

	G	H	I	J	K	L	M	N	O
1									
2									
3									
4	(3)	(2)=(1)/8	(3)			(4)=(3)-(1)		(5)=(4)/4	
5									
6	Variance	09 YTD Avg	Nov LE	%			%	Avg Monthly	%
7	versus LE	Mo Spend	Budget	Sales		TO-GO	Sales	Spend TO-GO	Sales
8									
9	\$ 306,429	\$ 227,214	#REF!			#REF!		#REF!	
10									
11	(12,084)	(4,424)	#REF!	#REF!		#REF!	#REF!	#REF!	#REF!
12	(10,986)	(5,985)	#REF!	#REF!		#REF!	#REF!	#REF!	#REF!
13	(19,008)	(29,865)	#REF!	#REF!		#REF!	#REF!	#REF!	#REF!
14									
15	264,351	186,941	#REF!			#REF!		#REF!	
16									
17	2,272	948	#REF!			#REF!		#REF!	
18									
19	269,622	187,889	#REF!			#REF!		#REF!	
20									
21	(12,934)	(13,079)	#REF!	#REF!		#REF!	#REF!	#REF!	#REF!
22	856	1,188	#REF!			#REF!		#REF!	
23	2,930	(800)	#REF!			#REF!		#REF!	
24	810	(790)	#REF!	#REF!		#REF!	#REF!	#REF!	#REF!
25									
26	261,284	174,407	#REF!			#REF!		#REF!	
27									
28	(3,539)	(11,270)	#REF!	#REF!		#REF!	#REF!	#REF!	#REF!
29	50	(5,453)	#REF!	#REF!		#REF!	#REF!	#REF!	#REF!
30	(3,754)	(11,855)	#REF!	#REF!		#REF!	#REF!	#REF!	#REF!
31	(7,552)	(14,272)	#REF!	#REF!		#REF!	#REF!	#REF!	#REF!
32	(16,281)	(5,779)	#REF!			#REF!		#REF!	
33	(31,076)	(48,629)	#REF!	#REF!		#REF!	#REF!	#REF!	#REF!
34									

	G	H	I	J	K	L	M	N	O
35	-		-	-		-		-	
36									
37	230,207		125,779	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
38									
39	(214)		(2,632)	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
40	(1,244)		190	#REF!		#REF!		#REF!	
41	(7,817)		(980)	#REF!		#REF!		#REF!	
42	(9,276)		(3,421)	#REF!		#REF!		#REF!	
43									
44	220,932		122,357	#REF!		#REF!		#REF!	
45									
46									
47	1,277		(203)	#REF!		#REF!		#REF!	
48	11,778		5,935	#REF!		#REF!		#REF!	
49	8,963		(10,856)	#REF!		#REF!		#REF!	
50	-		(487)	#REF!		#REF!		#REF!	
51	(145)		(148)	#REF!		#REF!		#REF!	
52	(132)		164	#REF!		#REF!		#REF!	
53	21,741		(5,595)	#REF!		#REF!		#REF!	
54									
55	242,673		116,762	#REF!		#REF!		#REF!	
56	(351)		(44)	-		351		88	
57	\$ 242,322	\$	116,718	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
58									
59									
60									
61									
62									
63									

