Exhibit 31

Purdue

Quarterly Report to the Board

July 15, 2008

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- FDA pre-meeting package and IND, including Investigators Brochure and protocol, in preparation
- "Accelerated" and "traditional" development programs planned for discussion with FDA meeting
- Options in development for abuse deterrence testing from in vitro to animal and human studies

OxyContin and other oxycodone

- Revised RiskMAP submitted to FDA
- Four Clinical Study Reports of legacy studies submitted to FDA
- Pediatric exclusivity clinical program being planned
- Noramco API being qualified as a backup

REDACTED

Non-Project

REDACTED

CRO Strategic Collaboration

- In collaboration with our colleagues in Clinical Supplies, we initiated a pilot of the new Clinical Supplies ordering process utilizing BUP3027 (BuTrans High-Dose Efficacy Study) as a test case.

RISK MANAGEMENT & HEALTH POLICY

Health Policy

Meetings & Presentations:

- PhRMA: Meeting to discuss the diversion and abuse of prescription medicines with Sharon Brigner MS, RN, Deputy Vice President, Affordability & Access, PhRMA in Washington, DC on April 1, 2008.
- Presented on behalf of Purdue Pharma L.P. at the FDA Advisory Committee Bethesda, MD on May 5, 2008.
- Presented a poster titled: *Diffusion of Tamper-Resistant Prescription Pad Usage Among Opioid Analgesic Prescribers in the U.S.: 2001-2005* at 2008 American Pain Society (APS) Annual Scientific Meeting in Tampa, FL on May 8 - 10, 2008.
- Presented two presentations to the Invitation-Only Executive Task Force at the Institute for International Research Drug Safety and Risk Management (IIR) in National -Harbor, Maryland on May 22, 2008:
    1. *A Case Study on Drugs Containing a Controlled Substance: Real-Life Pharmaceutical Risk Management-The OxyContin® Story.*

2. *Balancing the Benefit/Risk Ratio: Considerations Regarding Abuse Liability.*

- Presented *The Assessment and Management of Chronic Pain with an Emphasis on the Appropriate Use of Opioid Analgesic* at the Tufts University, Master of Science Program course in Pain in Boston, MA on April 25, 2008.
- Presented a poster titled: *Prescription forgery of OxyContin® Tablets in the USA* for the College on Problems of Drug Dependence 70th Annual Scientific meeting in San Juan, Puerto Rico on June 15 - 19, 2008.
- Presented *The Role of Urine Drug and other Biofluid Assays in Pain Management* presentation at the Tufts Health Care Institute's program (THCI) on Opioid Risk Management in Boston, MA on June 26 - 27, 2008.

Risk Management

Supported NDA Filing of OxyContin® (New Formulation)

- Prepared slides and background briefing materials for FDA Advisory Committee Meeting for OTR.
- Prepared OTR RiskMAP.
- Submitted manuscript on study assessing the validity of self-reported abuse of OxyContin® to Addiction.
- Revised Protocol OTR9001 ("Long-term epidemiology study") in response to comments from Advisory Committee; revisions approved by Protocol Review Committee.
- Prepared response to FDA Office of Epidemiology and Surveillance's questions concerning the OTR RiskMAP.

Supported Continued Marketing of OxyContin® (Original Formulation)

- Risk Management presented the following posters at the College on Problems of Drug Dependence 70th Annual Scientific meeting in San Juan, Puerto Rico on June 15 - 19, 2008:
    1. *Prescription forgery of OxyContin® Tablets in the USA.* Authors: Meredith Y. Smith, MPA, PhD; J. David Haddox, DDS, MD.
    2. *Routes of nonmedical use/abuse of OxyContin® (Oxycodone HCI controlled-release tablets.)* Author: Meredith Y. Smith, MPA, PhD.
    3. *Systems dynamics modeling as an approach to understanding the abuse and diversion of opioid analgesic products: Implications for risk management systems.* Authors: J.P. Fitzgerald; M. Y. Smith, MPA, PhD; A. T. Kline, MS; J. D. Haddox, DDS, MD.
    4. *The Abuse and Diversion of OxyContin® (Oxycodone HCI Controlled-Release) Tablets, October 2005 – February 2008.* Authors: Ann T. Kline, MS; Melinda A. Philbrook; Meredith Y. Smith, MPA, PhD; J. David Haddox, DDS, MD.
- Attended RADARS® System Annual Meeting in Bethesda, MD on May 1, 2008.

Supported NDA Filing BuTrans™

- Developed BuTrans RiskMAP.
- Prepared Risk Management section of the Briefing Document for the September 15, 2008 BuTrans ™ meeting with the FDA.

Monitored Abuse and Diversion of PPLP Marketed Opioid Analgesics

- 890 Repots of Concern (ROCs) regarding abuse and diversion of PPLP marketed opioid analgesics reviewed and entered into the Risk Management DataMart for 2nd Quarter 2008.
- 25 field inquiries conducted in response to signals of abuse or diversion of OxyContin® as identified via review of ROCs, and RADARS® System data for 2nd Quarter 2008.

Healthcare Grants and Giving Review Committee

- Total grant requests reviewed: 2Q08 = 144 **YTD = 312**

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CORPORATE COMPLIANCE

Corporate Integrity Agreement

- By letter dated May 2nd we received confirmation that the OIG was satisfied with Purdue's Implementation Report, and confirmed that "it appears that Purdue has successfully implemented the initial requirements of its Corporate Integrity Agreement."
- By exchange of emails and telephone calls, OIG advised of agreement, based on information we provided, that Par employees involved with the Rhodes distribution arrangement are not covered by the Purdue CIA (similar to OIG's decision in Watson AG distributorship) .
- In the second quarter, we completed an audit of the Medical Services department, one of the areas to be reviewed by Purdue's Independent Review Organization, Huron Consulting, with respect to the first Transactions Review of the CIA. No critical findings were found, and those issues raised are being successfully addressed by that department.
- Beginning in August, we will be hosting representatives of the IRO who will be on site conducting field work in connection with the First Transactions Review.

State Filings

- All required filings concerning sales and marketing expenditures on prescribers and others have been timely filed, for Minnesota (on 4/30), the State of Maine (on 6/27), and the District of Columbia (on 6/27).
- Pursuant to state law requirements, Purdue submitted to the Nevada State Board of Pharmacy information regarding Purdue's compliance with the PhRMA Code and other details regarding Purdue's compliance program (on 5/21).
- Pursuant to California state law, a timely certification of Purdue compliance program was posted to the Purdue internet (on 6/30)

No "Major Issues"

- Hotline and Other Inquiries - We investigated a total of 93 Hotline and other matters during the second quarter of 2008. None of these matters were of significant concern or indicative of compliance failures sufficient to warrant reporting to the Board or to applicable regulatory or other authorities.

FINANCE DEPARTMENT

Financial Performance

- Year-to-date June 30 net sales were $823 million, almost double the sales for the same period last year and $56 million or 6% under budget. The $56 million under budget was primarily due to $118 million lower trade inventory of OxyContin than budget (timing) offset by $70 million higher OxyContin demand.
- Purdue ended Q2 with $488 million of unrestricted cash plus $82 million of restricted cash. This cash earns between 2% and 3% and is invested in US Treasury debt/US Agency debt and high grade commercial paper. The maturities of these investments are short, the credit quality is high and maturities are coordinated with our anticipated financial obligations.
- See also Purdue year-to-date June 2008 Financial Results published separately.

Banking

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Exhibit 32

Purdue
Quarterly Report to the Board
October 15, 2008

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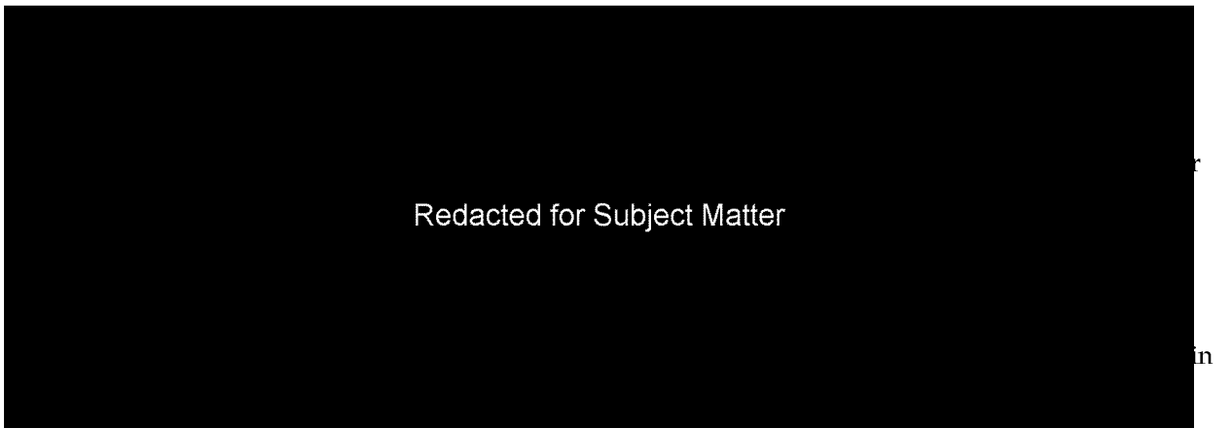
CMC and Drug Safety/Document Management

FDA Submissions



Risk Management

- Given the increased importance of Purdue's risk management activities (e.g., Risk Evaluation and Mitigation Strategies [REMS], Risk Minimization Action Plans [RiskMAP], surveillance and Pharmacovigilance), there are currently plans to evolve the Risk Management Department to address abuse liability and risk mitigation in all phases of Purdue's drug development and post-marketing periods. These enhancements will contribute significantly to obtaining new drug approvals and ensuring market sustainability.

- 2007 OxyContin® Annual Summary Report (January 2007 – June 2008) will be submitted to the FDA in October 2008.
    1. Surveillance data from all sources monitored by Purdue Risk Information Synthesis and Minimization Action Program (PRISMAP®) indicate a *wide geographic dispersion* of abuse and diversion cases involving OxyContin throughout the U.S.
    2. Field research suggests significant variability across communities as to the underlying factors driving abuse and diversion of OxyContin, including: community risk factors (e.g., crime, poverty, and unemployment), availability of the product, prescribing practices, and law enforcement efforts.
    3. Risk minimization activities to reduce abuse and diversion of OxyContin in affected communities were successfully coordinated and implemented by a variety of Purdue departments, including: Risk Management, Law Enforcement Liaison/Education, Medical Services, and Litigation Support.

NON-CLINICAL DEVELOPMENT & TECHNICAL SERVICES (NON-PROJECT)

Analytical Sciences /Pharmaceutics

Modi-Mundipharma Joint Projects

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HUMAN RESOURCES

Staffing Overview

- A total of 243 employees have been hired as of September 30, 2008. Turnover YTD is 3.1% compared to 5.1% as of September 30, 2007.

