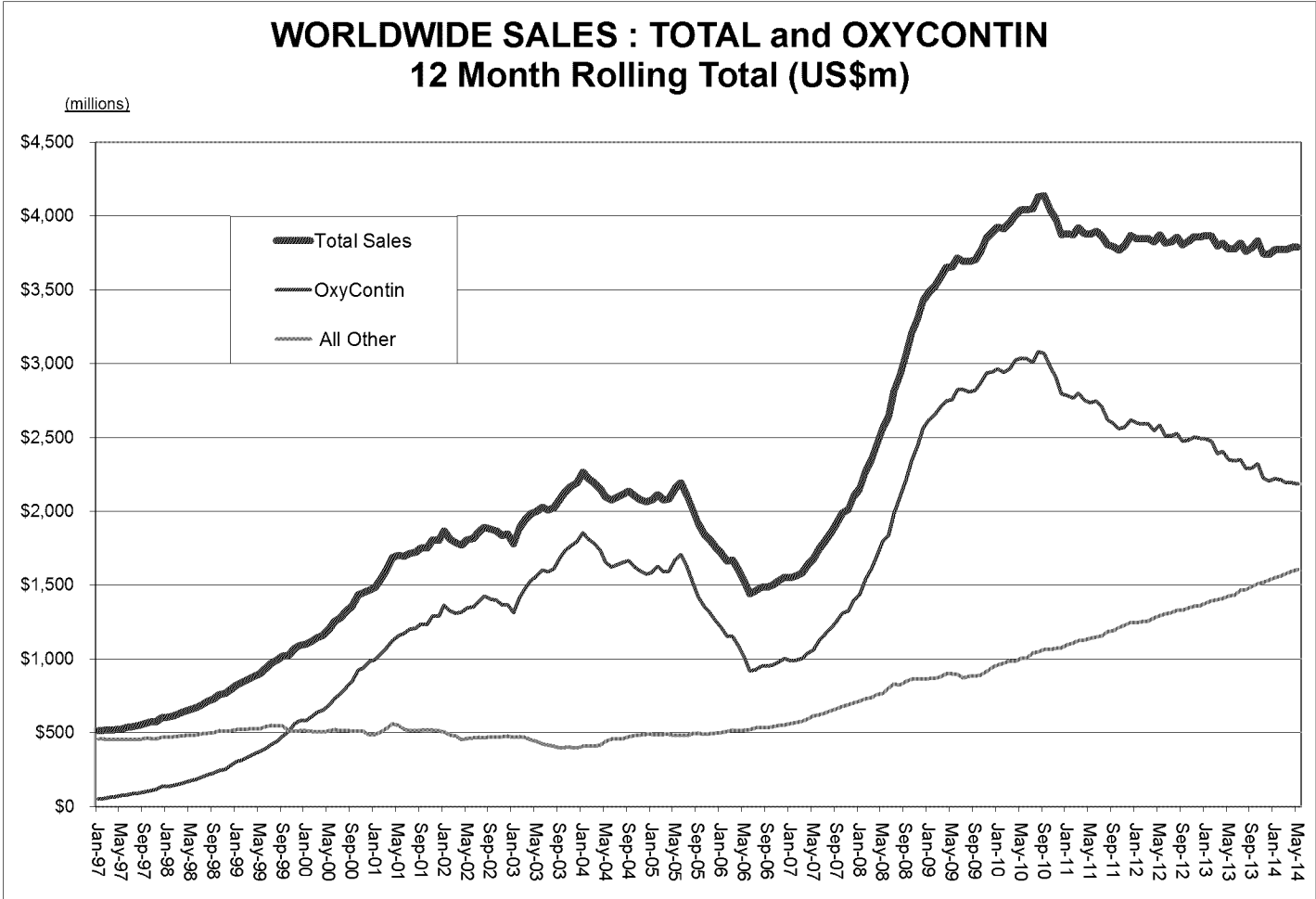
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May 2014

HISTORICAL SALES CHART



May 2014

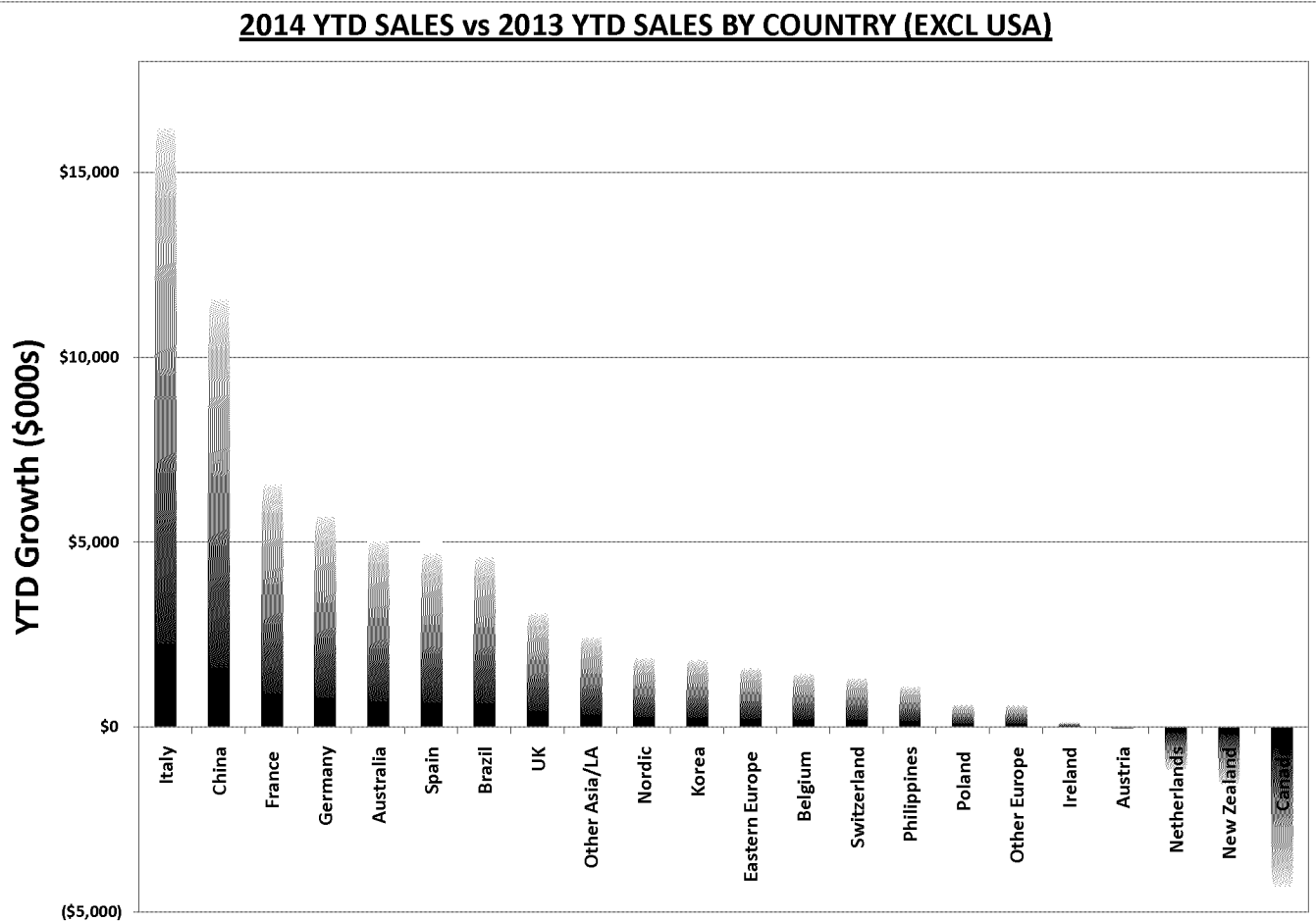
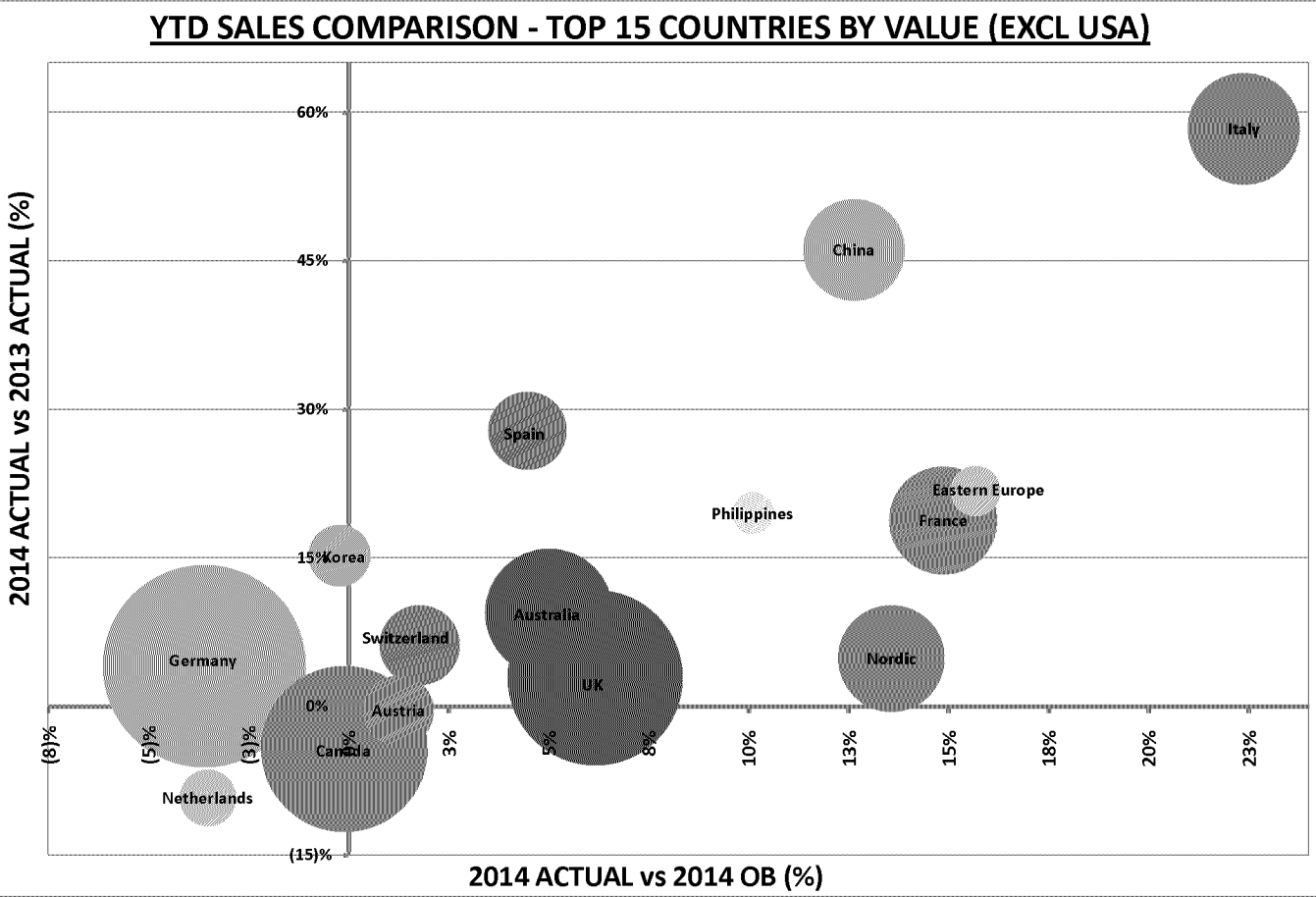
SUMMARY OF YEAR TO DATE SALES BY COUNTRY

		2014 Actual	% of Total	2013 Actual	2014 vs 2013	2014 Budget	2014 vs Bud
		US\$'000	%	US\$'000	%	US\$'000	%
Germany	(Mundipharma GmbH)	156,236	10.0	150,083	104.1	162,078	96.4
UK	(Napp Pharmaceuticals Ltd)	116,640	7.5	113,322	102.9	109,868	106.2
Italy	(Mundipharma Srl)	47,579	3.1	30,044	158.4	38,878	122.4
France	(Mundipharma SAS)	44,702	2.9	37,617	118.8	38,917	114.9
Nordic	(Norpharma / Mundipharma)	43,264	2.8	41,259	104.9	38,095	113.6
Switzerland	(Mundipharma Medical Co)	24,413	1.6	22,985	106.2	23,986	101.8
Spain	(Mundipharma SL)	23,219	1.5	18,158	127.9	22,225	104.5
Austria	(Mundipharma GesmbH)	19,291	1.2	19,366	99.6	19,053	101.3
Netherlands	(Mundipharma Pharmaceuticals BV)	12,479	0.8	13,743	90.8	12,934	96.5
Eastern Europe	(Mundipharma Medical GmbH)	9,617	0.6	7,896	121.8	8,314	115.7
Ireland	(Mundipharma Pharmaceuticals Ltd)	7,099	0.5	6,982	101.7	7,301	97.2
Belgium	(Mundipharma CVA)	6,093	0.4	4,542	134.1	5,535	110.1
Poland	(Norpharma)	4,749	0.3	4,099	115.8	3,887	122.2
South Africa	(Mundipharma Pty Ltd)	1,602	0.1	1,013	158.1	2,047	78.3
Portugal	(Mundipharma Farmaceutica Lda)	229	0.0	188	121.8	260	87.8
Total Europe		517,211	33.3	471,296	109.7	493,376	104.8
China	(MCPC)	39,614	2.5	27,105	146.1	35,171	112.6
Korea	(Mundipharma Korea Ltd)	14,773	1.0	12,816	115.3	14,807	99.8
Philippines	(Mundipharma Dist GmbH)	7,180	0.5	6,007	119.5	6,522	110.1
Thailand	(Mundipharma (Thailand) Ltd / MMCO)	2,231	0.1	2,587	86.2	1,816	122.8
Malaysia	(Mundipharma Pharm. Sdn Bhd)	1,715	0.1	1,622	105.7	1,894	90.5
Vietnam	(R.O. of Mundipharma Pharm. Pte. Ltd.)	850	0.1	126	676.4	958	88.8
Hong Kong	(Mundipharma (Hong Kong) Ltd)	838	0.1	739	113.3	1,164	72.0
Singapore	(Mundipharma Pharmaceutical Pte Ltd)	724	0.0	493	146.8	568	127.4
Myanmar	(R.O. of Mundipharma Pharm. Pte. Ltd.)	672	0.0	340	197.9	510	131.7
Taiwan	(MMCO)	574	0.0	536	107.0	0	0.0
Total Asia		69,171	4.4	52,371	132.1	63,412	109.1
Brazil	(Mundipharma Brasil Ltda)	5,019	1.6	69	7300.4	5,038	99.6
Colombia	(Mundipharma (Colombia) SAS)	885	0.3	5	17259.7	1,419	62.4
Mexico	(Mundipharma Mexico)	273	0.1	270	101.2	201	135.8
Other Latin America	(MMCO / MLG)	857	0.3	1,212	70.7	1,557	55.0
Total Latin America		7,035	2.2	1,556	452.2	8,216	85.6
Middle East and Africa	(MAG)	4,305	1.4	3,367	127.9	3,180	135.4
Total MAL		80,511	25.3	57,293	140.5	74,808	107.6
Australia	(Mundipharma Pty Ltd)	62,285	4.0	56,878	109.5	59,314	105.0
New Zealand	(Mundipharma NZ Ltd)	1,099	0.1	2,783	39.5	681	161.3
Total ANZ		63,385	4.1	59,661	106.2	59,996	105.6
Canada	(Purdue Pharma)	105,236	6.8	109,904	95.8	105,345	99.9
Total excluding USA		766,343	49.3	698,155	109.8	733,523	104.5
U.S.A.	(Purdue Pharma LP)	788,637	50.7	822,304	95.9	754,513	104.5
Total Sales		1,554,980	100.0	1,520,458	102.3	1,488,036	104.5

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)	31,879	10.0	30,170	105.7	33,118	96.3
UK	(Napp Pharmaceuticals Ltd)	24,888	7.8	25,462	97.7	23,900	104.1
Italy	(Mundipharma Srl)	9,747	3.1	6,748	144.4	8,305	117.4
France	(Mundipharma SAS)	8,968	2.8	7,591	118.1	7,865	114.0
Nordic	(Norpharma / Mundipharma)	8,738	2.7	8,652	101.0	7,690	113.6
Switzerland	(Mundipharma Medical Co)	5,127	1.6	4,675	109.7	4,998	102.6
Spain	(Mundipharma SL)	4,772	1.5	4,116	115.9	4,577	104.2
Austria	(Mundipharma GesmbH)	3,790	1.2	3,951	95.9	3,805	99.6
Netherlands	(Mundipharma Pharmaceuticals BV)	2,780	0.9	2,910	95.6	2,675	104.0
Eastern Europe	(Mundipharma Medical GmbH)	2,381	0.7	1,424	167.2	1,686	141.2
Ireland	(Mundipharma Pharmaceuticals Ltd)	1,708	0.5	1,519	112.4	1,537	111.1
Belgium	(Mundipharma CVA)	1,291	0.4	1,070	120.6	1,146	112.6
Poland	(Norpharma)	842	0.3	809	104.1	815	103.3
South Africa	(Mundipharma Pty Ltd)	303	0.1	296	102.2	497	60.9
Portugal	(Mundipharma Farmaceutica Lda)	68	0.0	40	171.9	55	124.6
Total Europe		107,280	33.7	99,432	107.9	102,668	104.5
China	(MCPC)	7,900	2.5	5,649	139.8	7,277	108.6
Korea	(Mundipharma Korea Ltd)	3,193	1.0	2,724	117.2	3,257	98.0
Philippines	(Mundipharma Dist GmbH)	1,405	0.4	1,375	102.2	1,283	109.5
Thailand	(Mundipharma (Thailand) Ltd / MMCO)	449	0.1	352	127.4	296	151.5
Malaysia	(Mundipharma Pharm. Sdn Bhd)	393	0.1	399	98.4	486	80.8
Vietnam	(R.O. of Mundipharma Pharm. Pte. Ltd.)	286	0.1	0	0.0	393	72.7
Taiwan	(MMCO)	230	0.1	204	113.0	0	0.0
Singapore	(Mundipharma Pharmaceutical Pte Ltd)	183	0.1	62	296.2	135	136.0
Hong Kong	(Mundipharma (Hong Kong) Ltd)	167	0.1	172	96.8	295	56.6
Myanmar	(R.O. of Mundipharma Pharm. Pte. Ltd.)	0	0.0	38	0.0	25	0.0
Total Asia		14,205	4.5	10,975	129.4	13,448	105.6
Brazil	(Mundipharma Brasil Ltda)	882	0.3	0	0.0	1,102	80.0
Colombia	(Mundipharma Mexico)	250	0.1	0	0.0	391	63.8
Mexico	(Mundipharma (Colombia) SAS)	0	0.0	0	0.0	0	0.0
Other Latin America	(MMCO / MLG)	204	0.1	61	336.2	636	32.1
Total Latin America		1,336	0.4	61	2198.0	2,129	62.7
Middle East and Africa	(MAG)	918	0.3	934	98.2	287	319.9
Total MAL		16,458	5.2	11,970	137.5	15,864	103.7
Australia	(Mundipharma Pty Ltd)	13,150	4.1	11,868	110.8	12,101	108.7
New Zealand	(Mundipharma NZ Ltd)	226	0.1	586	38.6	136	166.1
Total ANZ		13,376	4.2	12,455	107.4	12,238	109.3
Canada	(Purdue Pharma)	21,363	6.7	23,194	92.1	21,793	98.0
Total excluding USA		158,478	49.7	147,051	107.8	152,562	103.9
U.S.A.	(Purdue Pharma LP)	160,257	50.3	173,180	92.5	158,996	100.8
Total Sales		318,735	100.0	320,231	99.5	311,558	102.3

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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	710,247	77,088	36,883	21,350	32,495	878,063	56.5	918,070	95.6	830,190	105.8
Targin / Targinact		119,947	1,025	13,192	5,700	139,863	9.0	114,840	121.8	139,160	100.5
Other Oxycodone		37,483	811	2,680	4,303	45,277	2.9	45,575	99.3	38,738	116.9
MST	3,372	25,901	1,798	4,077	10,454	45,603	2.9	46,529	98.0	44,942	101.5
DHC		5,457		400		5,858	0.4	6,512	90.0	5,933	98.7
Tramadol / Ryzolt	(65)	1,823	1,875		5,763	9,395	0.6	8,988	104.5	8,021	117.1
Palladone / Dilaudid	3,130	32,885	38,726	1,313		76,054	4.9	77,901	97.6	75,937	100.2
Norspan / BuTrans	44,556	64,275	3,441	19,700	4,154	136,126	8.8	121,971	111.6	137,265	99.2
Transtec		3,778				3,778	0.2	3,568	105.9	2,765	136.6
Other		636	2,710	426	214	3,986	0.3	7,260	54.9	3,532	112.8
ANALGESIC - Total	761,240	369,273	87,268	63,138	63,083	1,344,003	86.4	1,351,214	99.5	1,286,484	104.5
	56.6%	27.5%	6.5%	4.7%	4.7%	100.0%					
ANTISEPTIC - Total	3,618	8,304	365		14,252	26,538	1.7	25,197	105.3	26,758	99.2
	13.6%	31.3%	1.4%	0.0%	53.7%	100.0%					
Flutiform		28,293		243	457	28,993	1.9	5,652	513.0	26,249	110.5
Uniphyl / Uniphyllin		1,618	365		488	2,472	0.2	2,515	98.3	2,390	103.4
Other Respiratory		691	150		175	1,017	0.1	1,140	89.2	852	119.4
RESPIRATORY - Total		30,603	515	243	1,121	32,482	2.1	9,307	349.0	29,491	110.1
	0.0%	94.2%	1.6%	0.7%	3.5%	100.0%					
Adizem		7,141			116	7,256	0.5	7,425	97.7	6,586	110.2
Other					125	125	0.0	136	91.4	104	120.4
CARDIOVASCULAR - Total		7,141			240	7,381	0.5	7,562	97.6	6,689	110.3
	0.0%	96.7%	0.0%	0.0%	3.3%	100.0%					
Senokot	6,175	25	6,844		885	13,929	0.9	14,556	95.7	14,240	97.8
Colace	9,399					9,399	0.6	9,819	95.7	8,398	111.9
Other		3,017			169	3,187	0.2	3,475	91.7	2,985	106.7
LAXATIVE - Total	15,574	3,042	6,844		1,054	26,514	1.7	27,850	95.2	25,624	103.5
	58.7%	11.5%	25.8%	0.0%	4.0%	100.0%					
Levact		73,266				73,266	4.7	62,027	118.1	72,207	101.5
DepoCyte		6,295			53	6,348	0.4	3,276	193.8	5,650	112.4
Folotyn		87			92	179	0.0	210	85.3	375	47.7
ONCOLOGY - Total		79,648			145	79,794	5.1	65,513	121.8	78,232	102.0
	0.0%	99.8%	0.0%	0.0%	0.2%	100.0%					
Intermezzo	4,315					4,315	0.3	3,450	125.1		
Other	3,890	19,200	10,244	4	615	33,953	2.2	30,366	111.8	34,758	97.7
ALL OTHER - Total	8,205	19,200	10,244	4	615	38,269	2.5	33,815	113.2	34,758	110.1
	21.4%	50.2%	26.8%	0.0%	1.6%	100.0%					
TOTAL SALES	788,637	517,211	105,236	63,385	80,511	1,554,980	100.0	1,520,458	102.3	1,488,036	104.5
	50.7%	33.3%	6.8%	4.1%	5.2%	100.0%					

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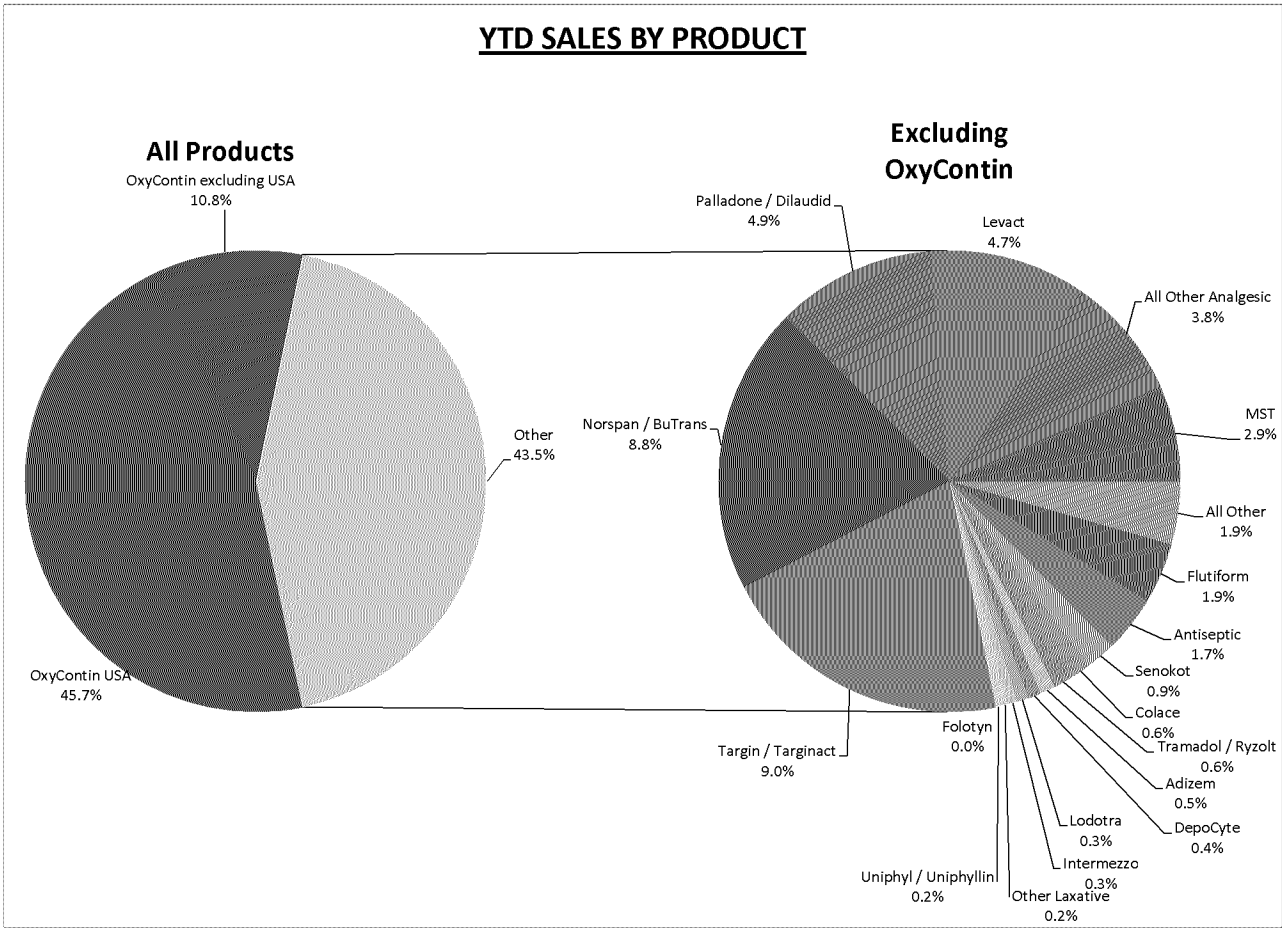
MONTH SALES

