# Exhibit 61

## Purdue Quarterly Report to the Board January 24, 2011

### **TABLE OF CONTENTS**

SALES & MARKETING	2
MANUFACTURING & SUPPLY CHAIN	8
QUALITY	11
RESEARCH & DEVELOPMENT	13
DISCOVERY RESEARCH	16
HEALTH POLICY	18
CORPORATE COMPLIANCE	20
LICENSING & BUSINESS DEVELOPMENT	21
FINANCE	22
INFORMATION TECHNOLOGY	26
COMMUNICATIONS & EXTERNAL AFFAIRS	27
LATIN AMERICA	29
HUMAN RESOURCES	31

# Page(s) Omitted

primary presentation. For second position presentations, Ryzolt is on target at 90% of all calls having Ryzolt in a second position and Laxatives are exceeding target at 74% of all calls having a laxative presentation in the third position.

							Senokot/
2010	Call Goal	Calls	Difference	% to Goal	OxyContin	Ryzolt	Colace
		Made			Primary %	Secondary	Third % of
					of all	% of all	all
Q1	127,376	133,561	6,185	105%	97%	89%	73%
Q2	142,657	135,824	(6,833)	95%	98%	90%	74%
Q3	144,414	141,116	(3,298)	98%	98%	86%	73%
Q4	125,553	125,712	159	100%	98%	86%	73%
Total	540,000	536,213	(3,787)	99%	98%	90%	74%

Source: Report Gallery - Metrics Report (weeks of 1/2 - 12/25/2010)

In order to increase productivity, we will improve the daily call average from 6.8 prescribers each day in 2009 to 7.5 in 2010, thereby lowering the current cost per call from \$219 to \$201. This has the potential to create efficiency of \$10+ million and increase sales revenue.

Result: The average physician calls per day for 2010 was 6.75 calls per day. This is lower than the objective and is attributed primarily to the realignment of the sales force that began in the 3rd quarter and the expansion that took place in the 4th quarter. Call productivity without the realignment and expansion would have been closer to the results achieved in the 1st and 2nd quarter. Through the end of the 4th quarter, an additional 74 reps were hired and trained, with the remaining 51 reps expected to be trained beginning Q1 2011. Call productivity is expected to increase throughout 2011.

2010	Daily Average Call Target	Daily Call Average Actual	Prior Year
Q1	7.5	7.0	6.7
Q2	7.5	7.0	6.8
Q3	7.5	6.8	6.9
Q4	7.5	6.2	6.9

#### Oxycodone ER Market Share Objective of the Long Acting Opioid Market is 32%

**Result**: As of previous Board report, we were achieving our objective of a 32% market share through August 2010 IMS Data. This Board report is utilizing IMS data as of October 2010. Market Share for Oxycodone ER has fallen below goal by 1.6%, making up 30.4% of the Long Acting Opioid Market.

Branded OxyContin TRx volume is down by 0.2% YTD v LYTD through October IMS data. However, total Oxycodone ER (Brand OxyContin plus authorized generics) TRx volume experienced an increase of 1.3%, compared to the same time last year. This is primarily due to a 7.5% increase YTD v LYTD for authorized generics.

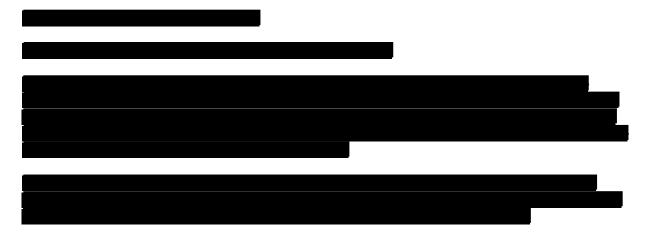
Two new branded competitors, Embeda (q12h morphine/naloxone - King) and Exalgo (q24h Hydromorphone - Covidien) are not experiencing strong growth since introduction. However, generic MS Contin is experiencing 11.5% growth YTD v LYTD and Opana ER (q12h oxymorphone - ENDO) is growing at a 31.6% rate YTD v LYTD. However, total TRxs for Opana ER in October were 0.3% of total Long-Acting Opioid market.



#### Sales Force Key 4th Quarter Initiatives:

During the  $4^{th}$  quarter, the sales force began hiring new representatives and hiring/promoting new District and Regional managers as a result of the expansion approved by the Board. 125 additional territories were created to bring the sales force to 525 territories. In addition we added districts from 50 to 66 and we went from seven regions to nine.