Compensation

- The 4th Quarter Field Sales Bonus Program begins a new Toppers Club sales contest year. Opportunity to earn bonus will be based on 4 factors:
  1. Over-the-Counter factory sales (company achievement against quarterly sales targets for OTC)
  2. Hospital sales (Representative's achievement of growing OxyContin Hospital sales for territory)
  3. Oxycodone ER retail performance (ability to grow Oxycodone scripts, Brand and generics)
  4. Quarterly Objective Multipliers (offers individual incentives tied to marketing objectives)

Growth

- External searches are underway for Senior Vice President, Research & Development, Vice President, Regulatory and Executive Director, Risk Management. Three candidates have already been seen for the Senior Vice President role; three additional SVP candidates have been scheduled. Three qualified candidates for Vice President of Regulatory are being scheduled for first round interviews. One individual has been scheduled for the Risk position.
- A Business Simulation was conducted in Stamford in September for 39 senior Purdue colleagues, forming 6 competing teams. Each team functioned as the executive committee operating a medical device company through 6 business quarters. Success in this general-management level simulation required participants to make data-driven decisions under difficult time constraints with incomplete information, overcoming disruptive events, providing leadership and teamwork. Participants were selected based upon performance, criticality of their positions; need to enhance broad financial skills beyond their functional expertise and as a major developmental and retention activity. All 6 teams completed the simulation with positive financial results and recommended that the simulation be offered to other Purdue colleagues

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Full-Time Turnover Projection

September YTD 2008

	Begin Count	End Count	Term	Retired	Resigna-tions	Total # Turnover	YTD T/O	Prior Year Actual T/O %
FIELD SALES	304	414	1	0	7	8	2.6%	10.6%
MARKETING	32	35	1	0	0	1	3.1%	20.0%
SALES SUPPORT	16	18	1	0	0	1	6.3%	0.0%
FIELD OPS, SUP & ADMIN	20	23	0	0	0	0	0.0%	5.6%
Total S&P	**372**	**490**	**3**	**0**	**7**	**10**	**2.7%**	**10.7%**
% of X-FTE's			*30.0%*	*0.0%*	*70.0%*			
ADMINISTRATIVE SERV	31	32	0	0	0	0	0.0%	6.3%
BUSINESS DEVELOPMENT	6	6	0	0	1	1	16.7%	0.0%
CORPORATE COMPLIANCE	5	6	0	0	0	0	0.0%	33.3%
CORPORATE PLANNING	0	0	0	0	0	0	0.0%	0.0%
EHS	4	4	0	0	0	0	0.0%	33.3%
EXECUTIVE	11	11	1	1	0	2	18.2%	25.0%
EXTERNAL AFFAIRS	11	12	0	0	0	0	0.0%	11.1%
FINANCE	56	58	1	0	0	1	1.8%	18.5%
GENERAL COUNSEL	48	47	0	0	2	2	4.2%	6.6%
HUMAN RESOURCES	20	20	0	0	0	0	0.0%	4.8%
IT	79	84	0	0	1	1	1.3%	3.0%
PROCUREMENT	9	9	0	0	0	0	0.0%	28.6%
QA	19	20	0	0	0	0	0.0%	25.0%
SECURITY	14	14	0	0	1	1	7.1%	9.1%
Total G&A	**313**	**323**	**2**	**1**	**5**	**8**	**2.6%**	**10.6%**
% of X-FTE's			*25.0%*	*12.5%*	*62.5%*			
DISCOVERY	39	42	0	0	0	0	0.0%	7.7%
DRUG SAFETY & PHARMA	30	34	0	0	0	0	0.0%	7.4%
HEALTH POLICY	30	30	1	0	1	2	6.7%	4.0%
MEDICAL RESEARCH	47	51	0	0	0	0	0.0%	13.0%
NONCLINICAL R&D	34	36	0	0	0	0	0.0%	17.2%
PROJECT MGMT	18	19	0	0	0	0	0.0%	5.6%
REGULATORY AFFAIRS	17	16	0	0	2	2	11.8%	6.7%
Total IRD/US	**215**	**228**	**1**	**0**	**3**	**4**	**1.9%**	**9.2%**
% of X-FTE's			*25.0%*	*0.0%*	*75.0%*			
PF LABS UNION	43	44	4	0	0	4	9.3%	51.6%
PF LABS. SALARIED	39	44	4	0	0	4	10.3%	39.4%
PPMD	53	57	0	1	1	2	3.8%	13.7%
RHODES TECHNOLOGIES	92	117	1	0	3	4	4.3%	22.9%
WILSON NC	147	163	1	0	2	3	2.0%	5.6%
Total MFG/OPERATIONS	**374**	**425**	**10**	**1**	**6**	**17**	**4.5%**	**23.7%**
% of X-FTE's			*58.8%*	*5.9%*	*35.3%*			
Total Miami	**3**	**3**	**0**	**0**	**0**	**0**	**0.0%**	**0.0%**
% of X-FTE's			*0.0%*	*0.0%*	*0.0%*			
Grand Total	**1,277**	**1,469**	**16**	**2**	**21**	**39**	**3.1%**	**6.6%**
% of X-FTE's			*41.0%*	*5.1%*	*53.8%*			

LICENSING & BUSINESS DEVELOPMENT

[redacted]

[redacted]

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CORPORATE COMPLIANCE

CIA - Completion of IRO Review/Overview of Findings

- During August and September, Purdue's Independent Review Organization, Huron Consulting, conducted the First Transactions Review pursuant to Purdue's CIA. This review included an audit of Medical Services and Sales procedures. After discussion of proposed findings and review of the draft report, Huron submitted the final report to us on September, which we in turn submitted to the OIG as part of Purdue's Annual Report for the First Reporting Period. In total, The IRO made nine non-significant findings, and Purdue has agreed to implement actions to address each of the nine findings.

Preparation and Submission to OIG of Annual Report for First Reporting Period

- On September 26th, The Annual Report for First Reporting Period was submitted, including:
    2. Certification of all compliance training, including five hours for Relevant Covered Persons and two hours for Covered Persons,
    3. reviews and updated SOPs, as necessary,
    [redacted]
    Redacted for Privilege
    5. analysis of the Hotline and Inquiries Disclosure Log matters related to Federal Health Care Programs or FDA requirements,
    6. the IRO's independence certification, and
    7. updated administrative information, as required (e.g. new business locations, and ongoing government investigations or legal proceedings).

- On September 29, 2008 Purdue received a letter from the OIG confirming the timely receipt of the report.

Implementation of Updated PhRMA Code on Interactions with Health Care Professionals

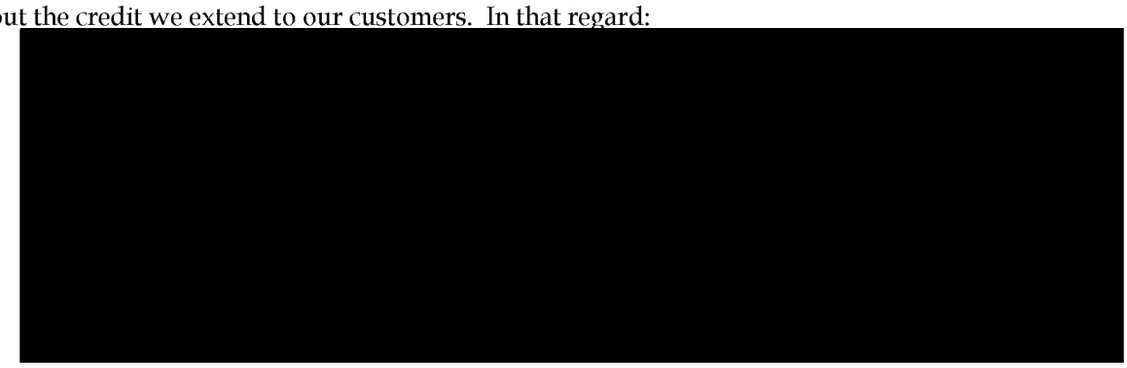
- Compliance has taken an active role in the interpretation and implementation of the Revised PhRMA Code, including development of communications, FAQs, and disposition of warehouse materials now prohibited by the Code

No "Major Issues"

- Hotline and Other Inquiries - Compliance investigated a total of 163 hotline and other matters during the third quarter of 2008. None of these matters were of significant concern or indicative of compliance failures sufficient to warrant reporting to the Board, or to applicable regulatory or other authorities.

FINANCE

- The US economic crisis is stressing nearly all companies therefore, we are increasingly vigilant about the credit we extend to our customers. In that regard:



- Purdue US year-to-date sales and profit performance is favorable to budget through September.

- Purdue US September 30 cash balance is $664 million. This is behind budget because $300 million of distributions were approved after the budget and paid our earlier this year. An additional $200 million in distributions will be made in October.

- Purdue US September 30 cash balance is invested in high grade US Government Debt and Commercial Paper. Purdue cash balance has not been invested in any "toxic" investments. All Purdue cash investments have been and are trading at par and paying interest. To be even more cautious we will be moving the portion of funds currently invested in Commercial Paper (CP) into US Treasuries as the CP matures. We will also be adding J P Morgan and Citibank as custodians to hold these investments over a larger number of custodians.

- Purdue's two defined benefit (DB) plans had $152 million in assets at 12/31/07. These funds are invested in a mix of debt, equity and alternative investments. Purdue's DB plans have not been invested in any toxic assets. However, the Purdue DB plans have been exposed to general investment market weakness. The investment losses in these plans are $25 million to date. Our 2009 budget proposal will include a proposal to fund these pension plans up to 94% over time. The details of that proposal will be communicated separately.

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Exhibit 33

To: Miller, Lisa Dr.[/O=PURDUE/OU=PURDUE US/CN=SALES AND MARKETING - FIELD/CN=MILLERLI]; Must, Alan[/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=MUSTA]; Bennett, Pamela (Gov't Affairs)[/O=PURDUE/OU=PURDUE US/CN=SALES AND MARKETING - FIELD/CN=BENNETTP]; Heins, James[/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=HEINSJ]; Gasdia, Russell[/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=58B02E32]; Innaurato, Mike[/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=X.INNAURAM]; Rosen, Burt[/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=ROSENBU]; Bostrup, Eric[/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=BOSTRUPE]
Cc: Mahony, Edward[/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=MAHONYE]; Spiegel, Merle[/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=SPEIGLEM]
From: Griffin, Brad
Sent: Tue 2/17/2009 10:50:45 AM
Subject: Philanthropy/Indirect Non-Brand report - 2008
Philanthropy Spend Report - Dec-08.xls

Colleagues,

Attached for your review is the consolidated Philanthropy and Indirect Non-Brand Expenditures report for 2008. This report had been initiated by a Dr. Kathe request in an effort to summarize Purdue's overall philanthropic efforts. As you may recall, a larger group (Lisa Miller, Russ Gasdia, Mike Innaurato, Alan Must, Pam Bennett, Burt Rosen, Jim Heins and Eric Bostrup) was assembled last summer to define specific indirect non-brand spend areas to be included in the report in addition to summarizing Purdue's Healthcare and Non-Healthcare grants and donations.

The report identifies **$6.6 mm** of Grants and Donations and **$12.5 mm** of indirect non-brand expenditures for a total spend of **$19.1 mm**. Overall, spend was $82 k unfavorable vs. our November Board estimate (LE). However, we had unanticipated payments approved by the Board to the Sackler Foundations totaling $1.15 mm and the Center for Practical Bioethics three-year $1.5mm commitment which was fully booked in 2008 per GAAP accounting rules. Without these unanticipated payments, the variance to our estimate would have been $2.6 mm favorable.

Shown below is a high level summary table with commentary for the three main areas of the report.

$000	2008 Actual	2008 LE	Variance	Comments:
Healthcare Grants/Donations:	4,081	4,114	33	$1.5 mm Center for Practical Bioethics s lower than anticipated spend in Medical ($0.7 mm) and Healthcare Alliance Deve grants ($0.7 mm).
Non Healthcare Grants/Donations:	2,475	1,506	(969)	$1.15 mm Sackler foundation donations by lower than anticipated Public Affairs r Abuse Awareness related grants ($0.2 m
Indirect Non-Brand Expensitures:	12,586	13,440	854	Primarily lower than estimated spend rel Partners Against Pain marketing prograr and Public Affiars corporate identity and programs ($0.4 mm).
Total:	**19,142**	**19,060**	**(82)**	

In reviewing the report details, we also identified $1.5mm of healthcare grant commitments related to 2009 that were approved at the Grant Review Committee meetings during 2008. This spend is listed in a separate column on the report and will count against the 2009 overall budget identified of $30.8 mm.

This report is intended for internal distribution only.

Please review the attached report and advise of any questions or I'd be happy to meet with you if you would like to review in further detail.

Thanks...