	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	143,264	15,074	7,570	4,113	6,206	176,227	55.3	190,045	92.7	172,664	102.1
Targin / Targinact		25,053	213	3,173	1,171	29,610	9.3	23,796	124.4	29,251	101.2
Other Oxycodone		7,481	158	561	1,096	9,297	2.9	9,754	95.3	8,059	115.4
MST	786	5,352	350	862	2,169	9,520	3.0	9,760	97.5	9,420	101.1
DHC		1,123		83		1,206	0.4	1,394	86.5	1,246	96.8
Tramadol / Ryzolt	(5)	524	358		1,106	1,983	0.6	1,759	112.8	1,805	109.9
Palladone / Dilaudid	614	6,816	7,832	293		15,556	4.9	16,872	92.2	14,875	104.6
Norspan / BuTrans	10,215	13,832	722	4,107	1,089	29,964	9.4	27,231	110.0	29,745	100.7
Transtec		918				918	0.3	774	118.6	541	169.9
Other		114	535	93	50	790	0.2	1,811	43.6	895	88.3
ANALGESIC - Total	154,875	76,287	17,738	13,285	12,887	275,072	86.3	283,197	97.1	268,501	102.4
	56.3%	27.7%	6.4%	4.8%	4.7%	100.0%					
ANTISEPTIC - Total	631	1,654	69		2,972	5,327	1.7	5,688	93.7	5,171	103.0
	11.9%	31.0%	1.3%	0.0%	55.8%	100.0%					
Flutiform		6,701		91	80	6,873	2.2	1,889	363.8	6,082	113.0
Uniphyl / Uniphyllin		336	59		36	431	0.1	520	83.0	486	88.8
Other Respiratory		142	17		3	163	0.1	394	41.3	180	90.6
RESPIRATORY - Total		7,180	76	91	119	7,467	2.3	2,803	266.4	6,748	110.7
	0.0%	96.2%	1.0%	1.2%	1.6%	100.0%					
Adizem		1,707			116	1,823	0.6	1,551	117.5	1,362	133.8
Other					18	18	0.0	22	83.4	21	88.9
CARDIOVASCULAR - Total		1,707			134	1,841	0.6	1,574	117.0	1,383	133.2
	0.0%	92.7%	0.0%	0.0%	7.3%	100.0%					
Senokot	1,355	5	1,331		120	2,811	0.9	3,571	78.7	3,056	92.0
Colace	1,898					1,898	0.6	2,227	85.2	1,874	101.3
Other		624				624	0.2	661	94.4	562	111.1
LAXATIVE - Total	3,253	629	1,331		120	5,333	1.7	6,460	82.6	5,492	97.1
	61.0%	11.8%	25.0%	0.0%	2.2%	100.0%					
Levact		14,491				14,491	4.5	13,229	109.5	15,661	92.5
DepoCyte		1,306			19	1,325	0.4	614	215.9	1,171	113.1
Folotyn		22				22	0.0	37	59.3	116	18.7
Other oncology							0.0				
ONCOLOGY - Total		15,819			19	15,838	5.0	13,880	114.1	16,948	93.4
	0.0%	99.9%	0.0%	0.0%	0.1%	100.0%					
Intermezzo	690					690	0.2	534	129.2		
Other	808	4,004	2,148		207	7,167	2.2	6,096	117.6	7,316	98.0
ALL OTHER - Total	1,498	4,004	2,148		207	7,858	2.5	6,631	118.5	7,316	107.4
	19.1%	51.0%	27.3%	0.0%	2.6%	100.0%					
TOTAL SALES	160,257	107,280	21,363	13,376	16,458	318,735	100.0	320,231	99.5	311,558	102.3
	50.3%	33.7%	6.7%	4.2%	5.2%	100.0%					

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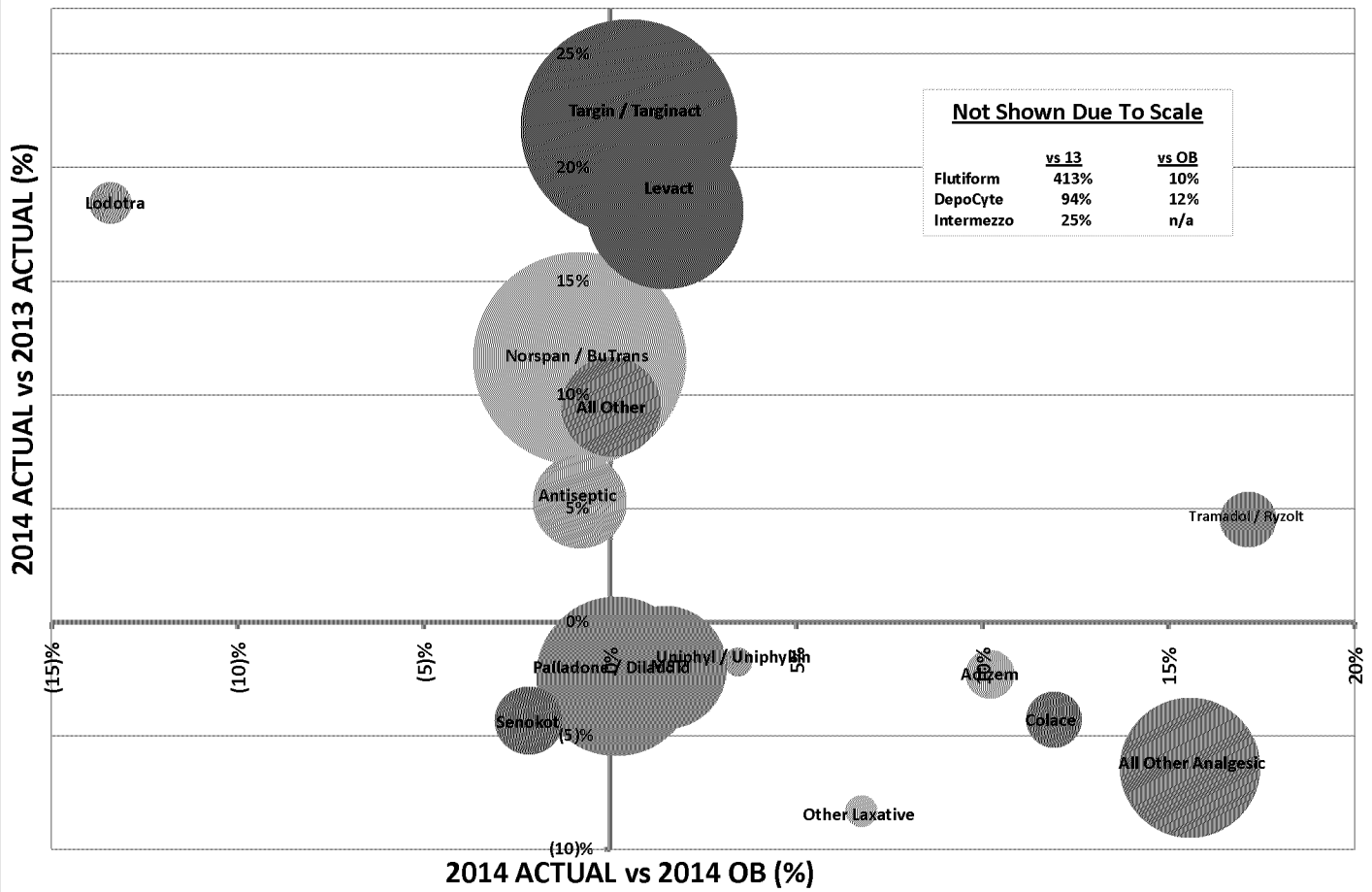
SALES BY PRODUCT - YEAR TO DATE

	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	139,863	20.7	114,840	19.1	25,023	121.8	139,160	21.2	703	100.5
Norspan / BuTrans	136,126	20.1	121,971	20.2	14,155	111.6	137,265	20.9	(1,139)	99.2
Levact	73,266	10.8	62,027	10.3	11,239	118.1	72,207	11.0	1,060	101.5
All Other	29,795	4.4	27,168	4.5	2,627	109.7	29,592	4.5	203	100.7
Flutiform	28,993	4.3	5,652	0.9	23,342	513.0	26,249	4.0	2,744	110.5
Antiseptic	26,538	3.9	25,197	4.2	1,341	105.3	26,758	4.1	(220)	99.2
Tramadol / Ryzolt	9,395	1.4	8,988	1.5	407	104.5	8,021	1.2	1,373	117.1
DepoCyte	6,348	0.9	3,276	0.5	3,072	193.8	5,650	0.9	698	112.4
Lodotra	5,299	0.8	4,474	0.7	826	118.5	6,121	0.9	(822)	86.6
Intermezzo	4,315	0.6	3,450	0.6	866	125.1	0	0.0	4,315	n/a
Sub-total	459,941	67.9	377,043	62.6	82,898	122.0	451,024	68.6	8,916	102.0
<u>Products in Decline</u>										
Palladone / Dilaudid	76,054	11.2	77,901	12.9	(1,847)	97.6	75,937	11.5	117	100.2
All Other Analgesic	58,898	8.7	62,915	10.4	(4,017)	93.6	50,969	7.7	7,930	115.6
MST	45,603	6.7	46,529	7.7	(926)	98.0	44,942	6.8	661	101.5
Senokot	13,929	2.1	14,556	2.4	(627)	95.7	14,240	2.2	(311)	97.8
Colace	9,399	1.4	9,819	1.6	(420)	95.7	8,398	1.3	1,001	111.9
Adizem	7,256	1.1	7,425	1.2	(169)	97.7	6,586	1.0	671	110.2
Other Laxative	3,187	0.5	3,475	0.6	(289)	91.7	2,985	0.5	201	106.7
Uniphyl / Uniphyllin	2,472	0.4	2,515	0.4	(44)	98.3	2,390	0.4	82	103.4
Folotyn	179	0.0	210	0.0	(31)	85.3	375	0.1	(196)	47.7
Sub-total	216,976	32.1	225,346	37.4	(8,369)	96.3	206,822	31.4	10,154	104.9
Products excl Oxy	676,917	100.0	602,388	100.0	74,529	112.4	657,846	100.0	19,071	102.9
Products excl Oxy restated		43.5		39.6				44.2		
OxyContin	878,063	56.5	918,070	60.4	(40,007)	95.6	830,190	55.8	47,873	105.8
TOTALS	1,554,980	100.0	1,520,458	100.0	34,522	102.3	1,488,036	100.0	66,944	104.5

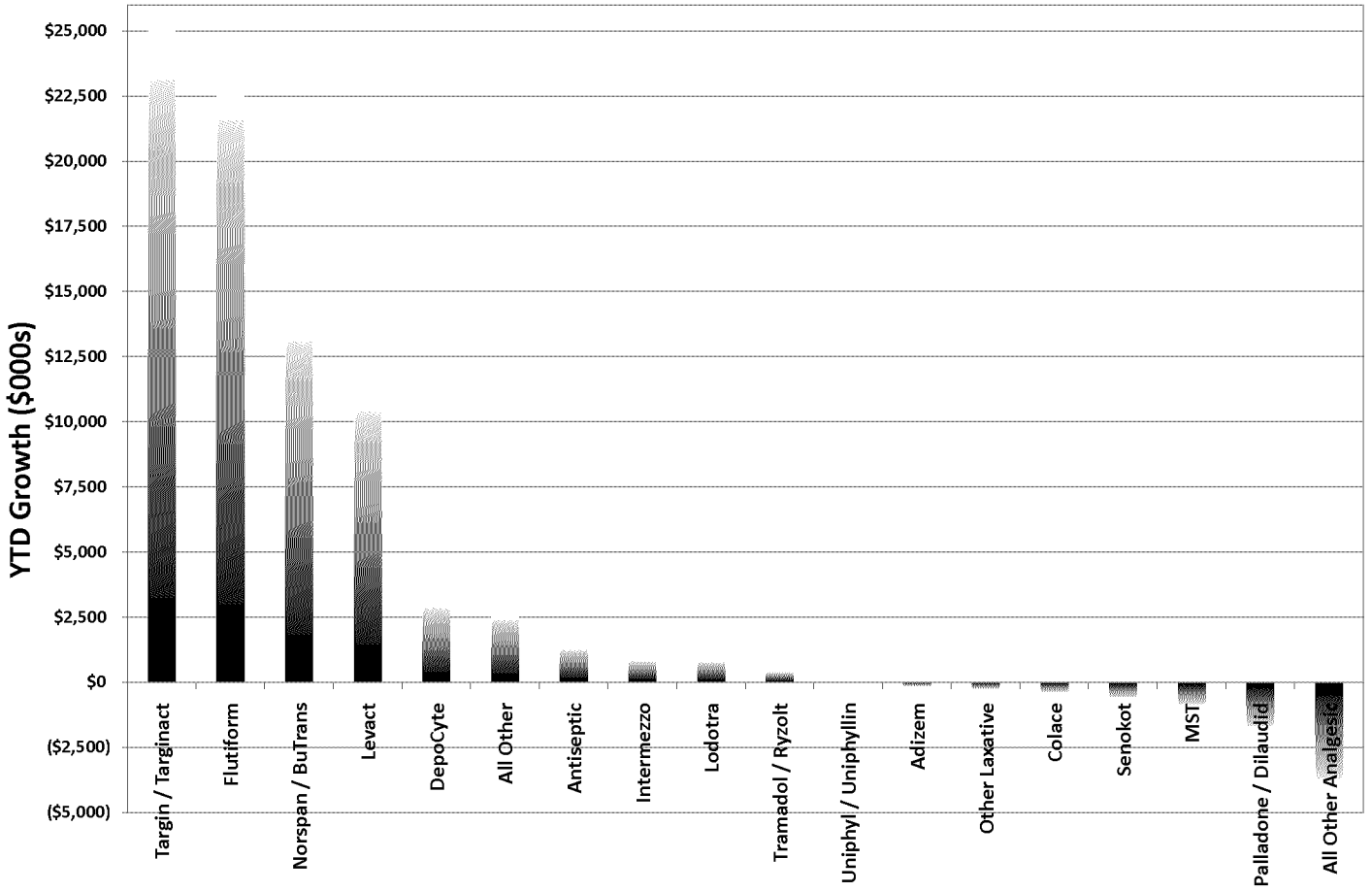


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YTD SALES COMPARISON - BY PRODUCT (EXCL OXYCONTIN)



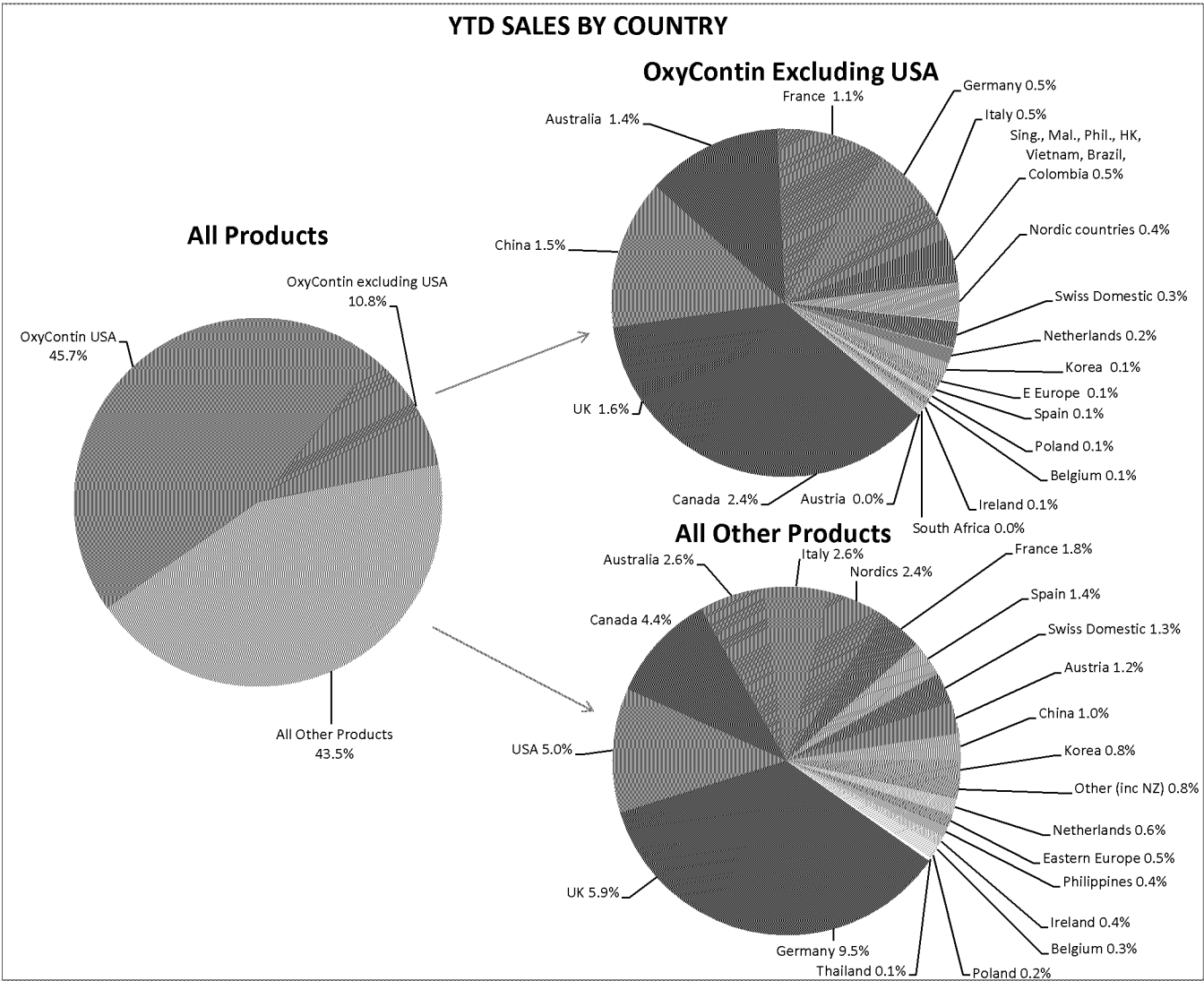
2014 YTD SALES vs 2013 YTD SALES BY PRODUCT (EXCL OXYCONTIN)



May 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)	147,930	21.9	136,704	22.7	11,225	108.2	153,564	23.3	(5,634)	96.3
UK (Napp)	92,076	13.6	87,003	14.4	5,073	105.8	86,949	13.2	5,127	105.9
USA (Purdue)	78,390	11.6	76,189	12.6	2,201	102.9	76,328	11.6	2,062	102.7
Canada (Purdue)	68,353	10.1	66,829	11.1	1,524	102.3	69,795	10.6	(1,442)	97.9
Australia (M. Pty Ltd)	41,121	6.1	33,701	5.6	7,420	122.0	39,574	6.0	1,547	103.9
Italy (M. Srl)	39,870	5.9	23,415	3.9	16,455	170.3	33,947	5.2	5,923	117.4
Nordics (Norpharma)	37,236	5.5	33,872	5.6	3,363	109.9	33,911	5.2	3,325	109.8
France (M. SAS)	27,618	4.1	22,812	3.8	4,806	121.1	23,662	3.6	3,956	116.7
Spain (M. SL)	21,975	3.2	16,598	2.8	5,377	132.4	21,029	3.2	945	104.5
Swiss Domestic (MMCO)	20,223	3.0	18,070	3.0	2,153	111.9	20,609	3.1	(386)	98.1
Austria (M. GesmbH)	19,143	2.8	19,181	3.2	(38)	99.8	18,908	2.9	235	101.2
China (MCPC)	16,283	2.4	12,092	2.0	4,190	134.7	15,106	2.3	1,177	107.8
Korea (M. Korea Ltd)	12,624	1.9	10,585	1.8	2,039	119.3	13,012	2.0	(388)	97.0
Other (inc NZ)	12,233	1.8	9,457	1.6	2,776	129.4	10,722	1.6	1,511	114.1
Netherlands (M. P. BV)	10,091	1.5	10,191	1.7	(100)	99.0	11,354	1.7	(1,263)	88.9
Eastern Europe (MMG)	7,829	1.2	5,677	0.9	2,153	137.9	7,149	1.1	681	109.5
Philippines (M Dist GmbH)	6,691	1.0	5,560	0.9	1,131	120.3	6,218	0.9	473	107.6
Ireland (M. P. Ltd)	6,214	0.9	5,776	1.0	439	107.6	6,469	1.0	(255)	96.1
Belgium (M. CVA)	5,081	0.8	3,597	0.6	1,484	141.2	4,779	0.7	301	106.3
Poland (Norpharma)	3,705	0.5	2,491	0.4	1,214	148.7	2,945	0.4	760	125.8
Thailand (Mundi. (T'land) Ltd)	2,231	0.3	2,587	0.4	(356)	86.2	1,816	0.3	415	122.8
Products excl Oxy	676,917	100.0	602,388	100.0	74,529	112.4	657,846	100.0	19,071	102.9
Products excl Oxy restated		43.5		39.6				44.2		
OxyContin	878,063	56.5	918,070	60.4	(40,007)	95.6	830,190	55.8	47,873	105.8
TOTALS	1,554,980	100.0	1,520,458	100.0	34,522	102.3	1,488,036	100.0	66,944	104.5



May 2014

OXYCONTIN SALES HISTORY

	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	Lat 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 GebrH)	(Mundipharma Korea Ltd)	(Mundipharma SAS)	(Mundipharma SL)	(Mundipharma Srl)	(Mundipharma NZ Ltd)	(Pines, HK, Malaysia, Spore)	(MCPC)	(Mundipharma CVA)	(Norpharma)	(Mundipharma Pty Ltd)	(Brazil, Colombia, Mexico, Other)	Sales	Rolling Total	Monthly Moving Average
Date of Launch >	Dec 95	Jun 96	Dec 96	Aug 98	Jan 99	Sep 99	Jan 00	Dec 00	Feb 01	Feb 01	Mar 01	Mar 01	Apr 02	Jun 04	Mar 05	Jul 05	Jul 05	Aug 04	Feb 07	Jul 08	Mar 12	Jul 13	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%	9.1%	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%	1.8%	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%	0.7%	0.5%	0.3%	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	1,159	1,537	168	4,501	4,527	469	813	27	28	435	3,763	336	2,685	34	201	4,846	216	263	93		176,251	2,222,527	185,211
Feb-14	118,334	6,516	1,151	1,551	154	4,094	4,660	463	839	452	29	386	2,983	292	634	38	242	4,387	193	161	139	653	148,319	2,212,078	184,340
Mar-14	140,323	8,320	1,409	1,664	202	4,750	5,330	471	798	511	33	394	3,296	173	604	36	141	4,944	172	175	164	1,187	175,098	2,194,227	182,852
Apr-14	165,681	7,873	1,202	1,744	154	3,748	4,912	492	819	428	26	436	3,663	233	2,997	38	167	4,753	196	211	176	2,216	202,167	2,193,089	182,757
May-14	143,264	7,570	1,140	1,809	206	4,072	5,134	491	921	369	32	500	3,378	210	789	41	184	4,402	234	233	127	1,121	176,227	2,184,988	182,082
2014	710,247	36,883	6,029	8,306	885	21,164	24,564	2,388	4,190	1,787	148	2,150	17,084	1,244	7,710	186	935	23,331	1,012	1,044	699	6,079	878,063	2,184,988	182,082
	80.9%	4.2%	0.7%	0.9%	0.1%	2.4%	2.8%	0.3%	0.5%	0.2%	0.0%	0.2%	1.9%	0.1%	0.9%	0.0%	0.1%	2.7%	0.1%	0.1%	0.1%	0.7%	100.0%		
GRAND TOTAL																									
1996 - 2014 YTD	23,307,089	1,645,890	388,357	862,516	28,583	461,363	576,534</																		

YEAR TO DATE MAY 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	%
Israel (Rafa Laboratories Ltd)							
OxyContin	809	933	804	(124)	86.7	6	100.7
Targin / Targinact	1,795	1,674	1,882	121	107.2	(87)	95.4
Other Oxycodone	554	514	494	40	107.9	61	112.3
Morphine	226	227	250	(1)	99.7	(23)	90.6
BuTrans	400	371	413	29	107.9	(13)	96.7
Other analgesics	1,389	1,105	1,385	285	125.8	5	100.3
Antiseptics	2,724	2,649	2,673	74	102.8	51	101.9
Adizem	91	79	82	12	115.8	9	110.6
Other cardiovascular	2,962	2,467	2,950	495	120.1	12	100.4
Levact	766	652	641	113	117.4	124	119.4
Folotyn	88	0	127	88	n/a	(38)	69.7
Prioderm	(6)	139	0	(145)	(4.1)	(6)	
Hedrin	1,054	754	785	300	139.8	269	134.2
Lodotra	3	4	4	(1)	74.7	(1)	64.3
Consumer	5,532	4,722	5,017	810	117.1	515	110.3
Non Mundipharma products	13,979	13,889	14,276	91	100.7	(297)	97.9
	32,367	30,179	31,783	2,188	107.3	584	101.8
India (Modi Mundipharma Ltd)							
Analgesic	5,210	4,481	5,541	728	116.3	(332)	94.0
Betadine	12,699	12,547	15,768	152	n/a	(3,070)	80.5
Respiratory	2,094	1,919	2,118	175	109.1	(24)	98.9
Cardiovascular	4,329	3,827	4,410	501	113.1	(81)	98.2
Laxative	270	182	383	87	147.9	(113)	70.4
Consumer	1,840	1,673	2,801	166	109.9	(961)	65.7
Non Mundipharma products	8,577	7,651	8,896	926	112.1	(319)	96.4
	35,017	32,280	39,917	2,737	108.5	(4,901)	87.7
Cyprus (Mundipharma Pharmaceuticals Ltd)							
Analgesic	381	321	351	59	118.4	30	108.6
Betadine	629	614	634	14	102.4	(5)	99.1
Respiratory	219	204	215	14	107.1	4	101.8
Cardiovascular	22	25	26	(3)	88.5	(4)	85.3
Laxative	7	32	34	(24)	23.3	(27)	21.4
Hedrin	97	85	99	12	113.9	(2)	98.1
Oncology	311	138	223	173	224.8	88	139.4
Non Mundipharma products	1,254	1,293	1,308	(39)	97.0	(54)	95.9
	2,920	2,713	2,890	207	107.6	30	101.0
TOTAL	70,304	65,172	74,590	5,132	107.9	(4,286)	94.3

MONTH OF MAY 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	%
Israel (Rafa Laboratories Ltd)							
OxyContin	153	169	155	(16)	90.5	(2)	98.8
Targin / Targinact	365	374	477	(9)	97.5	(113)	76.4
Other Oxycodone	108	102	104	5	105.1	4	103.8
Morphine	37	56	60	(19)	65.7	(24)	61.0
BuTrans	73	80	95	(7)	90.7	(23)	76.4
Other analgesics	284	211	300	73	134.4	(16)	94.6
Antiseptics	513	500	496	13	102.6	16	103.3
Adizem	21	15	21	6	137.9	(0)	98.3
Other cardiovascular	659	454	658	205	145.3	1	100.1
Levact	164	143	154	22	115.2	10	106.6
Folotyn	18	0	25	18	n/a	(7)	72.8
Prioderm	(5)	(0)	0	(4)	1050.0	(5)	n/a
Hedrin	141	79	73	62	178.7	68	192.9
Lodotra	0	1	1	(1)	23.3	(1)	18.5
Consumer	1,139	655	868	485	174.1	272	131.3
Non Mundipharma products	2,919	2,724	2,783	195	107.2	136	104.9
	6,589	5,562	6,271	1,027	118.5	318	105.1
India (Modi Mundipharma Ltd)							
Analgesic	981	864	1,146	116	113.4	(165)	85.6
Betadine	2,428	2,519	3,408	(92)	96.4	(980)	71.2
Respiratory	387	315	445	72	122.8	(58)	87.0
Cardiovascular	874	796	951	78	109.8	(77)	91.9
Laxative	59	47	86	12	125.8	(28)	67.9
Consumer	475	329	638	146	144.5	(163)	74.5
Non Mundipharma products	1,753	1,540	1,910	213	113.8	(157)	91.8
	6,958	6,412	8,584	546	108.5	(1,627)	81.0
Cyprus (Mundipharma Pharmaceuticals Ltd)							
Analgesic	74	57	68	17	130.7	6	109.6
Betadine	118	119	126	(1)	99.2	(8)	93.6
Respiratory	23	24	24	(2)	93.8	(2)	92.9
Cardiovascular	5	4	5	1	112.0	0	101.6
Laxative	0	5	5	(5)	0.0	(5)	0.0
Hedrin	25	23	25	2	109.7	0	101.7
Oncology	71	34	41	37	207.2	30	172.6
Non Mundipharma products	258	269	274	(11)	95.9	(16)	94.3
	574	536	568	39	107.2	6	101.0
TOTAL	14,120	12,509	15,424	1,611	112.9	(1,304)	91.5

Message

From: Sackler, Dr Richard [REDACTED]
Sent: 6/10/2014 9:12:56 PM
To: Motahari, Saeed [REDACTED]
CC: Timney, Mark [REDACTED]
Subject: Re: A hidden jewel already on the market possessing great, proven sales potential!!!
Attachments: image001.png

I've heard many of these observations before.