	P	Q	R	S	T	U	V	W	X	Y
1										
2										
3										
4	(6)=(5)-(2)									
5			Full Year							
6										
7			Variance of	%	Budget	%	2008	%	2007	%
8			Monthly Spend	2009 LE	Sales	Sales	(Audited)	Sales	(Audited)	Sales
9										
10	#REF!		\$ 2,880,665		\$ 3,449,813		\$ 2,559,475		\$ 1,194,988	
11										
12	#REF!		(50,943)	1.8%	(59,853)	1.7%	(38,987)	1.5%	(24,970)	2.1%
13	#REF!		(235,056)	8.2%	(108,328)	3.1%	(78,774)	3.1%	(41,841)	3.5%
14	#REF!		(465,502)	16.2%	(574,211)	16.6%	(342,153)	13.4%	(148,693)	12.4%
15										
16	#REF!		2,129,164		2,707,421		2,099,560		979,484	
17										
18	#REF!		4,886		4,886		5,872		53,525	
19										
20	#REF!		2,134,050		2,712,307		2,105,432		1,033,009	
21										
22	#REF!		(169,061)	5.9%	(187,049)	5.4%	(150,545)	5.9%	(101,603)	8.5%
23	#REF!		14,008		12,015		12,256		26,616	
24	#REF!		(15,897)		(86,081)		-		-	
25	#REF!		(12,047)	0.4%	(14,084)	0.4%	(10,255)	0.4%	(8,411)	0.7%
26										
27	#REF!		1,951,053		2,437,109		1,956,888		949,611	
28										
29	#REF!		(145,839)	6.8%	(136,664)	5.0%	(125,141)	6.0%	(114,136)	11.7%
30	#REF!		(75,806)	3.6%	(69,334)	2.6%	(78,009)	3.7%	(64,348)	6.6%
31	#REF!		(176,934)	8.3%	(190,295)	7.0%	(120,449)	5.7%	(107,450)	11.0%
32	#REF!		(195,557)	9.2%	(203,516)	7.5%	(148,999)	7.1%	(116,071)	11.9%
33	#REF!		(44,132)		(78,897)		(22,901)		(11,854)	
34	#REF!		(638,267)	30.0%	(678,706)	25.1%	(495,499)	23.6%	(413,858)	42.3%

	P	Q	R	S	T	U	V	W	X	Y
35	-		-		-		-		10,049	
36										
37	#REF!		1,312,786	61.7%	1,758,403	64.9%	1,461,389	69.6%	545,803	55.7%
38										
39	#REF!		(35,205)	1.7%	(35,205)	1.3%	(30,771)	1.5%	(42,554)	4.3%
40	#REF!		8,842		8,842		11,714		33,820	
41	#REF!		(1,000)		-		(44,859)		(1,930)	
42	#REF!		(27,363)		(26,363)		(63,915)		(10,664)	
43										
44	#REF!		1,285,423		1,732,040		1,397,474		535,138	
45										
46										
47	#REF!		(6,426)		(6,375)		(2,414)		(4,303)	
48	#REF!		62,939		76,137		71,469		65,023	
49	#REF!		(154,968)		(122,716)		(126,265)		(6,846)	
50	#REF!		(4,384)		-		(570)		(652)	
51	#REF!		(1,776)		(1,776)		(1,643)		(1,372)	
52	#REF!		2,406		4,000		15,640		33,414	
53	#REF!		(102,210)		(50,731)		(43,782)		85,264	
54										
55	#REF!		1,183,213		1,681,309		1,353,691		620,402	
56	132		-		-		(3,338)		(3,242)	
57	#REF!		\$ 1,183,213	55.6%	\$ 1,681,309	62.1%	\$ 1,350,353	64.3%	\$ 617,161	63.0%
58										
59										
60			\$ 1,213,817		\$ 1,709,021		\$ 1,367,359		\$ 615,722	
61										
62										
63										

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	2011 Latest Estimate / 2012 Budget Proposal														
2	Assumptions														
3															
4															
5	<u>Balance Sheet Assumptions</u>														
6															
7	1) Intangible assets do not reflect the impact of potential impairments. Balance includes \$99.6 mm for Dilaudid which will be reviewed for impairment at year end.														
8	2) The 2010 P&L includes \$152 mm of returns processed in the gross sales line. This assumes that Purdue is successful in working with the trade to reduce														
9	3) There is \$9 mm receivable from Labopharma/J&J at 12/31/2010 which is 100% reserved and not collected in 2010.														
10	Redacted														
11	5) We have assumed Infinity will draw \$50 mm from the line of credit and that such amount is fully collectible at 12/31/10 (therefore no reserve),														
12	6) UBS sublease is being accounted for in accordance with agreement. We have assumed (a) summer street termination payment of \$10.3 mm in 2010, (b)														
13	accelerated write-off of Summer Street leaseholds of \$11.6 mm, and (c) fit out of \$10.8 mm for OSF. We have NOT assumed any upside related to a possible agreement with Benenson and GEAM.														
14	Redacted														
15															
16	9) Tricare is being accrued in full with an accrual for the period 1/28/2008 to 12/31/2009. Payment is assumed to occur in November 2009 and cover Q1 2008 thr														
17	Q3 2009 (assumes waiver is unsuccessful), leaving only Q4 2009 accrued at 12/31/09. If the waiver is successful, 2008 accrual would be reversed in Q4 2009 (no														
18	10) Pension liabilities and assets have not been adjusted from budget. These items are highly variable with stock market returns and change in discount rates. An														
19	movements are non cash and have not been re-projected.														