Brad Griffin
Treasury - Purdue Pharma
Phone: (203) 588-8083
Fax: (203) 588-6285

Exhibit 34

Summary of Philanthropy Programs and Indirect Non-Brand Expenditures

Costs listed below summarize Purdue's philanthropy programs and indirect spend promoting Purdue's corporate citizenship efforts in pain management. Certain areas of spend listed below may indirectly support Purdue branded products and/or therapeutic areas, however, these costs are not viewed as directly promoting Purdue's branded products.

Data through: December 2008

	2007 Actual	2008 Actual	2008 Latest Estimate	Variance to Estimate	2009 Budget	Grants Approved in 2008 (Committed for 2009)
HEALTHCARE						
1. Medical Education	**1,661,927**	**1,071,733**	**1,774,400**	**702,667**	**3,750,565**	**961,242**
State/Local Initiatives		219,343	240,000	20,657	350,000	134,250
Regional Initiatives		31,750	55,000	23,250	125,000	-
National Initiatives		530,540	944,400	413,860	2,486,180	826,992
Educational Materials		290,100	535,000	244,900	789,385	-
2. Health Policy	**150,000**	**190,000**	**155,000**	**(35,000)**	**755,000**	**-**
3. Healthcare Alliance Development (SGA)	**774,200**	**672,750**	**1,350,000**	**677,250**	**2,895,000**	**500,000**
4. Law Enforcement & Security	**30,000**	**-**	**-**	**-**	**-**	**-**
5. Community Relations - Health/Welfare	**41,000**	**43,000**	**78,500**	**35,500**	**72,500**	**1,000**
6. Public Affairs - Pain Mgmt. Advocacy	**167,650**	**322,500**	**385,000**	**62,500**	**1,040,000**	**-**
7. Other Healthcare	**85,152**	**1,781,339**	**371,153**	**(1,410,186)**	**810,000**	**5,000**
Special Funding	25,000	1,550,000	50,000	(1,500,000)	500,000	5,000
Medical Liaisons	15,000	21,000	140,000	119,000	260,000	-
Market Strategies	40,000	45,000	20,000	(25,000)	-	-
In Kind/Public Affairs	1,560	138	138	-	-	-
Product Donations	3,592	165,201	161,015	(4,186)	50,000	-
TOTAL HEALTHCARE GRANTS/DONATIONS:	***2,909,929***	***4,081,322***	***4,114,053***	***32,731***	***9,323,065***	***1,467,242***
NON-HEALTHCARE						
1. Law Enforcement & Security	**397,140**	**490,027**	**531,000**	**40,973**	**596,000**	**-**
2. Community Relations	**247,362**	**345,208**	**291,350**	**(53,858)**	**356,200**	**-**
Civic/Community	86,488	124,011	132,000	7,989	192,700	-
Community - Culture & Arts	20,000	75,000	17,500	(57,500)	31,750	-
Community - Education	74,580	120,750	60,850	(59,900)	31,750	-
Community - Health/Welfare	66,294	25,447	-	(25,447)		-
Discretionary - Unassigned	-	-	81,000	81,000	100,000	-
3. State Government Affairs	**207,750**	**99,056**	**40,000**	**(59,056)**	**40,000**	**-**
Non Healthcare Grants	203,750	89,056	-	(89,056)	-	-
Political Contributions	4,000	10,000	40,000	30,000	40,000	-
4. Public Affairs	**71,562**	**341,500**	**559,500**	**218,000**	**1,222,000**	**-**
Corporate Social Responsibility	39,312	113,000	-	(113,000)	400,000	-
Drug Abuse & Awareness	32,250	228,500	559,500	331,000	822,000	-
5. Other Discretionary Contributions	**52,963**	**1,190,580**	**34,000**	**(1,156,580)**	**23,000**	**-**
Executive Administration	52,963	1,190,080	16,000	(1,174,080)	10,000	-
Public Affairs	-	-	10,000	10,000	10,000	-
General Counsel	-	-	5,000	5,000	-	-
Federal Government Affairs	-	500	3,000	2,500	3,000	-
6. Product Donations[1]	**232,548**	**8,396**	**50,000**	**41,604**	**50,000**	**-**
TOTAL NON-HEALTHCARE GRANTS/DONATIONS:	***1,209,325***	***2,474,768***	***1,505,850***	***(968,918)***	***2,287,200***	***-***
SUBTOTAL: GRANTS/DONATIONS	***4,119,254***	***6,556,089***	***5,619,903***	***(936,186)***	***11,610,265***	***1,467,242***
Marketing Related - Non-Branded						
1. Managed Health Strategies	105,774	316,815	321,000	4,185	560,000	-
2. Partners Against Pain - Marketing	295,557	433,410	874,596	441,186	1,175,000	-
3. Partners Against Pain - Public Affairs	-	-	-	-	1,250,000	-
4. Conventions (Non Branded assumed @ 15% of total)	175,607	390,435	313,602	(76,833)	447,969	-
Subtotal:	**576,938**	**1,140,660**	**1,509,198**	**368,538**	**3,432,969**	**-**
External Affairs						
1. State Gov't Affairs - People/Other Costs	2,366,143	2,740,715	2,711,348	(29,367)	3,083,417	-
2. State Gov't Affairs - HAD/Corporate Dues	357,477	403,567	350,000	(53,567)	573,550	-
3. Federal Gov't Affairs - People/Other Costs	941,938	820,783	881,047	60,264	833,384	-
4. Federal Gov't Affairs - PhRMA Dues	250,000	1,155,826	1,062,434	(93,392)	2,219,260	-
5. Public Affairs	136,993	58,640	575,000	516,360	1,545,000	-
Corporate Identity	-	-	350,000	350,000	820,000	-
Community Partnerships	-	-	175,000	175,000	575,000	-
Expanded Advocacy	-	-	50,000	50,000	150,000	-
Subtotal:	**4,052,551**	**5,179,531**	**5,579,829**	**400,298**	**8,254,611**	**-**
Other						
1. Medical Education - People Costs (cc4800)	442,236	436,074	393,948	(42,126)	576,273	-
2. Medical Liaisons - People Costs (cc4109)	1,223,570	1,512,076	1,607,907	95,831	2,519,537	-
3. Medical Liaisons - Dues/Special Projects	-	241,381	123,500	(117,881)	234,600	-
4. Law Enforcement Liaisons - Total Costs (cc2539)	1,313,514	1,482,286	1,707,537	225,251	1,726,051	-
5. Health Policy People costs (cc4107)	649,643	661,516	821,845	160,329	690,400	-
6. IPAP Program - Fulfillment and Materials (cc2338)	1,420,725	1,932,609	1,696,372	(236,237)	1,751,901	-
Subtotal:	**5,049,688**	**6,265,942**	**6,351,109**	**85,167**	**7,498,762**	**-**
GRAND TOTAL:	***13,798,431***	***19,142,222***	***19,060,039***	***(82,183)***	***30,796,607***	***1,467,242***

Notes:

(1) Actual Product Donations based on Donor Cost; 2008LE/2009 Budget is estimated

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Exhibit 35

PURDUE PHARMA INC.

Minutes of a Meeting of the Board of Directors

March 5, 2009

A meeting of the Board of Directors of Purdue Pharma Inc., a New York corporation (the "Corporation"), as the general partner of Purdue Pharma L.P., a Delaware limited partnership ("PPLP") and the general partner of Purdue Transdermal Technologies L.P., a Delaware limited partnership ("PTT"), was held on March 5, 2009 (the "Meeting"). A quorum of the Board of Directors was present, and at the request of those Directors present, Stuart D. Baker acted as Secretary of the Meeting.

After discussion, and on motion duly made and seconded, it was unanimously decided as follows:

RESOLVED, that the Corporation be and it hereby is authorized, empowered and directed to adopt the following compensation actions on behalf of PPLP and PTT:

1. Awards granted related to the 2008 Annual Bonus Program which are subject to the performance objectives (both business and personal) approved by the Board of Directors of the Corporation on May 16, 2008, will be paid at a level of 102.9% of target for employees of PPLP and PTT at the Vice President level, and

2. The base salary increase programs for the year beginning April 1, 2009 are proposed for PPLP and PTT will be a merit budget of 3.1% for Vice President positions.

; and further

RESOLVED, that the proper officers of the Corporation be and each of them hereby is authorized and directed to make, execute and deliver, or cause to be made, executed and delivered, all such agreements, documents, instruments and other papers and to do or cause to be done on behalf of PPLP and PTT all such acts, as the officers of the Corporation so acting may deem necessary or appropriate to carry out the purposes and intent of the foregoing resolutions, in such form as the officer of the Corporation so acting may by his execution approve, the execution and delivery thereof to be conclusive evidence that the same has been authorized by the Board of Directors of the Corporation on behalf of PPLP and PTT.

There being no further business to come before the Meeting, the same was, upon motion, adjourned.

Stuart D. Baker
Secretary

NY2 - 518587.01

Exhibit 36

PURDUE PHARMA INC.

Minutes of a Meeting of the Board of Directors

March 5, 2009

A meeting of the Board of Directors of Purdue Pharma Inc., a New York corporation (the "Corporation"), as the general partner of Purdue Pharma L.P., a Delaware limited partnership ("PPLP"), the general partner of Purdue Pharmaceuticals L.P., a Delaware limited partnership ("PPNC"), and the general partner of Purdue Transdermal Technologies L.P., a Delaware limited partnership ("PTT"), was held on March 5, 2009 (the "Meeting"). A quorum of the Board of Directors was present, and at the request of those Directors present, Stuart D. Baker acted as Secretary of the Meeting.

After discussion, and on motion duly made and seconded, it was unanimously decided as follows:

RESOLVED, that the Corporation be and it hereby is authorized, empowered and directed to adopt the following compensation actions on behalf of PPLP, PPNC, and PTT:

1. Awards granted related to the 2008 Annual Bonus Program which are subject to the performance objectives (both business and personal) approved by the Board of Directors of the Corporation on behalf PPLP, PPNC and PTT on May 16, 2008, will be paid at a level of 102.9% of target for colleagues below the Vice President level employed by PPLP, PPNC and PTT.

2. The following base salary increase programs for the year beginning April 1, 2009 are proposed for PPLP, PPNC and PTT:

(a) Exempt and non-Exempt Positions (below VP levels): 3.5% merit/1.0% promotion, and

(b) Sales Positions: 1.5% to 3% merit budgets varying by position/1.0% promotion budget for new representative level.

; and further

RESOLVED, that the proper officers of the Corporation be and each of them hereby is authorized and directed to make, execute and deliver, or cause to be made, executed and delivered, all such agreements, documents, instruments and other papers and to do or cause to be done on behalf of PPLP, PPNC, and PTT all such acts, as the officers of the Corporation so acting may deem necessary or appropriate to carry out the purposes and intent of the foregoing resolutions, in such form as the officer of the Corporation so acting may by his execution approve, the execution and delivery thereof to be conclusive evidence that the same has been authorized by the Board of Directors of the Corporation on behalf of PPLP, PPNC, and PTT.

There being no further business to come before the Meeting, the same was, upon motion, adjourned.