The fact remains that our sales of patches/million inhabitants is hugely lower. We can both find reasons that may "explain" the difference, but the more effective use of our time is to find ways that we could unlock this much greater potential assuming that we can do so profitably, that is, making more \$'s net profit/million inhabitants.

The US price is in general much higher than in Europe and elsewhere. That is possibly an inhibition to use but if it is very significant, there are things we can do about this.

Perhaps this isn't the right lever to pull. Maybe it is a dimensionally greater effort at sales, or maybe something else. I hear you that without a new label, it is even more unlikely that we can dramatically improve the trajectory. But there are things going on in the marketplace that makes buprenorphine a very unusual and positive entrant. I don't expect that you would have studied these differences, but they do exist.

This isn't a test. I don't have the key. I just look at the use pattern and see great opportunity. And we own the brand and we can devote more effort to enhancing it. It is a worthy goal, albeit a difficult one.

From: <Motahari>, Saeed <[REDACTED]@pharma.com>
Date: Tuesday, June 10, 2014 at 8:50 PM
To: Richard Sackler <[REDACTED]@pharma.com>
Cc: "Timney, Mark" <[REDACTED]@pharma.com>
Subject: RE: A hidden jewel already on the market possessing great, proven sales potential!!!

Richard,

I would like to address your question as follows: describe what we are doing to improve Burtan's performance, provide some evidence re launching or changing launch trajectory after 3/12 years with no new clinical claims and lastly comment on the chart which was forwarded. I suspect it was produced in Europe as I used to see them frequently.

There is a great recognition that we need to continue to improve the growth trajectory of Butrans. We saw decent monthly growth for patients in March from 48,941 to a record high 50,960 in April – growth of over 4%. Share also went up from 2.86% in March to a record high 2.95%.

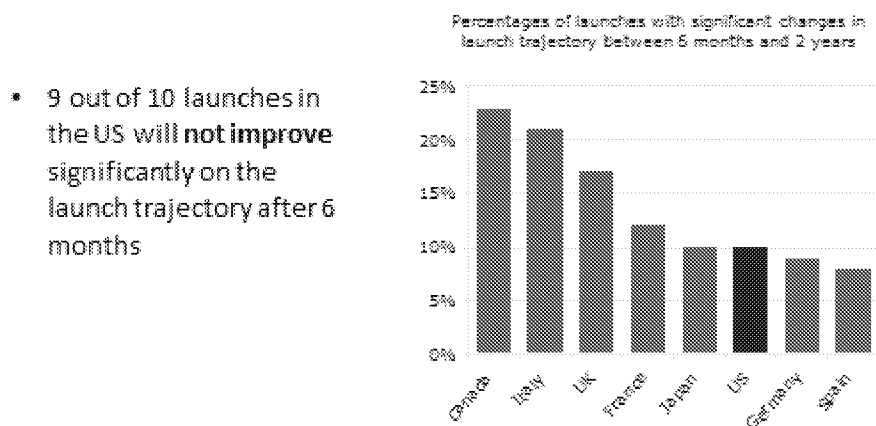
What are we doing?

1) <!--[if !supportLists]--><!--[endif]-->Improving the managed care contracting and access. I have asked the team to prioritize the remaining accounts and develop a contracting strategy that would allow us to gain profitable growth. Pull through of accounts that we have already won is a major focus in the 2H. Given that patients over 65 are a key source of business for the brand, we should continue to see growth as we improve Part D coverage. My understanding is that the Fentanyl patch has been MAC ed (I need to confirm this). Regardless, I am not sure I can think of any branded product that is on Tier one. By definition Tier one is for generics.

- 2) <!--[if !supportLists]--><!--[endif]-->The implementation of E2E has resulted in more efficient targeting and call execution. Our forecast reflects an \$8M upside for this implementation, and we continue to be focused and disciplined when it comes to execution.
- 3) <!--[if !supportLists]--><!--[endif]-->Pressure testing the marketing campaigns, our investment strategy by channel, value proposition deck for payers and identifying more refined providers segmentation, are among things that I will be focusing on as I look for growth opportunities.
- 4) <!--[if !supportLists]--><!--[endif]-->I understand we are working on a higher dose ceiling for the product. Higher dose ceilings or higher patch strengths should also provide us with more opportunity to grow.

With respect to re launching or changing trajectory, there is significant empirical data available (in addition to our own experiences) that show it has been very challenging for the industry as a whole. I have included a chart from IMS that was based on a global study examining hundreds of product launches globally. Less than 10% were able to change the trajectory in the US. This is particularly difficult if there is no enhancement in your label. At some point, I am happy to discuss the entire study with you.

Launch Windows are Narrow Across Major Countries



Lastly, when comparing uptake country to country, it is important to take into account that the US healthcare environment and opioid market (as other markets) are largely different than the rest of the world. These dynamics certainly have had an impact on Butrans utilization in the US:

1. Hydrocodone has a significant presence in the US market (approx. 60% of all opioid Rx's) whereas there is limited use of the molecule ex-US. 130 MM TRX's at generic price.
2. Most countries provide board access to healthcare whereas in the US approximately 15-20% of the population is uninsured. Given formulary restrictions, Butrans has access to 70MM lives. When adjusting for this phenomena, the trends of patches per population provides a different perspective of product performance.
3. The US tends to utilize higher dosage strengths of opioids for patients suffering from chronic pain versus ROW. The potency of Butrans puts it on the lower end of the dosing spectrum and limits its use across a smaller segment of the market.
4. I suspect the US sales/profit margin since launch are higher than all those countries combined. I will confirm this with the team tomorrow.

At the end of the day, there is a broad recognition that we need to do better and that is where I will be focusing. I will circle back with you when I have a better grasp of the issue.

Regards
Saeed

Saeed Motahari
Senior Vice President, Chief Commercial Officer

Redacted
Email: **Redacted**@pharma.com

From: Sackler, Dr Richard
Sent: Tuesday, June 10, 2014 6:10 PM
To: Motahari, Saeed
Cc: Timney, Mark
Subject: Re: A hidden jewel already on the market possessing great, proven sales potential!!!

Quite a stunning contrast to our success in so many diverse markets, isn't it?

From: <Motahari>, Saeed <**Redacted**@pharma.com>
Date: Tuesday, June 10, 2014 at 12:53 PM
To: "Richard S. Sackler" <**Redacted**@pharma.com>
Cc: "Timney, Mark" <**Redacted**@pharma.com>
Subject: Re: A hidden jewel already on the market possessing great, proven sales potential!!!

I am on my way to NY to meet with Butanes' agency to pressure test some of issues you are outlining. I will circle back later on this evening with my initial thoughts.

Sent from my iPhone

On Jun 10, 2014, at 1:20 PM, "Sackler, Dr Richard" <**Redacted**@pharma.com> wrote:

I heard the generic price for fentanyl on a per day (not per patch) level was quite expensive. I must say I don't have any idea what this might be.

From: <Timney>, Mark <**Redacted**@pharma.com>
Date: Tuesday, June 10, 2014 at 1:11 PM
To: Richard Sackler <**Redacted**@pharma.com>, "Motahari, Saeed" <**Redacted**@pharma.com>
Subject: RE: A hidden jewel already on the market possessing great, proven sales potential!!!

Saeed and the team will check, but I am sure this price would not make sense for us.

From: Sackler, Dr Richard
Sent: Tuesday, June 10, 2014 1:10 PM
To: Timney, Mark; Motahari, Saeed
Subject: Re: A hidden jewel already on the market possessing great, proven sales potential!!!
Importance: High

I'm looking for the difficult task of changing the trajectory very significantly.

What can be done that gives a relaunch a chance?

Question but NOT a suggestion —

If we got onto tier 1(one) with this product, would that be sufficient to justify a relaunch to let physicians know that this will be the same as the generic fentanyl patch in terms of the insurance support?? [This supposes that generic fentanyl patch is on tier 1 and fetches a price net of rebate that is appealing to us.]

From: <Timney>, Mark [REDACTED]@pharma.com>

Date: Tuesday, June 10, 2014 at 12:51 PM

To: Richard Sackler [REDACTED]@pharma.com>, "Motahari, Saeed" [REDACTED]@pharma.com>

Subject: RE: A hidden jewel already on the market possessing great, proven sales potential!!!

Richard,

I will let Saeed give his assessment, which may be a little early only 2 weeks into the role.

We are turning over every opportunity with every product we have. Butrans is a good product, but as you know, has had very poor access for over 3 years. It is very difficult/nearly impossible to replicate the growth curves shown, this late after launch. However, the Butrans progress continues to improve, and I am sure with fresh marketing and sales leadership will continue to progress.

We continue to balance profitable growth with OxyContin and Butrans, and explore new avenues for more growth.

MARK.

From: Sackler, Dr Richard

Sent: Tuesday, June 10, 2014 10:52 AM

To: Timney, Mark; Motahari, Saeed

Subject: A hidden jewel already on the market possessing great, proven sales potential!!!

Importance: High

Dear Saeed and Mark,

I know it is very late in the day to rescue the failed launch of Norspan in the US, but I'm sending this to you to demonstrate the enormous potential if you were able to do this. Look at the comparative sales per million people in the various markets. The dottering black line flirting with zero sales way at the bottom of the chart is the US sales per million people.

There is a lot of flexibility in rebating here, as the profitability is very satisfactory due to low COG and modest royalties (I think about 6-6.5%).

Is there any reason to hope for a brand new and rapidly growing trajectory for sales here?

Richard

To: Boer, Peter [REDACTED]@boer.org]; [REDACTED]@msn.com [REDACTED]@msn.com]; Pickett, Ceci [REDACTED]@pharma.com]; Costa, Paul [REDACTED]@pharma.com]; Snyderman, Ralph [REDACTED]@pharma.com]; Sackler, Dr Richard [REDACTED]@pharma.com]; Sackler, Jonathan [REDACTED]@pharma.com]; Sackler Lefcourt, Irene [REDACTED]@pharma.com]; Sackler, Beverly [REDACTED]@pharma.com]; Sackler, Dame Theresa [REDACTED]@mdsackler.co.uk]; Sackler, David A. [REDACTED]@srllc.com]; Sackler, Dr Kathe [REDACTED]@pharma.com]; Sackler, Dr Raymond R [REDACTED]@pharma.com]; Sackler, Mortimer D.A. [REDACTED]@pharma.com]; Sackler Hunt Samantha [REDACTED]@napp.co.uk]; Baker, Stuart [REDACTED]@chadbourne.com]; Timney, Mark [REDACTED]@pharma.com]; Motahari, Saeed [REDACTED]@pharma.com]; Baumgartner, Todd [REDACTED]@pharma.com]; Damas, Raul [REDACTED]@pharma.com]; Long, David [REDACTED]@pharma.com]; Lundie, David [REDACTED]@pharma.com]; Mallin, William [REDACTED]@pharma.com]; Strassburger, Philip [REDACTED]@pharma.com]; Weinstein, Ber [REDACTED]@pharma.com]; [REDACTED]
[REDACTED]@mundipharma.co.uk]; [REDACTED]@mundipharma.bm]
Cc: Lowne, Jon [REDACTED]@pharma.com]; [REDACTED]
[REDACTED]

From: Mahony, Edward
Sent: Tue 7/1/2014 4:15:50 PM
Subject: June 2014 Flash Report
[June 2014 summary of results \(3\).pptx](#)

Colleagues – Attached is Purdue's June 2014 Flash Report. Net Sales are ahead of budget year-to-date. More detail is in the attached.

Ed

Purdue – U.S.

June Flash Report

Purdue U.S. – June Board Flash Report

June YTD 2014 Results

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Legend:



= in-line with or better than budget

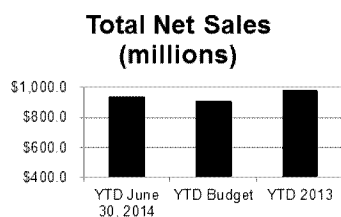


= Temporarily off budget



= below budget

Purdue U.S. June 2014 YTD – Net Sales

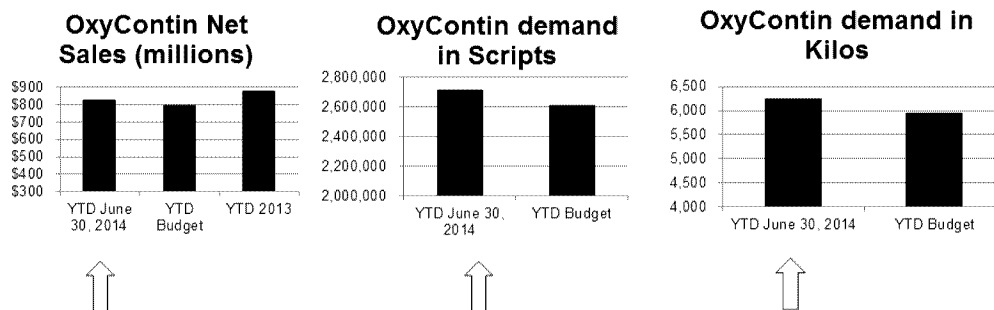


Net Sales year-to-date June of \$937.8 million are \$30.2 million higher than budget and \$45.1 million lower than prior year:

- The underlying demand for OxyContin and Butrans are both ahead of budget.
- OxyContin trade inventory is currently in line with budget and Butrans is running lower than budget. Trade inventory is generally tracking close to budget but sensitive to timing of shipments around month end.
- While rebates are running in line with budget year to date, rebate pressures on OxyContin and recent formulary wins for Butrans will cause blended rebates to be higher than budget on a full year basis.

On balance, for the full year we expect net sales to be on or better than budget.

Purdue U.S. June 2014 YTD – OxyContin Net Sales




See commentary on next page

Purdue U.S. June 2014 YTD – OxyContin Net Sales (continued)

OxyContin net sales year-to-date June of \$824.7 million are \$28.1 million above Budget and \$53.4 million lower than the same period last year. The variance to budget is due to higher than budget demand with trade inventory in line with budget. OxyContin demand is running higher than budget due to estimated year to date scripts of 2,717,000 being 4.0% higher than budget and tablets per script and strength mix of scripts being in line with budget.

OPPORTUNITIES

- i. E2E delivers better than budget upside - the E2E effort has resulted in on or very close to budget performance on (1) primary sales call split between products (OxyContin/Butrans allocation being 60%/40% in Q1 and 72%/68% in Q2), (2) % calls on target HCP's (Q1 Act of 86% vs Q1 target of 80% and Q2 Actual of 90% vs. budget of 85%) and (3) sales calls. These are all significant improvements since 2013. 
- ii. Improved patient access - Purdue is employing many tactics to address patient access issues including collaborating with the National Association of Boards of Pharmacy to develop industry standards for dispensing guidelines, working with wholesalers/retailers to establish thresholds for orders/scripts based on NDC versus API, and more. Most recently Purdue has been successful with Walgreens in moving to NDC quotas thereby separating OxyContin from oxycodone IR and other non-abuse deterrent products.
- iii. Managed care, IDN, call center, vacant territory and other initiatives are underway (more likely to impact 2015)
- iv. OxyContin AG bottles may sell in slower than Budget
- v. Medicaid line extension may be favorable to Purdue savings \$243 million

RISKS

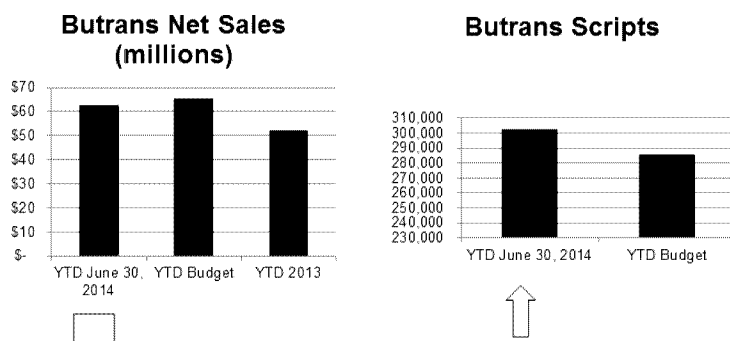
- i. Continued pressure against higher doses of opioids,
- ii. Continued pressure against long term use of opioids,
- iii. A new class label for ER opioids that will likely include the following language "reserve OxyContin for use in patients for whom alternative treatment options (e.g., non-opioid analgesics or immediate-release opioids) are ineffective, not tolerated, or would be otherwise inadequate ..."
- iv. OxyContin rebates are expected to run higher than budget due to an unanticipated contract re-negotiation initiated by United Healthcare.
- v.

Redacted

Taking all the above into account we expect OxyContin 2014 sales to be on or better than budget.

5

Purdue U.S. June 2014 YTD – Butrans Net Sales



Purdue U.S. June 2014 YTD – Butrans Net Sales (continued)

Butrans net sales year-to-date June of \$62.4 million are \$2.7 million under budget and \$10.2 million higher than prior year.

The Butrans sales shortfall is due to trade inventory being \$6 million below budget offset by demand being \$3 million higher than budget. Trade inventory at 6/30/2014 is in line with budget, with the shortfall being caused by start of year inventory being higher than Budget.

The full year prospects for Butrans are encouraging due to (i) year-to-date prescriptions of 302,000 are higher than budget by 10,500 or 5.9% (ii) Butrans share of EROs was 2.62% for the week ending 6/20/14 up from 2.12% at the start of the year and (iii) managed care coverage is improving and on track to meet (commercial) and significantly exceed (Med. D) budget targets.

OPPORTUNITIES

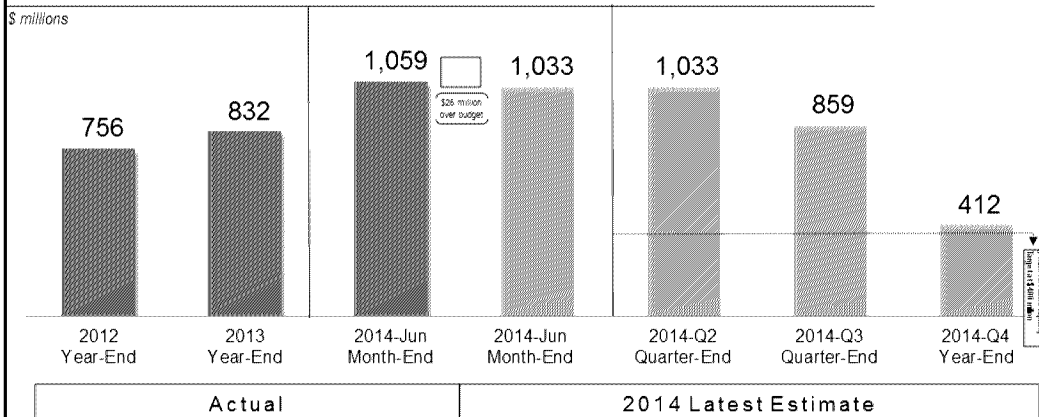
The new 7.5 mcg patch was approved by the FDA in June and is expected to launch later this year. The FDA recently approved a change in the Butrans label that would allow use of multiple patches (within the current 20 mcg upper limit) and impact of new managed care coverage should start to show up in the script data later this year --- all of these offer an opportunity to exceed the budget. Importantly, there have been no Paragraph 4 challenges against Butrans.

RISKS

In spite of the improving managed care coverage prescribers perception is that Butrans has low managed care coverage – a perception that the brand team is working to correct. Also --- Butrans' share of sales calls has decreased vs. the last two years. The sales budget took that decrease into consideration but the impact could be greater than anticipated.

Taking all the above into account **we expect Butrans 2014 sales to be on budget.**

**Purdue U.S. – Cash and Short Term Investment Position
(Unrestricted)**



- At June 30, Purdue's cash and short term investments balance was \$1,059 million or \$26 million over budget due to temporary timing differences of outgoing payments of \$17 million and earlier-than-expected return of QST fund of \$9 million.
- Year-end 2014 cash and short term investments are scheduled to be \$412 million. The decrease from the current balance is due to expected payments of \$233 million in Medicaid Rebates accrued since 2010 due to Affordable Care Act line-extension treatment (being contested by Purdue) and lower sales in Q4 due to settlements and distributions.
- Non-tax distributions year-to-date have been \$105.4 million. Non-tax distributions or available to invest is \$183.4 million for the rest of the year—likely source of cash for business development.

Working Capital

Purdue publishes a full set of working capital metrics quarterly. The following are highlights from the 3/31/14 report (June metrics will be reported as part of our detailed reporting package that will be issued next week).

Trade Accounts Receivable

- Terms of payment 2% 34 net 35 days for payment by wire.
- Trade receivables totaled \$260.4 million.
- No invoices were over 60 days past due.
- No bad debt write-offs.
- Purdue performance in accounts receivable compares favorably to pharmaceutical peers.

Other Accounts Receivable

- Totals \$14.5 million primarily due from associated companies. Payments are generally received on time.

Working Capital

Accounts Payable

- 2013 Days Payable Outstanding (DPO) was 45.8 days. Typically DPO runs in the 40 day range and is heavily influenced by prompt payments on which discounts are earned.
- Prompt payment discounts earned in 2013 totaled nearly \$1.3 million.
- DPO is significantly lower (worse) than pharmaceutical peers due to the large number of early payment discounts, and the fact that public companies in the benchmark often delay payments at quarter end to improve the metrics.

Inventory

- OxyContin months on hand (MOH) in finished goods inventory at 3/31 was:

10mg	15mg	20mg	30mg	40mg	60mg	80mg
2.2	2.0	2.4	1.9	1.1	1.3	1.7

Working Capital

Inventory

- Oxycodone API inventory at 3/31 was 6,200 kilos or about 5 MOH
- As Purdue reduces operations in Totowa finished goods MOH will increase. API Inventory varies during the year depending on quota.
- MOH is lower than pharmaceutical peers who run at the 4.5 range because they are generally more diverse in terms of the # of products and countries.

Cash Conversion Cycle = DSO+MOH-DPO

- Purdue cash conversion cycle typically runs about 120 days which compares favorably with pharmaceutical peers who run at about 140 days.

Purdue U.S. – Full year outlook

- Purdue expects to end 2014:
 - Sales - on or better than budget (1) ↑
 - Operating profit margin – on or better than budget (1) ↑

(1) Significant rebate pressures will be offset by reduction in expenses which have been executed.