Recruiting has gone well. In fact, 90 individuals were hired and trained from September through November. An additional 45 individuals have been hired and will attend the Butrans Launch Meeting in January, and receive Level 100 training the week after the launch meeting.



# Page(s) Omitted

#### CORPORATE COMPLIANCE

Assure compliance with Purdue's Corporate Integrity Agreement (CIA) and all Federal and State laws and regulations, as well as the PhRMA Code. Conduct risk assessments and audit and monitor business operations. Respond as required to all inquiries and conduct investigations of Company operations when appropriate. Assure that all ethics and compliance training requirements are met.

### **Corporate Integrity Agreement**

By letter dated December  $3^{\rm rd}$ , Purdue's OIG Monitor Keshia Thompson summarized the highlights of the two day site visit to Stamford (October 13-14<sup>th</sup>). The letter is largely a factual recitation of the two day site visit summarizing the meetings and materials covered during the visit. The letter also set forth the Monitor's recommendations for good compliance practices in connection with Purdue's new speaker programs. (See following item)

#### **Speaker Programs**

As noted above, the Sales and Marketing department has been gearing up for new speaker programs. During the 4<sup>th</sup> quarter there were a limited number of OxyContin speaker programs, both live in dinner settings, and web-based programs. Corporate Compliance worked with Sales and Marketing to implement appropriate practices, and monitored several programs. During 2011, there will be an extensive program of Butrans speaker programs, and Corporate Compliance has been deeply involved in assisting in preparation of appropriate procedures for "needs assessments," establishing fair market value payments for HCPs, training of Purdue District Managers and Representatives, and monitoring arrangements. These steps have been ongoing for over six months, and are consistent with OIG's recommendations in their December 3<sup>rd</sup> letter.

### Aggregate Spend / Compliance with Federal Physician Payments Sunshine Act

The Physician Payments Sunshine Act requires extensive and complete reporting of all Purdue expenditures in connection with HCPs and teaching hospitals, taking effect January 1, 2011. Preparations have been underway throughout 2010, and most recently a vendor was selected to supplement internal IT capabilities for collecting and reporting such data. The goal is to have all preparations completed during 3Q2010, leaving time for testing of the system and training of all Purdue personnel.