Stuart D. Baker
Secretary

Exhibit 37

Purdue
Quarterly Report to the Board
April 16, 2009

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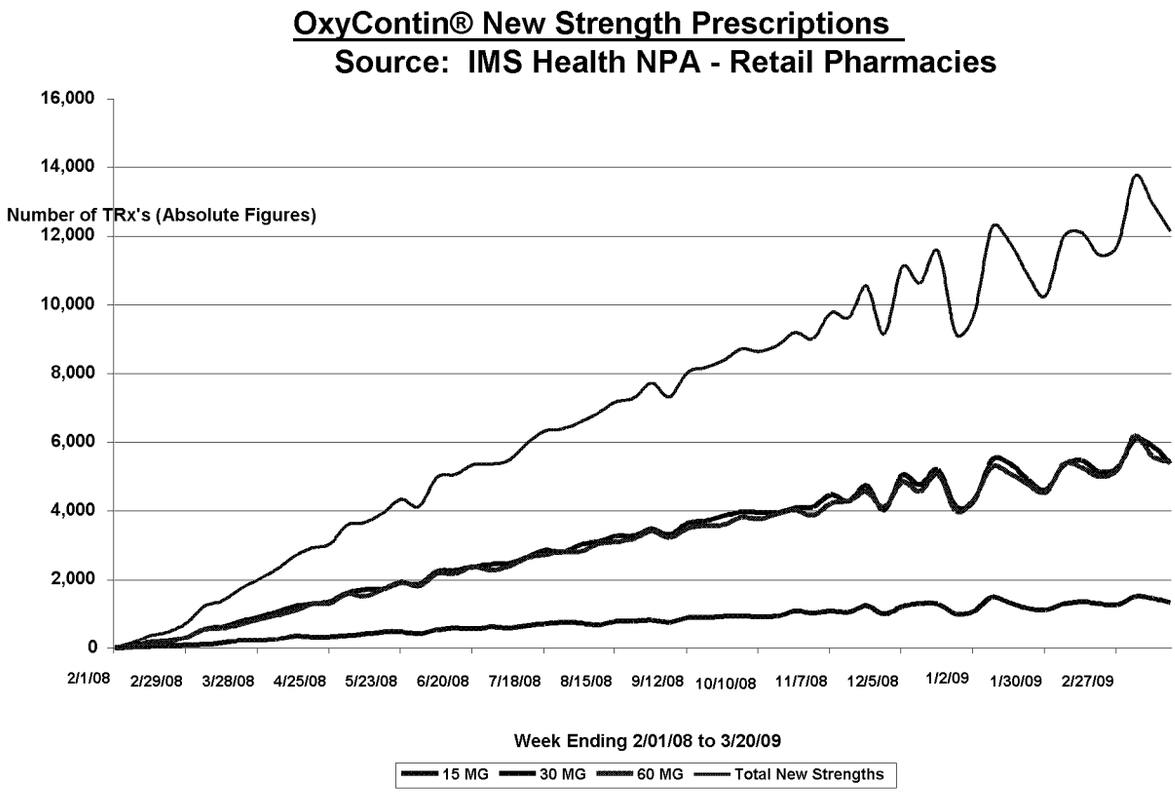
- 10mg strength tablets decreased 18%
- 20mg strength tablets decreased 18%
- 40mg strength tablets decreased by 16%
- 80mg strength tablets decreased by 10%

- For the first time since January 2008, OxyContin® 80mg strength tablets exceeded the 40mg strength tablets during December 2008.

OxyContin® New Strength Rx Count - Retail



- For the 4 week period ending March 20, 2009, retail pharmacy prescriptions for the three new strengths of OxyContin® experienced a 10.4% increase over the previous 4 weeks.

- For week ending March 20th, the 15mg, 30mg, and 60mg tablets accounted for 1.5%, 5.5%, and 5.5% of all OxyContin® prescriptions respectively.

Page(s) Omitted

Strategic Education

- Planned national re-launch of *Pain Partnership and Care Today (PACT)®* in collaboration with Market Strategies and Medical Education and in conjunction with 3/31/2009 release of the Centers for Medicare and Medicaid Services (CMS) F-tag 309, including a new pain management guidance.
- Coordinated the complete revision of over 40 resources and development of 5 new resources for use by Medical Liaisons and offered in *Medical Education Resource Catalog*.

Managed Health Initiatives

- Administrated and presented Managed Care Pain Management Non-certified Education Programs via webinars:
    1. Two topics, *Low Back Pain: Case-based Review of Treatment Strategies and Osteoarthritis Pain: Assessment & Management Strategies*
    2. 202 healthcare professionals, 24 managed care organization encounters at 36 sites
- Presented 24 education programs to more than 370 Managed Care Health Care Professionals

CORPORATE COMPLIANCE

CIA – 12/23/08 Notification to OIG of OxyContin Visual Aid Reportable Event

As previously reported to the Board, by letter dated December 23rd, we notified Keshia Thompson, our OIG monitor, of our efforts to investigate and remediate a possible Reportable Event that involved the improper use of an OxyContin visual aid.

By letter dated February 11th, we notified Ms. Thompson of the conclusion of our investigation and the implementation of remedial action plans. Nothing has been heard further from OIG up to the time of this writing.

Redacted for Privilege

Investigations underway

Together with Purdue counsel and others at Purdue, Corporate Compliance is involved in various investigations that will more fully be described to the Board during our next quarterly report on May 8th. In the meantime, they involve the following

- Investigation of sales representatives in possession of discontinued materials, a violation of Purdue Sales SOPs, with one representative terminated and other discipline to follow.
- Investigation of Sales representatives for call notes with references to impermissible use of OxyContin Savings Cards under federal healthcare programs. A notification of this investigation

was also sent to Purdue's OIG monitor for information only. Outside counsel has participated in this investigation, and it is not deemed to be a Reportable Event.

- Investigation of Spokane, WA district manager for failure to perform essentials of the job.

Hotline and Other Inquiries

Compliance investigated or otherwise handled a total of 122 hotline and other matters during the first quarter of 2009. As part of our review process these matters are analyzed by Purdue counsel, and are also subject of discussion and consideration by two committees. The matters summarized above were the significant matters.

LICENSING & BUSINESS DEVELOPMENT

Completed Projects – Intellectual Property Transactions

Redacted for Privilege

Late-stage Products In-Licensing – Due Diligence and Commercial Discussions

Redacted for Subject Matter

FINANCE

Financial Performance

See separate financial reports issued on April 10, 2009, for each:

- Purdue
- One Stamford Realty
- Rhodes Technologies

Redacted for Subject Matter

Page(s) Omitted

Full-Time Turnover Projection - YTD March, 2009

	Begin Count	End Count	Term	Retired	Resign	Total # T.O.	YTD T.O. % Rate	Ann Proj Term/ Resign	Ann Proj T.O.%
Field Sales	416	412	4	0	4	8	1.9%	32	7.7%
Marketing	35	38	0	0	0	0	0.0%	0	0.0%
Sales Support	17	18	0	0	0	0	0.0%	0	0.0%
Field Ops Support & Admin	26	25	0	0	1	1	3.8%	4	15.4%
Total S&P	**494**	**493**	**4**	**0**	**5**	**9**	**1.8%**	**36**	**7.3%**
% of X-FTE's			*44.4%*	*0.0%*	*55.6%*				
Admin Services	32	32	0	0	0	0	0.0%	0	0.0%
Business Development	6	6	0	0	0	0	0.0%	0	0.0%
Corp Compliance	6	6	0	0	0	0	0.0%	0	0.0%
EHS	4	4	0	0	0	0	0.0%	0	0.0%
Executive	13	13	1	0	0	1	7.7%	4	30.8%
External Affairs	12	13	0	0	0	0	0.0%	0	0.0%
Finance	58	58	0	0	1	1	1.7%	4	6.9%
General Counsel	47	46	1	0	0	1	2.1%	4	8.5%
Human Resources	20	19	1	0	0	1	5.0%	4	20.0%
IT	82	84	0	0	0	0	0.0%	0	0.0%
Procurement	11	11	0	0	0	0	0.0%	0	0.0%
QA	20	20	0	0	0	0	0.0%	0	0.0%
Security	14	14	0	1	0	1	7.1%	1	7.1%
Total G&A	**325**	**326**	**3**	**1**	**1**	**5**	**1.5%**	**17**	**5.2%**
% of X-FTE's			*60.0%*	*20.0%*	*20.0%*				
Discovery	45	45	0	0	0	0	0.0%	0	0.0%
Drug Safety & Pharmacovigilance	33	33	0	0	1	1	3.0%	4	12.1%
Health Policy	34	34	0	0	0	0	0.0%	0	0.0%
Medical Research	50	50	0	0	1	1	2.0%	4	8.0%
Nonclinical R&D	39	39	0	0	0	0	0.0%	0	0.0%
Project Management	19	21	0	0	0	0	0.0%	0	0.0%
Regulatory Affairs	16	16	0	0	0	0	0.0%	0	0.0%
Total IRD/US	**236**	**238**	**0**	**0**	**2**	**2**	**0.8%**	**8**	**3.4%**
% of X-FTE's			*0.0%*	*0.0%*	*100.0%*				
PF Labs Union	45	44	0	0	1	1	2.2%	4	8.9%
PF Labs Salaried	43	42	1	0	1	2	4.7%	8	18.6%
PPMD	57	57	0	0	0	0	0.0%	0	0.0%
Rhodes	122	124	2	0	0	2	1.6%	8	6.6%
Wilson, NC	163	167	1	0	0	1	0.6%	4	2.5%
Total MFG/Ops	**430**	**434**	**4**	**0**	**2**	**6**	**1.4%**	**24**	**5.6%**
% of X-FTE's			*66.7%*	*0.0%*	*33.3%*				
Total Miami	**3**	**3**	**0**	**0**	**0**	**0**	**0.0%**	**0**	**0.0%**
% of X-FTE's			*0.0%*	*0.0%*	*0.0%*				
Grand Total	**1,488**	**1,494**	**11**	**1**	**10**	**22**	**1.5%**	**85**	**5.7%**
% of X-FTE's			*50.0%*	*4.5%*	*45.5%*				

Exhibit 38

To: Dolan, James[/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=1E41A12F]
Cc: Stewart, John H. (US)[/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=JOHNS]; Mahony, Edward[/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=MAHONYE]; Innaurato, Mike[/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=X.INNAURAM]
From: Gasdia, Russell
Sent: Tue 4/21/2009 6:39:50 AM
Subject: BOARD MEETING FTE/PDE

Jim

Foe Board Call today, I will discuss FTEs. A lot depends on the final PDE requirement and assumptions around how many calls per year a rep averages (McKinsey used 1250, we used 1300 and Transcept mentioned 1400. We currently average 1350.) and the number of calls per year of the various decile ratings. Another assumption is what level of Deciles we reach. Finally, some will depend on how many PDEs we can provide to Intermezzo from the 400 reps we will have as of July 1, 2009. There are some excess PDEs as on January 1, but we had planned to give those to OxyContin.

This is a complicated issue with our commitments to Ryzolt only going through end of 1st quarter 2010, then we re-evaluate and establish next 12 months as per contract. Also, in 2010 a lot will depend on what level of promotion we require on ONF, as we are still understaffed for single entity opioids market potential. Finally, the BuTrans timeline comes into play and the number of PDEs/FTEs we will require.
So, I am comfortable telling the board we will need between 175 – 250 FTEs. The 175-250 would be incremental headcount increases. These would be for sales representatives. There is an outside chance we would need up to 350 FTEs. We would obviously require management for these additional reps. Cost assumption will be on P & Ls for PDEs. Current budget for expansion assumes ~22mm per 100 reps (fully burdened). So, approximate investment for incremental reps would be $38.5mm to $55mm.

Finally, we need these additional reps regardless of Intermezzo. With the number of single entity opioids prescribers we are not getting to, the need for more FTEs for BuTrans and the contractual obligations for Ryzolt, if Intermezzo does not perform or we reduce PDEs in year 2 and 3, we will be able to use the call capacity and shift primary presentations to other promoted products.

Russ

From: Innaurato, Mike
Sent: Monday, April 20, 2009 9:58 PM
To: Gasdia, Russell
Cc: Innaurato, Mike
Subject: FW: Document Used Today

Russ

I left you a voicemail on this. Please look at slides 21-24, slide 25 is flawed and will be fixed.