Purdue U.S. June 2014 YTD – Net Sales by Product

	June Year-to-Date						Variance 2014 YTD Actual Vs.				Full Year			
	2014 YTD Actual	% of Gross Sales	2014 YTD Budget	% of Gross Sales	2013 YTD Actual	% of Gross Sales	2014 YTD Budget	% of Gross Sales	2013 YTD Actual	% of Gross Sales	2014 Budget	% of Gross Sales	2013 Actual	% of Gross Sales
OxyContin														
Gross Sales	\$ 1,246,604	100%	\$ 1,204,789	100%	\$ 1,190,966	100%	\$ 41,814	100%	\$ 55,638	100%	\$ 1,977,275	100%	\$ 2,525,577	100%
Fee for Service	(24,710)	-2.0%	(24,250)	-2.0%	(25,219)	-2.1%	(480)	-1.1%	409	0.7%	(40,015)	-2.0%	(50,637)	-2.0%
Sales Discounts and Allowances	(17,279)	-1.4%	(25,991)	-2.2%	(21,627)	-1.8%	(1,288)	-0.1%	(5,652)	-10.2%	(39,510)	-2.0%	(17,828)	-0.7%
Savings Cards Discounts	(17,408)	-1.4%	(18,584)	-1.6%	(17,293)	-1.5%	(834)	-2.0%	(115)	-0.2%	(34,300)	-1.7%	(34,712)	-1.4%
Rebates	(355,799)	-28.9%	(325,224)	-27.0%	(220,221)	-18.5%	(10,575)	-25%	(115,578)	-207.7%	(532,692)	-26.9%	(538,771)	-21.3%
Proposed Regulation Adjustment for Medicaid Rebates	(16,724)	-1.3%	(16,153)	-1.3%	(28,598)	-2.4%	(561)	-1.3%	11,874	21.3%	(28,477)	-1.4%	(48,048)	-1.9%
Other Income	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	3,677	0.2%	-	0.0%
OxyContin Net Sales	824,683	66.2%	796,577	66.1%	878,107	72.9%	26,107	67.2%	(53,424)	-96.0%	1,305,957	66.0%	1,837,576	72.8%
Butrans														
Gross Sales	\$ 83,659	100%	\$ 87,061	100%	\$ 93,949	100%	\$ (3,402)	100%	\$ 18,710	100%	\$ 188,777	100%	\$ 147,410	100%
Fee for Service	(1,741)	-2.1%	(2,759)	-3.2%	(1,380)	-1.5%	18	-0.5%	(361)	-1.8%	(3,811)	-2.0%	(3,091)	-2.1%
Sales Discounts and Allowances	(1,785)	-2.1%	(2,888)	-3.3%	(1,325)	-1.4%	123	-0.6%	(640)	-3.2%	(4,101)	-2.2%	(12,999)	-8.8%
Savings Cards Discounts	(4,607)	-5.5%	(4,990)	-5.7%	(3,674)	-3.9%	83	-0.4%	(933)	-4.7%	(9,834)	-5.2%	(8,776)	-6.0%
Rebates	(13,190)	-15.8%	(15,591)	-17.8%	(5,589)	-6.0%	(501)	-14.7%	(7,601)	-38.6%	(35,740)	-18.9%	(18,889)	-12.8%
Butrans Net Sales	62,356	74.5%	65,033	74.7%	52,183	81.6%	(2,677)	78.7%	10,134	51.6%	135,291	71.7%	103,696	70.3%
Intermexco Net Sales	4,841		(134)		6,355			4,975	(1,514)		-		11,907	
Other Products Net Sales	45,947	101.3%	46,190	100.3%	44,271	101.6%	(243)	34.7%	(324)	203.7%	93,105	100.4%	94,205	101.1%
Total for All Products														
Gross Sales	\$ 1,378,106	100%	\$ 1,337,918	100%	\$ 1,305,344	100%	\$ 40,190	100%	\$ 71,762	100%	\$ 2,258,777	100%	\$ 2,774,569	100%
Fee for Service	(26,899)	-2.0%	(26,319)	-2.0%	(26,947)	-2.1%	(574)	-1.4%	53	0.1%	(44,444)	-2.0%	(54,623)	-2.0%
Sales Discounts and Allowances	(26,915)	-2.0%	(26,927)	-2.0%	(20,834)	-1.6%	2,014	5.0%	(8,279)	-8.6%	(45,300)	-2.0%	(27,328)	-1.0%
Savings Cards Discounts	(22,497)	-1.6%	(23,274)	-1.7%	(21,633)	-1.7%	(1,223)	-0.9%	(863)	-1.2%	(44,134)	-2.0%	(44,874)	-1.6%
Rebates	(349,714)	-25.4%	(339,741)	-25.4%	(227,275)	-17.4%	(9,973)	-24.8%	(122,549)	-168.4%	(370,095)	-16.3%	(359,800)	-12.9%
Proposed Regulation Adjustment for Medicaid Rebates	(16,724)	-1.2%	(16,153)	-1.2%	(28,598)	-2.2%	(561)	-1.4%	11,874	16.3%	(28,477)	-1.3%	(48,048)	-1.7%
Other	2,465	0.2%	2,275	0.2%	2,548	0.2%	288	0.7%	(88)	-0.1%	8,027	0.4%	4,844	0.2%
Total Net Sales	\$ 937,828	68.1%	\$ 907,696	67.8%	\$ 882,916	75.3%	\$ 30,182	75.0%	\$ (65,088)	-62.0%	\$ 1,534,354	67.9%	\$ 2,046,945	73.8%

To: Boer, Peter [REDACTED]@boer.org [REDACTED]@msn.com [REDACTED]@msn.com]; Pickett, Cecil [REDACTED]@pharma.com]; Costa, Paulo [REDACTED]@pharma.com]; Snyderman, Ralph [REDACTED]@pharma.com]; Sackler, Dr Richard [REDACTED]@pharma.com]; Sackler, Jonathan [REDACTED]@pharma.com]; Sackler Lefcourt, Ilene [REDACTED]@pharma.com]; Sackler, Beverly [REDACTED]@pharma.com]; Sackler, Dame Theresa [REDACTED]@mdsackler.co.uk]; Sackler, David A [REDACTED]@srllc.com]; Sackler, Dr Kathel [REDACTED]@pharma.com]; Sackler, Dr Raymond R [REDACTED]@pharma.com]; Sackler, Mortimer D A [REDACTED]@pharma.com]; Sackler Hunt, Samantha [REDACTED]@napp.co.uk]; Baker, Stuart [REDACTED]@chadbourn.com]; Timney, Mark [REDACTED]@pharma.com]; Motahari, Saeed [REDACTED]@pharma.com]; Baumgartner, Todd [REDACTED]@pharma.com]; Damas, Raul [REDACTED]@pharma.com]; Long, David [REDACTED]@pharma.com]; Lundie, David [REDACTED]@pharma.com]; Mallin, William [REDACTED]@pharma.com]; Strassburger, Phil [REDACTED]@pharma.com]; Weinstein, Ben [REDACTED]@pharma.com]; [REDACTED]
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Purdue – U.S.

June Flash Report

Purdue U.S. – June Board Flash Report

June YTD 2014 Results

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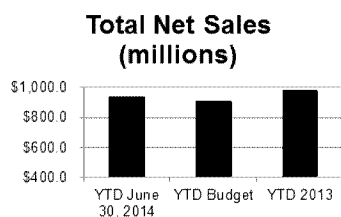


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Purdue U.S. June 2014 YTD – Net Sales

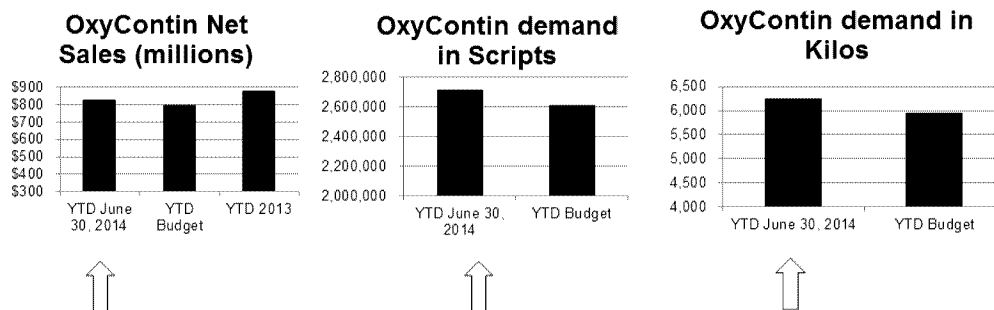


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- The underlying demand for OxyContin and Butrans are both ahead of budget.
- OxyContin trade inventory is currently in line with budget and Butrans is running lower than budget. Trade inventory is generally tracking close to budget but sensitive to timing of shipments around month end.
- While rebates are running in line with budget year to date, rebate pressures on OxyContin and recent formulary wins for Butrans will cause blended rebates to be higher than budget on a full year basis.

On balance, for the full year we expect net sales to be on or better than budget.

Purdue U.S. June 2014 YTD – OxyContin Net Sales




See commentary on next page

Purdue U.S. June 2014 YTD – OxyContin Net Sales (continued)

OxyContin net sales year-to-date June of \$824.7 million are \$28.1 million above Budget and \$53.4 million lower than the same period last year. The variance to budget is due to higher than budget demand with trade inventory in line with budget. OxyContin demand is running higher than budget due to estimated year to date scripts of 2,717,000 being 4.0% higher than budget and tablets per script and strength mix of scripts being in line with budget.

OPPORTUNITIES

- i. E2E delivers better than budget upside - the E2E effort has resulted in on or very close to budget performance on (1) primary sales call split between products (OxyContin/Butrans allocation being 60%/40% in Q1 and 72%/68% in Q2), (2) % calls on target HCP's (Q1 Act of 86% vs Q1 target of 80% and Q2 Actual of 90% vs. budget of 85%) and (3) sales calls. These are all significant improvements since 2013. 
- ii. Improved patient access - Purdue is employing many tactics to address patient access issues including collaborating with the National Association of Boards of Pharmacy to develop industry standards for dispensing guidelines, working with wholesalers/retailers to establish thresholds for orders/scripts based on NDC versus API, and more. Most recently Purdue has been successful with Walgreens in moving to NDC quotas thereby separating OxyContin from oxycodone IR and other non-abuse deterrent products.
- iii. Managed care, IDN, call center, vacant territory and other initiatives are underway (more likely to impact 2015)
- iv. OxyContin AG bottles may sell in slower than Budget
- v. Medicaid line extension may be favorable to Purdue savings \$243 million

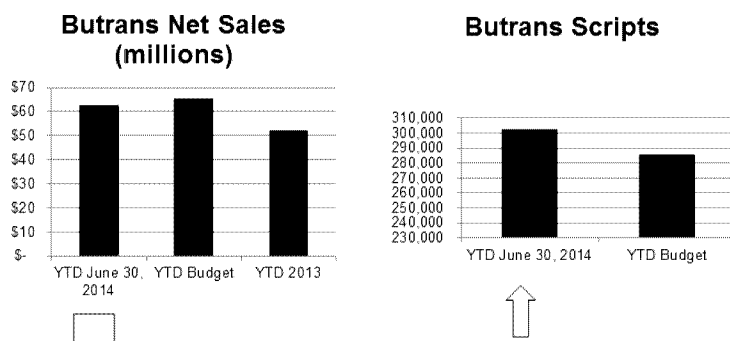
RISKS

- i. Continued pressure against higher doses of opioids,
- ii. Continued pressure against long term use of opioids,
- iii. A new class label for ER opioids that will likely include the following language "reserve OxyContin for use in patients for whom alternative treatment options (e.g., non-opioid analgesics or immediate-release opioids) are ineffective, not tolerated, or would be otherwise inadequate ..."
- iv. OxyContin rebates are expected to run higher than budget due to an unanticipated contract re-negotiation initiated by United Healthcare.
- v.

Redacted

Taking all the above into account we expect OxyContin 2014 sales to be on or better than budget.

Purdue U.S. June 2014 YTD – Butrans Net Sales



Purdue U.S. June 2014 YTD – Butrans Net Sales (continued)

Butrans net sales year-to-date June of \$62.4 million are \$2.7 million under budget and \$10.2 million higher than prior year.

The Butrans sales shortfall is due to trade inventory being \$6 million below budget offset by demand being \$3 million higher than budget. Trade inventory at 6/30/2014 is in line with budget, with the shortfall being caused by start of year inventory being higher than Budget.

The full year prospects for Butrans are encouraging due to (i) year-to-date prescriptions of 302,000 are higher than budget by 10,500 or 5.9% (ii) Butrans share of EROs was 2.62% for the week ending 6/20/14 up from 2.12% at the start of the year and (iii) managed care coverage is improving and on track to meet (commercial) and significantly exceed (Med. D) budget targets.

OPPORTUNITIES

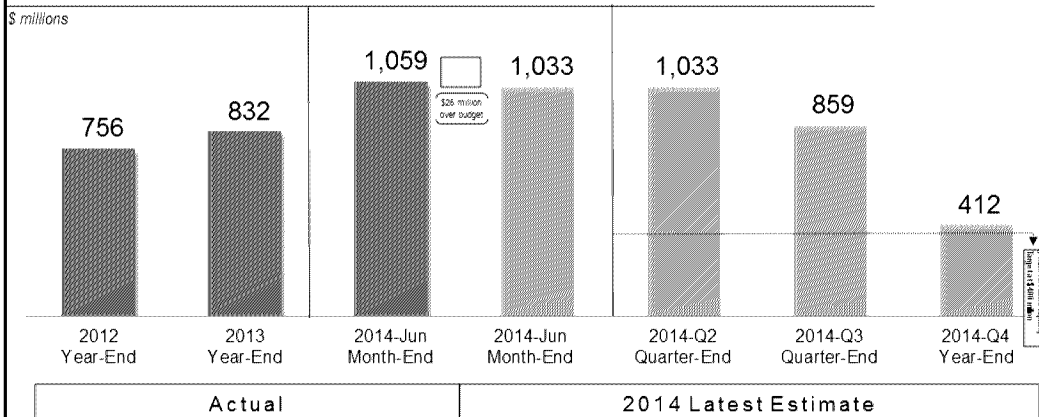
The new 7.5 mcg patch was approved by the FDA in June and is expected to launch later this year. The FDA recently approved a change in the Butrans label that would allow use of multiple patches (within the current 20 mcg upper limit) and impact of new managed care coverage should start to show up in the script data later this year --- all of these offer an opportunity to exceed the budget. Importantly, there have been no Paragraph 4 challenges against Butrans.

RISKS

In spite of the improving managed care coverage prescribers perception is that Butrans has low managed care coverage – a perception that the brand team is working to correct. Also --- Butrans' share of sales calls has decreased vs. the last two years. The sales budget took that decrease into consideration but the impact could be greater than anticipated.

Taking all the above into account **we expect Butrans 2014 sales to be on budget.**

**Purdue U.S. – Cash and Short Term Investment Position
(Unrestricted)**



- At June 30, Purdue's cash and short term investments balance was \$1,059 million or \$26 million over budget due to temporary timing differences of outgoing payments of \$17 million and earlier-than-expected return of QST fund of \$9 million.
- Year-end 2014 cash and short term investments are scheduled to be \$412 million. The decrease from the current balance is due to expected payments of \$233 million in Medicaid Rebates accrued since 2010 due to Affordable Care Act line-extension treatment (being contested by Purdue) and lower sales in Q4 due to settlements and distributions.
- Non-tax distributions year-to-date have been \$105.4 million. Non-tax distributions or available to invest is \$183.4 million for the rest of the year—likely source of cash for business development.

Working Capital

Purdue publishes a full set of working capital metrics quarterly. The following are highlights from the 3/31/14 report (June metrics will be reported as part of our detailed reporting package that will be issued next week).

Trade Accounts Receivable

- Terms of payment 2% 34 net 35 days for payment by wire.
- Trade receivables totaled \$260.4 million.
- No invoices were over 60 days past due.
- No bad debt write-offs.
- Purdue performance in accounts receivable compares favorably to pharmaceutical peers.

Other Accounts Receivable

- Totals \$14.5 million primarily due from associated companies. Payments are generally received on time.

Working Capital

Accounts Payable

- 2013 Days Payable Outstanding (DPO) was 45.8 days. Typically DPO runs in the 40 day range and is heavily influenced by prompt payments on which discounts are earned.
- Prompt payment discounts earned in 2013 totaled nearly \$1.3 million.
- DPO is significantly lower (worse) than pharmaceutical peers due to the large number of early payment discounts, and the fact that public companies in the benchmark often delay payments at quarter end to improve the metrics.

Inventory

- OxyContin months on hand (MOH) in finished goods inventory at 3/31 was:

10mg	15mg	20mg	30mg	40mg	60mg	80mg
2.2	2.0	2.4	1.9	1.1	1.3	1.7

Working Capital



Inventory

- Oxycodone API inventory at 3/31 was 6,200 kilos or about 5 MOH
- As Purdue reduces operations in Totowa finished goods MOH will increase. API Inventory varies during the year depending on quota.
- MOH is lower than pharmaceutical peers who run at the 4.5 range because they are generally more diverse in terms of the # of products and countries.

Cash Conversion Cycle = DSO+MOH-DPO

- Purdue cash conversion cycle typically runs about 120 days which compares favorably with pharmaceutical peers who run at about 140 days.

Purdue U.S. – Full year outlook

- Purdue expects to end 2014:
 - Sales - on or better than budget (1) 
 - Operating profit margin – on or better than budget (1) 

(1) Significant rebate pressures will be offset by reduction in expenses which have been executed.

Purdue U.S. June 2014 YTD – Net Sales by Product

	June Year-to-Date						Variance 2014 YTD Actual Vs.						Full Year			
	2014 YTD Actual		2014 YTD Budget		2013 YTD Actual		2014 YTD Budget		2013 YTD Actual		2014 YTD Budget		2013 YTD Actual		2013 YTD Actual	
	\$	% of Gross Sales	\$	% of Gross Sales	\$	% of Gross Sales	\$	% of Gross Sales	\$	% of Gross Sales	\$	% of Gross Sales	\$	% of Gross Sales	\$	% of Gross Sales
OxyContin																
Gross Sales	\$ 1,246,804	100%	\$ 1,204,789	100%	\$ 1,190,966	100%	\$ 41,814	100%	\$ 55,638	100%	\$ 1,977,275	100%	\$ 2,525,577	100%		
Fee for Service	(24,710)	-2.0%	(24,250)	-2.0%	(25,219)	-2.1%	(460)	-1.1%	409	0.7%	(40,015)	-2.0%	(50,637)	-2.0%		
Sales Discounts and Allowances	(27,279)	-2.2%	(25,991)	-2.2%	(21,627)	-1.8%	(1,288)	-0.1%	(5,652)	-1.0%	(39,510)	-2.0%	(17,828)	-0.7%		
Savings Cards Discounts	(17,408)	-1.4%	(18,504)	-1.4%	(17,239)	-1.5%	(834)	-0.2%	(115)	-0.2%	(34,300)	-1.7%	(34,712)	-1.4%		
Rebates	(335,799)	-26.9%	(325,224)	-27.0%	(220,321)	-18.5%	(10,575)	-0.9%	(115,578)	-20.7%	(332,692)	-16.8%	(538,771)	-21.3%		
Proposed Regulation Adjustment for Medicaid Rebates	(16,724)	-1.3%	(16,163)	-1.3%	(28,598)	-2.4%	(561)	-0.3%	1,874	0.3%	(28,477)	-1.4%	(46,045)	-1.8%		
Other Income	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	3,677	0.2%	-	0.0%		
OxyContin Net Sales	824,683	66.2%	796,577	66.1%	878,107	72.9%	26,107	67.2%	(53,424)	-96.0%	1,305,957	66.0%	1,837,576	72.8%		
Butrans																
Gross Sales	\$ 83,659	100%	\$ 87,061	100%	\$ 93,949	100%	\$ (3,402)	100%	\$ 18,710	100%	\$ 188,777	100%	\$ 147,410	100%		
Fee for Service	(1,741)	-2.1%	(1,759)	-2.0%	(1,380)	-1.5%	18	-0.5%	(361)	-1.8%	(3,811)	-2.0%	(3,091)	-2.1%		
Sales Discounts and Allowances	(1,785)	-2.1%	(1,888)	-2.2%	(1,325)	-1.4%	123	-0.6%	(640)	-3.2%	(4,101)	-2.2%	(12,999)	-8.8%		
Savings Cards Discounts	(4,607)	-5.5%	(4,990)	-5.4%	(3,674)	-3.9%	83	-0.4%	(933)	-4.7%	(9,834)	-5.2%	(8,776)	-6.0%		
Rebates	(13,190)	-15.8%	(13,591)	-15.7%	(5,589)	-6.0%	(501)	-14.7%	(7,601)	-38.6%	(35,740)	-18.9%	(18,889)	-12.8%		
Butrans Net Sales	62,356	74.5%	65,033	74.7%	82,163	81.8%	(2,677)	76.7%	10,134	51.6%	135,291	71.7%	103,696	70.3%		
Intermexco Net Sales	4,841		(134)		6,355				(1,514)				11,507			
Other Products Net Sales	45,947	101.3%	46,190	100.3%	44,271	101.6%	(243)	34.7%	(324)	203.7%	91,105	100.4%	94,205	101.1%		
Total for All Products																
Gross Sales	\$ 1,378,106	100%	\$ 1,337,918	100%	\$ 1,305,344	100%	\$ 40,190	100%	\$ 71,762	100%	\$ 2,258,777	100%	\$ 2,774,569	100%		
Fee for Service	(26,899)	-2.0%	(26,319)	-2.0%	(26,947)	-2.1%	(574)	-1.4%	33	0.1%	(44,444)	-2.0%	(54,623)	-2.0%		
Sales Discounts and Allowances	(26,915)	-2.0%	(26,927)	-2.2%	(20,834)	-1.6%	2,014	5.0%	(8,279)	-8.6%	(45,300)	-2.0%	(27,328)	-1.0%		
Savings Cards Discounts	(22,497)	-1.6%	(23,274)	-1.6%	(21,633)	-1.7%	(1,223)	-0.9%	(863)	-1.2%	(44,134)	-2.0%	(44,874)	-1.6%		
Rebates	(349,714)	-25.4%	(339,741)	-25.4%	(227,165)	-17.4%	(9,973)	-24.8%	(122,549)	-168.4%	(370,095)	-25.2%	(559,800)	-20.2%		
Proposed Regulation Adjustment for Medicaid Rebates	(16,724)	-1.2%	(16,163)	-1.2%	(28,598)	-2.2%	(561)	-1.4%	1,874	1.6%	(28,477)	-1.3%	(46,045)	-1.7%		
Other	2,465	0.2%	2,275	0.2%	2,548	0.2%	288	0.7%	(88)	-0.1%	8,027	0.4%	4,844	0.2%		
Total Net Sales	\$ 937,828	68.1%	\$ 907,696	67.8%	\$ 882,916	75.3%	\$ 30,182	75.0%	\$ (65,088)	-62.0%	\$ 1,534,354	67.9%	\$ 2,046,945	73.8%		

Message

From: Motahari, Saeed [REDACTED]
Sent: 7/2/2014 4:01:57 PM
To: Boer, Peter [REDACTED]
[REDACTED] Costa, Paulo
[REDACTED]
Lewent, Judy [REDACTED]
[REDACTED] Sackler Lefcourt, Ilene
[REDACTED]
Sackler, Beverly [REDACTED]
[REDACTED] Sackler, Dame Theresa
[REDACTED] Sackler, David A
[REDACTED] Sackler, Dr Kathe
[REDACTED] Sackler, Dr Raymond R
[REDACTED]
Sackler, Dr Richard [REDACTED]
[REDACTED] Sackler, Jonathan
[REDACTED]
Sackler, Mortimer D.A. [REDACTED]
[REDACTED] Snyderman, Ralph
[REDACTED]
[REDACTED] Landau, Dr. Craig
[REDACTED]
Wikström, Ake [REDACTED] Medeiros, Paul
[REDACTED]
CC: Timney, Mark [REDACTED]
Subject: FW: Commercial Reorganization
Attachments: Commercial Organization Chart.pdf; image001.jpg; image003.jpg

Dear all

Today's announcement regarding the new commercial organization structure in the US.

Regards

Saeed

Saeed Motahari
Senior Vice President, Chief Commercial Officer
Work: [REDACTED]
Email: [REDACTED]@pharma.com

From: Office of Saeed Motahari
Sent: Wednesday, July 02, 2014 2:00 PM
To: Employee Communications
Subject: Commercial Reorganization



Dear Colleagues,

I would like to update you on changes to Purdue's commercial organization, which I am confident will help us rebuild Purdue to compete, win and grow.

Our new organization will enable us to maintain the successful pace we've achieved through the first half of the year and position us for future success, as we prepare to launch new products and diversify our business to best serve our patients. These organizational changes represent the first of several steps we'll take to achieve commercial excellence.

Following are several key structural and personnel changes. You'll also find attached a new organizational chart.

Changes to our Organizational Structure

- Three Vice President-level positions will lead our key commercial functions: Sales, Marketing, and Managed Markets. We are also consolidating all the operations and support functions under one position, Head of Operations, to ensure alignment as we execute our corporate strategy.
- Two new positions are also being created: Business Development Liaison, to expedite the commercial assessment of external assets by working closely with the Business Development (BD) team; and Head of Strategic Initiatives, to lead our activities with stakeholders of increased importance, such as hospital networks, Integrated Delivery Networks (IDNs), and Accountable Care Organizations (ACOs).
- Marketing will include all Brand Management functions, New Product Development, and the eMarketing team.
- The Managed Markets function will include Managed Markets Sales, Marketing, Pharmacy & Distribution, Institutional Channel, Health Care Strategy, Pricing & Contract Administration, and Rebate Processing, which will work closely with Finance.
- Operations will include Forecasting, Analytics & Marketing Research, Sales Operations, Sales Training, Marketing Education & Conventions, Marketing Services, and Creative Services.
- No structural changes are being made to the sales force.

Key Personnel Decisions

- **Russ Gasdia** will continue reporting to me in the newly created role of Head of Strategic Initiatives. In this position, Russ will lead key initiatives designed to strengthen our commercial capabilities, such as our ability to serve IDNs. I would like to thank Russ for his significant contributions to the sales force over many years, and I wish him success in his new role.

- **Phil Cramer** will report to me as acting head of the sales force during our search for a new Vice President of Sales. This will ensure we have leadership continuity during this transitional period.
- **David Rosen** will continue to head Forecasting, Analytics & Market Research, and will assume responsibility for Sales Operations. This will allow for better alignment across all analytical functions supporting Sales, Marketing, and Managed Markets.
- **Janet Koch** will assume responsibility for the Sales Training function, which includes Representative, Field Management, and Advanced Management Development. Marketing Services and the Marketing Education & Conventions departments will also report to Janet.
- **Mike Ronning** will assume a newly created role, Director - Business Development Liaison, leading the commercial assessment of external assets and ensuring full integration with the BD team. Mike's work in this area, alongside others in the business development function, is essential to growing our business.
- [REDACTED] will continue leading Pricing & Contract Administration, and assume responsibility for the Rebate Processing function.

Congratulations to each of these colleagues, whose contributions – past and future – will lead Purdue to profitable growth.

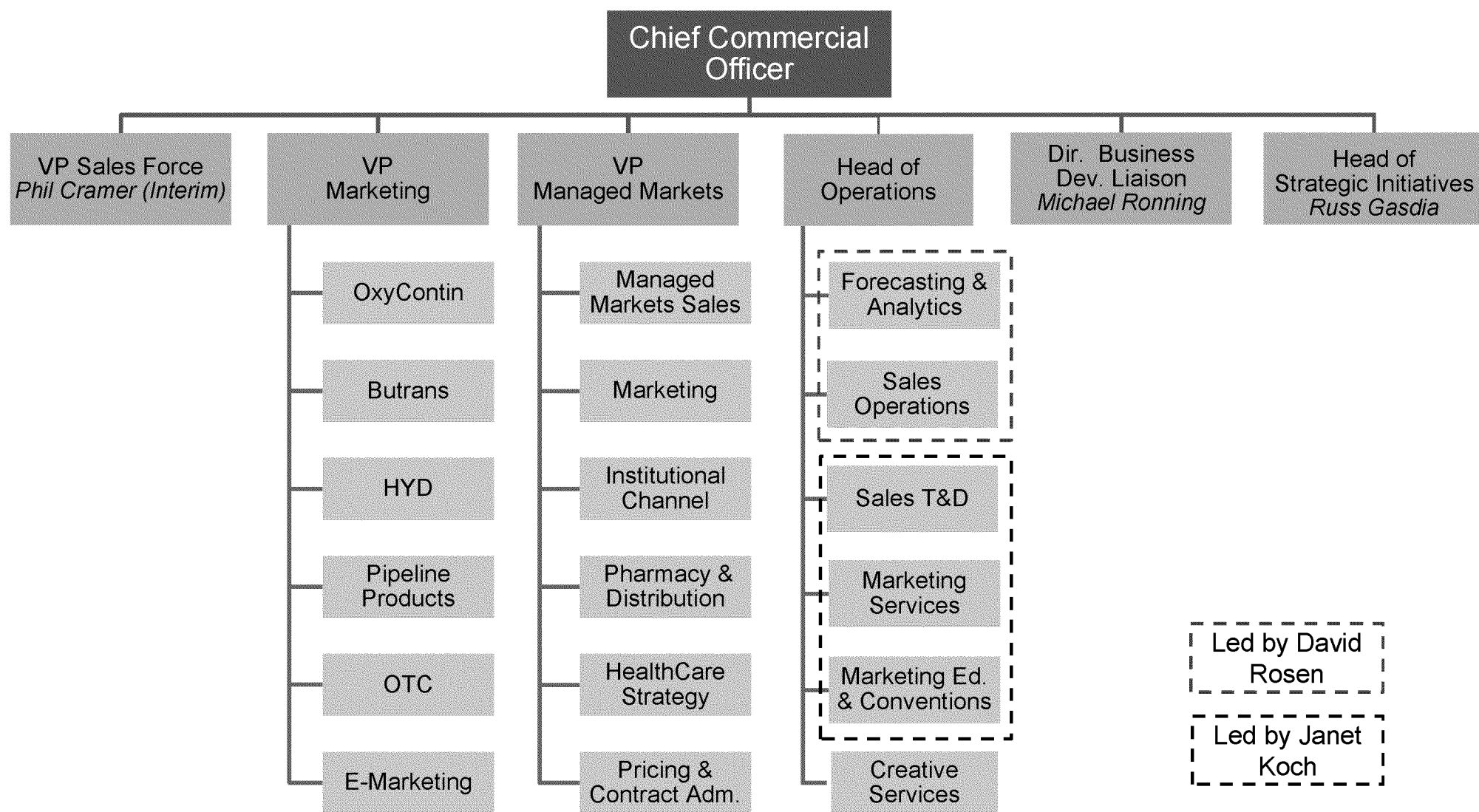
I will continue updating you as other refinements in our commercial operations and strategy are put into effect. Please share any questions with your manager or me.