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16	ough (paid).
17	
18	
19	

	A
1	R&D Budget Roll
2	2011 November 1
3	<i>(\$ millions)</i>
4	
5	
6	
7	
8	<u>Changes to Pro</u>
9	
10	<u>OxyContin:</u>
11	Clinical
12	
13	
14	
15	Nonclinical
16	Tech Transfer
17	
18	
19	
20	
21	<u>Targin (ONU)</u>
22	Clinical
23	
24	
25	
26	Nonclinical
27	
28	
29	<u>Butrans:</u>
30	Clinical
31	
32	
33	

	A
1	R&D Budget Roll
2	2011 November 1
3	<i>(\$ millions)</i>
4	
5	
34	
35	Nonclinical
36	Tech Transfer
37	
38	
39	<u>Hydrocodone</u>
40	Clinical
41	
42	
43	
44	
45	
46	Nonclinical
47	Tech Transfer
48	
49	
50	<u>POA</u>
51	Clinical
52	Nonclinical
53	
54	
55	<u>Ryzolt</u>
56	Clinical
57	
58	
59	<u>TRPV1</u>
60	Clinical
61	
62	

	A
1	R&D Budget Roll
2	2011 November 1
3	(\$ millions)
4	
5	
63	<u>OAG</u>
64	Clinical
65	Discovery
66	
67	
68	<u>FAAH</u>
69	Clinical
70	
71	
72	TOTAL CHANGE IN PI
73	
74	<u>Changes to depa</u>
75	
	Discovery
76	
77	
	Clinical
78	
79	
80	
81	Medical
82	
83	
84	
85	
86	Health Policy
87	
88	
89	
90	
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	A
1	R&D Budget Roll
2	2011 November L
3	(\$ millions)
4	
5	
92	
93	Drug Safety
94	
95	
96	
97	Risk Mgmt
98	
99	Regulatory
100	
101	
102	
103	Project Management
104	
105	TOTAL CHANGE IN D
106	
107	
108	
109	
110	GRAND TOTAL C
111	
112	Note 1 - if amouny is zero

	B
1	forward Detail
2	E
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4	
5	
6	
7	
8	Project Budgets
9	
10	
11	Additional costs of consultants, medical liaisons, investigator meeting and web sites / videos to identify sites and enhance recruitment.
12	New 12 month Open label (OTR 3002) extension study offered to pediatric subjects who complete the OTR3001 study, to help drive enrollment.
13	Impact of cost shift from 2010 to 2011, additional costs associated with additional sites and patients.
14	
15	Primarily due to additional costs for additional international sites and patients (\$1.4 mm), replacement of expired supply (\$3.0 mm) and higher packaging costs (\$1.5 mm).
16	Savings due to a decision to initially qualify an alternate PEO supplier in only one 100 cubic cm blender (smaller batch sizes) .
17	
18	
19	
20	
21	
22	Accelerate ISS work from future years pending compilation of data from European studies.
23	Separate study requested by FDA to understand abuse potential of solid oral dosage form (ONU1007).
24	Delay in initiation of phase 3 program pending FDA review and comments. Budget assumed FPFV in Q1 2011. Mid year budget update assumes FPFV ONU3001 in July 2011, ONU3004 and ONU3005 in Q4 2011.
25	
26	2010 carryover of tox/bioanalysis due to delays (\$1.6 mm) and resupply of ONU3701 supplies due to expiration (\$1.4 mm).
27	
28	
29	
30	BUP1024 - CYP3A4 study added to program to support higher strength development/registration. Drug-drug interaction study during coadministration of Butrans and ketoconazole in healthy subjects.
31	Higher strength phase 3 studies delayed pending approval of label for existing strengths, consultation with external cardiac safety experts and FDA feedback. Mid-year budget update assumes favorable outcome of June 30 Type A meeting with FDA and FPFV November 2011.
32	FDA requested additional pediatric study of neonatal abstinence syndrome (BUP3032).
33	Additional rounds of formulation development required for 2nd generation Butrans shifts FPFV in Pilot PK to October 2011.