- Bottom line is that if we had to make 450k calls in the 1st year, all in primary position only, it would require 350 FTEs. This would be the most we would need if there were no secondaries from other products to allocate to Intermezzo but that is not likely. Then in year 2 this would drop to 320k primaries or 275 FTEs.
- The current Ryzolt 3rd party analysis calls for 255k FTEs (330k PDEs) in 2010 but is subject to change with the next 3rd party analysis for the rest of 2010. That leaves us 145 FTEs for other products to receive primaries.
    - If we allocate all of these 145k FTEs to Intermezzo it means there are no primaries at all for OxyContin but for the purpose of this analysis I will assume that since it helps establish the lowest numbers of reps we would need to hire.
    - In 2010 we would need an additional 205 FTEs for Intermezzo if all were primaries only, then in 2011 it would drop to 130 FTEs and we could allocate calls from the other 75 FTEs to other products like BuTrans or Targin.
    - All of this assumes that all calls for Intermezzo have to be primaries which is not likely and would reduce the FTEs needed to a lower number. However, we will need secondaries for OxyContin on many if not all Ryzolt secondaries or the forecast should be reduced.

Regards,

Mike
(203) 858-9687 cell

Exhibit 39

To: Pickett, Larry[/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=PICKETTL]; Egan, Larry[/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=EGANL]
Cc: DeGregory, Lauren[/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=DEGREGOL]; Innaurato, Mike[/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=X.INNAURAM]
From: Gasdia, Russell
Sent: Thur 4/30/2009 10:15:40 AM
Subject: RE: Competitive Daily News - April 29, 2009

Larry/Larry

Mike Innaurato has board approval for headcount to hire a Director of ePromotion. This position is one we had prior to the downsizings. This person would have responsibility for our brand websites, Partners Against Pain website and the development of other e-based communication and promotion to healthcare professionals.

I would suggest that you meet with Mike to get a greater sense of how he views this position.

Russ

From: Pickett, Larry
Sent: Thursday, April 30, 2009 9:18 AM
To: Gasdia, Russell; Egan, Larry
Cc: DeGregory, Lauren
Subject: FW: Competitive Daily News - April 29, 2009

Russ,

As you know, we are having IT Strategy meetings will all company VPs. We met with Ed recently and he alluded to the point below regarding future selling strategies. I would be interested in your views on this when we meet as the IT strategy has to follow the business strategy.

Regards,
Larry

From: Mahony, Edward
Sent: Wednesday, April 29, 2009 3:05 PM
To: lap
Subject: FW: Competitive Daily News - April 29, 2009

Two articles below point to major possible changes in the way we

sell.

These two have been "in the news" for years and we were wise not to follow the crowd … but still they are long term trends.

So while I am not in a position to know when is the right time to change I believe that it would be great if we brought "Phoenix like" competitive advantage to this area. For example, on docs that we don't call on is there a way to pilot some new ideas?

Ed

From: Marcenyac, Dr. Geraldine
Sent: Wednesday, April 29, 2009 1:52 PM
To: Albright, Andrew; Bailey, Charlene; Baker, Stuart D.; Barmore, Robert; Blanco, Enrique; Bock, Gary; Cadet, Ronald; Cook, Dr. Mary; Crudele, Nancy; Cullen, Michael; DeLigio, Jenna; Dolan, James; Dover, Dr. Kristi; Downs, Allen; Fanelli, Richard; Fisher, Windell; Fletcher, Mark; Fogel, David; Friedman, Ira; Gadski, Kimberly; Gasdia, Russell; Geraci, Mark; Getlein, Karen; Green, Jerry; Greenfield, Juliet; Haddox, Dr. J. David; Harris, Stephen; Heins, James; Ineck, Dr Joseph; Innaurato, Mike; Jinwala, Dipti; Kaiko, Dr Robert; Keohane, Denis; Koller, Alan; Kovary, Stephen; Kowalski, Dr Maribeth; Kraft, Ann; Kupper, Robert; Kwarcinski, Dr. Monica; Kyle, Don; Ladd, Lori; Landau, Dr. Craig; Laurel, Karen; Lewandowski, Gary; Long, David; Lundie, David; Mahony, Edward; Mallin, William; Maniglia, Charles; Mason, Cindy; Merlo, Dennis; Miller, Lisa Dr.; Mixcus, Mary; Morrison, Don; Must, Alan; Noack, Lynn; Ostrowski, Christine; Petrou, Michalis; Pettit, John; Pickett, Larry; Pollock, David; Potter, Sally; Reilly, Leif-Ann; Richards, Tim; Richiger, David; Ripa, Steven; Risco, Jerry; Roller, Kimberly; Ronning, Michael; Rooney, Suzie; Rosen, Burt; Rosen, David; Rule, Dr Ann; Sackler, Dr Richard; Santopolo, Anthony; Schady, Kathleen; Seid, Stephen; Shamblen, Randy; Shepard, Alicia; Shum, Sam; Steiner, Deborah; Stewart, John H. (US); Strassburger, Philip; Sylvestre Jr, George; Telemaque, Rose; Thakkar, Anish; Udell, Howard (Consultant); Wachter, Stephen; Walsh, Kathy; Weinstein, Bert; Wen, Warren; Winston, Robert; Yao, Sue X.
Subject: Competitive Daily News - April 29, 2009

PAIN

- OPIOID ANALGESICS

Archimedes submits NasalFent MAA, 04/28/2009, Pharma Marketletter: "UK drug developer Archimedes Pharma has submitted a centralized Marketing Authorization Application to the European Medicines Evaluation Agency (EMEA) for approval of its lead product candidate, NasalFent, a fentanyl nasal spray for the rapid relief of breakthrough cancer pain." FACTIVA

- OTHER PAIN NEWS

FDA Requires New Warnings On OTC Pain Relievers, Jennifer Corbett Dooren, 28 April 2009, Dow Jones News Service: "The new rules apply to acetaminophen, sold as the brand

name Tylenol and widely available as a generic drug under various store brand names, and a class of drugs known as the nonsteroidal anti-inflammatory drugs, or NSAIDs. NSAIDs include aspirin, ibuprofen, naproxen and ketoprofen and are sold under brand names that include Advil and Motrin." FACTIVA

MARKETING

Poll: Most Physicians Prefer ePromotion to Face-to-Face, ePromotion has taken the lead in as the way doctors prefer to get promotions from pharmaceutical companies, according to a new poll. Sixty-sever percent of physicians had a positive overall attitude toward ePromotion and 73 percent said they considered electronic promotion by pharmaceutical companies to be equal or superior to face-to-face promotion. That's up about 5 percent from last year. Pharmalive. 4/28/09.

Institute calls on doctors to stop taking industry gifts, The Institute of Medicine has released a report containing recommendations aimed at ending practices common among device firms and drugmakers that create conflicts of interest in patient care and research, including offering free meals, trips and other gifts. These practices "threaten the integrity of the medical profession and erode public trust while providing no meaningful benefits to patients or society," said Dr. Bernard Lo, who led the committee that prepared the report. Reuters (4/28) , The Wall Street Journal (4/28). The pink sheet.

Harris Survey: Pharma's Reputation Improving, The pharmaceutical industry is the only industry to register a significant positive change in the public's opinion of it, up from 2007, according to a survey. Johnson & Johnson's rep was categorized as excellent in the poll and reclaimed the top spot from Google. No other pharmaceutical company made the top five, but Procter & Gamble came in at 12. Pharmalive. 4/28/09

Connecticut Considers Bill to Limit Drug Maker Freebies, Connecticut doctors, medical students and patient advocates are endorsing a legislative proposal to ban drug companies from giving gifts to Connecticut physicians. It would block drug makers from funding doctors' trips, outings, meals, conventions and other expenditures that some see as improper gifts. The bill awaits Senate action. Pharmalive. 4/28/09

Drug Makers Adapt Strategy Amid Declining Sales --- IMS Forecasts U.S. Pharmaceutical Sales Will Contract for the First Time Since It Began Tracking 52 Years Ago, Peter Loftus, 29 April 2009, The Wall Street Journal: "People have curtailed visits to doctors' offices, and **fewer are starting new therapies for chronic conditions** such as diabetes, hypertension, insomnia and depression, according to Murray Aitken, senior vice president of health-care insight at IMS. Increased use of less-expensive, generic drugs also has softened overall sales growth." FACTIVA

OTHER INDUSTRY/HEALTHCARE NEWS

Sanofi trims pipeline, abandons work on 14 drug candidates, Sanofi-Aventis has stopped development of 14 drug candidates as part of a strategy to reorganize its research-and-development operations. The company returned to Oxford BioMedica its rights to cancer drug TroVax and discontinued Phase III trials of saredutant for depression as well as AVE5530 for hypercholesterolemia, among other changes. Reuters (4/29)

<< File: April 29, 2009.doc >>

Exhibit 40

Corporate Compliance Quarterly Report to Board of Directors 1Q09

May 8, 2009

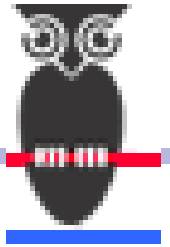
Bert Weinstein

Vice President, Corporate Compliance

PURDUE

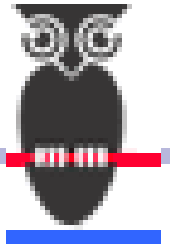
Page(s) Omitted

Significant Sales Investigation



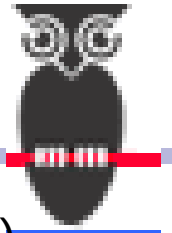
- Bottom Line
  - Investigation revealed that a few District Managers have fallen short in performing some of their duties
    - Review of call notes
    - Time spent in field doing ride-alongs with representatives
    - Routine administrative activities
    - Accurate and complete documentation of activities (calendars, FCRs, etc.)
  - One CIA-related obligation (completion of sales call observations) is significantly deficient in each of the impacted districts
  - Review of call notes and other monitoring has uncovered no instances of improper behavior with regard to:
    - Improper Promotion
    - Discussion of abuse, diversion, tolerance, withdrawal

The Story: Spokane District



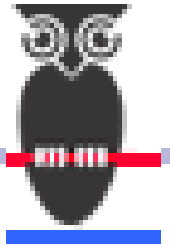
- As part of annual review, North Central Regional Director (RD) identifies inconsistencies in District Manager's (DM) data that suggests he is not fulfilling all obligations → prompts investigation by RD (Mid-February)
- DM contacts IT Department and requests updating of information in territory management system. Per procedure, the contact Compliance before making any changes (Early March)
  - A review of the data (and lack thereof) indicates there may be compliance concerns → Corporate Compliance Department investigation begins
- March 26: RD has follow up meeting with DM; unsatisfactory responses to inquiries prompt a decision to put DM on paid leave (March 27)
- April 8-9: Sales and Compliance conduct in-person interviews with all district members
- April 10: DM is terminated; RD is temporarily providing oversight to district
- May 1 – July 30: Any rep in the Spokane District who does not have at least five full days of ride-alongs will be accompanied by a substitute DM who will complete the required FCR to ensure compliance with CIA requirement

Analysis of FCR Data for All Districts



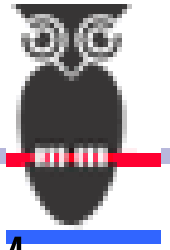
- Spokane activity prompted nationwide review of Field Contact Report (FCR) data to ensure DMs were in compliance with CIA requirement for five full days of observation of sales rep interactions with HCPs
  - During CIA negotiation, Compliance learned that DMs were conducting 12+ days worth of ride-alongs per rep; five day requirement in CIA seemed achievable
  - Until recently, Compliance was not monitoring against the “five full days” requirement, believing that DMs were conducting at least 2-3 times as many ride-alongs as required
- Documentation Requirement
  - For a ride-along session to count toward the CIA requirement, it needs to be documented in an FCR
  - DMs are required to document only ride-along sessions lasting 2 days (or, in rare cases, 3 days). Documentation of a 1 day ride-along (also thought to be rare) was not required as it is time consuming to record this documentation.
- Deficiencies
  - Review of nationwide data revealed major deficiencies in at least two other districts (South Carolina, Kansas City).
  - Where less significant deficiencies were identified, worked with Sales Management to ensure compliance by the end of RP2 (July 30, 2009)

South Carolina District



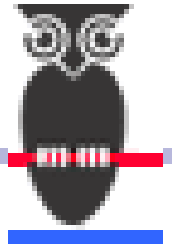
- Southern Region's RD begins investigation based on observation of DM activities and actions as well as quantitative analysis that suggests that DM is not performing duties as required (Mid-April)
- Concurrent review initiated by Corporate Compliance indicates there may be compliance concerns, including failure to meet FCR requirements in CIA
- April 27: Sales Management and Compliance conduct interview with DM; unsatisfactory responses to inquiries prompt a decision to put DM on paid leave (April 27)
- April 29: Sales and Compliance conduct in-person interviews with all district members
- May 1: DM is terminated; RD is temporarily providing oversight to district
- May 1 – July 30: Any rep in the South Carolina District who does not have at least five full days of ride-alongs will be accompanied by a substitute DM who will complete the required FCR to ensure compliance with CIA requirement.