Sincerely,



Saeed Motahari
Senior Vice President & Chief Commercial Officer

Commercial Organization



To: Sackler, Dr Raymond R [REDACTED]@pharma.com]; Sackler, Dame Theresa [REDACTED]@mdsackler.co.uk]; Sackler, Beverly [REDACTED]@pharma.com]; Sackler, Dr Richard [REDACTED]@pharma.com]; Sackler Lefcourt, Ilene [REDACTED]@pharma.com]; Sackler, Dr Kathe [REDACTED]@pharma.com]; Sackler, Jonathan [REDACTED]@pharma.com]; Sackler, Samantha [REDACTED]@pharma.com]; Sackler, Mortimer D.A. [REDACTED]@pharma.com]; Sackler, David A [REDACTED]@srlc.com]; Boer, Peter [REDACTED]@pharma.com]; Lewent, Judy [REDACTED]@pharma.com]; Pickett, Ceci [REDACTED]@pharma.com]; Costa, Paulo [REDACTED]@pharma.com]; Snyderman, Ralph [REDACTED]@pharma.com]
Cc: Baker, Stuart [REDACTED]@chadbourn.com]; [REDACTED] White, Jonathan (Ogier.com [REDACTED]@ogier.com]; [REDACTED] Timney, Mark [REDACTED]@pharma.com]; Mahony, Edward [REDACTED]@pharma.com]; Wikström, Åke [REDACTED]@mundipharma.co.uk]; Hentzsch, Dr. Cornelia [REDACTED]@purdue.ca]; Landau, Dr. Craig (US [REDACTED]@pharma.com]; [REDACTED] [REDACTED]@mundipharma.de]; Levine, Ron [REDACTED]@pharma.com]; Singh, Ramar [REDACTED]@mundipharma.com.sg]; [REDACTED]
From: [REDACTED]
Sent: Wed 7/9/2014 12:37:32 PM
Subject: Worldwide Sales - June 2014
[WW Sales 2014 F June Send.pdf](#)

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Note: This report compares Actual against Mid-Year Estimate ("MYE") and Original Budget ("budget"). Where countries have an approved Revised Budget this is reported within MYE.

HIGHLIGHTS – June 2014

- Worldwide year to date sales of \$1,863.6m are 2.4% up on 2013, 2.3% up on MYE and 3.8% ahead of budget. (Page 3)
- As has been the case for all months in 2014, sales in each of Europe, Asia and Australia were ahead of both last year and budget. (Page 3)
- Italy and China are the main contributors to growth, adding \$20.2m and \$14.7m, respectively, to year to date sales compared to last year. (Page 3A)
- Year to date worldwide sales of OxyContin of \$1,042.5m are 4.9% down on 2013. Sales of all other products of \$821.1m are 13.5% better than last year. (Page 6)
- OxyContin sales accounted for 55.9% of the total year to date sales, compared to 60.2% for the same period last year. (Page 6)
- Together, Targin, Buprenorphine, Levact and Flutiform account for \$91.1m of growth, representing 93% of the cumulative net growth in products excluding OxyContin. (Page 6)
- Record monthly sales were achieved in Korea and for Asia in total.

- The USA 12 month rolling total has fallen below \$2 billion for the first time since September 2008. (Page 2)
- Year to date sales for joint ventures (which are not included above), are \$84.9m, being 8.9% higher than 2013 and in line with MYE. Sales in India of \$42.5m are 9.8% up on 2013, whilst sales in Israel of \$38.9m are 8.1% better than 2013. (Page 9)

Year to Date - June 2014

Worldwide sales of \$1,863.6m are 2.4% up on last year, 2.3% up on MYE and 3.8% ahead of budget.

Worldwide excluding USA sales of \$925.7m are 10.6% up on 2013, 1.0% ahead of MYE and 4.4% better than budget.

USA sales of \$937.8m are 4.6% less than last year, but 3.5% up on MYE and 3.3% ahead of budget. OxyContin sales of \$843.1m (90% of the USA total) are 5.5% down on 2013, but 3.5% up on MYE and 3.4% ahead of budget. Gross sales of all OxyContin strengths except the 80mg are ahead of last year, but rebates have increased by 54%/\$122.5m to \$349.7m. BuTrans sales of \$54.6m are growing at 15.8%.

Year to date growth in **Europe** is now above 10%. 16 (out of 18) markets show growth over last year (10 of them by over 10%). The 'Big 5' (**Germany, UK, Italy, France and Spain**) have contributed growth of \$48.2m (+11.5%), which represents 84% of total growth for Europe. Flutiform continues to perform encouragingly, with year to date sales of \$34.3m being 9.8% better than budget.

Canada sales of \$128.3m are 2.1% down on 2013, but marginally up on both of MYE and budget. After improved sales in recent months, OxyNEO year to date sales of \$45.0m are now ahead of MYE and budget by 3.7% and 6.5%, respectively (but 11.3% down on last year). Sales excluding OxyNEO of \$83.3m are 3.7% up on 2013, but marginally down on MYE and 2.0% below budget.

Sales in **Australia** of \$75.6m are 10.3% up on last year, 1.1% above MYE and 4.8% better than budget. Targin sales of \$16.4m are growing 83.5% and sales of Norspan of \$23.9m are growing 9.0%. This combined growth more than offsets the 10.3% decline in OxyContin sales to \$25.0m. These 3 products make up 87% of total sales. Flutiform sales of \$0.4m are 31.0% behind budget.

Sales in **Asia** of \$83.7m are 31.5% up on 2013, 0.8% above MYE and 8.7% higher than budget. **China** is up on 2013 and budget by 44.4% and 12.2%, respectively; **Korea** is up on 2013 by 18.7% and in line with budget; and **Philippines** is up on 2013 and budget by 19.5% and 8.6%, respectively.

OxyContin sales in **China** make up 33% of the total Asia sales and are growing at 50.8%.

Latin America sales of \$7.9m (including \$2.0m of sales made by MLG and MMCO to markets in Latin America) are 16.0% down on MYE and 22.3% behind budget. Sales in **Brazil** of \$5.3m are 14.4% below MYE and 15.4% behind budget.

Middle East and North Africa sales in the year of \$7.6m are 71.5% ahead of budget.

Month - June 2014

Worldwide sales of \$307.9m were 3.1% better than June 2013, 1.0% up on MYE and marginally ahead of budget.

Worldwide excluding USA sales of \$158.7m were 15.0% up on 2013, 4.7% ahead of MYE and 3.9% better than budget.

USA sales of \$149.2m were 7.1% less than last year and 2.6% down on each of MYE and budget. OxyContin sales of \$132.9m (89% of the USA total) were 9.2% down on June 2013 and 3.3% less than each of MYE and budget. BuTrans sales in June of \$10.0m were 23.2% up on last year and 2.9% ahead of each of MYE and budget.

June monthly sales in **Europe** exceeded \$100m for the fourth consecutive month. The growth in monthly sales over last year of 12.5% was the highest year-on-year growth of 2014. Both **Switzerland** and **Belgium** achieved their 2nd highest ever sales. 15 markets were ahead of budget, with 12 of these being ahead by over 10%. Record sales for Targin were achieved for the 2nd consecutive month.

Canada sales of \$23.1m were 8.9% up on June 2013 and 5.3% ahead of both MYE and budget. Sales of Hydromorph Contin (\$8.6m), OxyNEO (\$8.1m) and Biphentin (\$2.3m), the 3 main products, were up on last year by 6.5%, 5.8% and 61.7%, respectively. These 3 products accounted for 82% of total June sales.

Although sales in **Australia** were down on last month's all time high, sales in June of \$12.7m were up on last year, MYE and budget by 14.6%, 6.0% and 3.6%, respectively. Targin sales of \$3.1m were the 2nd highest ever, being nearly double those of last year. Norspan has overtaken OxyContin as the biggest selling product and sales of Norspan in June of \$4.1m were 17.9% up on 2013, 7.0% ahead of MYE and 6.6% better than budget. Flutiform sales in June were the best since launch and were more than double May sales.

Sales in **Asia** of \$14.4m were the highest ever, being 28.9% up on 2013, 3.1% ahead of MYE and 6.9% higher than budget. June sales included highest ever sales in **Korea** of \$3.5m (36.1% up on 2013, in line with MYE and 4.0% up on budget), helped by \$1.1m of Medifoam sales. (Sales excluding Medifoam were 6.3% down on last year and 28.4% behind budget). **China** sales of \$8.2m were the 2nd highest ever, being 36.7% up on June 2013, 3.2% ahead of MYE and 10.3% better than budget.

Latin America sales in June were \$0.8m, which was 64.0% below MYE and 56.7% down on budget. Sales in Brazil have been affected by backorders (estimated impact \$0.5m) and this issue is not expected to be resolved until August. Sales in **Colombia** were negative as a result of returns of original OxyContin, following the expiration of Invima's market authorisation.

Middle East and North Africa sales in the month of \$3.2m are more than 2.5 times the budgeted amount.

For more detailed comments, reference should be made to individual country managers' reports and also to [REDACTED]'s European summary. Please

contact me should you have any questions regarding this report.

With best regards,

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WORLDWIDE SALES REPORT (US \$'000)

June 2014

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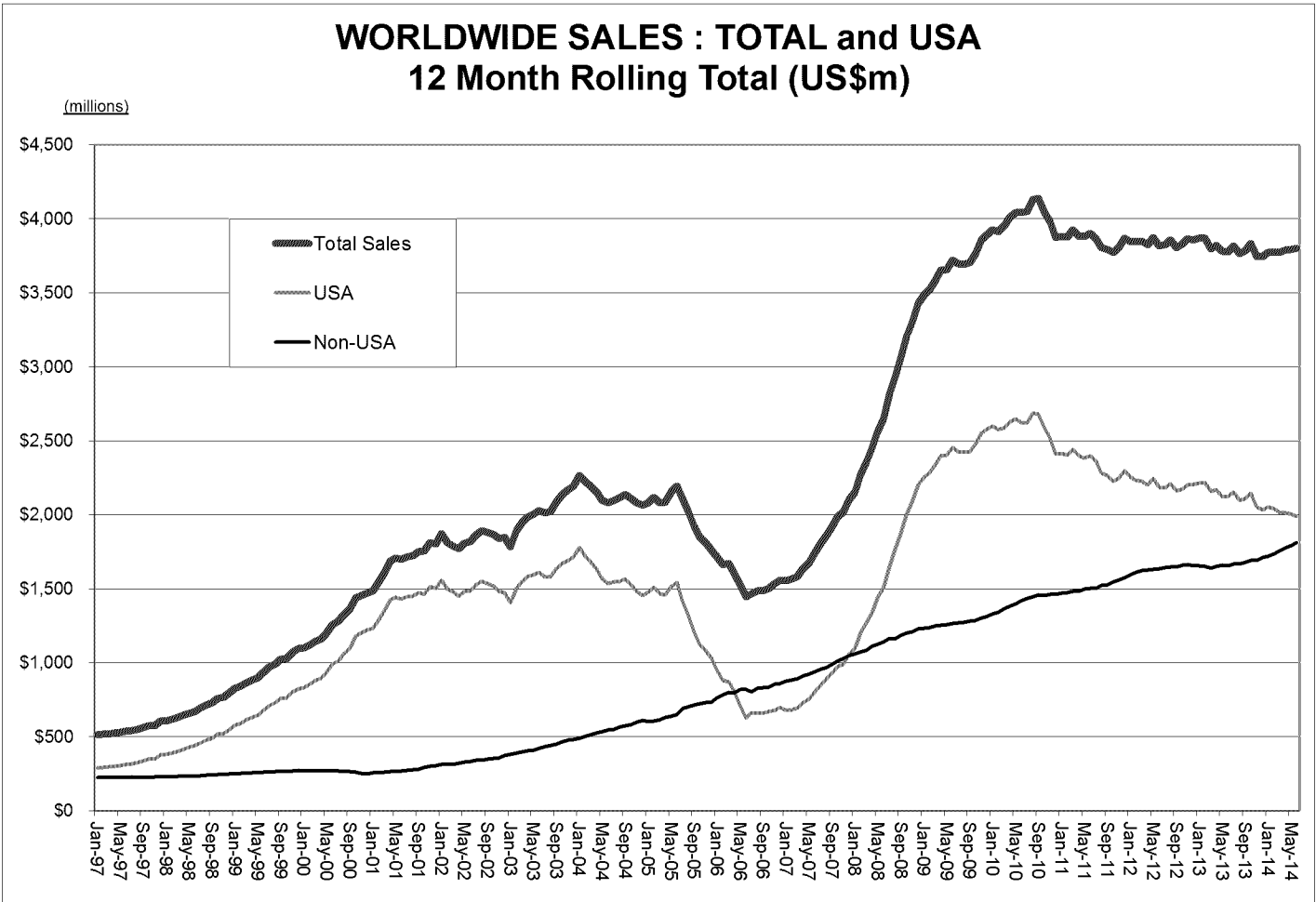
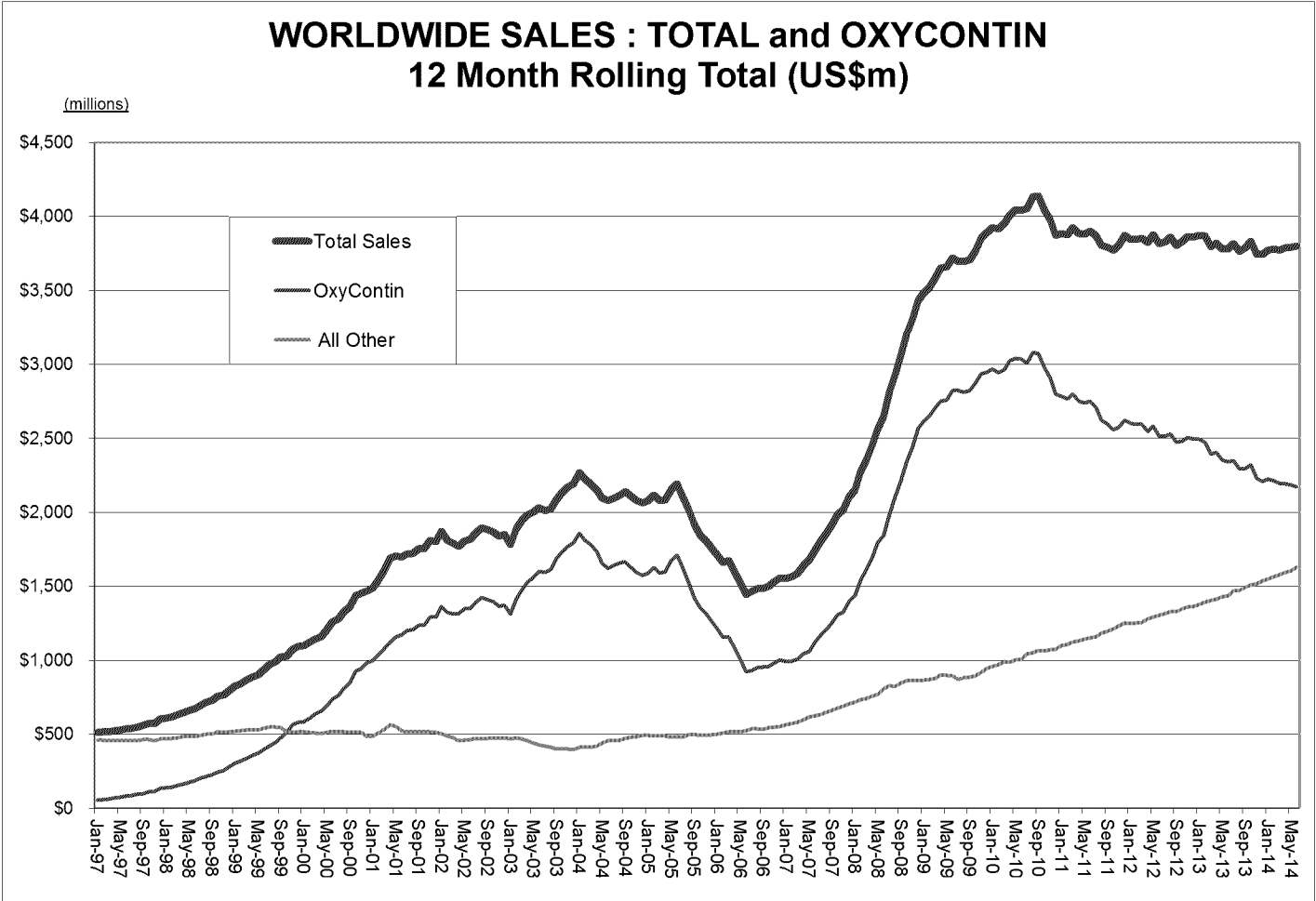
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HISTORICAL SALES CHART



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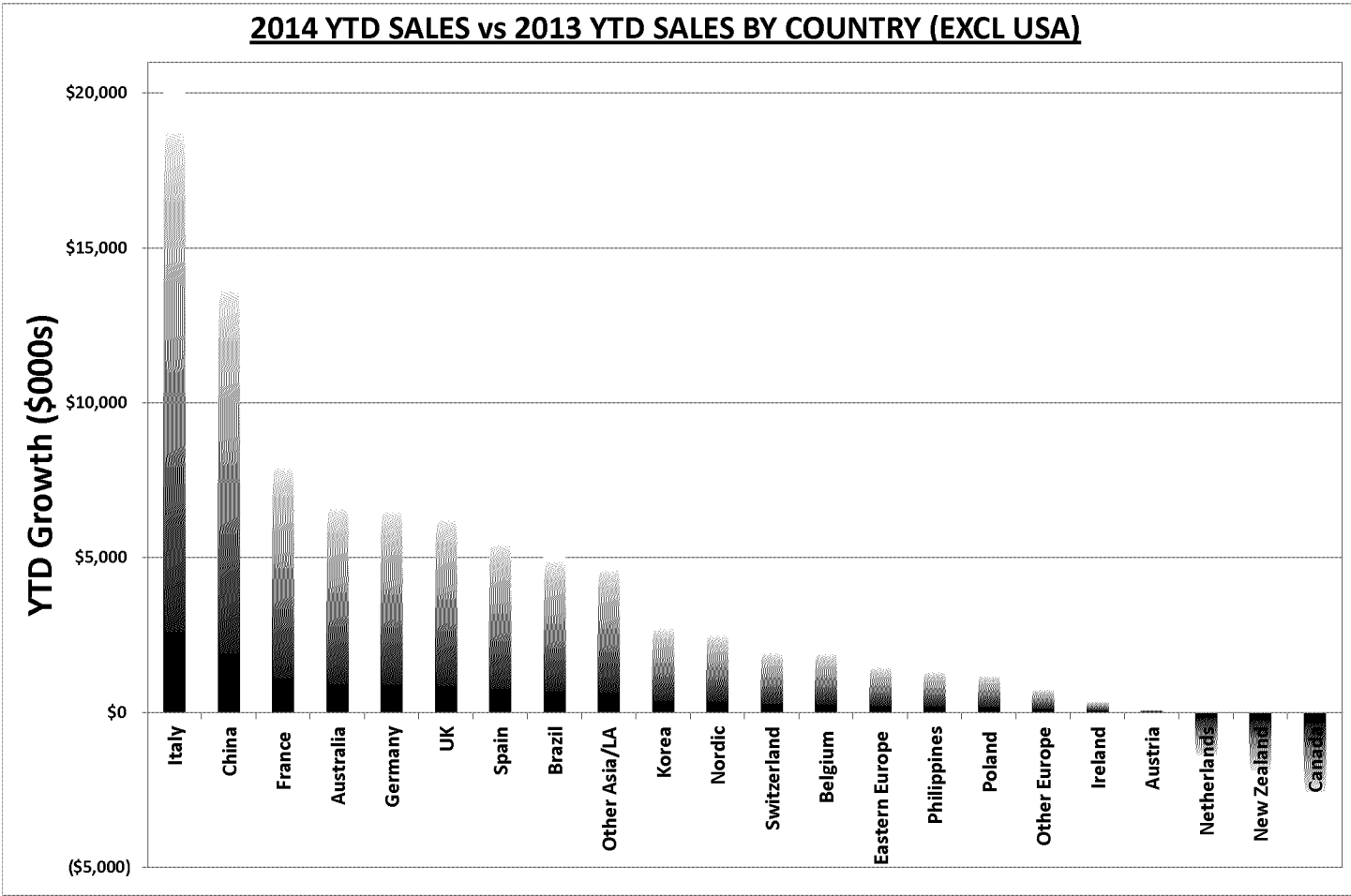
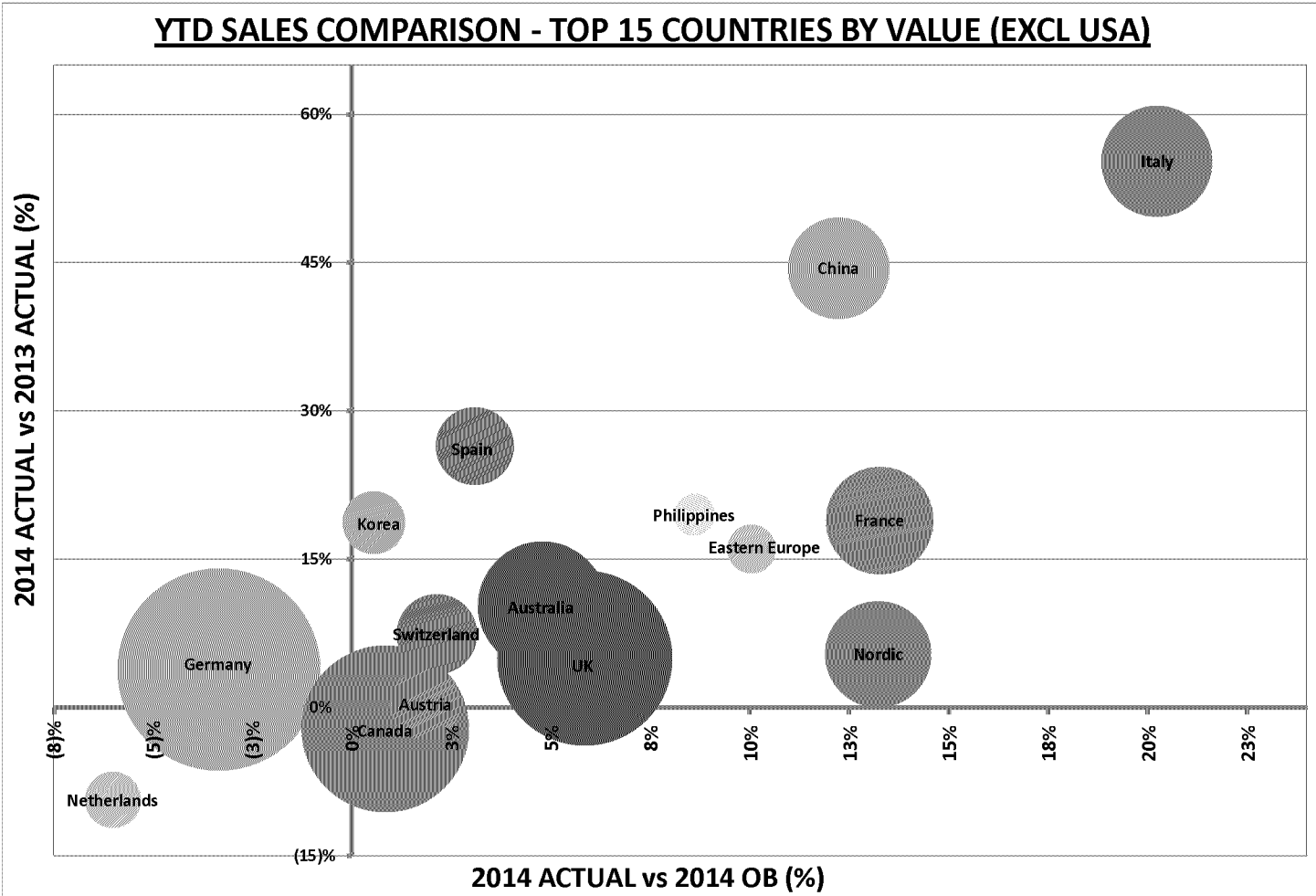
SUMMARY OF YEAR TO DATE SALES BY COUNTRY