# Page(s) Omitted

### Full-Time Turnover Report YTD 12/31/2010

	Begin	End	Ave #	Termina-			Resigna-	9/0	Total	YTD T/O
COD	Count	Count	EE's	tions	EE's	Retired	tions	Resigned	T/O	Rate
S&P	400	500	540	20	4 107	4	10	2.40/	26	7.20/
Sales	490	590 44	540	20	4.1% 0.0%	4 0	12 0	2.4% 0.0%	36 0	7.3% 0.0%
Marketing Sales Support	42 23	44 18	43 21	0	0.0%	0	1	0.0%		0.0%
	12	15	14		0.0%	0	0	0.0%	1 0	0.0%
Field Ops, Support & Admin  Total S&P	567	667	617	0 <b>20</b>	3.5%	4	12	2.1%	36	6.3%
% of X-FTE's	307		01/	55.6%	3.376	11.1%	33.3%	2.1 70		0.3 76
G&A						11.17.0				
Administrative Services	32	33	33	0	0.0%	0	0	0.0%	0	0.0%
Business Development	7	6	7	0	0.0%	0	0	0.0%	O	0.0%
Corporate Compliance	7	9	8	0	0.0%	0	0	0.0%	0	0.0%
EHS	5	5	5	0	0.0%	0	0	0.0%	0	0.0%
Executive	15	13	14	1	6.7%	0	0	0.0%	1	6.7%
External Affairs	15	16	16	0	0.0%	0	0	0.0%	0	0.0%
Finance	59	59	59	2	3.4%	1	2.0	3.4%	5	8.5%
General Counsel	52	47	50	0	0.0%	0	0	0.0%	0	0.0%
Human Resources	21	22	22	0	0.0%	0	0	0.0%	Ō	0.0%
IT	86	85	86	1	1.2%	0	4	4.7%	5	5.8%
Procurement	15	13	14	Ô	0.0%	0	0	0.0%	0	0.0%
QA	21	20	21	1	4.8%	0	1	4.8%	2	9.5%
Security	15	15	15	0	0.0%	0	0	0.0%	0	0.0%
Total G&A	350	343	347	<u>.</u> 5	1.4%	<u>_</u>	<u>~</u>	<b>2.0%</b>	13	* 3.7%
% of X-FTE's				38.5%	20170	7.7%	53.8%	210 / 0		
IRD/US										
Discovery	47	52	50	1	2.1%	0	0	0.0%	1	2.1%
Drug Safety & Pharma	33	35	34	О	0.0%	0	2	6.1%	2	6.1%
Health Policy	40	45	43	0	0.0%	0	2	5.0%	2	5.0%
Medical Research	53	56	55	О	0.0%	1	2	3.8%	3	5.7%
Nonclinical & R&D	41	41	41	2	4.9%	0	1	2.4%	3	7.3%
Project Management	21	21	21	О	0.0%	0	0	0.0%	O	0.0%
Regulatory Affairs	18	20	19	0	0.0%	0	0	0.0%	0	0.0%
Total IRD/US	253	270	262	3	1.2%	1	7	2.8%	11	4.3%
% of X-FTE's				27.3%		9.1%	63.6%			
MFG/OPERATIONS										
PF Labs Salaried	18	18	18	О	0.0%	0	0	0.0%	O	0.0%
PPMD	58	56	57	2	3.4%	0	1	1.7%	3	5.2%
Wilson NC	186	188	187	4	2.2%	1	3	1.6%	8	4.3%
Total MFG/OPERATIONS	262	262	262	6	2.3%	1	4	1.5%	11	* 4.2%
% of X-FTE's				54.5%		9.1%	36.4%			
Rhodes Technologies	122	143	133	1	0.8%	0	6	4.9%	7	5.7%
Rhodes Pharma	12	20	16	2	16.7%	0	3	25.0%	5	41.7%
Total MFG/OPERATIONS	134	163	149	3	2.2%	0	9	<b>6.7%</b>	12	9.0%
				25.0%		0.0%	75.0%			
Total Miami	3	4	4	0	0.0%	0	0	0.0%	0	0.0%
% of X-FTE's				0.0%		0.0%	0.0%			
Grand Total	1,569	1,709	1,640	37	2.4%	7	39	2.5%	83	5.3%
% of X-FTE's				44.6%		8.4%	47.0%			

# Exhibit 62

To: Gasdia, Russell[Russell.Gasdia@pharma.com]

From: Sackler, Dr Richard

**Sent:** Sun 1/30/2011 11:43:37 AM

**Subject:** Re: Going to LTS briefing on Butrans distribution, sales response, etc.

This is very good.

Can you give me a call on my cell?

### Richard S. Sackler, MD

203 588 7777 Office

203 550 4550 -- Cell

801 742 1001 -- UT Home

From: "Gasdia, Russell" < Russell.Gasdia@pharma.com>

Date: Sun, 30 Jan 2011 11:12:38 -0500

To: "Dr. Richard S. Sackler" < DrRichard.Sackler@pharma.com>, "JHS (US)" < JHS@pharma.com>

Subject: Re: Going to LTS briefing on Butrans distribution, sales response, etc.

We are developing an exec summary report. I conducted a conf call with all regional mgrs and selecty district mangers on Friday.

I will have the first week of data on Rxs as well as overview of feedback by Wed.

Top line - things are going VERY WELL. Little resistance, high interest, people feel training prepared them to handle 99% of questions with remaining 1% they know where to go for support.

Russ

From: Sackler, Dr Richard To: JHS (US); Gasdia, Russell Sent: Sun Jan 30 09:48:18 2011

Subject: Going to LTS briefing on Butrans distribution, sales response, etc.

Next week, I'd like a briefing on the field experience and intelligence regarding Butrans. How are we doing, are we encountering the resistance that we expected and how well are we overcoming it, and are the responses similar to, better, or worse than when we marketed OxyContin® tablets?

The reason for the timing is that I'm going to LTS and will want to give an intelligent briefing to Rainer Hoffmann. I'll suggest timing soon.

