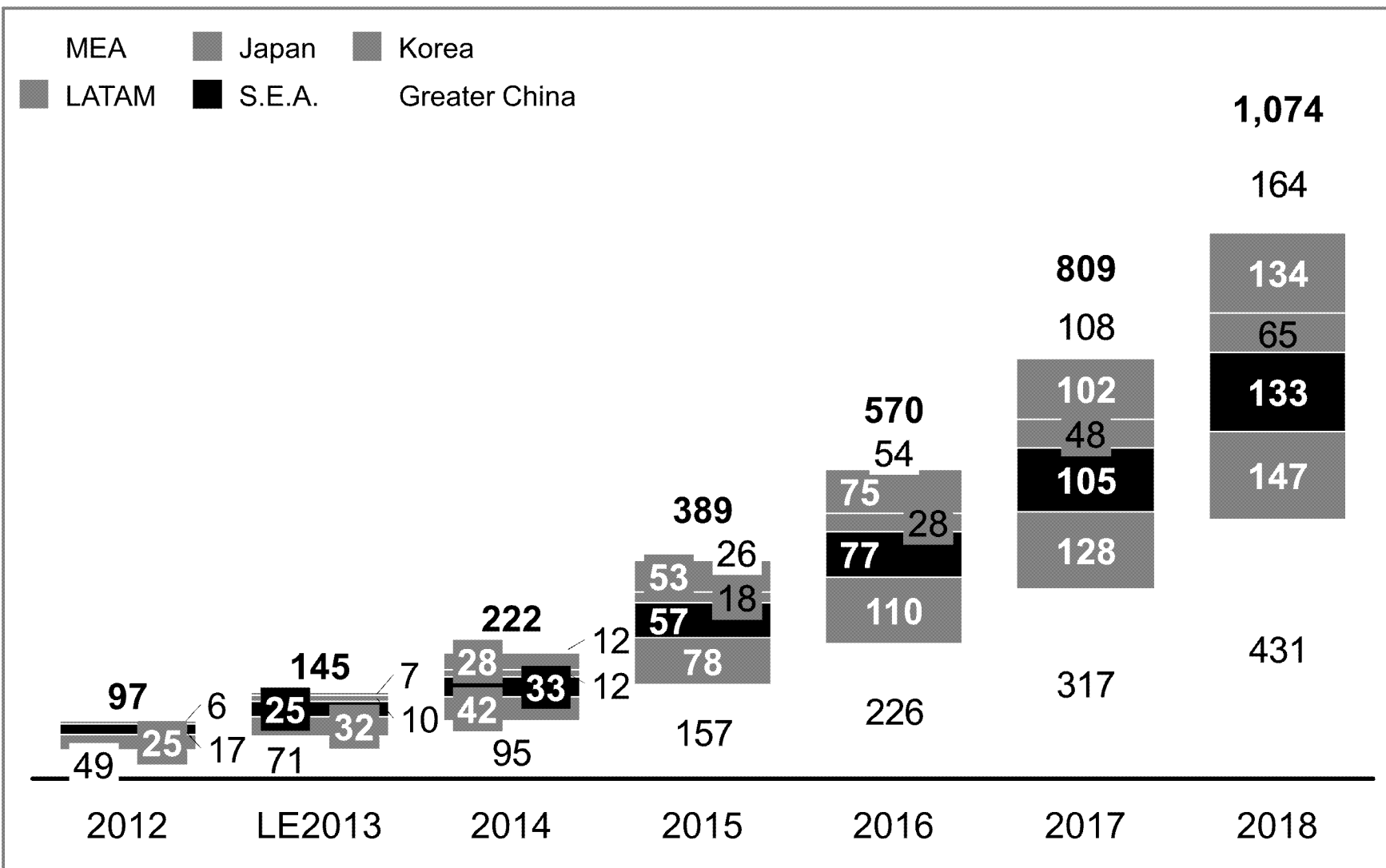


Path to the Billion

USD Million '000



Beneficiaries - 141

Top 3 markets for Mundipharma/Purdue



2012

#1  USA

#2  Germany

#3  Canada

2014F

#1  USA

#2  Germany

#3  Canada

#9  China

2018F