	B
1	forward Detail
2	E
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34	
35	Carryover of additional strength packaging plus increased cost for pediatric studies.
36	Increased analytical methods required in West Caldwell transfer as a result of FDA NDA approval commitments.
37	
38	
39	
40	FDA advised that a single blinded efficacy study would be sufficient for a 505(b)2 approval. HYD 3001 study eliminated.
41	Extension studies cancelled
42	Phase 3b study deferred to future years
43	Bids on phase 3 program lower than budget in addition to delay in initiation of phase 3 studies by approximately one quarter
44	Delay in initiation of the clinical pharmacology studies and abuse liability studies to 2012
45	
46	2010 carryover of phase 3 clinical packaging (\$3.1 mm), partially offset by delayed tamper testing to 2012 (\$2.0 mm)
47	Clinical supply cost favorability due to manufacturing in larger batch sizes.
48	
49	
50	
51	Program recommended for cancellation. 2011 budget \$18.0 mm. Mid year budget assumes close out costs only of \$4.4 mm.
52	Recommended for cancellation (\$3.1 mm tox/bioanalysis, \$1.1 mm API)
53	
54	
55	
56	\$1 mm placeholder in 2011 for initiating a pediatric program. Total project costs estimated to be \$5 - 6 mm.
57	
58	
59	
60	Costs associated with timeline shifts and study cost variances from estimate.
61	
62	

	B	
1	forward Detail	
2	E	
3		
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63		
64	First in man studies delayed due to preclinical results.	
65	Milestone payment for IND filing expected in Q4 2011.	
66		
67		
68		
69	AHI - Board approved the Infinity FAAH opt in. Estimated costs included in the 2011 Budget Update are the Infinity development costs to complete ongoing activities and transfer the IND to Purdue and the total cost estimate for Purdue to initiate proof of concept study.	
70		
71		
72	PROJECT BUDGETS	
73		
74	Department budgets not project related	
75	<div>Board approved costs related to on conducting studies in-house</div> <div>Pharmacogenomics - obtaining project plan is \$4 mm over next</div> <div>Medidata Rave - a hosted system</div> <div>13 / Butrans Manuscripts - amc</div> <div>PhlexGlobal - provides a quality Purdue and our CROs.</div> <div>Staff Extenders/consulting to</div> <div>Medical Liaisons - National Bo</div> <div>Medical Liaisons - 3 Contract M</div> <div>Medical Education - Vision Tra</div> <div>Library - Staff extender to cover</div> <div>Medical Services - Denver Hea</div> <div>Health Policy - funding request that can not be absorbed in curr</div>	<div>UPDATE</div>
76		
77		
78		
79		
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84		
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86		
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89		
90		
91		

	B
1	forward Detail
2	E
3	
4	
5	
92	
93	Additional cost for Ryzolt global
	2 headcount in product complain
94	adverse event volume has of ~9
95	ORF/BUP - Kendle unbudgeted
96	
97	Budget increase in 5 digit zip co
98	
99	Two additional headcount - one
100	Submission metrics software pa
101	FDA submission processing inc
102	
103	Staff Extenders - additional per
104	
105	DEPARTMENT BUDGETS
106	
107	
108	Allowance for program delays reduced from \$61.2 mm to \$35.0 mm
109	
110	CHANGE IN R&D BUDGET
111	
112	this means that the impact on 2011 budget is timing only ie. a shift in spend between years only