		2014	% of Total	2013	2014 vs	2014	2014 vs	2014	2014 vs
		Actual		Actual	2013	MYE	MYE	Budget	Bud
		US\$'000	%	US\$'000	%	US\$'000	%	US\$'000	%
Germany	(Mundipharma GmbH)	188,246	10.1	181,266	103.9	187,684	100.3	194,774	96.6
UK	(Napp Pharmaceuticals Ltd)	140,171	7.5	133,480	105.0	139,232	100.7	132,430	105.8
Italy	(Mundipharma Srl)	56,829	3.0	36,604	155.3	55,521	102.4	47,270	120.2
France	(Mundipharma SAS)	53,494	2.9	44,973	118.9	51,980	102.9	47,233	113.3
Nordic	(Norpharma / Mundipharma)	51,963	2.8	49,294	105.4	50,541	102.8	45,898	113.2
Switzerland	(Mundipharma Medical Co)	29,551	1.6	27,506	107.4	29,326	100.8	28,935	102.1
Spain	(Mundipharma SL)	27,873	1.5	22,041	126.5	27,824	100.2	27,038	103.1
Austria	(Mundipharma GesmbH)	23,264	1.2	23,183	100.3	23,026	101.0	22,843	101.8
Netherlands	(Mundipharma Pharmaceuticals BV)	14,706	0.8	16,216	90.7	15,023	97.9	15,647	94.0
Eastern Europe	(Mundipharma Medical GmbH)	11,134	0.6	9,592	116.1	11,415	97.5	10,119	110.0
Ireland	(Mundipharma Pharmaceuticals Ltd)	8,445	0.5	8,083	104.5	8,482	99.6	8,805	95.9
Belgium	(Mundipharma CVA)	7,464	0.4	5,443	137.1	7,104	105.1	6,685	111.7
Poland	(Norpharma)	6,005	0.3	4,749	126.5	5,606	107.1	4,718	127.3
South Africa	(Mundipharma Pty Ltd)	1,973	0.1	1,241	159.0	2,466	80.0	2,515	78.4
Portugal	(Mundipharma Farmaceutica Lda)	262	0.0	212	123.4	273	96.1	307	85.4
Total Europe		621,381	33.3	563,883	110.2	615,501	101.0	595,218	104.4
China	(MCPC)	47,790	2.6	33,085	144.4	47,539	100.5	42,584	112.2
Korea	(Mundipharma Korea Ltd)	18,422	1.0	15,515	118.7	18,416	100.0	18,322	100.5
Philippines	(Mundipharma Dist GmbH)	8,520	0.5	7,131	119.5	8,425	101.1	7,846	108.6
Thailand	(Mundipharma (Thailand) Ltd / MMCO)	2,466	0.1	3,033	81.3	2,415	102.1	2,189	112.7
Malaysia	(Mundipharma Pharm. Sdn Bhd)	2,174	0.1	1,920	113.3	2,134	101.9	2,421	89.8
Vietnam	(R.O. of Mundipharma Pharm. Pte. Ltd.)	1,080	0.1	482	224.1	1,042	103.6	966	111.8
Hong Kong	(Mundipharma (Hong Kong) Ltd)	1,027	0.1	889	115.6	1,133	90.6	1,470	69.9
Singapore	(Mundipharma Pharmaceutical Pte Ltd)	884	0.0	568	155.7	831	106.5	681	129.9
Myanmar	(R.O. of Mundipharma Pharm. Pte. Ltd.)	773	0.0	340	227.6	770	100.4	532	145.2
Taiwan	(MMCO)	570	0.0	703	81.0	301	189.3	0	0.0
Total Asia		83,705	4.5	63,664	131.5	83,005	100.8	77,012	108.7
Brazil	(Mundipharma Brasil Ltda)	5,305	1.7	69	7716.9	6,196	85.6	6,273	84.6
Colombia	(Mundipharma (Colombia) SAS)	513	0.2	106	483.1	1,229	41.8	1,852	27.7
Mexico	(Mundipharma Mexico)	104	0.0	204	50.9	202	51.6	202	51.6
Other Latin America	(MMCO / MLG)	1,957	0.6	1,659	117.9	1,752	111.7	1,810	108.1
Total Latin America		7,880	2.6	2,039	386.5	9,378	84.0	10,137	77.7
Middle East and Africa (MAG)		7,551	2.5	4,242	178.0	5,275	143.2	4,403	171.5
Total MAL		99,137	32.2	69,944	141.7	97,658	101.5	91,552	108.3
Australia	(Mundipharma Pty Ltd)	75,583	4.1	68,501	110.3	74,793	101.1	72,137	104.8
New Zealand	(Mundipharma NZ Ltd)	1,313	0.1	3,355	39.1	1,223	107.4	818	160.5
Total ANZ		76,896	4.1	71,856	107.0	76,016	101.2	72,955	105.4
Canada	(Purdue Pharma)	128,314	6.9	131,105	97.9	127,153	100.9	127,255	100.8
Total excluding USA		925,727	49.7	836,788	110.6	916,327	101.0	886,979	104.4
U.S.A.	(Purdue Pharma LP)	937,828	50.3	982,916	95.4	906,166	103.5	907,666	103.3
Total Sales		1,863,555	100.0	1,819,704	102.4	1,822,493	102.3	1,794,645	103.8

SUMMARY OF THIS MONTH'S SALES BY COUNTRY

		2014	% of Total	2013	2014 vs	2014	2014 vs	2014	2014 vs
		Actual		Actual	2013	MYE	MYE	Budget	Bud
		US\$'000	%	US\$'000	%	US\$'000	%	US\$'000	%
Germany	(Mundipharma GmbH)	32,010	10.4	31,183	102.7	31,656	101.1	32,697	97.9
UK	(Napp Pharmaceuticals Ltd)	23,531	7.6	20,158	116.7	22,592	104.2	22,563	104.3
Italy	(Mundipharma Srl)	9,249	3.0	6,560	141.0	7,942	116.5	8,392	110.2
France	(Mundipharma SAS)	8,793	2.9	7,356	119.5	8,319	105.7	8,317	105.7
Nordic	(Norpharma / Mundipharma)	8,772	2.8	8,103	108.3	8,109	108.2	7,868	111.5
Switzerland	(Mundipharma Medical Co)	5,138	1.7	4,521	113.6	4,924	104.3	4,950	103.8
Spain	(Mundipharma SL)	4,655	1.5	3,883	119.9	4,605	101.1	4,814	96.7
Austria	(Mundipharma GesmbH)	3,972	1.3	3,817	104.1	3,753	105.9	3,790	104.8
Netherlands	(Mundipharma Pharmaceuticals BV)	2,227	0.7	2,473	90.0	2,684	83.0	2,713	82.1
Eastern Europe	(Mundipharma Medical GmbH)	1,518	0.5	1,696	89.5	1,799	84.4	1,805	84.1
Belgium	(Mundipharma CVA)	1,371	0.4	901	152.2	1,155	118.8	1,150	119.2
Ireland	(Mundipharma Pharmaceuticals Ltd)	1,347	0.4	1,101	122.3	1,383	97.4	1,504	89.5
Poland	(Norpharma)	1,256	0.4	649	193.5	866	145.1	831	151.2
South Africa	(Mundipharma Pty Ltd)	371	0.1	228	162.9	446	83.1	468	79.1
Portugal	(Mundipharma Farmaceutica Lda)	33	0.0	25	135.5	45	73.9	47	71.7
Total Europe		104,243	33.9	92,655	112.5	100,278	104.0	101,907	102.3
China	(MCPC)	8,175	2.7	5,979	136.7	7,925	103.2	7,412	110.3
Korea	(Mundipharma Korea Ltd)	3,508	1.1	2,578	136.1	3,502	100.2	3,374	104.0
Philippines	(Mundipharma Dist GmbH)	1,324	0.4	1,110	119.3	1,229	107.8	1,310	101.1
Malaysia	(Mundipharma Pharm. Sdn Bhd)	454	0.1	292	155.4	413	109.9	521	87.1
Thailand	(Mundipharma (Thailand) Ltd / MMCO)	235	0.1	446	52.7	184	127.7	373	63.0
Vietnam	(R.O. of Mundipharma Pharm. Pte. Ltd.)	229	0.1	356	64.4	191	119.9	8	2808.1
Hong Kong	(Mundipharma (Hong Kong) Ltd)	189	0.1	149	126.7	295	64.1	306	61.8
Singapore	(Mundipharma Pharmaceutical Pte Ltd)	160	0.1	75	213.7	106	150.4	112	142.6
Myanmar	(R.O. of Mundipharma Pharm. Pte. Ltd.)	101	0.0	0	0.0	98	102.8	22	455.4
Taiwan	(MMCO)	(4)	(0.0)	167	(2.3)	0	-	0	0.0
Total Asia		14,372	4.7	11,153	128.9	13,943	103.1	13,439	106.9
Brazil	(Mundipharma Brasil Ltda)	265	0.1	0	0.0	1,191	22.2	1,213	21.8
Mexico	(Mundipharma (Colombia) SAS)	0	0.0	103	0.0	101	0.0	202	0.0
Colombia	(Mundipharma Mexico)	(377)	(0.1)	101	(376.7)	339	(111.2)	425	376.7
Other Latin America	(MMCO / MLG)	931	0.3	279	333.7	647	144.0	52	1785.3
Total Latin America		819	0.3	483	169.4	2,277	36.0	1,892	43.3
Middle East and Africa (MAG)		3,246	1.1	875	371.0	1,003	323.7	1,223	265.3
Total MAL		18,437	6.0	12,511	147.4	17,223	107.0	16,554	111.4
Australia	(Mundipharma Pty Ltd)	12,726	4.1	11,101	114.6	12,007	106.0	12,279	103.6
New Zealand	(Mundipharma NZ Ltd)	213	0.1	571	37.3	175	122.0	136	156.5
Total ANZ		12,939	4.2	11,673	110.9	12,182	106.2	12,415	104.2
Canada	(Purdue Pharma)	23,078	7.5	21,200	108.9	21,919	105.3	21,910	105.3
Total excluding USA		158,698	51.5	138,039	115.0	151,602	104.7	152,786	103.9
U.S.A.	(Purdue Pharma LP)	149,191	48.5	160,612	92.9	153,154	97.4	153,154	97.4
Total Sales		307,889	100.0	298,651	103.1	304,756	101.0	305,940	100.6

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YEAR TO DATE SALES

	USA (Purdue Pharma LP) US\$'000	Europe US\$'000	Canada (Purdue Pharma) US\$'000	ANZ US\$'000	MAL US\$'000	2014 Total US\$'000	% of Total	2013 Actual US\$'000	2014 vs 2013 %	2014 MYE US\$'000	2014 vs MYE %	2014 Budget US\$'000	2014 vs Bud %
OxyContin	843,136	91,016	45,020	25,228	38,072	1,042,473	55.9	1,096,121	95.1	1,012,734	102.9	998,287	104.4
Targin / Targinact		145,546	1,251	16,424	6,599	169,819	9.1	139,882	121.4	168,616	100.7	168,899	100.5
Other Oxycodone		44,656	976	3,233	5,470	54,336	2.9	54,339	100.0	51,727	105.0	46,485	116.9
MST	3,894	30,853	2,180	5,030	12,495	54,452	2.9	55,840	97.5	54,837	99.3	54,183	100.5
DHC		6,509		473		6,982	0.4	7,623	91.6	7,048	99.1	7,205	96.9
Tramadol / Ryzolt	(67)	2,115	2,275		6,938	11,261	0.6	10,939	102.9	11,149	101.0	10,305	109.3
Palladone / Dilaudid	3,800	39,387	47,284	1,583		92,054	4.9	93,427	98.5	92,781	99.2	91,134	101.0
Norspan / BuTrans	54,564	77,306	4,240	23,973	5,035	165,118	8.9	146,657	112.6	166,813	99.0	166,300	99.3
Transtec		4,394				4,394	0.2	4,163	105.6	4,339	101.3	3,282	133.9
Other		725	3,282	514	255	4,776	0.3	8,270	57.8	4,753	100.5	3,935	121.4
ANALGESIC - Total	905,326	442,508	106,508	76,458	74,866	1,605,666	86.2	1,617,261	99.3	1,574,797	102.0	1,550,014	103.6
	56.4%	27.6%	6.6%	4.8%	4.7%	100.0%							
ANTISEPTIC - Total	4,369	10,285	440		19,447	34,542	1.9	30,504	113.2	32,026	107.9	32,658	105.8
	12.6%	29.8%	1.3%	0.0%	56.3%	100.0%							
Flutiform		34,315		431	525	35,272	1.9	7,704	457.8	36,058	97.8	32,483	108.6
Uniphyll / Uniphyllin		1,919	434		570	2,923	0.2	3,259	89.7	2,874	101.7	2,927	99.9
Other Respiratory		835	170		185	1,190	0.1	1,291	92.2	1,011	117.7	1,008	118.1
RESPIRATORY - Total		37,069	604	431	1,280	39,385	2.1	12,254	321.4	39,942	98.6	36,418	108.1
	0.0%	94.1%	1.5%	1.1%	3.2%	100.0%							
Adizem		8,378			109	8,487	0.5	8,562	99.1	8,477	100.1	7,966	106.5
Other					179	179	0.0	160	111.9	132	135.1	125	142.6
CARDIOVASCULAR - Total		8,378			288	8,666	0.5	8,722	99.4	8,609	100.7	8,092	107.1
	0.0%	96.7%	0.0%	0.0%	3.3%	100.0%							
Senokot	7,325	29	8,260		977	16,591	0.9	17,882	92.8	17,227	96.3	17,324	95.8
Colace	11,133					11,133	0.6	11,301	98.5	10,105	110.2	10,131	109.9
Other		3,542			172	3,714	0.2	4,031	92.1	3,690	100.7	3,511	105.8
LAXATIVE - Total	18,457	3,572	8,260		1,148	31,437	1.7	33,214	94.7	31,022	101.3	30,966	101.5
	58.7%	11.4%	26.3%	0.0%	3.7%	100.0%							
Levact		88,653				88,653	4.8	73,490	120.6	87,234	101.6	87,214	101.7
DepoCyte		7,646			86	7,732	0.4	3,984	194.1	7,394	104.6	6,872	112.5
Folotyn		246			139	385	0.0	238	161.8	371	103.8	506	76.1
ONCOLOGY - Total		96,546			224	96,770	5.2	77,711	124.5	94,998	101.9	94,591	102.3
	0.0%	99.8%	0.0%	0.0%	0.2%	100.0%							
Intermezzo	5,024					5,024	0.3	3,973	126.5	505	995.4		
Other	4,651	23,023	12,502	6	1,883	42,065	2.3	36,065	116.6	41,098	102.4	41,906	100.4
ALL OTHER - Total	9,675	23,023	12,502	6	1,883	47,089	2.5	40,038	117.6	41,098	114.6	41,906	112.4
	20.5%	48.9%	26.5%	0.0%	4.0%	100.0%							
TOTAL SALES	937,828	621,381	128,314	76,896	99,137	1,863,555	100.0	1,819,704	102.4	1,822,493	102.3	1,794,645	103.8
	50.3%	33.3%	6.9%	4.1%	5.3%	100.0%							

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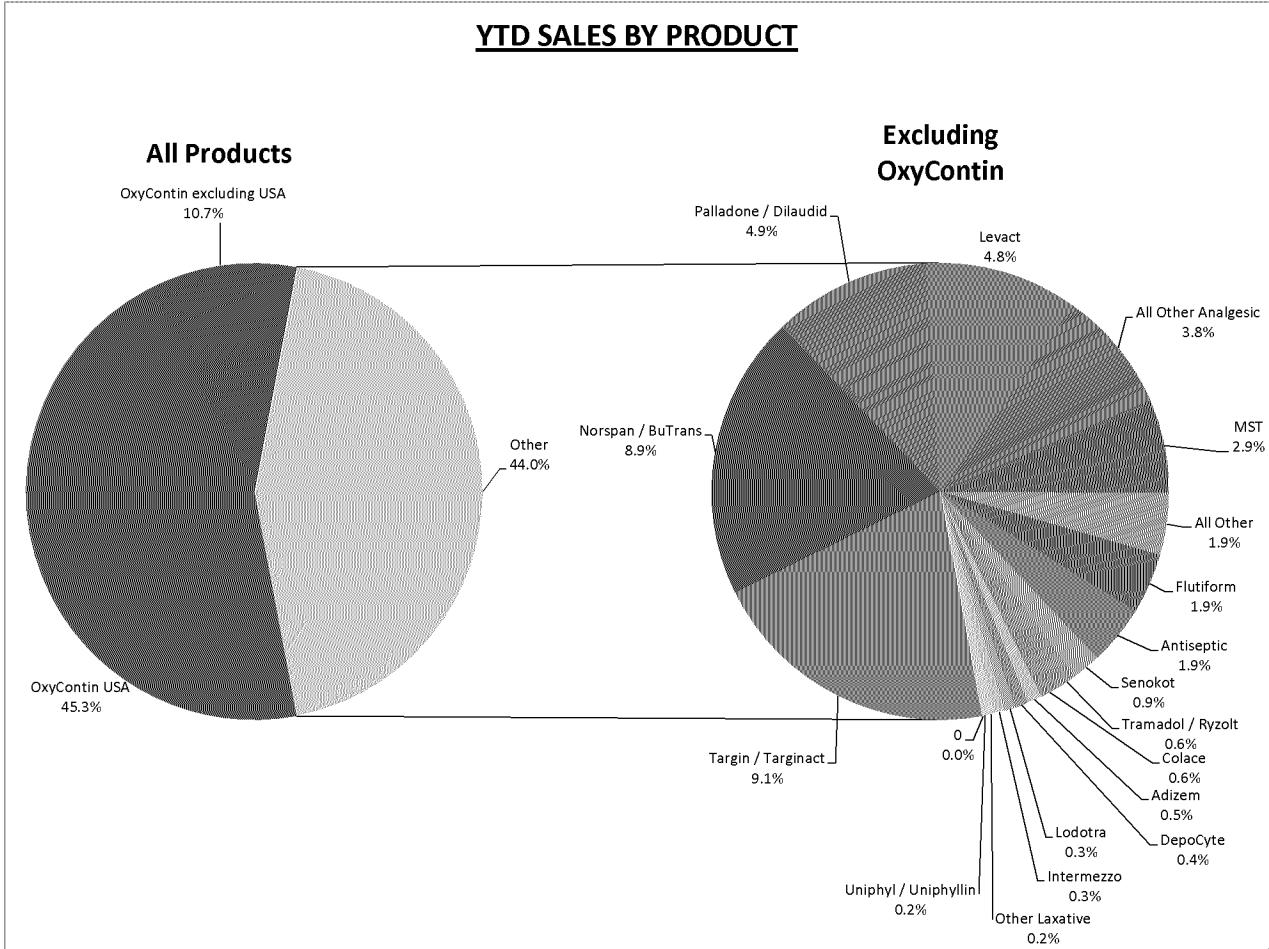
MONTH SALES

	USA (Purdue Pharma LP) US\$'000	Europe US\$'000	Canada (Purdue Pharma) US\$'000	ANZ US\$'000	MAL US\$'000	2014 Total US\$'000	% of Total	2013 Actual US\$'000	2014 vs 2013 %	2014 MYE US\$'000	2014 vs MYE %	2014 Budget US\$'000	2014 vs Bud %
OxyContin	132,857	13,938	8,137	3,684	5,529	164,145	53.3	177,827	92.3	167,686	97.9	167,868	97.8
Targin / Targinact		25,606	226	3,111	846	29,790	9.7	24,939	119.5	28,920	103.0	29,580	100.7
Other Oxycodone		7,181	165	532	1,146	9,025	2.9	8,737	103.3	7,681	117.5	7,713	117.0
MST	520	4,952	382	916	2,040	8,810	2.9	9,270	95.0	9,162	96.2	9,206	95.7
DHC		1,051		73		1,124	0.4	1,112	101.1	1,160	96.9	1,272	88.4
Tramadol / Ryzolt	(2)	292	400		1,170	1,861	0.6	1,946	95.6	1,690	110.1	2,278	81.7
Palladone / Dilaudid	671	6,505	8,558	258		15,992	5.2	15,517	103.1	16,157	99.0	15,187	105.3
Norspan / BuTrans	10,036	13,064	799	4,092	858	28,849	9.4	24,529	117.6	28,752	100.3	28,871	99.9
Transtec		616				616	0.2	595	103.6	561	109.7	517	119.2
Other		89	572	85	41	787	0.3	1,007	78.2	811	97.0	399	197.3
ANALGESIC - Total	144,082	73,294	19,240	12,751	11,631	260,998	84.8	265,478	98.3	262,581	99.4	262,889	99.3
	55.2%	28.1%	7.4%	4.9%	4.5%	100.0%							
ANTISEPTIC - Total	753	1,982	75		5,169	7,978	2.6	5,279	151.1	5,562	143.5	5,872	135.9
	9.4%	24.8%	0.9%	0.0%	64.8%	100.0%							
Flutiform		6,023		187	64	6,274	2.0	2,052	305.7	6,629	94.6	6,229	100.7
Uniphyll / Uniphyllin		301	69		80	450	0.1	742	60.6	421	106.8	535	84.0
Other Respiratory		144	20		9	174	0.1	151	114.9	155	112.1	156	111.4
RESPIRATORY - Total		6,468	89	187	154	6,897	2.2	2,945	234.2	7,205	95.7	6,920	99.7
	0.0%	93.8%	1.3%	2.7%	2.2%	100.0%							
Adizem		1,237			(6)	1,231	0.4	1,137	108.3	1,258	97.8	1,381	89.1
Other					53	53	0.0	22	238.0	20	267.7	21	254.2
CARDIOVASCULAR - Total		1,237			47	1,284	0.4	1,159	110.8	1,278	100.4	1,402	91.6
	0.0%	96.4%	0.0%	0.0%	3.6%	100.0%							
Senokot	1,149	4	1,416		90	2,660	0.9	3,325	80.0	3,014	88.3	3,083	86.3
Colace	1,733					1,733	0.6	1,482	116.9	1,733	100.0	1,733	100.0
Other		525			3	528	0.2	556	94.9	556	95.0	526	100.3
LAXATIVE - Total	2,882	530	1,416		93	4,920	1.6	5,363	91.7	5,303	92.8	5,343	92.1
	58.6%	10.8%	28.8%	0.0%	1.9%	100.0%							
Levact		15,398				15,398	5.0	11,471	134.2	13,948	110.4	15,017	102.5
DepoCyt		1,351			32	1,384	0.4	707	195.7	1,192	116.0	1,222	113.3
Folotyn		159			46	205	0.1	26	792.7	140	146.3	128	160.1
Other oncology							0.0						
ONCOLOGY - Total		16,908			78	16,986	5.5	12,204	139.2	15,280	111.2	16,366	103.8
	0.0%	99.5%	0.0%	0.0%	0.5%	100.0%							
Intermezzo	713					713	0.2	523	136.2	505	141.2		
Other	762	3,825	2,258	2	1,266	8,113	2.6	5,700	142.3	7,548	107.5	7,148	113.5
ALL OTHER - Total	1,474	3,825	2,258	2	1,266	8,825	2.9	6,224	141.8	7,548	116.9	7,148	123.5
	16.7%	43.3%	25.6%	0.0%	14.3%	100.0%							
TOTAL SALES	149,191	104,243	23,078	12,939	18,437	307,889	100.0	298,651	103.1	304,756	101.0	305,940	100.6
	48.5%	33.9%	7.5%	4.2%	6.0%	100.0%							

June 2014

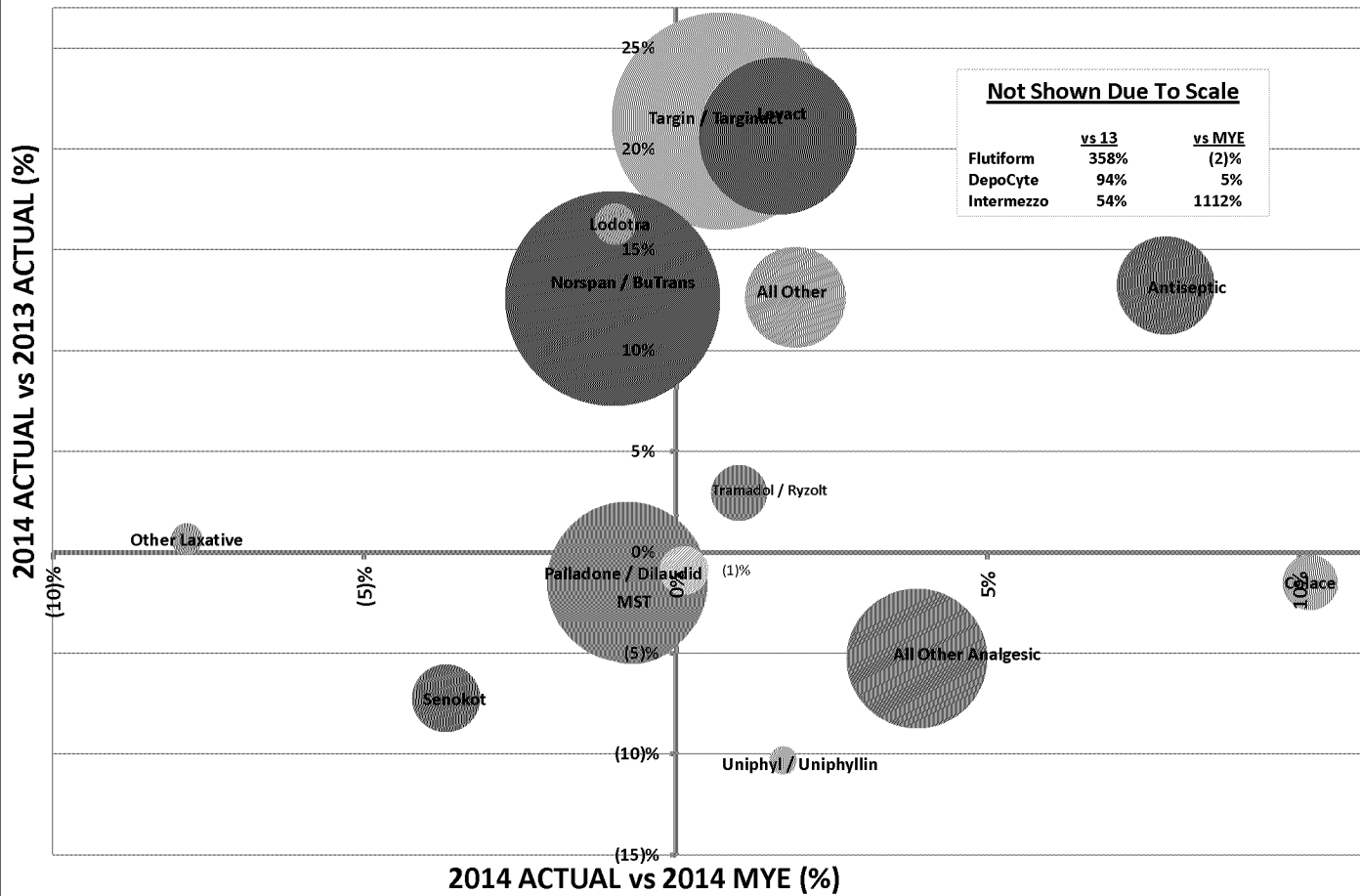
SALES BY PRODUCT - YEAR TO DATE

	2014 Actual		2013 Actual		2014 vs 2013		2014 MYE		2014 vs MYE	
	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	169,819	20.7	139,882	19.3	29,938	121.4	168,616	20.8	1,203	100.7
Norspan / BuTrans	165,118	20.1	146,657	20.3	18,461	112.6	166,813	20.6	(1,695)	99.0
Levact	88,653	10.8	73,490	10.2	15,164	120.6	87,234	10.8	1,420	101.6
All Other	36,024	4.4	32,084	4.4	3,940	112.3	35,356	4.4	668	101.9
Flutiform	35,272	4.3	7,704	1.1	27,567	457.8	36,058	4.5	(786)	97.8
Antiseptic	34,542	4.2	30,504	4.2	4,037	113.2	32,026	4.0	2,515	107.9
Tramadol / Ryzolt	11,261	1.4	10,939	1.5	322	102.9	11,149	1.4	113	101.0
DepoCyte	7,732	0.9	3,984	0.6	3,748	194.1	7,394	0.9	338	104.6
Lodotra	6,318	0.8	5,433	0.8	885	116.3	6,381	0.8	(63)	99.0
Intermezzo	6,116	0.7	3,973	0.5	2,143	153.9	505	0.1	5,612	1211.8
Folotyn	385	0.0	238	0.0	147	161.8	371	0.0	14	103.8
Sub-total	561,241	68.4	454,886	62.9	106,354	123.4	551,902	68.2	9,339	101.7
<u>Products in Decline</u>										
Palladone / Dilaudid	92,054	11.2	93,427	12.9	(1,373)	98.5	92,781	11.5	(727)	99.2
All Other Analgesic	70,488	8.6	74,396	10.3	(3,908)	94.7	67,867	8.4	2,621	103.9
MST	54,452	6.6	55,840	7.7	(1,388)	97.5	54,837	6.8	(384)	99.3
Senokot	16,591	2.0	17,882	2.5	(1,292)	92.8	17,227	2.1	(637)	96.3
Colace	11,133	1.4	11,301	1.6	(168)	98.5	10,105	1.2	1,028	110.2
Adizem	8,487	1.0	8,562	1.2	(75)	99.1	8,477	1.0	10	100.1
Other Laxative	3,714	0.5	4,031	0.6	(317)	92.1	3,690	0.5	24	100.7
Uniphyl / Uniphyllin	2,923	0.4	3,259	0.5	(336)	89.7	2,874	0.4	49	101.7
Sub-total	259,842	31.6	268,697	37.1	(8,855)	96.7	257,858	31.8	1,984	100.8
Products excl Oxy	821,082	100.0	723,583	100.0	97,499	113.5	809,760	100.0	11,323	101.4
Products excl Oxy restated		44.1		39.8				44.4		
OxyContin	1,042,473	55.9	1,096,121	60.2	(53,648)	95.1	1,012,734	55.6	29,739	102.9
TOTALS	1,863,555	100.0	1,819,704	100.0	43,851	102.4	1,822,493	100.0	41,062	102.3