#1  USA

#2  China

#3  UK

Beneficiaries - 142

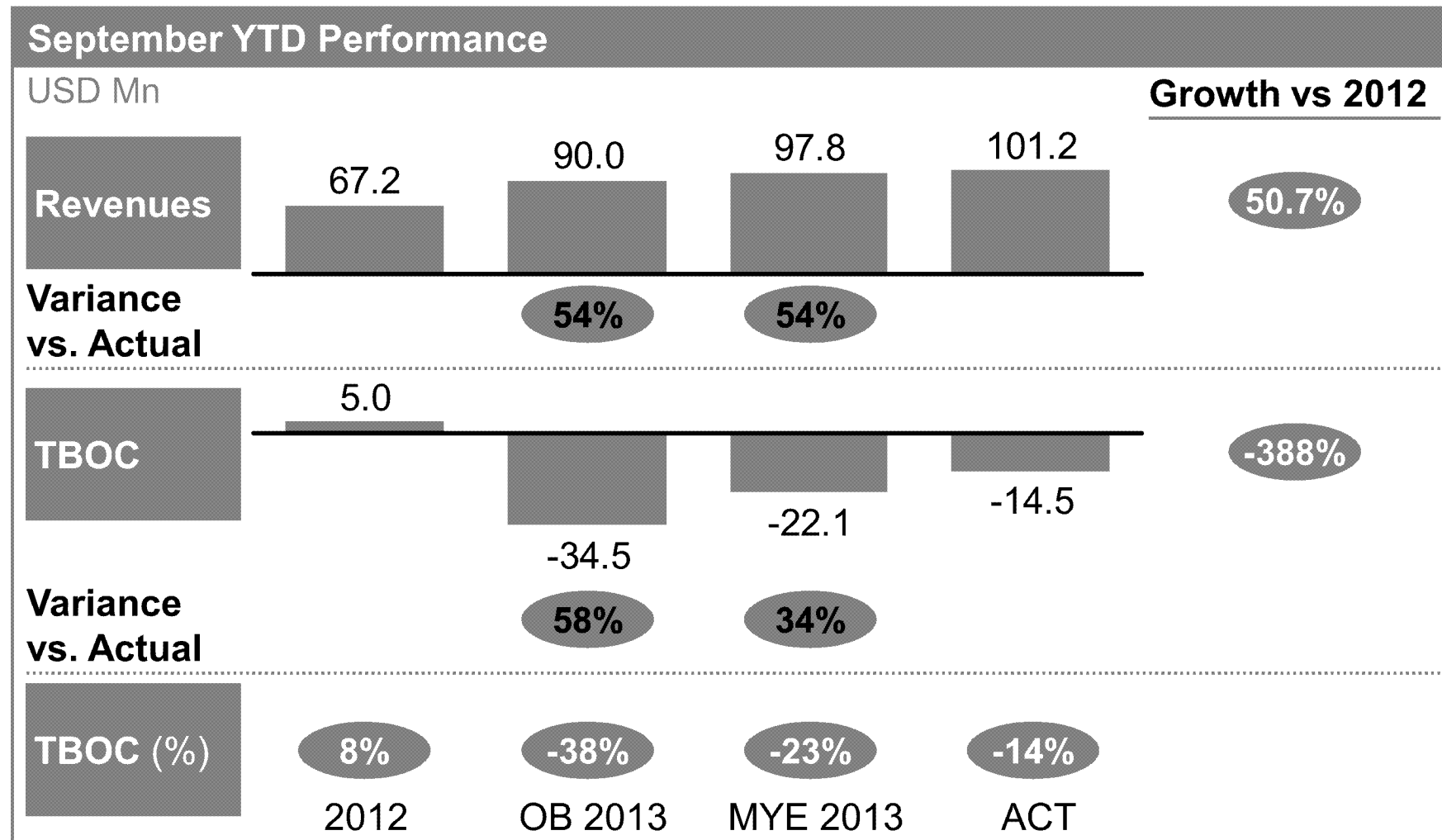
51%

Beneficiaries - 143

Entire Emerging Markets growing at more than 50% vs. 2012



■ On/above target
■ Below target



Asia and LATAM (ex Japan)