CONFIDENTIAL PPLPC012000308371

### Richard Sackler, M.D.

• +1 203 588 7777 Office

• +1 203 550 4550 iPhone

• +1 203 869 8828 Home

∘ <u>r@pharma.com</u>

CONFIDENTIAL PPLPC012000308372

# Exhibit 63

# OxyContin® Risk Evaluation and Mitigation Strategy (REMS)

### **Components of OxyContin REMS**

### **Education/Communication**

- 1. Inform patients by Medication Guide
- 2. Inform dispensers and prescribers by Dear HCP Letter
- 3. Train prescribers by Training Guide

### Measurement

- 4. Survey knowledge of patients and prescribers
- 5. Conduct surveillance for abuse, misuse, overdose, & addiction
- 6. Claims study to describe utilization, including use of 60 mg and 80 mg strengths in opioid-non-tolerant individuals
- 7. Evaluate if REMS meets its goals or needs modification

### **Timeline for REMS Actions**

				2010			2011				
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	
Mailed REMS packages to 174,000 OxyContin prescribers	7/26										
Launched OxyContin REMS website	7/26										
Completed Pre-REMS Assessment Prescriber Survey		8/30									
Completed comprehension testing of Medication Guide			9/7								
Revised REMS with updated Medication Guide				10/4							
Submitted REMS 6-Month Assessment Report				10/5							
Post-REMS Assessment Prescriber Survey Protocol to Agency for Review				10/8							
Interactive online REMS training launched					11/30						
FDA provides REMS Assessment acknowledgement						12/13					
Start Post-REMS Prescriber Survey							1/30				
Start Claims study of utilization								2/28			
Complete Post-REMS Prescriber Survey									3/18		
Annual REMS Assessment submitted to FDA										4/5	

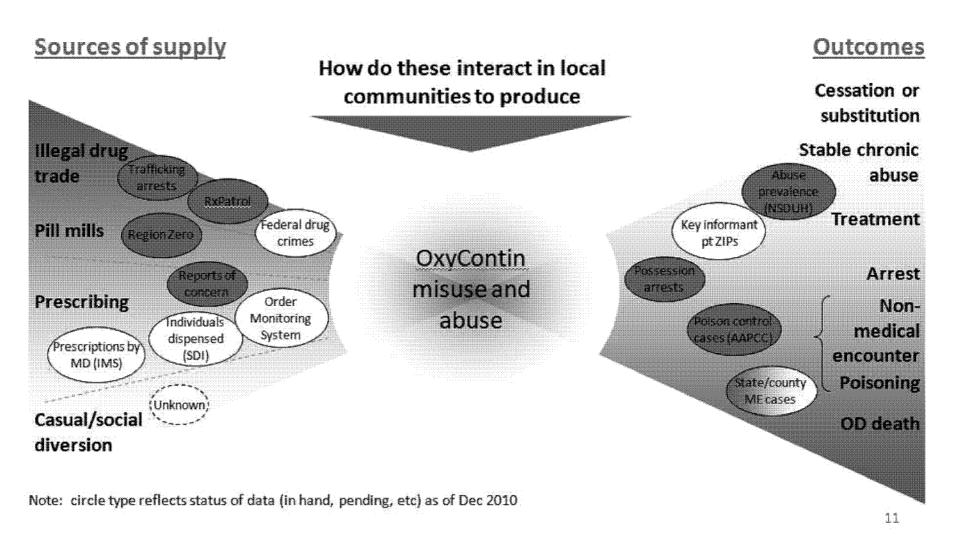
### **REMS Components Completed**

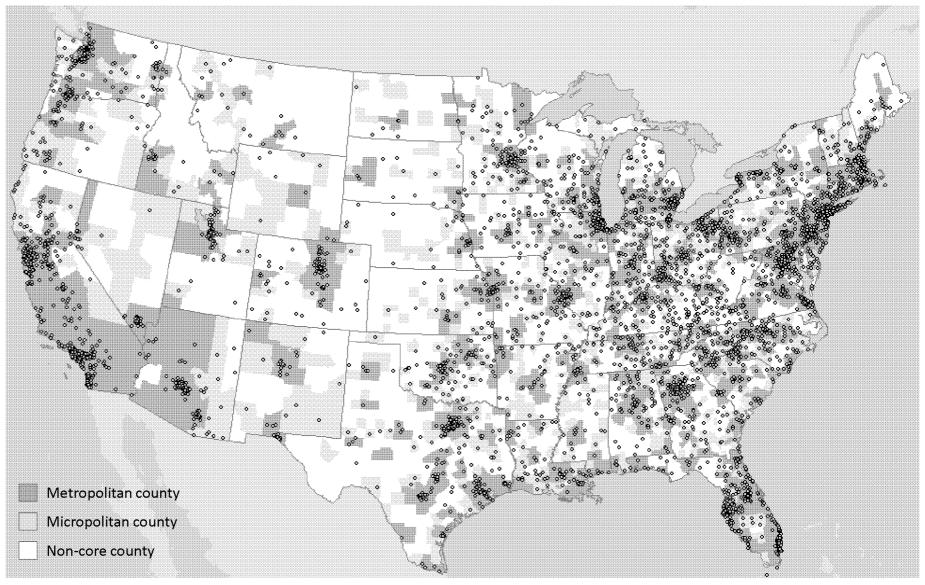
Process Measures	Outcome
Medication Guides	299,383 distributed
Dear Healthcare Professional Letters	164,000 distributed via mail
Healthcare Provider Training Guides	201,656 distributed
www.oxycontinrems.com	Launched 26 July 2010
<b>Evaluation Measures</b>	
Medication Guide comprehension test	Completed
Pre-REMS Prescriber Survey	Completed
Education Confirmation Form returns	1,378 completed forms