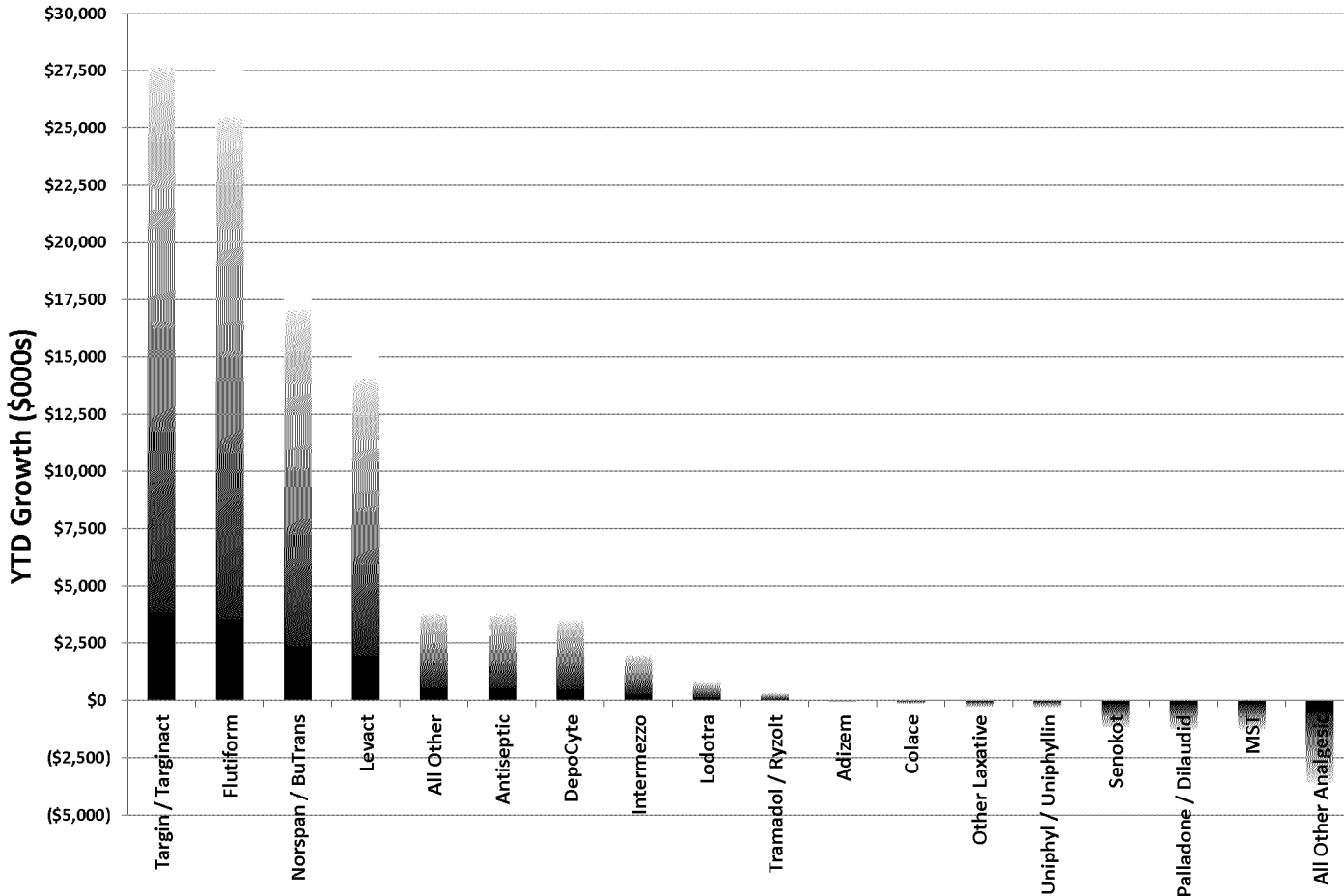


June 2014

YTD SALES COMPARISON - BY PRODUCT (EXCL OXYCONTIN)



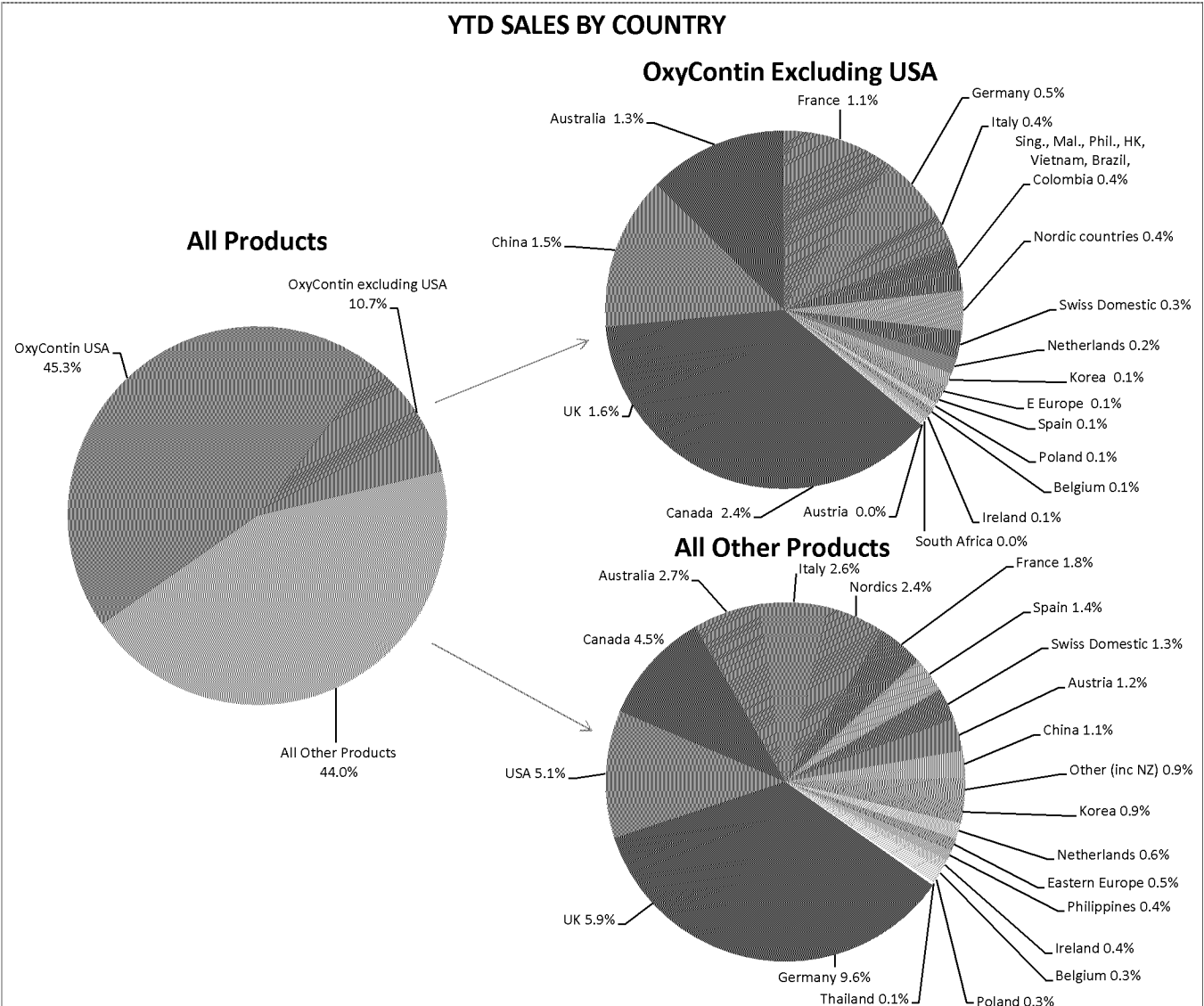
2014 YTD SALES vs 2013 YTD SALES BY PRODUCT (EXCL OXYCONTIN)



June 2014

SALES BY COUNTRY - YEAR TO DATE

	2014 Actual		2013 Actual		2014 vs 2013		2014 MYE		2014 vs MYE	
	Total US\$'000	% of Total	Total US\$'000	% of Total	US\$'000	%	Total US\$'000	% of Total	US\$'000	%
Excluding OxyContin										
Germany (M. GmbH)	178,513	21.7	165,149	22.8	13,364	108.1	178,023	22.0	490	100.3
UK (Napp)	110,674	13.5	103,061	14.2	7,614	107.4	109,895	13.6	779	100.7
USA (Purdue)	94,692	11.5	90,538	12.5	4,154	104.6	91,819	11.3	2,873	103.1
Canada (Purdue)	83,294	10.1	80,338	11.1	2,956	103.7	83,747	10.3	(453)	99.5
Australia (M. Pty Ltd)	50,575	6.2	40,609	5.6	9,967	124.5	49,586	6.1	990	102.0
Italy (M. Srl)	48,485	5.9	29,101	4.0	19,384	166.6	47,468	5.9	1,016	102.1
Nordics (Norpharma)	44,789	5.5	40,439	5.6	4,351	110.8	44,085	5.4	705	101.6
France (M. SAS)	33,062	4.0	27,223	3.8	5,839	121.4	31,471	3.9	1,592	105.1
Spain (M. SL)	26,477	3.2	20,220	2.8	6,257	130.9	26,429	3.3	47	100.2
Swiss Domestic (MMCO)	24,538	3.0	21,658	3.0	2,879	113.3	24,429	3.0	108	100.4
Austria (M. GesmbH)	23,091	2.8	22,960	3.2	131	100.6	22,855	2.8	236	101.0
China (MCPC)	20,157	2.5	14,759	2.0	5,398	136.6	19,794	2.4	363	101.8
Other (inc NZ)	16,936	2.1	12,094	1.7	4,842	140.0	14,763	1.8	2,173	114.7
Korea (M. Korea Ltd)	16,049	2.0	12,809	1.8	3,241	125.3	15,879	2.0	170	101.1
Netherlands (M. P. BV)	11,895	1.4	12,090	1.7	(195)	98.4	12,167	1.5	(272)	97.8
Eastern Europe (MMG)	9,039	1.1	6,873	0.9	2,166	131.5	9,285	1.1	(247)	97.3
Philippines (M Dist GmbH)	7,929	1.0	6,625	0.9	1,303	119.7	7,876	1.0	52	100.7
Ireland (M. P. Ltd)	7,400	0.9	6,736	0.9	664	109.9	7,435	0.9	(35)	99.5
Belgium (M. CVA)	6,248	0.8	4,307	0.6	1,940	145.0	5,980	0.7	267	104.5
Poland (Norpharma)	4,774	0.6	2,962	0.4	1,812	161.2	4,356	0.5	418	109.6
Thailand (Mundi. (T'land) Ltd)	2,466	0.3	3,033	0.4	(567)	81.3	2,415	0.3	51	102.1
Products excl Oxy	821,082	100.0	723,583	100.0	97,499	113.5	809,760	100.0	11,323	101.4
Products excl Oxy restated		44.1		39.8				44.4		
OxyContin	1,042,473	55.9	1,096,121	60.2	(53,648)	95.1	1,012,734	55.6	29,739	102.9
TOTALS	1,863,555	100.0	1,819,704	100.0	43,851	102.4	1,822,493	100.0	41,062	102.3



June 2014

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	Lat 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)	(Pines, HX, Malaysia, Spore)	(MCPC)	(Mundipharma CVA)	(Norpharma)	(Mundipharma Pty Ltd)	(Brazil, Colombia, Mexico, Other)	Sales	Rolling Total	Moving Average
	Dec 95 US\$'000	Jun 96 US\$'000	Dec 96 US\$'000	Aug 98 US\$'000	Jan 99 US\$'000	Sep 99 US\$'000	Jan 00 US\$'000	Dec 00 US\$'000	Feb 01 US\$'000	Feb 01 US\$'000	Mar 01 US\$'000	Mar 01 US\$'000	Apr 02 US\$'000	Jun 04 US\$'000	Mar 05 US\$'000	Jul 05 US\$'000	Jul 05 US\$'000	Aug 04 US\$'000	Feb 07 US\$'000	Jul 08 US\$'000	Mar 12 US\$'000	Jul 13 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 96.6%	9,583 1.0%	2,620 0.3%	14,612 1.5%	326 0.0%	1,663 0.2%	2,320 0.2%	22 0.0%															982,592 100.0%	982,599	81,883
2001	1,232,159 95.5%	18,349 1.4%	4,783 0.4%	21,915 1.7%	553 0.0%	3,985 0.3%	6,639 0.5%	351 0.0%	41 0.0%	92 0.0%	262 0.0%	1,419 0.1%											1,290,548 100.0%	1,290,548	107,546
2002	1,269,342 92.6%	29,691 2.2%	9,739 0.7%	37,060 2.7%	845 0.1%	6,681 0.6%	11,793 1.1%	1,333 0.2%	213 0.1%	283 0.1%	662 0.1%	2,200 0.2%	629 0.0%										1,370,471 100.0%	1,370,471	114,206
2003	1,619,821 90.2%	52,889 2.9%	17,213 1.0%	62,176 3.5%	1,233 0.1%	10,809 0.6%	20,052 1.1%	3,196 0.2%	1,097 0.1%	945 0.1%	948 0.1%	3,607 0.2%	1,652 0.1%										1,795,638 100.0%	1,795,638	149,637
2004	1,334,601 84.8%	75,404 4.8%	22,170 1.4%	79,186 5.0%	1,262 0.1%	16,051 1.0%	24,696 1.6%	5,655 0.4%	2,208 0.1%	1,681 0.1%	1,360 0.1%	5,533 0.4%	3,345 0.2%	336 0.0%									1,573,488 100.0%	1,573,488	131,124
2005	941,705 74.6%	93,960 2.2%	27,676 0.2%	114,711 9.1%	1,988 0.2%	20,032 1.6%	33,687 2.7%	7,317 0.6%	3,300 0.3%	3,537 0.3%	1,399 0.1%	5,663 0.4%	5,404 0.4%	1,169 0.1%	839 0.1%	103 0.0%	345 0.0%						1,262,836 100.0%	1,262,836	105,236
2006	605,123 60.3%	124,231 12.4%	32,382 3.2%	130,001 13.0%	1,869 0.2%	24,704 2.9%	42,330 4.2%	9,420 0.9%	4,551 0.5%	4,437 0.4%	1,852 0.2%	8,629 0.9%	7,209 0.7%	1,927 0.2%	3,104 0.3%	505 0.1%	644 0.1%						1,002,915 100.0%	1,002,915	83,576
2007	955,636 68.4%	152,630 10.9%	41,294 3.0%	90,966 6.5%	2,404 0.2%	33,018 2.4%	57,144 4.1%	11,982 0.9%	6,425 0.5%	6,718 0.5%	2,274 0.2%	11,035 0.8%	10,126 0.7%	3,066 0.2%	6,690 0.5%	1,198 0.1%	954 0.1%	2,421 0.2%	516 0.0%				1,396,496 100.0%	1,396,496	116,375
2008	2,114,078 82.4%	164,773 6.4%	44,031 1.7%	69,907 2.7%	2,717 0.1%	36,032 1.4%	52,130 2.0%	13,052 0.3%	8,914 0.1%	8,635 0.3%	2,657 0.1%	8,663 0.3%	13,958 0.5%	5,333 0.2%	10,242 0.4%	1,612 0.1%	1,316 0.1%	4,444 0.2%	1,628 0.1%	8 0.0%			2,564,130 100.0%	2,564,130	213,677
2009	2,457,763 83.4%	181,732 6.2%	45,943 1.6%	62,779 2.1%	2,876 0.1%	42,270 1.4%	56,581 1.9%	9,269 0.3%	10,037 0.3%	8,874 0.3%	2,665 0.1%	9,523 0.3%	18,718 0.6%	6,764 0.2%	17,688 0.6%	2,261 0.1%	1,556 0.1%	6,308 0.2%	2,278 0.1%	24 0.0%			2,945,909 100.0%	2,945,909	245,492
2010	2,267,670 81.1%	205,224 7.3%	40,016 1.4%	50,960 1.8%	2,965 0.1%	54,863 2.0%	53,388 1.9%	14,691 0.5%	11,468 0.4%	10,799 0.4%	1,973 0.1%	10,219 0.4%	22,902 0.8%	8,206 0.3%	24,384 0.9%	3,396 0.1%	1,864 0.1%	8,509 0.3%	3,257 0.1%	134 0.0%			2,796,889 100.0%	2,796,889	233,074
2011	2,045,908 78.1%	215,457 8.2%	45,460 1.7%	43,576 1.7%	3,229 0.1%	66,497 2.5%	62,363 2.4%	17,209 0.7%	13,608 0.5%	9,165 0.3%	1,342 0.1%	10,222 0.4%	28,057 1.1%	6,556 0.3%	24,876 0.9%	3,954 0.2%	2,402 0.1%	13,779 0.3%	4,140 0.2%	1,829 0.1%			2,619,627 100.0%	2,619,627	218,302
2012	1,988,473 79.7%	168,365 6.8%	30,182 1.2%	34,847 1.4%	2,792 0.1%	66,295 2.7%	69,482 2.8%	16,742 0.7%	12,029 0.5%	6,768 0.3%	474 0.0%	8,956 0.4%	30,530 1.2%	5,090 0.2%	18,113 0.7%	3,967 0.2%	2,691 0.1%	21,336 0.9%	3,379 0.1%	2,652 0.1%	625 0.0%		2,493,786 100.0%	2,493,786	207,815
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	321	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 81.4%	107,860 4.9%	16,380 0.7%	27,889 1.3%	2,411 0.1%	57,299 2.6%	59,366 2.7%	7,346 0.3%	10,946 0.5%	5,219 0.2%	434 0.0%	5,006 0.2%	36,937 1.7%	3,117 0.1%	15,016 0.7%	2,260 0.1%	2,340 0.1%	38,225 1.7%	2,301 0.1%	3,449 0.2%	1,262 0.1%	5,973 0.3%	2,207,127 100.0%	2,207,127	183,927
Jan-14	142,645	6,604	1,157	1,537	168	4,542	4,527	469	813	27	28	439	3,763	336	2,685	34	202	4,846	216	263	93	905	176,299	2,222,575	185,215
Feb-14	118,334	6,516	1,117	1,551	154	4,131	4,660	463	839	452	29	390	2,983	292	634	38	243	4,387	193	161	139	656	148,362	2,212,169	184,347
Mar-14	140,323	8,320	1,407	1,664	202	4,793	5,330	471	798	511	33	398	3,296	173	604	36	141	4,944	172	175	164	1,192	175,148	2,194,368	182,864
Apr-14	165,681	7,873	1,200	1,744	154	3,782	4,912	492	819	428	26	440	3,663	233	2,997	38	168	4,753	196	211	176	2,225	202,213	2,193,276	182,773
May-14	143,296	7,570	1,138	1,809	206	4,110	5,134	491	921	369	32	504	3,378	210	789	41	184	4,402	234	233	127	1,126	176,305	2,185,252	182,104
Jun-14	132,857	8,137	1,155	1,427	161	3,649	4,933	423	824	309	24	202	3,348	153	634	35	219	4,301	205	187	155	807	164,145	2,172,274	181,023
2014	843,136 80.9%	45,020 4.3%	7,173 0.7%	9,733 0.9%	1,045 0.1%	25,007 2.4%	29,497 2.8%	2,811 0.3%	5,014 0.5%	2,096 0.2%	172 0.0%	2,372 0.2%	20,432 2.0%	1,397 0.1%	8,344 0.8%	221 0.0%	1,156 0.1%	27,632 2.7%	1,217 0.1%	1,231 0.1%	854 0.1%	6,911 0.7%	1,042,473 100.0%	2,172,274	181,023
GRAND TOTAL																									
1996 - 2014 YTD	23,439,978	1,654,027	389,502	863,943	28,744	465,206	581,466	120,396	89,850	69,248	18,474	93,047	199,898	42,960	129,296	19,475	15,267	122,653	18,717	9,329	2,741	12,884	28,387,102		

YEAR TO DATE JUNE 2014

	2014 Actual	2013 Actual	2014 MYE	2014 Actual vs 2013 Actual		2014 Actual vs. MYE	
	US\$'000	US\$'000	US\$'000	US\$'000	%	US\$'000	%
Israel (Rafa Laboratories Ltd)							
OxyContin	1,081	1,148	959	(68)	94.1	122	112.7
Targin / Targinact	2,161	2,006	2,273	155	107.7	(111)	95.1
Other Oxycodone	801	610	774	192	131.4	27	103.5
Morphine	275	281	290	(6)	97.8	(16)	94.6
BuTrans	527	429	492	98	122.9	34	107.0
Other analgesics	1,638	1,352	1,678	286	121.1	(40)	97.6
Antiseptics	3,284	3,255	3,381	29	100.9	(97)	97.1
Adizem	109	106	122	3	103.0	(13)	89.3
Other cardiovascular	3,548	3,002	3,655	546	118.2	(107)	97.1
Levact	873	748	873	125	116.7	(0)	99.9
Folotyn	175	0	115	175	n/a	60	152.4
Prioderm	(12)	145	(1)	(157)	(8.4)	(11)	1311.1
Hedrin	1,157	884	1,098	274	131.0	59	105.4
Lodotra	4	5	2	(1)	79.2	2	210.4
Consumer	5,956	5,458	5,789	497	109.1	166	102.9
Non Mundipharma products	17,291	16,542	16,781	749	104.5	510	103.0
	38,867	35,971	38,281	2,896	108.1	586	101.5
India (Modi Mundipharma Ltd)							
Analgesic	6,185	5,284	6,535	902	117.1	(350)	94.6
Betadine	15,399	14,993	16,047	406	n/a	(648)	96.0
Respiratory	2,502	2,347	2,507	155	106.6	(5)	99.8
Cardiovascular	5,271	4,703	5,337	568	112.1	(67)	98.7
Laxative	334	241	342	93	138.5	(8)	97.7
Consumer	2,320	2,017	2,187	304	115.1	133	106.1
Non Mundipharma products	10,505	9,128	10,543	1,377	115.1	(38)	99.6
	42,517	38,712	43,499	3,805	109.8	(982)	97.7
Cyprus (Mundipharma Pharmaceuticals Ltd)							
Analgesic	472	405	438	67	116.5	34	107.8
Betadine	761	734	759	26	103.6	2	100.2
Respiratory	237	221	233	16	107.1	4	101.8
Cardiovascular	27	30	31	(3)	89.2	(4)	86.3
Laxative	7	37	41	(30)	19.8	(34)	17.9
Hedrin	118	104	119	14	113.6	(1)	99.3
Oncology	351	170	258	181	206.8	93	136.2
Non Mundipharma products	1,507	1,551	1,568	(44)	97.2	(61)	96.1
	3,480	3,253	3,447	228	107.0	33	101.0
TOTAL	84,864	77,936	85,228	6,929	108.9	(363)	99.6

MONTH OF JUNE 2014

	2014 Actual	2013 Actual	2014 MYE	2014 Actual vs 2013 Actual		2014 Actual vs. MYE	
	US\$'000	US\$'000	US\$'000	US\$'000	%	US\$'000	%
Israel (Rafa Laboratories Ltd)							
OxyContin	271	215	152	56	126.1	119	178.5
Targin / Targinact	366	332	365	34	110.3	1	100.2
Other Oxycodone	247	96	111	151	257.7	137	223.3
Morphine	48	54	46	(6)	89.6	3	106.0
BuTrans	127	58	70	69	219.2	57	180.8
Other analgesics	249	248	275	1	100.5	(26)	90.4
Antiseptics	561	606	649	(45)	92.6	(88)	86.4
Adizem	18	27	26	(9)	66.2	(8)	68.4
Other cardiovascular	586	535	666	51	109.5	(80)	88.0
Levact	107	96	108	12	112.1	(1)	99.4
Folotyn	87	0	23	87	n/a	64	382.6
Prioderm	(6)	6	(1)	(12)	(111.4)	(6)	694.0
Hedrin	104	130	109	(26)	79.8	(5)	95.3
Lodotra	1	1	2	(0)	92.6	(1)	62.5
Consumer	423	736	626	(312)	57.5	(203)	67.6
Non Mundipharma products	3,311	2,653	2,921	658	124.8	391	113.4
	6,500	5,792	6,147	708	112.2	353	105.7
India (Modi Mundipharma Ltd)							
Analgesic	959	788	1,153	171	121.7	(194)	83.1
Betadine	2,659	2,405	2,943	254	110.5	(284)	90.3
Respiratory	401	422	398	(21)	95.1	3	100.7
Cardiovascular	928	863	951	65	107.5	(23)	97.6
Laxative	64	58	69	5	109.2	(5)	92.7
Consumer	475	338	424	137	140.5	50	111.8
Non Mundipharma products	1,900	1,452	1,908	449	130.9	(8)	99.6
	7,385	6,326	7,846	1,059	116.7	(462)	94.1
Cyprus (Mundipharma Pharmaceuticals Ltd)							
Analgesic	92	84	89	8	109.3	3	103.0
Betadine	132	120	125	12	109.9	7	105.8
Respiratory	18	17	18	1	107.6	0	102.8
Cardiovascular	4	5	5	(0)	92.5	(0)	91.7
Laxative	0	6	7	(6)	0.0	(7)	0.0
Hedrin	22	19	21	2	112.3	1	105.0
Oncology	39	31	34	8	126.6	5	114.8
Non Mundipharma products	253	257	260	(4)	98.3	(7)	97.3
	560	539	558	21	104.0	2	100.4
TOTAL	14,445	12,657	14,552	1,788	114.1	(106)	99.3

To: Sackler, Dr Richard [REDACTED]@pharma.com]
Cc: Costa, Paulo [REDACTED]@pharma.com]; Mallin, William [REDACTED]@pharma.com]
From: Timney, Mark
Sent: Tue 7/15/2014 6:37:09 AM
Subject: FW: 2014 Scorecard
2014 Purdue Scorecard 6-23-14.pptx

Richard,

Did you have any feedback regarding Purdue metrics, before I send to the Comp and Talent committee?