Kansas City District



- South Central's RD begins investigation based on observation of DM activities and actions as well as quantitative analysis that suggests that DM is not performing duties as required (Mid-April)
- Concurrent review initiated by Corporate Compliance indicates there may be compliance concerns, including failure to meet FCR requirements in CIA
- Third investigation underway

Investigative and Corrective Steps



- CIA Year 2
  - Compliance with ride-along requirement for Year 2 is our top priority now
  - Sought and obtained permission from OIG to use stand-in DMs to conduct Field Contacts (former DMs, sales trainers, RDs, etc.)
- CIA Year 1
  - In the process of evaluating Year 1 data to determine if deficiencies exist
    - If identified, disclose to OIG and implement remediation as required
- CIA Year 3
  - Development of tools to facilitate assessment and monitoring going forward
    - changes to FCR in Phoenix
    - Development of custom reports for Compliance and Sales Management, etc.
  - Sales Management and Compliance to conduct in-depth training sessions
    - Establish clear expectations
    - Retrain on operational responsibilities
    - Introduce new monitoring tools for use by field and Compliance

Page(s) Omitted

Exhibit 41

Page(s) Omitted

To: Stewart, John H. (US); Mallin, William
Cc: Innaurato, Mike; Weingarten, Brianne; Fisher, Windell
Subject: Re: Please add to the US Board meeting

John

I am on vacation through Wed. I will ask by way of this email to have forecasting project year end sales. I have copied Brianne who can assist with contract language and our options. On the surface, I am not sure we can do anything until one year in unless Par wins. I also believe that with 10 weeks of data too early to pull the plug. We are establishing a new brand name with zero support material.

As far as Richard's other topic, does he expect a plan for OxyContin?

Russ

From: Stewart, John H. (US)
To: Gasdia, Russell; Mallin, William
Sent: Mon Jul 20 10:32:04 2009
Subject: Fw: Please add to the US Board meeting

Russ

We will find a way to address these issues positively during the Board Meeting - but let's be very familiar with the obligation of the contract with Labo - and under what conditions those obligations can be reduced.

Also, please do have the current script performance fed into a f/c program and see where that places the product (total sales) at year-end.

Thanks - John
Sent via BlackBerry

From: Sackler, Dr Richard
To: Stewart, John H. (US); sdb; Boer, Peter; Lewent, Judy; Sackler Lefcourt, Ilene; Sackler, David A.; Sackler, Dr Kathe; Sackler, Dr Mortimer; Sackler, Dr Raymond R; Sackler, Dr Richard; Sackler, Jonathan; Sackler, Mortimer JR; Sackler, Theresa
Sent: Mon Jul 20 09:28:58 2009
Subject: Please add to the US Board meeting

Program to boost OxyContin® tablets and oxycodone ExtRel Rx's rather than watch them languish.

Report on Ryzolt and our Labopharm relationship given the apparent failure of the product to take hold of the imagination of doctors and patients and the consequent apparent large difference between planned sales and actual sales.

Board, are there other items of urgency and importance?

Richard Sackler, M.D.

Director, Purdue Pharma L.P.

203 550 4550

Exhibit 42

Purdue
Quarterly Report to the Board
July 30, 2009

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including litigation, intellectual property, the Material Review Process, media issues, FDA submissions, internal training materials and public statements.

REMS-related activities:

- Industry Working Group (IWG)
  1. Chair, Prescriber Sub-Team
  2. Attended all face-to-face IWG meetings
  3. Co-wrote, edited IWG submission to FDA Public Meeting docket
  4. Co-wrote, edited Pain Care Forum (PCF) REMS position/letter to FDA
  5. Co-wrote, edited PCF letter to Congress re: REMS
  6. Edited Draft Media Standby Statement
  7. Attended FDA Public Meeting in May 27-28, 2009 in Gaithersburg, MD
- Purdue REMS Letter Response Team
- Cross-Company Abuse Liability Consortium,
  1. Face-to-Face meeting on May 5, 2009 at the Pfizer, Inc. Headquarters in NYC
  2. Co-chair of the Risk Management Subcommittee
  3. Planning another interactive meeting with FDA regarding abuse liability

CORPORATE COMPLIANCE

Field Contract Report Investigation (FCR)

- As discussed at the May Board meeting, Corporate Compliance has been engaged since March in a nation-wide review of sales representative FCR. These reports, which are completed when a District Manager works with a Representative, are a requirement under Purdue's CIA. Deficiencies were identified in the completion of FCRs in Reporting Period 2 (RP2) of the CIA (July 31, 2008 – July 30, 2009). These deficiencies have resulted, in part, in the termination of three District Managers. Along with sales management, we have implemented a corrective action plan to ensure compliance with the CIA requirements; disciplinary action is currently under consideration. The deficiency in RP2 prompted Corporate Compliance to evaluate compliance with the CIA requirement in Reporting Period 1 (RP1), where deficiencies were also identified. We have determined that 23 representatives fell short of the required number of FCRs by a total of 41 days. These shortfalls prompted a June 18th written disclosure to the OIG and amendment of the previously submitted (9/25/08) RP1 certification. Reply from the OIG is pending. Corporate Compliance, sales management and the IT Department have implemented numerous preventative actions to ensure compliance in Reporting Period 3.

- On June 1st, we timely filed our report to the Nevada Board of Pharmacy describing certain required elements of our compliance program. Effective this year, Nevada required all pharmaceutical companies to submit a Certification of Completion of an Annual Compliance Audit, and we have so certified.

Page(s) Omitted

Full-Time Turnover Projection

June YTD 2009

	Begin Count	End	Aver # EE's	Term	% Term EE's	Restruc-ture	% Restruc EE's	Retired	% Retired EE's	Resign	% Resign	Total T/O	YTD T/O %	Ann ProjTerm/Resign	Ann Proj T/O%
S&P															
Field Sales	433	429	431	7	1.6%	0	0.0%	0	0.0%	6	1.4%	13	3.0%	26	6.0%
Marketing	35	39	37	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Sales Support	17	17	17	0	0.0%	0	0.0%	0	0.0%	1	5.9%	1	5.9%	2	11.8%
Field Ops, Sup & Adm	9	8	9	0	0.0%	0	0.0%	0	0.0%	1	11.1%	1	11.1%	2	22.2%
Total S&P	**494**	**493**	**494**	7	1.4%	0	0.0%	**0**	**0.0%**	8	1.6%	**15**	**3.0%**	**30**	**6.1%**
% of X-FTE's				*46.7%*				*0.0%*		*53.3%*					
G&A															
Adm Services	32	31	32	0	0.0%	0	0.0%	0	0.0%	1	3.1%	1	3.1%	2	6.3%
Business Devl	6	6	6	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Corp Compliance	6	6	6	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
EHS	4	5	5	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Executive	13	13	13	1	7.7%	0	0.0%	0	0.0%	0	0.0%	1	7.7%	2	15.4%
External Affairs	12	14	13	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Finance	58	58	58	0	0.0%	0	0.0%	0	0.0%	1	1.7%	1	1.7%	2	3.4%
General Counsel	47	47	47	1	2.1%	0	0.0%	1	2.1%	1	2.1%	3	6.4%	5	10.6%
Human Resources	20	21	21	1	5.0%	0	0.0%	0	0.0%	0	0.0%	1	5.0%	2	10.0%
IT	82	83	83	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Procurement	11	11	11	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
QA	20	20	20	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Security	14	14	14	0	0.0%	0	0.0%	1	7.1%	0	0.0%	1	7.1%	1	7.1%
Total G&A	**325**	**329**	**327**	3	0.9%	0	0.0%	**2**	**0.6%**	3	0.9%	**8**	**2.5%**	**14**	**4.3%**
% of X-FTE's				*37.5%*				*25.0%*		*37.5%*					
IRD/US															
Discovery	45	47	46	0	0.0%	0	0.0%	0	0.0%	1	2.2%	1	2.2%	2	4.4%
Drug Safety & Pharma	33	33	33	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Health Policy	34	41	38	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Medical Research	50	53	52	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
NonClinical R&D	39	32	36	0	0.0%	0	0.0%	0	0.0%	1	2.6%	1	2.6%	2	5.1%
Project Management	19	19	19	1	5.3%	0	0.0%	0	0.0%	0	0.0%	1	5.3%	2	10.5%
Regulatory Affairs	16	16	16	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total IRD/US	**236**	**241**	**239**	1	0.4%	0	0.0%	**0**	**0.0%**	2	0.8%	**3**	**1.3%**	**6**	**2.5%**
% of X-FTE's				*33.3%*				*0.0%*		*66.7%*					
Mfg/Operations															
PF Labs Union	45	18	32	0	0.0%	46	102.2%	0	0.0%	2	4.4%	48	106.7%	50	111.1%
PF Labs. Salaried	43	68	56	1	2.3%	10	23.3%	0	0.0%	1	2.3%	12	27.9%	14	32.6%
PPMD	57	59	58	0	0.0%	1	1.8%	0	0.0%	0	0.0%	1	1.8%	1	1.8%
RHODES Tech	122	123	123	3	2.5%	0	0.0%	0	0.0%	3	2.5%	6	4.9%	12	9.8%
RHODES Pharma	4	5	5	1	25.0%	0	0.0%	0	0.0%	1	25.0%	2	50.0%	4	100.0%
WILSON NC	163	169	166	3	1.8%	2	1.2%	0	0.0%	0	0.0%	5	3.1%	8	4.9%
Total MFG/OPERATIO	**434**	**442**	**438**	8	1.8%	59	13.6%	**0**	**0.0%**	7	1.6%	**74**	**17.1%**	**89**	**20.5%**
% of X-FTE's				*10.8%*				*0.0%*		*9.5%*					
Total Miami	**3**	**3**	**3**	0	0.0%	0	0.0%	**0**	**0.0%**	0	0.0%	**0**	**0.0%**	**0**	**0.0%**
% of X-FTE's				*0.0%*				*0.0%*		*0.0%*					
Grand Total	**1,492**	**1,508**	**1,500**	19	1.3%	59	4.0%	**2**	**0.1%**	20	1.3%	**100**	**6.7%**	**139**	**9.3%**
% of X-FTE's				*19.0%*		*59.0%*		*2.0%*		*20.0%*					

6.7% Year to Date Turnover reflects the Totowa Restructure

Exhibit 43

To: Innaurato, Mike[/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=X.INNAURAM]
From: Gasdia, Russell
Sent: Mon 9/28/2009 8:44:11 PM
Subject: Fw: Purdue 10 Year Plan

Mike

Fyi.

You need to see this and be prepared to provide responses to me.

You should also note that EU and Canadian experience is that despite OxyContin receiving less promotion, it has grown. This is reality in the experience of John and the board.