### **Upcoming REMS Commitments to FDA**

Process Measures	Target Date
Second mailing of REMS packages to prescribers	5/12
Increase prescribers completing Confirmation Forms	5/11
Annual REMS Assessment	5/11
Evaluation Measures	
REMS Prescriber Survey	3/11
REMS Patient Survey	6/11
Claims studies of utilization	10/11
Ongoing surveillance studies	5/11

# We are looking at granular patterns of data in very small areas to detect and understand and the geography of <a href="OxyContin">OxyContin</a> diversion and misuse



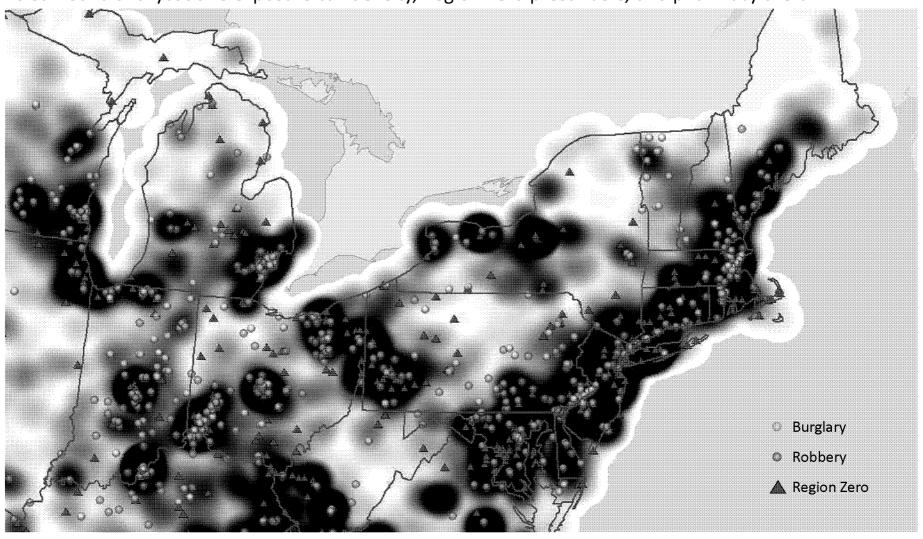


1 With identifiable ZIP, of 9.941 total cases

12 SOURCE: AAPCC

# We are examining the spatial relationship between different aspects of the abuse environment

Poison Control oxycodone exposure call density, Region Zero prescribers, and pharmacy theft



13 SOURCE: AAPCC, PPLP, RxPatrol

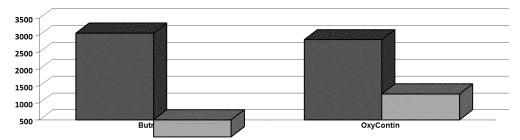
# Exhibit 64

# Purdue Quarterly Report to the Board May 2, 2011

### **TABLE OF CONTENTS**

SALES & MARKETING
MANUFACTURING & SUPPLY CHAIN
QUALITY
RESEARCH & DEVELOPMENT
DISCOVERY RESEARCH18
HEALTH POLICY
CORPORATE COMPLIANCE
LICENSING & BUSINESS DEVELOPMENT24
FINANCE
INFORMATION TECHNOLOGY28
EXTERNAL AFFAIRS29
LATIN AMERICA
HUMAN RESOURCES