	C	D	E
1			
2			
3			
4			
5		Increase / (decrease)	
		Impact on	Change in Costs to
6		Current Year	Purdue over Life of
		Budget	Project (Note 1)
7			
8			
9			
10			
11	13.2		13.2
12	6.4		18.2
13	4.7		7.1
14		24.3	
15		6.3	6.3
16		(2.6)	(3.2)
17			
18		28.0	41.6
19			
20			
21			
22	3.9		
23	1.4		1.4
	(12.4)		7.6
24			
25		(7.2)	
26		3.1	1.4
27		(4.1)	10.4
28			
29			
	1.4		2.3
30	(14.9)		2.0
31			
32	1.5		6.4
33	(2.2)		-

	C	D	E
1			
2			
3			
4			
5		Increase / (decrease)	
34		(14.2)	
35		2.6	1.0
36		0.2	0.2
37		(11.4)	11.9
38			
39			
40	(19.7)		(27.5)
41	(4.8)		(24.0)
42	(4.0)		
43	(23.3)		(15.0)
44	(8.0)		
45		(59.8)	
46		1.1	
47		(1.3)	(1.3)
48		(60.0)	(67.8)
49			
50			
51		(13.6)	(159.5)
52		(4.2)	(21.0)
53		(17.8)	(180.5)
54			
55			
56		1.0	6.0
57			
58			
59			
60		1.6	1.0
61			
62			

	C	D	E
1			
2			
3			
4			
5		Increase / (decrease)	
63			
64		(1.5)	
65		(1.5)	
66		(3.0)	
67			
68			
69		13.6	166.2
70			
71			
72		(52.1)	(11.2)
73			
74			
75			
76		0.6	
77			
78		1.3	4.0
79			
80			
81		2.2	4.2
82		0.8	0.8
		1.2	4.2
83			
84		1.4	1.4
85		0.0	
86		1.0	
87		0.5	
88		0.1	
89		0.2	
90		(0.6)	
91		0.1	

	C	D	E
1			
2			
3			
4			
5		Increase / (decrease)	
92			
93		0.3	
		0.3	
94			
95		3.5	
96			
97		0.9	
98			
99		0.2	
100		0.2	
101		0.2	
102			
103		0.4	
104			
105		14.7	14.6
106			
107			
108		26.2	
109			
110		\$ (11.2)	3.4
111			
112			

	A	B	C	D	E	F	G	H	I
1	Purdue G&A Financial Update- Latest Estimate								
2									
3									(Decrease)
97	2011 Mid Year Update								
98									
99									
100	General Under spend								
101	(1) Haircut is made up of the following:			\$	Comments				
102	Public Affairs - Consulting			(\$500)	Discretionary spend for tentative projects and shared OTC marketing costs				
103	Public Affairs - Special Promotion			(\$300)	Discretionary PSA campaign and advocacy support				
104	Pharma Fund			(\$200)	Discretionary Pharma fund not utilized				
105	IT			(\$1,000)	Will not hire open positions and other expenses				
106	HR			(\$100)	Overall favorability				
107	Fleet			(\$200)	Add'l savings in disposals				
108	Executive Admin			(\$1,500)	President consulting reserve budgeted at \$2mm (give back \$1.5 mm; \$0 spent YTD)				
109	Jon's number			(\$1,000)					
110				(\$4,800)					
111	Finance	Delayed hiring of 3 open positions							89
112		Additional PBM audits (Deloitte)							(100)
113		Contracting work to support Databasics expense system rollout							(50)
114		Reduced IT consulting							100
115		Other							39
116									
117									
118	IT	Open positions and delayed hiring							(400)
119		Lower travel / training / hiring							(108)
120		Lower outside services							(132)
121		Lower hardware maintenance due to lower than planned computer equipment purchases							(334)
122		All other							13
123									
124									
125	Corporate Procurement	Variance in comp primarily due to annual cost of pre-professional intern (\$29,120), net of 2011							15
126		increases being less than 4.5% budget							
127		Travel and training based on YTD run rates and full year expectations							(31)
128		No plans to use a consultant							(55)
129		Reflects latest full year estimate of cost of contract staff							27
130									
131									
132	Insurance	Reduction in property premiums- lower negotiated rates							(103)