Russ

From: Sackler, Mortimer JR
To: Mahony, Edward; Sackler, Dr Mortimer; Sackler, Theresa; Sackler, Dr Raymond R; Sackler, Beverly; Sackler, Dr Richard; Sackler, Dr Kathe; Sackler, Jonathan; Sackler Lefcourt, Ilene; Boer, Peter; Lewent, Judy; Strassburger, Philip; Baker, Stuart D.; Stewart, John H. (US)
Cc: Gasdia, Russell; Landau, Dr. Craig; Shum, Sam
Sent: Mon Sep 28 19:29:01 2009
Subject: Re: Purdue 10 Year Plan

A few comments/questions:

1. Why are Targin peak sales so far below Oxycontin peak sales? So far in Europe the growth and sales projections seem to point to Targin becoming a larger product than Oxycontin, not smaller. If this is due to the very short patent life we will have for it once we finally get it to the market, what are we doing to try and improve on that? Why is it that Oxycontin was able to get such a longer patent life protection than what we can achieve with Targin? Can't we get the Targin U.S. patent extended due to the delay in getting the product approved in the U.S.?
2. I really don't understand why you would forecast for Oxycontin to start declining in 2012 by almost 10% per year without generic competition. Why would other branded competition take away so much business from Oxycontin? I could see it slowing its growth rate, but turning it into a declining product in a market that is growing by over 9% per year (plus 3% price increases every 11 months)? With all the extra promotion out there from the competition, isn't the market likely to grow overall? In the past when we have seen competitive launches we have seen the market increase faster and our products benefit not decline. Even the launch of Targin in Europe has led to Oxycontin growing faster (even though it isn't getting promoted) not declining. Why the difference here?
3. I notice a number of our products have patent cliffs in 2018, Oxycontin, Butrans (2nd Generation), Targin. This is a very dangerous position to put ourselves in as all our key products will lose protection essentially within the same 1-2 year period. What, if anything, can we do to improve this? Do these dates assume the extension from doing pediatric trials?
4. I find it very strange that in the period 2009-2017 you have Net Sales growing 2.4X but operating profit only increasing 1.7X. Essentially you are adding over $3 billion to the top line net sales but the bottom line is only increasing by $974 million hence you are adding in over $2

billion of annual expenses into the P&L over that 8 year period. That is staggering! Do you really believe we will get so much less efficient as we get larger and launch more products? Especially given that most the large sales products lose their patents in 2018, I for one would definitely not approve budgets that called for so much additional spending and growth in internal resources when facing the potential decline that will happen in 2018 and beyond. John Stewart, are you really on board with these expense projections? I think we need to add some sanity to the expense projections and not just project out ever increasing S&P, R&D, and G&A especially in light of increasing COGs (again I would question why that increases so dramatically) and 3rd party royalty expense (can you please send a breakdown of who that gets paid to/which product it is on?).

Regards,

Mortimer

On 9/22/09 7:41 AM, "Edward Mahony" <Edward.Mahony@pharma.com> wrote:

Colleagues,

On August 5th Bill Mallin circulated Purdue's 10 year plan in email and hard copy. We received a number of questions (see John's email below) on that plan. In this attachment we are answering those questions.

The files sent last night were too large and were not retrievable by several folks. So I am resending the message with a smaller attachment.

A hard copy of this will be sent as well.

Ed

From: Mahony, Edward
Sent: Monday, September 21, 2009 6:43 PM
To: Sackler, Dr Mortimer; Sackler, Theresa; Sackler, Dr Raymond R; Sackler, Beverly; Sackler, Dr Richard; Sackler, Dr Kathe; Sackler, Jonathan; Sackler Lefcourt, Ilene; Sackler, Mortimer JR; Boer, Peter; Lewent, Judy
Cc: Baker, Stuart D.; Stewart, John H. (US); Gasdia, Russell; Landau, Dr. Craig; Mahony, Edward; Mallin, William; Benning, Paulette; Camp-Font, Nancy; Chevron, Lee; Doran, Kathy; Kastor, Beatrix; Laing, Alicia; Mixcus, Mary; Naclerio, Linda; Rogers, Lois J.; Taylor, Pamela; Trayer, Karen; Williams, Brenda
Subject: FW: Purdue 10 Year Plan

Colleagues,

At John Stewart's request and working with my peers attached is additional information requested with respect to our 10 Year Plan. For your convenience that original distribution is also attached below.

All the best,

Ed

Additional information:

<<Follow Up to 10-Year Plan Supplements 20090918 clean.docx>>

The following email from John Stewart lists the questions that the attachment is attempting to answer. Ed

From: Stewart, John H. (US)
Sent: Wednesday, August 12, 2009 12:53 PM
To: Boer, Peter; Judy Lewent; Sackler, Beverly; Sackler, Dr Kathe; Sackler, Dr Mortimer; Sackler, Dr Raymond R; Sackler, Dr Richard; Sackler, Jonathan; Sackler, Mortimer JR; Sackler, Theresa
Cc: Baker, Stuart D.; Mahony, Edward; Gasdia, Russell; Landau, Dr. Craig; Mallin, William
Subject: 10 Year Plan - Follow-UP and Additional Information Requests

Subsequent to circulation of the 10 Year Plan, Ed spoke with Judy – who made some suggestions for additional data/information that would bolster confidence in the value of the plan, as well as to simply provide additional detail as to how the numbers in the plan were generated/supported. Ed's notes from his conversation with Judy appear in the email below.

Judy, of course, makes some good suggestions – and for most of the items the additional detail already exists in the backup/support materials on which the plan is based (but due to size considerations are not a part of the plan itself). As was done for the 2009 Budget Presentation, I'd like to receive any additional information requests or questions from each of you – so that a comprehensive response can be prepared and distributed to all.

Accordingly, if you have any such requests or questions - please send them as soon as convenient.

Much Appreciated - John

From: Mahony, Edward
Sent: Tuesday, August 11, 2009 7:29 AM
To: Stewart, John H. (US)
Subject: 10 year plan

John,

The following are Judy's suggestions on the 10 year plan:

1. Additional data requested:

a. Pain market development from 2007 to the end of the 10 year period including macro factors like population growth, aging of the population, licensed oxycodone ER products leaving the market, OTR launch and competition.

b. OTR assumptions and risks – for example, patent risk, risk that a generic could work around our patents etc. Also a list of the key assumptions like pricing and how licensed generics leave the market.

c. Targin – Include multiple sales and P&L scenarios and describe key stage gates.

d. Butrans – Include multiple sales

scenarios and separate current patch /strengths, new strengths and new patch into separate sales forecasts and P&L's as each has its own probability of success (POS).

e. Add Intermezzo, now that it is signed.

f. Do a few charts on pricing assumptions and risks.

2. On risk adjustment:

a. Judy agrees with our use of industry average success rates rather than project specific internal risk factors.

b. In the spirit of "keeping it simple" Judy agreed that in a risk adjusted 10 year plan:

i. Pre-launch spending should be included at 100% and

ii. Post –launch P&L should be

included at industry average probability of success based on stage of development.

iii. Only do scenarios for Butrans, Intermezzo and Targin.

c. Prepare the following risk adjusted P&L, Balance Sheet and Cash Flows:

i. HIGH HIGH = High case for Butrans, Intermezzo and Targin and base case for all others.

ii. LOW LOW = Low case for Butrans, Intermezzo and Targin and base case for all others.

iii. EXPECTED VALUE = Expected value for Butrans, Intermezzo and Targin and base case for all others.

Exhibit 44

To: Sackler, Dr Richard[/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=DR RICHARD SACKLER]
Cc: Weinstein, Bert[/O=PURDUE/OU=PURDUE US/CN=RECIPIENTS/CN=WEINSTEB]
From: Stewart, John H. (US)
Sent: Mon 10/19/2009 5:17:58 PM
Subject: RE: Impact of Pharma Funding Disclosure on Physician's Willingness to Continue Same

Richard

Understandable that my message wasn't easily interpretable, since you were not at the board meeting when we spoke about the developing legislation that will likely require disclosure of all payment by pharma companies to physicians. In the discussion that followed, it was suggested that the disclosure rules (and the associated fear that physician will have about being named on a "list") will likely make them much less willing to consult or work with pharma companies.

Will see you tomorrow.

JS

From: Sackler, Dr Richard
Sent: Monday, October 19, 2009 5:35 PM
To: Stewart, John H. (US)
Subject: RE: Impact of Pharma Funding Disclosure on Physician's Willingness to Continue Same

I read through this and don't quite follow what you were trying to exemplify. I'll see you early tomorrow morning if you are coming to the meeting. Do you want to meet at 8:30am?

Richard S. Sackler, M.D.
* +1 203 588 7777 O
* +1 203 550 4550 iPhone
* +1 203 570 0505 Cell
* +1 203 869 2565 Home
* r@pharma.com

From: Stewart, John H. (US)
Sent: Monday, October 19, 2009 5:02 PM
To: Boer, Peter; Judy Lewent; Sackler, Beverly; Sackler, Dr Kathe; Sackler, Dr Mortimer; Sackler, Dr Raymond R; Sackler, Dr Richard; Sackler, Jonathan; Sackler, Mortimer JR; Sackler, Theresa
Cc: Baker, Stuart D.; Landau, Dr. Craig; Gasdia, Russell; Weinstein, Bert
Subject: Impact of Pharma Funding Disclosure on Physician's Willingness to Continue Same

See the Lilly "outside" story below, as it pertains to our discussion at this Morning's Board meeting.

JS

From: Marcenyac, Dr. Geraldine
Sent: Monday, October 19, 2009 3:21 PM
To: Albright, Andrew; Bailey, Charlene; Baker, Stuart D.; Barmore, Robert; Blanco, Enrique; Bock, Gary; Cadet, Ronald; Cataldo, Marc; Cipriano, Alessandra; Colucci, Dan; Colucci, Salvatore; Cook, Dr. Mary; Crudele, Nancy; Cullen, Michael; DeLigio, Jenna; Dolan, James; Dover, Dr. Kristi; Downs, Allen; Fanelli, Richard; Fisher, Windell; Fletcher, Mark; Fogel, David; Friedman, Ira; Gadski, Kimberly; Gasdia, Russell; Geraci, Mark; Getlein, Karen; Green, Jerry; Greenfield, Juliet; Haddox, Dr. J. David; Harris, Stephen; Heins, James; Ineck, Dr Joseph; Innaurato, Mike; Jinwala, Dipti; Justason, Peter; Kaiko, Dr Robert; Keohane, Denis; Killian, Todd; Koller, Alan; Kowalski, Dr Maribeth; Kraft, Ann; Kupper, Robert; Kwarcinski, Dr. Monica; Kyle, Don; Ladd, Lori; Landau, Dr. Craig; Laurel, Karen; Lee, Judy; Lewandowski, Gary; Long, David; Lundie, David; Mahony, Edward; Mallin, William; Maniglia, Charles; Mannion, Richard; Mason, Cindy; McMacken, Tiffany; Merlo, Dennis; Miller, Lisa Dr.; Mixcus, Mary; Morrison, Don; Mulcahy, Maurice; Must, Alan; Noack, Lynn; O'Keefe, Sarah; Ostrowski, Christine; Petrou, Michalis; Pettit, John; Pickett, Larry; Pollock, David; Potter, Sally; Reilly, Leif-Ann; Richards, Tim; Richiger, David; Ripa, Steven; Risco, Jerry; Roller, Kimberly; Ronning, Michael; Rooney, Suzie; Rosen, Burt; Rosen, David (Marketing); Rule, Dr Ann; Sackler, Dr Richard; Santopolo, Anthony; Schady, Kathleen; Seid, Stephen; Shamblen, Randy; Shepard, Alicia; Shum, Sam; Steiner, Deborah; Stephens, Amanda; Stewart, John H. (US); Strassburger, Philip; Sylvestre Jr, George; Telemaque, Rose; Thakkar, Anish; Tomaska, Suzette; Udell, Howard (Consultant); Wachter, Stephen; Walsh, Kathy; Weinstein, Bert; Wen, Warren; Winston, Robert; Yao, Sue X.
Subject: Competitive Daily News - October 19, 2009

PAIN

- **OPIOID ANALGESICS**

Utilization characteristics and treatment persistence in patients prescribed low-dose buprenorphine patches in primary care in the United Kingdom: a retrospective cohort study. Gallagher, MIS, 8/1/09: "Significant more patients receiving low-dose buprenorphine patches in this study persisted with treatment at 6 and 12 months compared with those receiving other opioid analgesics."