# Page(s) Omitted



70% answered within one business day and 90% answered within 10 business days

• The 3,036 Butrans inquires received in 1Q11 have been categorized into the 300+ topics based on the question being asked. The top 5 Butrans inquires topics are as follows:

1.	Information on converting from other opioids to Butrans	11.43%
2.	Requesting more information about Butrans clinical trials	6.5%
3.	Use of supplemental analgesics with Butrans	4.3%
4.	Application site questions (e.g. other locations, swimming/showering)	3.7%
5.	More information about QTc prolongation	3.5%

The 2,867 OxyContin inquires received in 1Q11 have been categorized into 225 topics based on the question being asked. The top 5 OxyContin inquiry topics are as follows:

1.	Availability of original formulation	12.4%
2.	General information about reformulation / compared to original formulation	11.0%
3.	Reports of lack of effect / not working as well as original	10.6%
4.	Do we have a Patient Assistance Program	9.7%
5.	Availability of a generic	4.2%

#### CORPORATE COMPLIANCE

Assure compliance with Purdue's Corporate Integrity Agreement (CIA) and all Federal and State laws and regulations, as well as the PhRMA Code. Conduct risk assessments and audit and monitor business operations. Respond as required to all inquiries and conduct investigations of Company operations when appropriate. Assure that all ethics and compliance training requirements are met.

### **Corporate Integrity Agreement**

We have received the Office of Inspector General's (OIG) January 28<sup>th</sup> letter confirming satisfactory completion of their review of Purdue's Third Annual Report: "it appears that Purdue was in compliance with the terms of the Corporate Integrity Agreement...."

During the First quarter of 2011, we have informed OIG of two product-related communications with FDA concerning Field Alert Reports, involving an open blister pack of a hospital unit dose and the potential for carry over lactose from lower to higher strengths of MSContin. Under Purue's CIA we are required to report all communications with FDA, regardless of significance, concerning potential mibranding of product.

Ineligible person screening under Purdue's CIA was successfully completed in February, with no Excluded Persons discovered.

All field-based CIA requirements have been met, including the required number of Field Contact Reports (FCRs), with only 164 of 2321 FCR days remaining to be completed by July30th.

#### **Speaker Programs**

Corporate Compliance has worked closely with Sales and Marketing and others to implement appropriate Butrans speaker programs, with appropriate procedures, selection criteria and compensation and other practices, in accordance with OIG guidance. We have attended all speaker training programs as well as actual speaker programs to monitor compliance, and are arranging a compliance monitoring program for on-going speaker dinners going forward.

#### **Compliance Assessment of Sales Training**

Corporate Compliance conducted a review of a significant number of Sales Training programs to assure that training materials have not been altered from approved versions, and that trainers stays on-topic and compliant. We have concluded that all training materials used were being approved through the Aprimo material review system. In addition, the Sales Training group also has some best practices that are used in the development of their training classes to help keep the trainer on topic and the class engaged in the learning process.

#### LICENSING AND BUSINESS DEVELOPMENT

Licensing and Business Development work will support the diversification of the product portfolio in the analgesic, CNS, GI and other relevant categories.

Execute against the following objectives:

- Comprehensive Analgesic Plan
  - Seek Board approval for 2 term sheets
  - Seek Board approval to enter into 1 contract negotiation
- Related Core Therapeutic Area insomnia, Gl, CNS
  - Seek Board approval for 1 term sheet
  - Seek Board approval to enter into 1 contract negotiation
- 3. Final Product Transaction Agreement
  - Complete 1 Rx product transaction