Thanks, Mark.

2014 PURDUE SUMMARY OBJECTIVES & KEY METRICS		Weight ¹	Weighted Score
1. <u>Commercial Excellence</u>			
a) Achieve \$1.53B in net sales	Redacted	40%	
2. <u>Preferred BD Partner</u>			
a) Complete, by 4Q2014, one (1) late stage product acquisition		20%	
3. <u>Adopt a Lean Operating Strategy</u>			
a) Achieve Operating Expense reduction of \$33M in 2014		10%	
b) Operating Profit Margin of \$605M in 2014			
4. <u>Optimize the Pain Portfolio</u>			
	Redacted	20%	
b) ADF Strategy: ADF market assessment completed by 3Q2014. Development plan agreed by 4Q2014			
5. <u>Recruit, Retain, and Engage the Best People</u>			
a) Enroll and align the organization in Compete, Win, Grow Strategy and complete restructures by 3Q2014		10%	

SUSTAINED COMPLIANCE WITH LAWS, REGULATIONS, AND COMPANY POLICIES INCLUDING REGULATORY COMPLIANCE AND AT ALL SITES WITH NO MAJOR FINDINGS.

¹ Incentive Compensation Plan Attached

Proposed Annual Bonus Plan Payout Methodology

2014 PURDUE SUMMARY OBJECTIVES & KEY METRICS	Weight	Payout Determination Methodology
1. <u>Commercial Excellence</u> a) Achieve \$1.53B in net sales – <div style="border: 1px dashed black; padding: 2px; display: inline-block;">Redacted</div>	40%	<ul style="list-style-type: none"> • 100% Payout at 98% to 102% Budget Attainment • Payout increase 3% for each 1% over budget (Maximum payout of 151% at 117% of budget) • Payout decreased 2% for each 1% below budget (Threshold payout of 60% at 80% of budget)
2. <u>Preferred BD Partner</u> a) Complete, by 4Q2014, one (1) late stage product acquisition	20%	<ul style="list-style-type: none"> • 100% payout if one(1) deal completed • 150% payout if two(2) deals completed • 0% payout (board discretion) if no deal is completed
3. <u>Adopt a Lean Operating Strategy</u> a) Achieve Operating Expense reduction of \$33M in 2014 b) Operating Profit Margin of \$605M in 2014	10%	<ul style="list-style-type: none"> • 100% Payout at 98% to 102% Operating Profit Budget Attainment • Payout increase 3% for each 1% over budget (Maximum payout of 151% at 117% of budget) • Payout decreased 2% for each 1% below budget (Threshold payout of 60% at 80% of budget)

2

Proposed Annual Bonus Plan Payout Methodology

2014 PURDUE SUMMARY OBJECTIVES & KEY METRICS	Weight	Payout Determination Methodology
4. <u>Optimize the Pain Portfolio</u> a) Redacted b) ADF Strategy: ADF market assessment completed by 3Q2014. Development plan agreed by 4Q2014	20%	<ul style="list-style-type: none"> Payout to be set at Board discretion based upon Management Report of accomplishments related to this objective
5. <u>Recruit, Retain, and Engage the Best People</u> a) Enroll and align the organization in Compete, Win, Grow Strategy and complete restructures by 3Q2014	10%	<ul style="list-style-type: none"> Payout to be set at Board discretion based upon Management Report of accomplishments related to this objective

Message

From: Sackler, Dr Richard [REDACTED]
Sent: 7/18/2014 4:07:33 AM
To: Sackler, Jonathan [REDACTED]
Subject: Re: Rhodes Pharmaceuticals June 2014 YTD Financial Statements

A terrific report. Even I'm enthusiastic about Aptensio.

From: <Sackler>, Jonathan [REDACTED]@pharma.com>
Date: Thursday, July 17, 2014 at 5:08 AM
To: Mortimer Sackler [REDACTED]@pharma.com> [REDACTED]@pharma.com>, [REDACTED]
[REDACTED]@chadbourn.com>
Cc: Raymond Sackler [REDACTED]@pharma.com>, "Sackler, Beverly" [REDACTED]@pharma.com>,
"Sackler, Dame Theresa" [REDACTED]@mdsackler.co.uk>, Richard Sackler [REDACTED]@pharma.com>,
"Sackler Lefcourt, Ilene" [REDACTED]@pharma.com>, "Sackler, Dr Kathe" [REDACTED]@pharma.com>,
Samantha Hunt [REDACTED]@napp.co.uk>, David Sackler [REDACTED]@srlc.com>, Peter Boer [REDACTED]@boer.org>,
Peter Boer [REDACTED]@pharma.com>, Judy Mark Lewent [REDACTED]@pharma.com>, Cecil internet
[REDACTED]@pharma.com>, Paulo Ferraz ATT Costa [REDACTED]@pharma.com>, "Snyderman, Ralph"
[REDACTED]@pharma.com>, Anthony Roncalli [REDACTED]@chadbourn.com> [REDACTED]
[REDACTED]@pharma.com>, Ed Mahony [REDACTED]@pharma.com> [REDACTED]
[REDACTED]@pharma.com>, [REDACTED]@charter.net>
"Lundie, David" [REDACTED]@pharma.com>, Vincent Mancinelli [REDACTED]@pharma.com>,
[REDACTED]@pharma.com>, Randy Shamblen [REDACTED]@pharma.com> [REDACTED]
[REDACTED]@pharma.com>, "Thebeau, Robert" [REDACTED]@pharma.com>, "Timney, Mark"
[REDACTED]@pharma.com>, "Motahari, Saeed" [REDACTED]@pharma.com>
Subject: RE: Rhodes Pharmaceuticals June 2014 YTD Financial Statements

The Aptensio XR review was joined by Saeed Motahari, who made an excellent contribution to the discussion. (In response to the question, FDA didn't allow the name "Biphentin", consequently the name change.) Saeed will take back the information and consider whether it makes sense to propose that Purdue take on the marketing, given the various opportunities and challenges at Purdue (Marketing is wrestling with a tremendous workload, starting with redoing the marketing basics for OxyContin, Butrans, Targin, Hydrocontin, and the various products we hope to obtain through BD; and Sales currently has little overlap with the physician call list for Aptensio). Saeed made the comment that he can see the potential for a \$100 mill product in Aptensio, based on the expected label (supported by Rhodes' research design), and the natural patient churn in that segment. In the meantime, the Rhodes team has pursued a low-cost virtual company strategy, and service agreements with Purdue avoid recreating back-office establishments. The key people involved have managed brands before, and two Rhodes board members, [REDACTED] and [REDACTED] have been closely involved in the work. [REDACTED] has substantial experience with managing low-cost brand launches from a generics base from his years building Mallinckrodt. Everyone involved is very aware of the more recent structural changes

in the market (the rising power of the payers) and are very focused on taking the necessary steps to succeed. This was the subject of extensive discussion today, and the Rhodes team will continue to check in with Saeed as they proceed with their planning.

I think, from the owners' point of view, we're in a very good situation with this opportunity. We have a very entrepreneurial and capable young team at Rhodes eager to create a financial success with the abandoned asset they took in and developed – they have poured a huge amount of work into Aptensio; and we have the Purdue organization looking over their shoulders and considering getting more deeply involved. If Purdue stands up and wants to run with the project, we should consider it, but if not, I think it would be a huge mistake to force it from eager hands into unwilling hands.

Let's see how it evolves.

One other thing – I hope the recipients of this memo noted the most important aspects of the Rhodes Pharmaceuticals June report – half-year sales of \$67 mill at a gross margin of almost 80%; \$37 mill in pre-tax profit; another \$4 mill in group benefit; and 12 applications under review at FDA. I'm sure everyone appreciates the tremendous effort that went in to creating a banner first half, with the groundwork laid for continuing growth.

All the best,

Jon Sackler

201 Tresser Boulevard
Stamford, CT 06901

tel **Redacted**
fax **Redacted**
Redacted@pharma.com

tel **Redacted** | **Redacted**@pharma.com

From: Sackler, Mortimer D.A.

Sent: Tuesday, July 15, 2014 7:06 PM

To: **Redacted** Baker, Stuart

Cc: Sackler, Dr Raymond R; Sackler, Beverly; Sackler, Dame Theresa; Sackler, Dr Richard; Sackler Lefcourt, Ilene; Sackler, Dr Kathe; Sackler, Jonathan; Sackler Hunt, Samantha; Sackler, David A.; Boer, Peter; Boer, Peter; Lewent, Judy; Pickett, Cecil; Costa, Paulo; Snyderman, Ralph; Roncalli, Anthony; **Redacted** Mahony, Edward; **Redacted** Lundie, David; Mancinelli, Vincent

Shamblen, Randy; **Redacted** Thebeau, Robert; **Redacted** Timney, Mark

Subject: Re: Rhodes Pharmaceuticals June 2014 YTD Financial Statements

We still need to have a discussion and agreement on who will launch Biphentin, Purdue or Rhodes (was Biphentin trademark not available in the US? Why are we going with Aptensio XR?). To me it is clear that given the promotional needs for the product it should be launched by Purdue and not Rhodes. It won't be a generic product and while I fully appreciate the effort and work Rhodes has put in to drive the product toward approval, we should be focused on what is best for the group and not replicate at Rhodes capabilities we have at Purdue which is actively looking for new products to market and sell.

Stuart,

Redacted

Regards,

Mortimer

On Jul 15, 2014, at 6:42 PM, "[REDACTED]" <[REDACTED]@pharma.com> wrote:

Colleagues,

Attached for your information are the 2014 June Year-to-Date financial statements and commentary focusing on the financial results for Rhodes Pharmaceuticals.

Please feel free to call me with any questions.

Year-to-Date June 2014 Financial Summary:

Net Revenues of \$66.7 mm were \$16.6 mm or 33% favorable to budget and \$39.7 mm favorable to prior year primarily driven by increased volume and price for MSER.

Gross Profit % was 77.8% of Net Sales vs. a budget of 73.9% and prior year of 46%.

Operating Margin before NDA & Proprietary Technologies of \$41.8 mm is \$18.8 mm favorable to budget primarily due to favorable Gross Profit of \$14.9 mm and the timing of product development spending for traditional generics \$3.1 mm. Versus prior year, the Operating Margin before NDA & Proprietary Technologies is ~\$38 mm favorable entirely driven by favorable Gross Profit.

Pretax profit of ~\$37.4 mm is favorable to budget by ~\$29.2 mm and favorable to prior year by ~\$36.1 mm, primarily driven by favorable gross profits along with the timing of product development spending for traditional generics as well as NDA & Proprietary Technologies.

Rhodes Pharmaceuticals currently has 12 applications under review with the FDA.

Through June, Rhodes Pharmaceuticals has paid \$2.2 mm in PDUFA Fees driven by the submission of the Aptensio XR (methylphenidate hydrochloride extended-release) Capsules, 10 mg, 15 mg, 20 mg, 30 mg, 40 mg, 50 mg, 60 mg, and 80 mg NDA application and \$192k in GDUFA fees driven by the ANDA submissions of, Lidocaine Patch 5%, Hydrocodone Bitartrate and Acetaminophen Tablets, USP 5 mg/300mg, 7.5 mg/300mg, and 10 mg/300 mg and Buprenorphine Hydrochloride Sublingual Tablets, 2 mg and 8 mg.

Group Benefit – (not included in the Rhodes Pharmaceuticals P&L) an additional \$3.9 mm in Wilson and \$537 k in Rhodes Technologies in labor & overhead absorption

Accounts Receivable - the ratio of sales to accounts receivable has significantly improved versus year end 2013.

Free Cash Flow of ~ \$9.8 mm is on target with the full year budget. Please note that Rhodes Pharmaceuticals has substantial obligations through the end of the year.

Thanks

David

<June Rhodes Pharma Cover Memo V2.docx>

<June 2014 Financial Statements Rhodes Pharma V2.xlsx>



A positive impact.
On healthcare. And on lives.

Purdue – U.S.

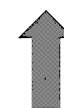
June 2014 Summary of Results

Purdue U.S. – June Board Flash Report

June YTD 2014 Results

	<u>Page</u>
Total Net Sales	3
OxyContin Net Sales	4-5
Butrans Net Sales	6-7
S&P expense	8
R&D expense	9
G&A expense	10
Legal fees	11
Operating Profit	12
Cash and Short Term Investments	13
Full Year Outlook	14
Net Sales by Product	15

Legend:



= in-line with or better than budget



= Temporarily off budget



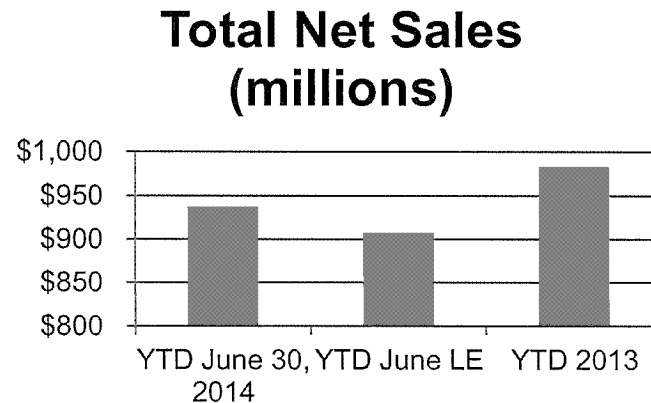
= below budget

Attachments

June 30, 2014 Income Statement, Balance Sheet and
Statement of Cash Flows



Purdue U.S. June 2014 YTD – Net Sales



Net Sales year-to-date June of \$937.8 million are \$30.1 million higher than the June Latest Estimate (LE) and \$45.1 million lower than prior year:

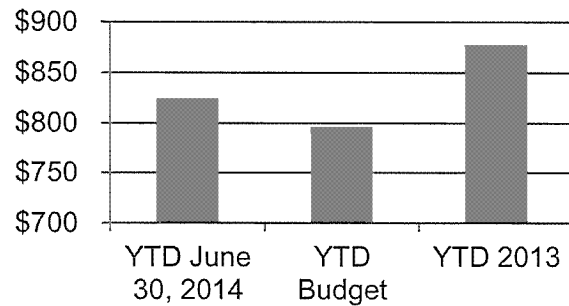
- The underlying demand for OxyContin and Butrans are strong. We expect OxyContin to outperform the budget and Butrans to be on or slightly ahead of budget.
- OxyContin trade inventory is currently in line with budget and Butrans is running lower than budget. Trade inventory is generally tracking close to budget but sensitive to timing of shipments around month end.
- While rebates are running in line with budget year to date, rebate pressures on OxyContin and recent formulary wins for Butrans will cause blended rebates to be higher than budget on a full year basis.
- We expect August to December sales to be choppy and there could be significant variances to budget month to month as a result of the settlements and their impact on OxyContin demand and trade stocking of OxyContin.

On balance, **for the full year we expect net sales to be better than budget.**

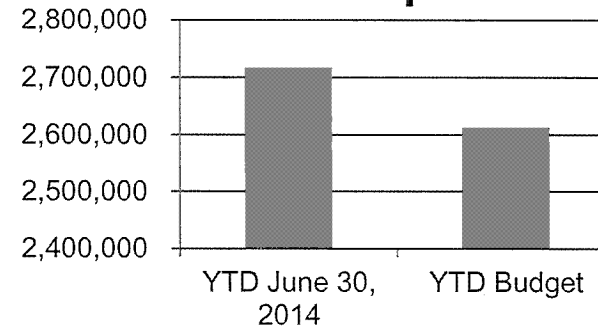


Purdue U.S. June 2014 YTD – OxyContin Net Sales

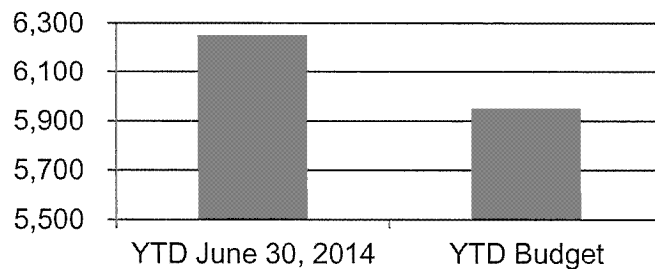
OxyContin Net Sales (millions)



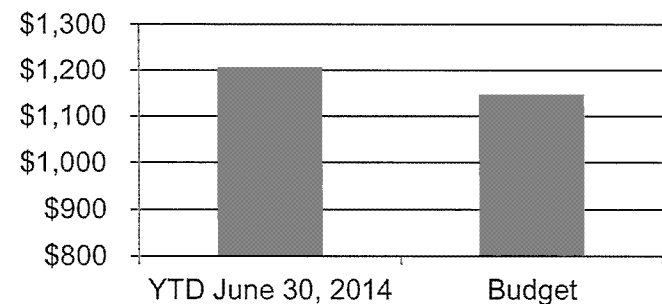
OxyContin demand in Scripts



OxyContin demand in Kilos



OxyContin Demand at WAC (millions)





See commentary on next page



Purdue U.S. June 2014 YTD – OxyContin Net Sales (continued)

OxyContin net sales year-to-date June of \$824.7 million are \$26.5 million above budget and \$53.4 million lower than the same period last year. The variance to budget is due to higher demand with trade inventory in line with expectations. OxyContin demand is running higher than budget -- year-to-date scripts of 2,717,000 are 4.0% higher than budget. Tablets per script and strength mix of scripts are slightly favorable to budget.

OPPORTUNITIES

- i. E2E delivers better than budget upside - the E2E effort is on or very close to budget (1) primary sales call split between products (OxyContin/Butrans allocation being 60%/40% in Q1 and 72%/28% in Q2), (2) % calls on target HCP's (Q1 Act of 86% vs. Q1 target of 80% and Q2 Actual of 90% vs. budget of 85%) and (3) number of sales calls. These are all significant improvements since 2013.
- ii. Improved patient access - Purdue is employing many tactics to improve patient access including collaborating with the National Association of Boards of Pharmacy to develop industry standards for dispensing guidelines, working with wholesalers/retailers to establish thresholds for orders/scripts based on NDC versus API, and more. Most recently Walgreens is separating NDC quotas for OxyContin from oxycodone IR and other non-abuse deterrent products. 
- iii. Managed care, IDN, call center, vacant territory and other initiatives are underway (more likely to impact 2015).
- iv. OxyContin AG bottles will likely sell in slower than budget in 2014 – another potential upside.
- v. The Medicaid line extension final regulations may be favorable to Purdue savings \$243 million.
- vi. Retail demand at WAC was \$50 million above the budget year-to-date June and current thinking is that this is likely to continue. 

RISKS

- i. Continued pressure against higher doses of opioids,
- ii. Continued pressure against long term use of opioids,
- iii. A new class label for ER opioids that will likely include the following language “reserve OxyContin for use in patients for whom alternative treatment options (e.g., non-opioid analgesics or immediate-release opioids) are ineffective, not tolerated, or would be otherwise inadequate ...”.
- iv. OxyContin rebates are expected to run higher than budget due to an unanticipated contract re-negotiation initiated by United Healthcare.
- v.

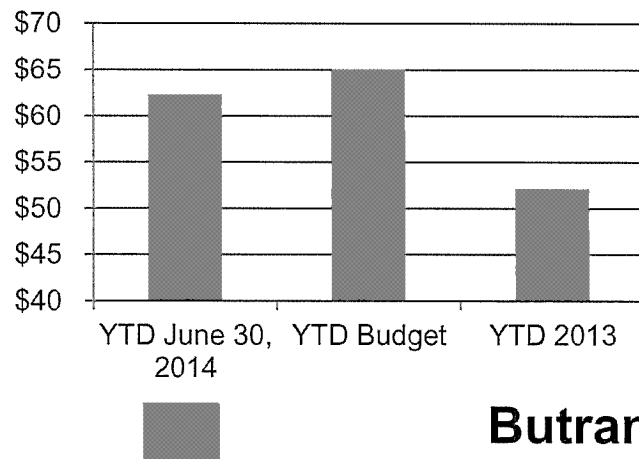
Redacted

Taking all the above into account **we expect OxyContin 2014 net sales to exceed budget by as much as \$100 million.**

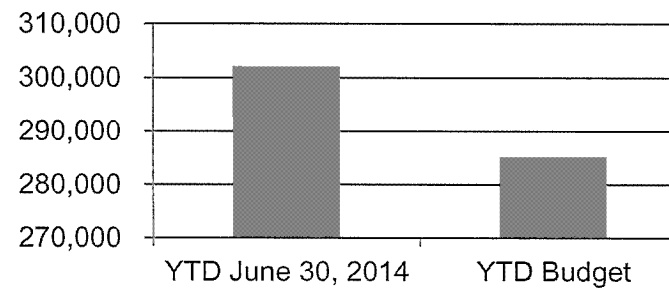


Purdue U.S. June 2014 YTD – Butrans Net Sales

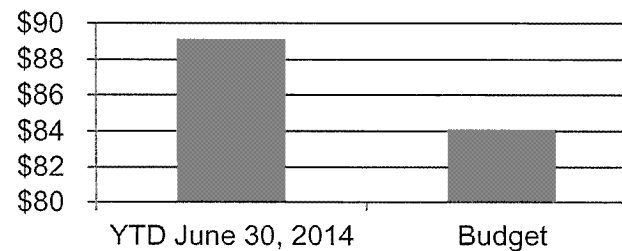
Butrans Net Sales (millions)



Butrans Scripts



Butrans Demand at WAC (millions)



See commentary on next page



Purdue U.S. June 2014 YTD – Butrans Net Sales (continued)

Butrans net sales year-to-date June of \$62.4 million are \$2.7 million lower than the June LE and \$10.2 million higher than prior year.

The Butrans net sales shortfall is due to trade inventory being \$6 million below budget offset by demand being \$3 million higher than budget. The trade inventory shortfall is caused by start of year inventory being higher than budget.

The full year prospects for Butrans are encouraging due to (i) year-to-date prescriptions of 302,000 are higher than budget by 5.9% (ii) Butrans share of EROs was 2.62% for the week ending 6/20/14 up from 2.12% at the start of the year and (iii) managed care coverage is improving and on track to meet (commercial) and significantly exceed (Med D) budget targets.

OPPORTUNITIES

The new 7.5 mcg patch was approved by the FDA in June and is expected to launch later this year. The FDA recently approved a change in the Butrans label that would allow use of multiple patches (within the current 20 mcg upper limit) and impact of new managed care coverage should start to show up in the script data later this year --- all of these offer an opportunity to exceed the budget. Importantly, there have been no Paragraph 4 challenges against Butrans.

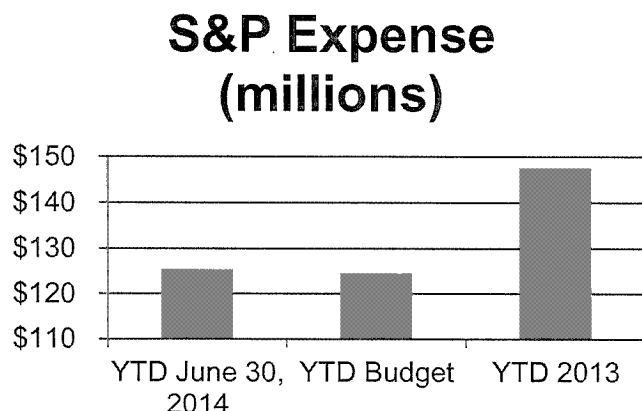
RISKS

Butrans' share of sales calls has decreased vs. the last two years. The sales budget took that decrease into consideration but the impact could be greater than anticipated.

Taking all the above into account **we expect Butrans 2014 sales to be on budget.**



Purdue U.S. June 2014 financial results – S&P Expense



Headcount: 715 vs. 730 budget
90% Field sales

Expense allocation: 37% OxyContin
25% Butrans
38% All other

Metrics: All brand specific metrics are on or better than budget.

S&P spend through June 30, 2014 was \$125.5 million, which is:

\$0.9 million higher than budget due to:

- Lower promotional spend on Targiniq (\$1.8 million) due to a decision to put on hold all spending which has since been lifted.
- Lower promotional spend across other brands (\$3.4 million) primarily due to timing - OTC (\$0.9 million), HYD (\$1.0 million) and Abuse Deterrent Formulation (\$1.5 million).
- Higher sales bonus (\$3.2 million).
- Higher all other (\$2.9 million) representing underspend across a number of departments of \$6.8 million versus a budgeted underspend of \$9.7 million.

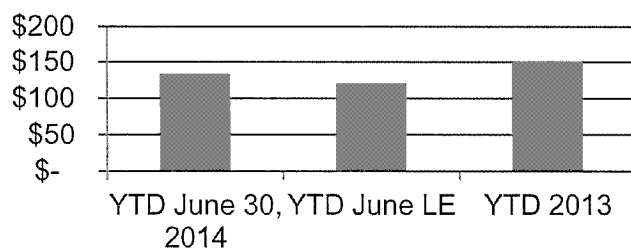
\$22.1 million lower than prior year due to:

- Lower Intermezzo direct to consumer advertising and promotional spend (\$17.8 million).
- Lower spending in Intermezzo contract sales organization (\$8.5 million) due to a reduction from 90 to 0 in May 2013.
- Higher people driven expenses (\$4.4 million) primarily due to higher sales bonus due to performance.
- All other (\$0.2 million).



Purdue U.S. Q2 2014 financial results – R&D expense

R&D Expense (millions)



	Year to date June 30				
	Actual	June LE*	Variance	2013 Actual	Full Year LE
Targiniq	\$ 46.9	\$ 32.5	\$ 14.4	42.1	\$ 39.1
HYD	20.6	26.0	(5.4)	30.9	33.0
Butrans	5.9	5.8	0.1	8.1	20.4
Oxycodone IR TR (OCI)	4.1	8.4	(4.3)	6.1	11.6
MS Contin Reformulation	3.4	5.5	(2.1)	0	18.9
All other	53.14	43.8	9.3	64.7	87.6
Total R&D	\$ 134.0	\$ 122.0	\$ 12.0	\$ 151.9	\$ 210.6

Targiniq

- June year-to-date spend is \$14.4 million above the June LE* due to higher than anticipated closeout costs for the ONU pain+ OIC studies (\$2.4 million) and an increase to prior year accruals (\$12 million)**.

HYD

- June year-to-date spend is \$5.4 million below the June LE due to lower clinical spend (ISS/ISE) and continued underspend in Medical Research, Tech Transfer and Health Economics due to timing of spend.

Butrans

- June year-to-date spend is in line with the June LE and primarily related to the required pediatric study and 2nd generation.

Oxycodone IR TR

- June year-to-date spend is \$4.3 million below the June LE due to a delay in the NDA submission to August, 2014 due to additional toxicology work related to SLS.

MS Contin Reformulation

- June year to date spend is \$2.1 million below the June LE due to slower than planned final formulation. Final formulation is now expected by year end.

* The full year R&D latest estimate is \$211 million -- \$24 million lower than budget due to discontinuing ONU pain + OIC study, higher spend in 2013 and organizational changes.

**In full year 2014 results this prior year accrual increase will be offset by decreased accruals in other P&L line items.