SOURCE: Finance

Beneficiaries - 144



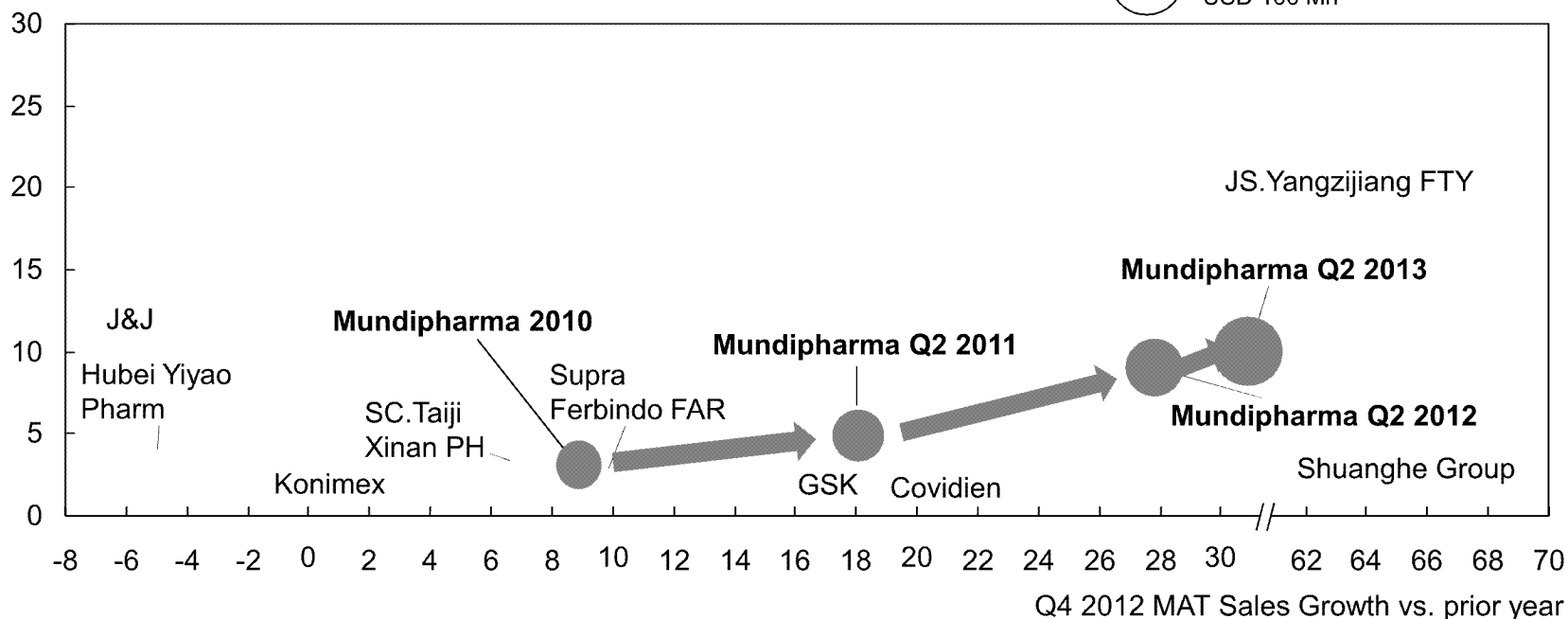
Mundipharma is amongst the fastest growing companies in the region

APAC¹ Market for N2A + N2B²

Top 10 companies share, growth and revenue footprint as of Q2 2013

APAC¹ market share, Percent

Bubble size - MAT Q2 2013 sales = USD 100 Mn



Note: Growth for Yang Zi Jiang is driven by Dezocine in China

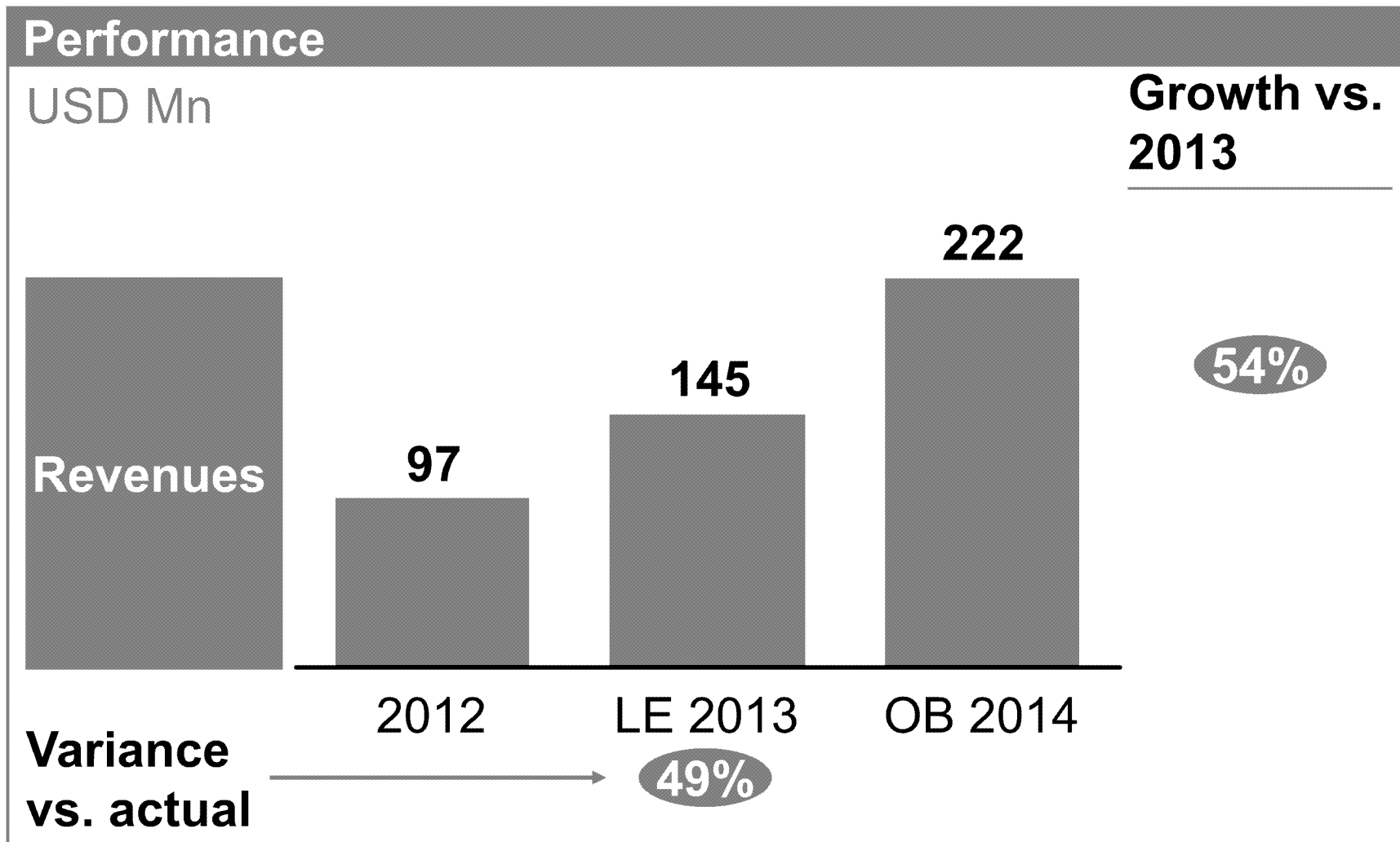
1 Countries covered: China hospital, Hong Kong, Indonesia, Korea, Malaysia, Philippines, Singapore, Taiwan, Thailand, Vietnam

