
From: Jennifer Altier
To: Jinping McCormick; Nathalie Leitch
Sent: 11/21/2011 3:43:08 PM
Subject: Re: Generic Kadian Update
Attachments: image001.gif

Hi Jinping,

Thank you for your comments. We'll revise the flyer and send it back to you for review.

Jennifer
Sent via BlackBerry by AT&T

From: Jinping McCormick <JMCCORMICK@actavis.com>
Date: Mon, 21 Nov 2011 16:37:54 -0500
To: Nathalie Leitch<NLeitch@actavis.com>; Jennifer Altier<jaltier2001@yahoo.com>
Subject: RE: Generic Kadian Update

Nathalie, Jennifer,

Below is a list a major chains that should have our AG products roughly in order of store/chain popularity:

CVS, Longs

Rite Aid,

Target,

Krogers, Express Scripts Mail Order

Wal-mart, Sam's Club

Medicine Shoppe,

K- Mart,

SuperValu, Albertsons, OSCO, Sav-On

Publix

Meijer

Stop & Shop

Discount Drug Mart

Price Chopper

A&P, Wegman,

Thrifty White, Bartell Drug

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EXHIBIT
P-01171_00001

As for the flyer, I agree with Nathalie that we should use Kadian logo as that's what physicians and patients are familiar with. I would exclude the 10mg and 200mg image as these two are not available in generic. I wonder if you should say qualify for generic co-pay.

Jinping

From: Nathalie Leitch
Sent: Monday, November 21, 2011 1:29 PM
To: Jinping McCormick; Jennifer Altier
Subject: FW: Generic Kadian Update

Hi Jinping,

Could you please let Jennifer know what you think of the flyer when you get a chance? I for one think we should use the KADIAN logo - but I'm easy. This decision may boil down to a legal/regulatory call.

Also - please let us know which retailer names to include.

Thanks,

Nathalie

Nathalie Leitch
Director, Specialty Rx Products

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From: Nathalie Leitch
Sent: Sunday, November 20, 2011 9:35 PM
To: Jinping McCormick
Subject: RE: Generic Kadian Update

Hi - could you let me know what you think of the flier. We're struggling with whether or not to use the Kadian logo, how to refer to the generic (i.e. generic version or authorized generic) and which of the retailers to include...would really appreciate your perspective.

Thanks,

Nathalie

Nathalie Leitch
Director, Specialty Rx Products

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From: Nathalie Leitch
Sent: Sunday, November 20, 2011 9:18 PM
To: Michael Perfetto; Jinping McCormick; Terrence Fullem
Subject: RE: Generic Kadian Update

I've been looking at the impact of keeping the sales team in the field and what would be required in the way of incremental Rx to justify the ongoing expense.

Based on a net ASP for the generic of 46% of brand WAC and assuming average monthly expenses of about \$940K, the sales team would need to generate 3,950 Rx for Actavis above and beyond the baseline, no-promotion scenario. At 56% market share, this means that the total incremental Rx generated per month would need to be about 7,040. Given that the team could influence where Rx were to be filled, the threshold could actually end up being less than 7,040.

The sales team is calling on ~5500 prescribers. Each of these prescribers would need to write Kadian for about 1.3 new patients, or convert 1.3 patients from generic MS Contin to generic Kadian per month to reach the threshold.

Given this same group of prescribers writes more than 200K Rx for generic MS Contin each month and that formulary barriers should be increasingly nonexistent, focusing the sales team on generic MS Contin-to-generic Kadian conversions looks like a good strategy. Our market research has shown that cost does play a significant role in the prescribing decision and also that prescribers generally prefer Kadian to other ER morphines, including MS Contin. Both of these things, along with availability of the AG (identical to the brand) at almost all major chains and a co-pay program to cover the generic co-pay, I think we're in a good position.

Please have a look at the attached file which shows baseline and with-promotion Rx forecasts for Kadian along with estimated monthly expenses. This is a fairly rough forecast in terms of

future Kadian Rx and generic conversion % but I've been conservative in a number of different ways so should be ok. The most important things to consider are the number of incremental Rx and the value of these incremental Rx's. I've also attached a draft version of the pharmacy flier to give you an idea of what the reps would be leaving with prescribers/at prescriber offices. Please let me know what you think.

Thanks,

Nathalie

Nathalie Leitch
Director, Specialty Rx Products

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From: Michael Perfetto
Sent: Sunday, November 20, 2011 11:29 AM
To: Jinping McCormick; Doug Boothe; Terrence Fullem; Stephen Gallagher; Nathalie Leitch
Subject: RE: Generic Kadian Update

Ok.

Let' s hope this stays a two player market for a long time.

Michael Perfetto
VP,Sales and Marketing

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From: Jinping McCormick
Sent: Saturday, November 19, 2011 8:49 PM
To: Doug Boothe; Michael Perfetto; Terrence Fullem; Stephen Gallagher; Nathalie Leitch
Subject: Generic Kadian Update

Update to include CVS - CVS net sales are \$8.9MM, price at 26.5% of brand WAC. As a result, average price per cap is now \$4.12, 46% of brand.

Generic Kadian Sales and GP Summary

11/19/2011

Market Share Target

50.0%

Market Share Secured

56.2%

Key Accounts

CVS

McKesson

Cardinal

RiteAid

Econdisc

Optisource

Walmart

Estimate Annual Net Sales

\$62.5 MM

at current price @ 90% generic conversion

Estimate Annual GP

\$ 60.4 MM

Brand price per capsule based on WAC & IMS mix

\$8.97

Average generic net ASP

\$4.12

Generic ASP as percent of brand WAC

45.9%

Jinping McCormick
Director of Marketing

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