EFFICACY AND SAFETY OF TAPENTADOL EXTENDED RELEASE VERSUS OXYCODONE CONTROLLED RELEASE IN OPIOID-NAIVE AND OPIOID-EXPERIENCED PATIENTS WITH CHRONIC PAIN ASSOCIATED WITH OSTEOARTHRITIS OF THE KNEE, Etropolski, 9/10/09, MIS

"Tapentadol ER (100-250 mg bid) is an effective analgesic treatment with better overall and gastrointestinal tolerability than oxycodone CR (20-50 mg bid), regardless of prior opioid experience."

INCIDENCE AND SEVERITY OF GASTROINTESTINAL TREATMENT-EMERGENT ADVERSE EVENTS IN PATIENTS TREATED WITH TAPENTADOL EXTENDED RELEASE (ER) OR OXYCODONE CONTROLLED RELEASE (CR) FOR RELIEF OF CHRONIC OSTEOARTHRITIS KNEE PAIN, Kuperwasser, 9/10/09, MIS

"Tapentadol ER (100-250 mg bid) was associated with numerically lower incidences of both moderate and severe GI TEAEs and GI TEAEs leading to discontinuation compared with oxycodone HCl CR (20-50 mg bid)."

TAPENTADOL EXTENDED RELEASE FOR THE RELIEF OF CHRONIC OSTEOARTHRITIS KNEE PAIN: RESULTS FROM THE EUROQOL-5 DIMENSION (EQ-5D) AND WESTERN ONTARIO AND MACMASTER UNIVERSITIES OSTEOARTHRITIS INDEX (WOMAC) QUESTIONNAIRES, Rauschkolb, 9/10/09, MIS

"In patients with chronic osteoarthritis knee pain, tapentadol ER (100-250 mg bid) significantly improved the EQ-5D health status index compared with placebo and oxycodone HCl CR (20-50 mg bid), and both active treatments significantly improved WOMAC scores compared with placebo."

EVALUATION OF LONG-TERM TREATMENT WITH TAPENTADOL EXTENDED RELEASE AND OXYCODONE CONTROLLED RELEASE IN PATIENTS WITH CHRONIC LOW BACK OR OSTEOARTHRITIS PAIN: RESULTS FROM PATIENT AND PHYSICIAN GLOBAL ASSESSMENTS AND THE EUROQOL 5 DIMENSION QUESTIONNAIRE, Kuperwasser, 9/10/09. MIS

"Long-term treatment with tapentadol ER (100-250 mg bid) improved physical functioning and was effective and well tolerated for up to 1 year for relief of moderate to severe chronic pain."

DOSE STABILITY OF TAPENTADOL EXTENDED RELEASE AND OXYCODONE CONTROLLED RELEASE IN A ONE-YEAR, RANDOMIZED, OPEN-LABEL, PHASE 3 SAFETY TRIAL IN PATIENTS WITH CHRONIC LOW BACK OR OSTEOARTHRITIS PAIN, Grond, 9/10/09, MIS

"Treatment over 1 year with tapentadol ER (100-250 mg bid) for the relief of moderate to severe chronic pain was associated with a longer period of dose stability than oxycodone HCl CR (20-50 mg bid). This may have been because of a numerically lower rate of discontinuations early in the study and a numerically lower rate of overall AE-related discontinuations throughout the trial in the tapentadol ER group compared with the oxycodone CR group."

- NSAIDs and COX-2s

Court Imposes Record Fine and Forfeiture of $1.3 Billion for Pharmacia & Upjohn Company's, 16 October 2009, PR Newswire (U.S.): "PHARMACIA & UPJOHN COMPANY, INC., a subsidiary of Pfizer Inc. ("Pfizer") today was sentenced today in federal court for a felony violation of the Food, Drug & Cosmetic Act, for misbranding the drug, **Bextra**, with the intent to defraud or mislead. PHARMACIA & UPJOHN COMPANY, INC. was sentenced by United States District Judge Douglas P. Woodlock to pay a criminal fine of $1.195 billion and a criminal forfeiture of $105 million, for a total criminal resolution of $1,300,000,000. This is the largest criminal fine ever imposed in the United States for any matter." FACTIVA

- OTHER PAIN NEWS

Hydra Biosciences and Cubist Form Collaboration to Develop Novel Ion Channel Drugs for Pain Management, 19 October 2009, Business Wire: "Under the terms of the agreement, Hydra receives an upfront payment of $5 million from Cubist. The agreement allows for Cubist to support Hydra's internal development on the TRPA1 program by providing $5M in research and development funding per year for two years, with an option to renew. The joint development program will build on the existing R&D base of Hydra's TRPA1 compounds, preclinical data, and pharmacology studies. As the collaboration

progresses into potential future stages, Hydra is eligible for potential development milestones and royalties on products produced from the joint program. The goal of the program is to identify TRPA1 drug candidates for use as acute care therapeutics for the management of **pain**." FACTIVA

New SIMPONI(TM) Data Show Long-Term Efficacy in Treatment of Rheumatoid Arthritis; Patients with Active Rheumatoid Arthritis Receiving SIMPONI Demonstrated Sustained Improvements in Signs and Symptoms Through One Year, 19 October 2009, PR Newswire (U.S.): "New long-term data from two pivotal, Phase 3 clinical trials showed that patients with active rheumatoid arthritis (RA) receiving SIMPONI(TM) (golimumab) every four weeks achieved sustained improvements in signs and symptoms and physical function response through one year. These new data were presented today at the 2009 American College of Rheumatology (ACR) Annual Scientific Meeting. [...] Findings from the GOlimumab After Former anti-TNF Therapy Evaluated in RA (GO-AFTER) study demonstrated that patients with RA previously treated with adalimumab, etanercept or infliximab responded to, and maintained response to, SIMPONI through one year." FACTIVA

Women and Men Face Off: Who Can Stand the Pain? New Survey Reveals Gender Differences in Perceptions and Experiences with Chronic Pain; HealthyWomen Launches Campaign and Resources to Help People Who Suffer from the Chronic Widespread Pain of Fibromyalgia, 10/19/2009, PR Newswire (U.S.)/ FACTIVA

Forest Laboratories and Cypress Bioscience Announce Study Shows Patients Treated with Savella Experience Improvements in Pain and Physical Function ; Phase III Data to be Presented at American College of Rheumatology Annual Meeting Further Demonstrate Efficacy and Safety of Savella for the Management of Fibromyalgia, 10/17/2009, Business Wire. FACTIVA

NEW STRATEGIES FOR TREATING PAIN IN PATIENTS WITH OSTEOARTHRITIS, Leff, 9/10/09, MIS

"The current pipeline of published compounds in development for the treatment of pain, focusing upon that of possible relevance to osteoarthritis will be presented. Future treatment of osteoarthritis will be different from that today. The search for better and/or additive agents will continue; however, these will come at a price in known and unknown safety concerns."

INSOMNIA

PAIN INTERFERENCES ON SLEEP IN OA PATIENTS: AN OVERVIEW, Lavigne, 9/10/09, MIS

"The mode of action of medications known to improve both pain and sleep complaints (i.e., pregabalin and sodium oxybate in CWP and extended release of opioid or tramadol in OA patients) remains to be described (i.e., specific effect on sleep arousal-instability or continuity or circadian-homeostatic regulation or mood -sleep interferences)."

OTHER INDUSTRY/HEALTHCARE NEWS

CEOs Tally Health-Bill Score --- Drug Makers and Hospitals Figure to Benefit, While Insurers Brace for a Big Hit, Janet Adamy and Greg Hitt, 10/19/2009, The Wall Street Journal: "The drug industry stands to

gain in a health-care overhaul by getting tens of millions of newly insured customers, while insurance companies -- especially those that cater to the individual market -- look like they are in for a tougher time." FACTIVA

FDA Makes Post-Market Safety Evaluation Comprehensive For All NMEs, BLAs, the pink sheet, 10/19/09: "All new molecular entities and BLAs approved since Sept. 27, 2007, will be subject to the comprehensive post-market safety evaluation process that FDA pilot-tested during the past two years. [...] The comprehensive reviews will fulfill an FDA Amendments Act directive to prepare a summary analysis of adverse drug reaction reports for new drugs."

Lilly Outside "Faculty" Is Headed By 22 Physicians Receiving $50,000 Or More, The pink sheet, 10/19/09: "The most highly paid Lilly outside physician consultant in the first quarter of 2009 - San Jose, Calif., psychiatrist Manoj Waikar ($70,050) - says he was convinced that the public listing of financial ties was a good idea when his patients said they approved of his work with pharmaceutical companies. In a series of short e-mail interviews with "The Pink Sheet" about his appearance on the Lilly list of paid outside "Faculty," Waikar said he was initially concerned that payment databases could be misleading or used to attack a physician's credibility. Waikar changed his mind, however, once he told his patients about his work with pharma companies and they responded positively."

Drugmaker Pfizer closes $68B purchase of Wyeth, gets biotech, vaccine, consumer businesses, LINDA A. JOHNSON, 15 October 2009, Associated Press Newswires. FACTIVA

<< File: October 19, 2009.docx >>

Exhibit 45

Purdue Pharma L.P.
Budget Presentation 2010 – November 2nd and 3rd, 2009

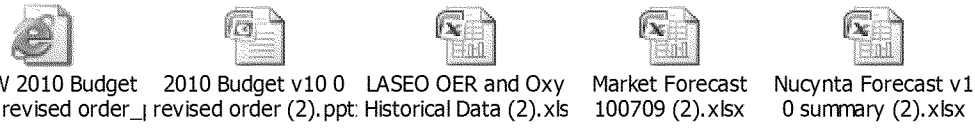
Notes and Actions

1.0 OxyContin

a. **Q:** Dr. Richard and Dr. Kathy asked for:
   i. a detailed review of the long acting SEO market, the OER market and OxyContin growth rate for purposes of projecting into the future.
   ii. identify specific programs that Sales and Marketing will implement to profitably grow the OER market and OxyContin in light of competition.
   iii. provide analytics around why/how the proposed increase in share-of-voice translates into sales and profitability growth.
   iv. clarify the situation with respect to OxyContin being used by 35% of new patients, but only retaining 30% of ongoing patients.
   v. provide a copy of the OxyContin McKinsey report on possible ways to increase OxyContin sales and market share.

A:

i. Response to questions i-v were provided to Dr. Kathe and Dr. Richard by e-mail from Mike Innaurato 12/3/09 13:45h – copy attached.



ii. The 2010 gross sales target has been increased by $56 million due to expected delays in marketing of Covidien's Exalgo and Endo's significant reduction in S&P in support of Opana ER.

iii. The McKinsey report referred to in question v. will be available in Q2 2010.

Action: Russ Gasdia

b. **Q:** OxyContin Pediatric – provide the Board with a detailed update on the program, timing, impact on exclusivity and value created.

A: The R&D group is currently developing the OxyContin pediatric clinical program with input from the FDA to ensure that the trials can be executed on a timely basis and that the additional exclusivity is earned. Enrollment in the studies will likely begin in 1Q 2011 Once the studies are complete, submitted and accepted by the FDA, Purdue will apply the additional 6 month exclusivity to one of the patents then listed in the Orange Book – preferably the "042" patent.

Page(s) Omitted