2 Market definition as per agreement at Regional Brand Meeting Q1 2013: N2A (Less Remifentanyl & Sufentanyl in China), + N2B (Oral Solids Only, Less Paracetamol, Less Pure NSAIDs)

SOURCE: IMS MIDAS Data analysed at MAT Q2 2013, at trade level, using constant exchange rates

Beneficiaries - 145

We will touch USD 200 Mn by 2014; which is USD 60 Mn higher than our commitment

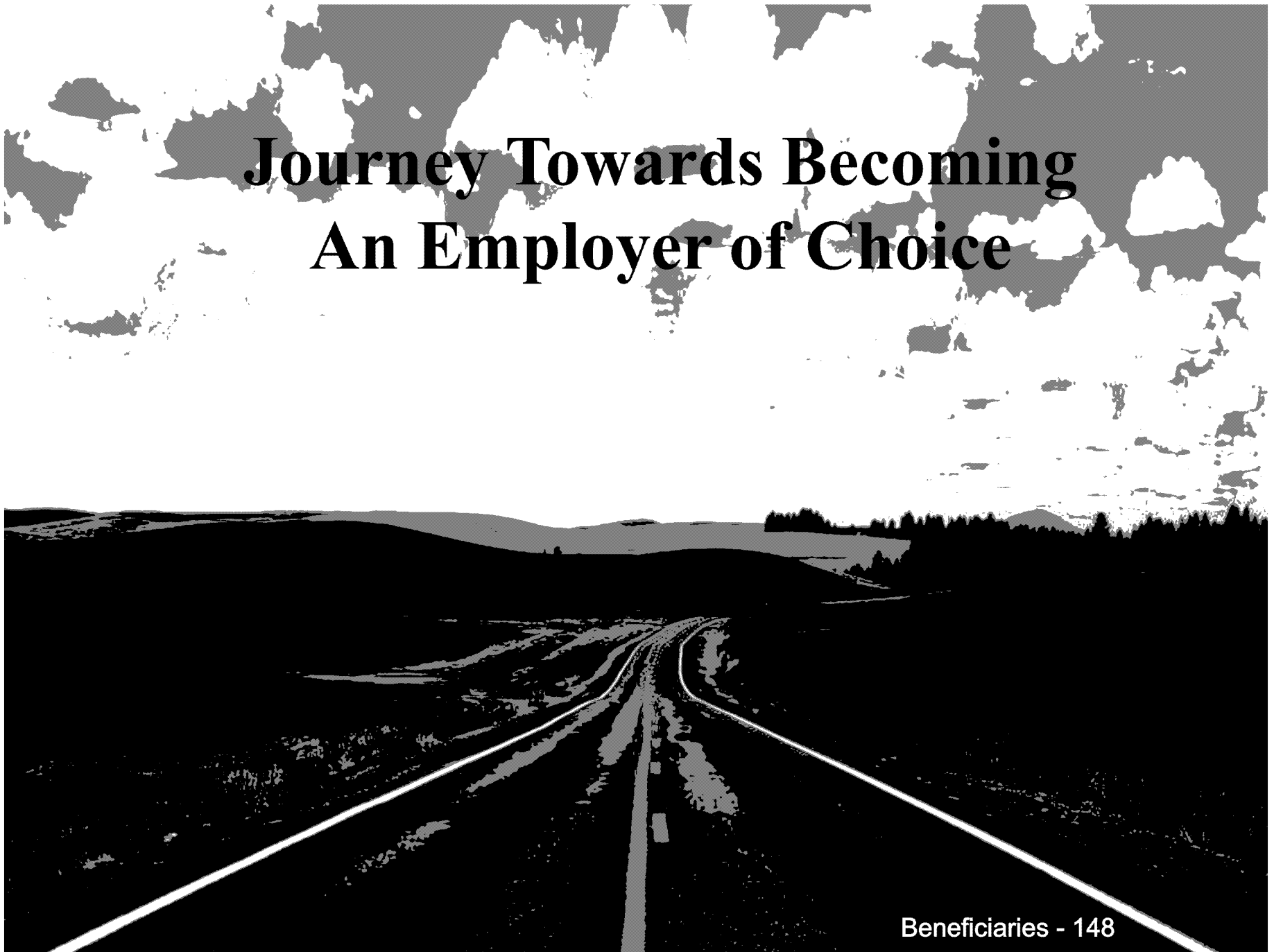


SOURCE: Finance

Beneficiaries - 146



Journey Towards Becoming An Employer of Choice



Beneficiaries - 148

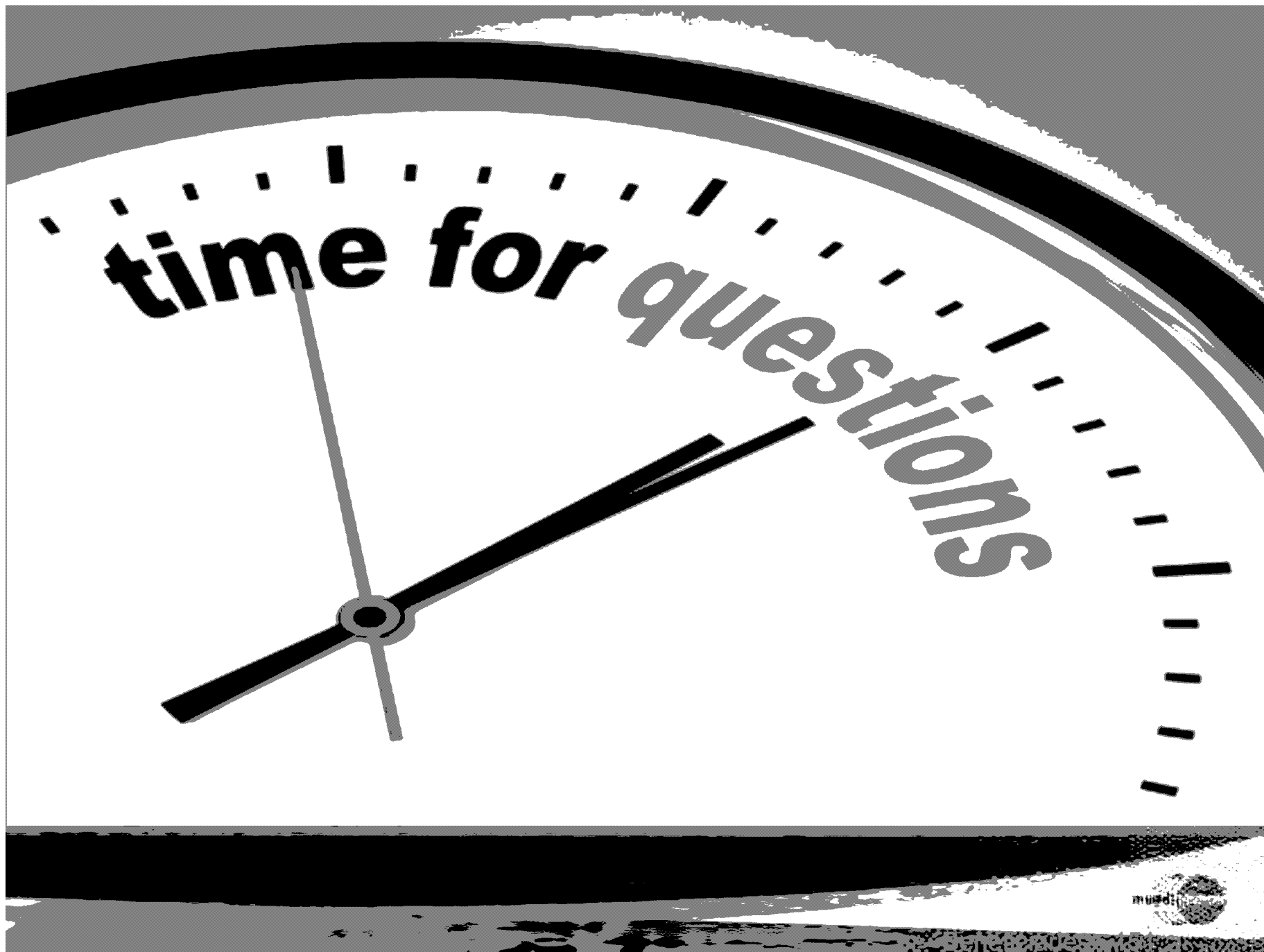
BEING BOLD



Beneficiaries - 149



Beneficiaries - 150



Message

From: Sackler, Dr Richard [REDACTED]
Sent: 11/22/2013 4:51:21 PM
To: Baker, Stuart D [REDACTED]
Subject: FW: Final Reports from McKinsey OxyContin Work
Attachments: 2013 09 13 Final Report Phase I Diagnostic.pdf; 2013 09 13 Final Report Phase II Recommendations.pdf
Importance: High

Redacted

From: [REDACTED]@pharma.com>
Date: Friday, November 22, 2013 4:46 PM
To: "Richard S. Sackler" <[REDACTED]@pharma.com>
Subject: FW: Final Reports from McKinsey OxyContin Work

[REDACTED]
Purdue Pharma | 201 Tresser Blvd | Stamford, CT 06901

Redacted [REDACTED]@pharma.com

From: Stewart, John H. (US)
Sent: Friday, November 22, 2013 4:45 PM
To: [REDACTED]
Subject: Final Reports from McKinsey OxyContin Work

Hi [REDACTED]

