
From: James Burt <jburt@actavis.com>
Sent: Wednesday, January 27, 2010 2:15 PM
To: Nathalie Leitch
Subject: RE: urgent

Much like the English view!

J

From: Nathalie Leitch [mailto:NLeitch@actavis.com]
Sent: 27 January 2010 22:13
To: James Burt
Subject: RE: urgent

I'm Canadian, James. That's not what we do. ☺

Nathalie Leitch
Director, Specialty Rx Products



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From: James Burt [mailto:jburt@actavis.com]
Sent: Wednesday, January 27, 2010 5:12 PM
To: Nathalie Leitch
Subject: RE: urgent

I think you should, It's a great story

J

From: Nathalie Leitch [mailto:NLeitch@actavis.com]
Sent: 27 January 2010 21:55
To: James Burt
Subject: RE: urgent

Hi – wasn't trying to do any rah rah for the team here. Just wanted to make sure you had enough details to build your story...

Nathalie Leitch
Director, Specialty Rx Products



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From: James Burt [mailto:jburt@actavis.com]
Sent: Wednesday, January 27, 2010 3:16 PM
To: Terrence Fullem; Nathalie Leitch
Subject: RE: urgent

Hi both,

I won't use or distribute presentation - I just wanted to be able to comfortably talk about Kadian in the context of our ability to manage a branded sell (and there are a few other examples). It really has been a great job by all the folks involved so a big thank you and well done from me

Cheers

James

From: Terrence Fullem [mailto:TFULLEM@actavis.com]
Sent: 27 January 2010 18:15
To: Nathalie Leitch; James Burt
Subject: RE: urgent

You captured it nicely. With regard to the Kadian sales team, perhaps be a bit more vague and say that we had a very precise background and skill set profile that we used to select salespeople. It was based on years experience in the category, ability to "manage" a territory (rather than merely hit call metrics), and other factors. We also made sure to have the right mix of people so that, as a team, they were intimately familiar with both Alpharma and competitor strategies.

Once we had the right team, we employed a non-standard set of incentives programs to drive the desired behavior, and tie compensation to results.

Also need to mention that we achieved 97% of 2008 sales despite the fact that Alpharma had loaded multiple months worth of product into the channel in 2008 (which can be seen in the underperformance in Q1 2009 when we first took over the product and realized this).

Lastly, please don't give copies of the presentation attached.

Good luck.

Terrence Fullem
Vice President - Commercial Development



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From: Nathalie Leitch

Sent: Wednesday, January 27, 2010 12:48 PM

To: James Burt; Terrence Fullem

Subject: RE: urgent

Importance: High

James,

Just out of a couple of meetings – sorry for the delay. I'll provide a few comments here and have attached some slides from a recent Kadian sales meeting that will provide some data. Let me know if there is any specific info you would like to see.

Terry – please add your comments (I've intentionally left out details of the dealt terms – if you are comfortable sharing this information, please go ahead).

Canada:

We currently market two branded products in Canada:

- SORIATANE (acitretin) capsules, indicated for the treatment of severe psoriasis
- BEZALIP (bezafibrate), is used to reduce lower cholesterol levels

We market these through a partner, Tribute Pharmaceuticals. Tribute will be implementing a sales and marketing program in 2010 and will be actively promoting the products starting in about April. We are also assessing opportunities to submit for approval and market some of our existing generic portfolio (injectables and SOD products) in the Canadian market.

KADIAN

- Actavis acquired Kadian from King Pharmaceuticals 12/29/2008
- King had acquired Kadian via its purchase of Alpharma; for competitive reasons, federal regulators required King to divest the Kadian assets in order for the acquisition of Alpharma to proceed
- News of Alpharma's sale trickled down to the Kadian sales team starting in about Q3 2008.
- There were approximately 400 reps supporting Kadian at the time of the acquisition; all marketing programs were canceled by Alpharma without notice to physicians or patients at the time of the acquisition
- 2008 gross sales for Kadian were \$264M; Total scripts for the year were 699.6K

We re-launched the key marketing programs following the acquisition, and did some market research to determine managed care coverage versus the category, promotional sensitivity of the brand (very) and the likely impact to sales and scripts of withdrawing field support for the team. At the same time, we analyzed historic script data to identify top prescribers and started to pull together a sales and marketing strategy using a much more targeted approach to the market. Given patents for the product expire in April 2010, our strategy needed to be a greatly rationalized approach versus what Alpharma had done in the past.

Based on the results of the market research, which indicated sales would fall off dramatically without any sales support, and our internal analysis, we made the decision to hire a team of 18 area business managers and 2 regional business

directors. Our hiring criteria required that all reps have at least 5 years of experience in the pain therapeutic area and that they be able to manage large territories. Our initial plan was to hire the team directly but to simplify things from an administrative perspective, hired the team through a CSO. We had already identified most of the folks we wanted on board, but ended up hiring them through the CSO. The entire sales team was fully trained and in the field by the end of May. 1,900 high decile targets (deciled by TRx) were identified for the team to call on. TRx quotas were set for each territory.

To reach a portion of the lower decile prescribers, we employed a telesales team of 4 starting in April.

This highly targeted approach using a small team of experienced reps with existing relationships delivered \$256M in sales in 2010, down less than 3% versus 2009 results. Even with a 95% reduction in sales force size, scripts were down just 14% on the year. Market research predicted that we would see a 40-50% reduction in TRx. Alpharma's marketing budget for Kadian was \$8-\$10M in 2008. Our entire sales team and marketing expenses were ~\$9M.

The US business is currently evaluating additional brand opportunities where we can use a similar approach, i.e. opportunities where we can target a relatively small number of specialists with a highly focused, experienced sales team.

Hope this gives an overview of our brand sales model and of the success we've had with Kadian so far. Again – let me know if you need anything else.

Nathalie Leitch

Director, Specialty Rx Products



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From: James Burt [mailto:jburt@actavis.com]

Sent: Tuesday, January 26, 2010 8:43 PM

To: Nathalie Leitch

Subject: urgent

Importance: High

Hi Nathalie,

Couple of quick questions to help with a pitch presentation to Celltrion.

Do we have any business either direct or indirect in Canada (retail or Hx)? It's to help with demonstrating global reach

Do you have anything I can read on kadian in terms of sales to date and one liner on deal, sales heads employed, detailing activity. It's part of the demonstration that we have experience with brands as well as generics. Can be vague and I'm aiming for impressive but demonstrable

Thanks

James



James Burt
Global Director
Hospital Business Unit
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