	A	B	C	D	E	F	G	H	I
1	Purdue G&A Financial Update- Latest Estimate								
2									
3									(Decrease)
133		Reduction in Crime premiums- lower negotiated rates							(38)
134		International clinical trial insurance, budgeted in R&D in mid year update							150
135		All other							13
136									
137									
138	IPAP	Lower patient population and new Butrans patients not at anticipated levels							(900)
139									
140	HR	Reduced training							(30)
141									
142	EHS	Reduced need for office and safety supplies							(42)
143									
144	Admin Services	No change							-
145									
146	Stamford Facilities	Rent OPEX expense and other expense adjustments							84
147		Re-negotitated electricity supplier contract with Hess							(160)
148									
149									
150	Internal Legal	Adjustment for Foreign exchange credits for non-US legal fees							(120)
151		People cost savings associated with delays in new hires and employee turnover							(130)
152		Negotiated additional credits from storage vendors from the vendor transition project							(78)
153									
154									
155	External affairs								
156	<u>Public Affairs</u>	Reduction in consulting spend							(100)
157	<u>Fed Govt Affairs:</u>	Lower than estimated annual PhRMA dues payments							(50)
158	<u>State Govt Affairs:</u>	Recruiting fees eliminated with Special Counsel position							(20)
159		Net Healthcare Alliance Development dues/program spend reductions upon portfolio review							(73)
160									
161									
162	DEA Compliance	No change							-
163									
164	Pharma Fund	Public Affairs related grant givebacks							(265)
165									
166	Business Development	No change							-
167									
168	Corporate Compliance	Adjustment to transfer costs of 3 call note reviewer positions from legal							210
169		Consulting costs for speaker program monitoring							150

	A	B	C	D	E	F	G	H	I
1	Purdue G&A Financial Update- Latest Estimate								
2									
3									(Decrease)
170									
171									
172	Security	No change							
173									
174	Quality	Lower people cost/staff extenders/temp help spend							(100)
175		Lower travel and training							(75)
176									
177									
178	Executive Admin	Do not expect to spend President Consulting Reserve originally budgeted at \$1.9 million							(1,797)
179		Interest on Nelson Smith and Restitution payment							1,902
180		Remove recruiting fees for Chief Legal Officer							(325)
181		All other							(331)
182									
183									
184	Employee Benefits	Allocations of benefits to departments is under budget due to lower headcount (open positions).							2,421
185		Relocation will continue at the current rate. This is due to more expensive relocations than planned.							1,161
186		Adjustment for FAS87, FAS106 and FAS112, primarily due to impact of favorable 2010 asset returns							(2,354)
187		on pension plan							
188		All other							170
189									
190									
191	Fleet	Disposal proceeds at auction running favorable to budget							(200)
192		Liability claims running low							(200)
193									
194									
195	General Under spend	Reduction in Finance estimate of general under spend across all areas of G&A from \$4.8 mm in Mid							
196		Year Update to \$2.7 mm in latest estimate)							
197									
198									
199	Total Rollforward Over / (Under) budget								
200									
201	2011 Latest Estimate								

	J
1	
2	
3	e) / Increase
97	\$ 151,340
98	
99	
100	
101	
102	
103	
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105	
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108	
109	
110	
111	
112	
113	
114	
115	
116	\$ 78
117	
118	
119	
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121	
122	
123	(961)
124	
125	
126	
127	
128	
129	
130	(44)
131	
132	