Here are the final reports from McKinsey on the work they did to identify the factors leading to OxyContin's below budget sales performance, and their recommendations for actions to be taken to stimulate the product's sales performance.

Regards - John

WORKING DRAFT

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OxyContin growth opportunities



Phase I Final Report: Diagnostic
Sept 13, 2013

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Contents

- **Market landscape & demand forecast**
 - Messaging & positioning
 - Segmentation & targeting
 - Field focus & execution
 - Access & availability
 - Scientific support
 - Commercial spend levels
 - Patient funnel
 - Appendix

Findings on market landscape & demand forecast

PRELIMINARY

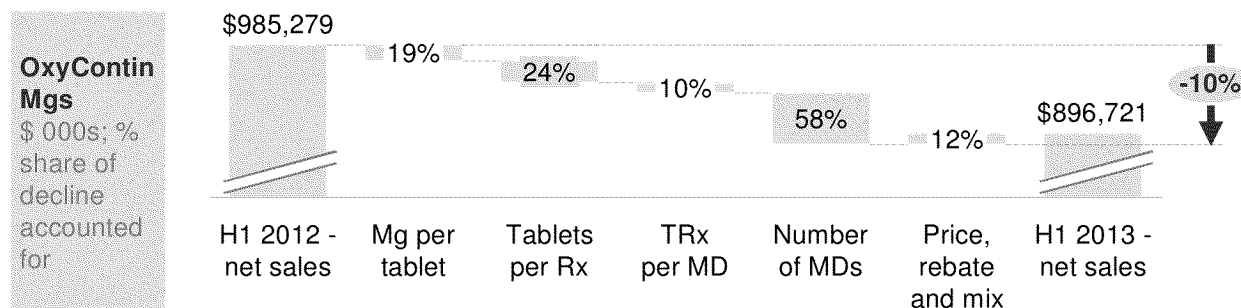
- A number of factors have contributed to the decline in OxyContin sales, including pharmacy access, DEA actions, negative media/PROP, state legislation, managed care access, and sales force execution
- Despite an overall decline in OxyContin TRx, **greater geographical granularity reveals variation in OxyContin performance**
 - There is substantial variability in OxyContin TRx change by zip code
 - There is also substantial variability in Oxycontin share of ERO market by state
- **In the past year, about ~85% of OxyContin's decline is in-line with the decline of the overall market (branded EROs), with 15% attributable to loss of branded ERO market share**
 - Maintaining a constant share of the forecasted branded ERO market could be worth ~\$3.4B of revenue over 4 year
- OxyContin performance also differs significantly across specialties
 - OxyContin TRx written by **NPs and PAs are growing quickly, while PCPs are one of the fastest declining segments**
 - OxyContin has **high share of ERO market among orthopedic specialists, surgeons, and rheumatologists**
 - There is some variability in NBRx share of TRx by specialt
 - Pallative medicine, orthopedics, and emergency medicine experienced the largest decline in OxyContin tablets/TRx in the last year
- OxyContin has a slightly lower share of the ERO market among younger prescribers, accounting for decile
- **Tablets/ Rx and strength are declining** and a significant portion of the decline can be attributed to **changing prescriber behavior**
 - Tablet per prescription has fallen steadily over the past two years
 - High dosage prescriptions are falling at a faster rate compared to low dosage tablets
 - **Tablets per prescription is declining in 47 states**, even those with a TRx increase
 - In interviews, **prescribers report writing for fewer pills and lower strengths**, and increasingly referring patients to pain specialists **due to increased time/ hassle of managing opioid patients (due to pharmacy issues, managed care access and fear of legal consequences/ DEA)**

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OxyContin performance has been driven by a number of factors

● Weak driver
● Strong driver



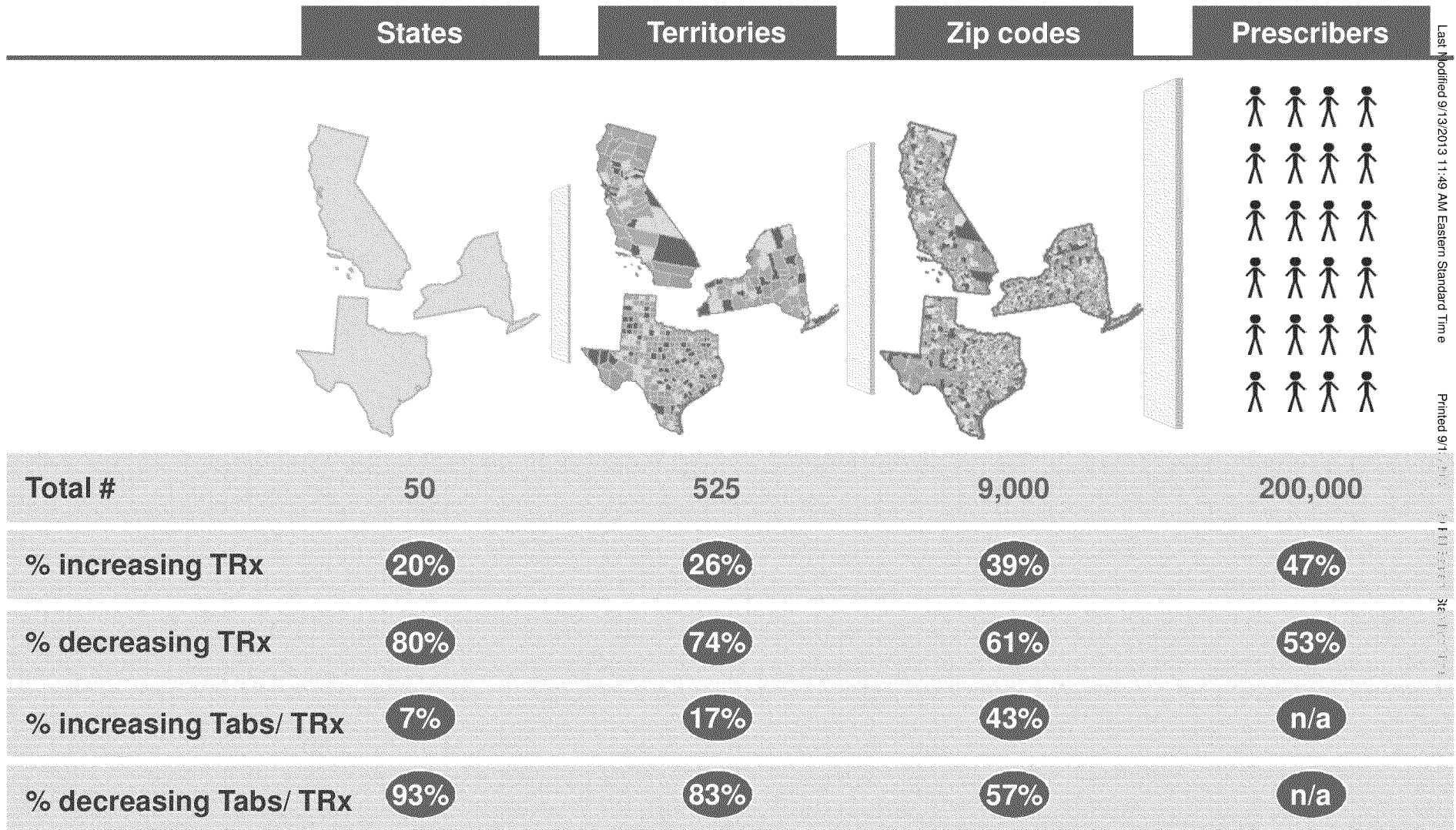
Drivers of OxyContin performance	Sales force execution	●	●	●	●	<ul style="list-style-type: none"> Only making 67% of target OxyContin P1s¹ >50% of OxyContin calls made to low-decile² 75% of TRx loss from doctors not called on (for 12 mos ending in Mar 2013)
	Pharmacy access	●	●	●	●	<ul style="list-style-type: none"> National pharmacies implemented policies to restrict filling of opioid prescriptions Walgreens alone accounted for 50-70% of OxyContin unit decline between Mar-Jun 2013
	DEA/ litigation risk	●	●	●	●	<ul style="list-style-type: none"> 'Chilling effect' on prescribers, pharmacies and wholesalers by investigating targets but not releasing written guidance More hassle for doctors to prescribe opioids No differentiation between AD and non-AD
	Neg. media/ PROP	●	●	●	●	<ul style="list-style-type: none"> CDC names drug overdose as leading cause of injury/death in US, with 45% involving prescription painkillers
	State legislation	●	●	●	●	<ul style="list-style-type: none"> States passing regulations for prescribing and dispensing of opioids (e.g., PMP use, licensing, dosing levels)
	Managed care	●	●	●	●	<ul style="list-style-type: none"> Positive impact from average rebate rate declining from 26% to 24.7%, price increase and mix shift Formulary status lost for several Part D plans³

¹For H1 2013

²Low decile refers to deciles 0-4; based on Q1 2013

³Over past 3 years

Despite an overall decline in OxyContin TRx, greater granularity reveals pockets of growth



Note: Calculations are for 12 mos ending in March 2013 vs 12 mos ending in March 2012

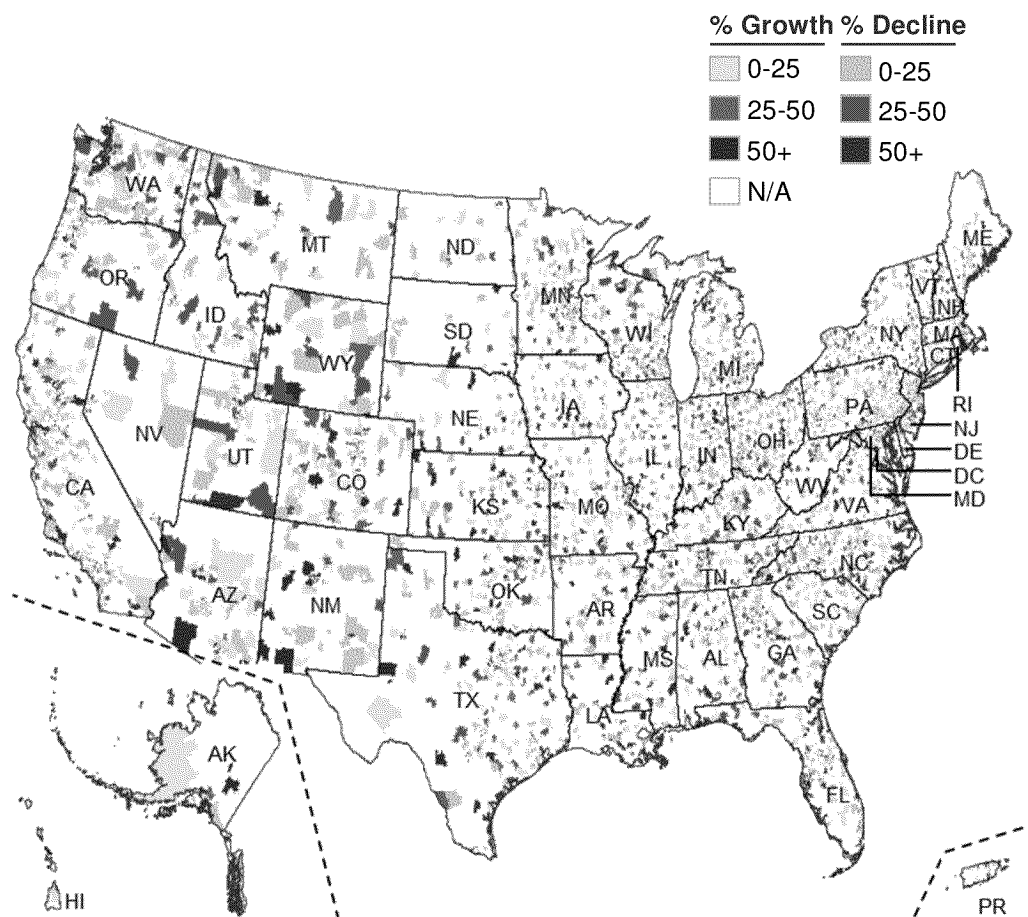
SOURCE: IMS

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There is substantial variability in OxyContin TRx change by zip code

TRx change by zip code, Apr 2011-Mar 2012 v. Apr 2012-Mar 2013

Percent



Number of growing and declining zip codes¹

Number of zipcodes

40%

60%

3,318

5,067

Growing zipcodes

Declining zipcodes

Avg TRx/zip

669

538

Example zip codes

Fort Wayne, IN (+5.1K)
Pinehurst, NC (+3.2 K)
Fayetteville, NC (+2.6K)

Knoxville, TN (-1.9K)
Tampa, FL (-1.9K)
Renton, WA (-1.5K)

¹ Zip codes with fewer than 60 Oxycontin TRx in both 2011 and 2012 were not considered, accounting for approximately 100,000 TRx in 2011 and 2012

SOURCE: IMS; Purdue Sales and Marketing; Team analysis

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