\_

**High Priority Projects Under Review in Q1 2011** 

# Page(s) Omitted

### Full-Time Turnover Report YTD 3/31/2011

Part				,					0.4		YTD
Seles		Begin	End	Ave #			D 41 1	Resigna-		Total	T/O
Sales	s a p	Count	Count	EE's	tions	EE's	Retired	tions	Resigned	1/0	Rate
Marketing         45         47         46         0         0.0%         0		500	<b>620</b>	61.4	2	0.507	0	2	0.507	_	1.00/
Seles Support											
Field Ops. Support & Admin   18	-										
Total S&P								-			
Marche   M		70.700.000		0.007.000.000.000.000.000.000.000.000							
G&A         Administries Services         33         34         34         0         0,0%         0         0,0%         0         0,0%         0         0,0%         0         0,0%         0		0/2	140	/00		V.4 70			U./ 70	0	1.470
Administrative Services         33         34         34         0         0.0%         0         0.0%         0         0.0%           Business Development         6         5         6         0         0.0%         0         1         16.7%         1         16.7%           Corporate Compliance         9         10         0         0.0%         0         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         <	·				37.370		0.070	02.370			
Business Development		22	24	24	0	0.00%	0	0	0.00%	0	0.00/-
Corporate Compliance											
EHS	-										
Executive								-			
External Affairs											
Finance         61         61         61         61         0         0.0%											
General Counsel         53         54         54         0         0.0%         0											
Human Resources											
The content   See   Se											
Procurement         16         16         16         16         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0         0.0%         0 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>											
QA         18         20         19         0         0.0%         0         0         0         0.0%         0											
Security   15   15   15   16   0   0.0%   0   0   0.0%   0   0.0											
Total G&A											
RD/US										0.000.000.000.000.000.000.000	Mark the second second second second
Discovery   S2   S7   S5   S0   O.0%   O.0		354	361	360		0.0%			0.6%	L	0.6%
Discovery   S2   S7   S5   S   S   S   S   S   S   S   S					0.0%		0.0%	100.0%			
Drug Safety & Pharma   35   37   36   0   0.0%   0   0   0.0%		52	57	55	0	0.007	0	0	0.097	0	0.007
Health Policy	-										
Medical Research         56         60         58         0         0.0%         0         1         1.8%         1         1.8%           Nonclinical & R&D         41         39         40         0         0.0%         0         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0         0.0%         0         0.0%         0         0         0.0%         0         0         0.0%         0         0         0.0%         0         0         0.0%         0 <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>											
Nonclinical & R&D											
Project Management   21   22   22   0   0.0%   0   1   4.8%   1   4.8%   Regulatory Affairs   20   20   20   0   0.0%   0   0   0.0%   0   0.											
Regulatory Affairs   20   20   20   0   0.0%   0   0   0.0%   0											
Total IRD/US         271         282         278         0         0.0%         0         2         0.7%         2         0.7%           "## Of Start         0.0%         0.0%         100.0%         100.0%         100.0%           MFG/OPERATIONS           PF Labs Salaried         17         17         17         0         0.0%         0         0         0.0%         0         0.	-										
% of X-FTE's         0.0%         0.0%         100.0%           MFG/OPERATIONS           PF Labs Salaried         17         17         17         0         0.0%         0         0         0.0%			0.000.000.000.000.000.000.000.000.000				_	-			THE RESERVE OF THE PROPERTY OF
MFG/OPERATIONS           PF Labs Salaried         17         17         17         0         0.0%         0		2/1	282	2/8		U.U.70			U./%	L	U./%o
PF Labs Salaried         17         17         17         0         0.0%         0         0         0.0%         0         0         0.0%         0	-				0.0%		0.0%	100.0%			
PPMD         56         57         57         0         0.0%         0         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0         0         0.0%         3         1.6%           Total MFG/OPERATIONS         144         143         144         1         0.7%         0         3         2.1%         4         2.8%           Rhodes Pharma         20         25         23         0         0.0%         0         0         0.0%         0 <td></td> <td>17</td> <td>17</td> <td>17</td> <td>0</td> <td>0.007</td> <td>0</td> <td>0</td> <td>0.007</td> <td>0</td> <td>0.007</td>		17	17	17	0	0.007	0	0	0.007	0	0.007
Wilson NC         187         191         189         1         0.5%         0         2         1.1%         3         1.6%           Total MFG/OPERATIONS         260         265         263         1         0.4%         0         2         0.8%         3         1.2%           Rhodes Technologies         144         143         144         1         0.7%         0         3         2.1%         4         2.8%           Rhodes Pharma         20         25         23         0         0.0%         0         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         4         2.4%           Total MFG/OPERATIONS         164         168         166         1         0.6%         0         3         1.8%         4         2.4%           Total Miami         4         4         4         0         0.0%         0         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%											
Total MFG/OPERATIONS         260         265         263         1         0.4%         0         2         0.8%         3         1.2%           Rhodes Technologies         144         143         144         1         0.7%         0         3         2.1%         4         2.8%           Rhodes Pharma         20         25         23         0         0.0%         0         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         4         2.4%         2.4%           Total Miami         4         4         4         0         0.0%         0         0         0.0%         0											
% of X-FTE's         33.3%         0.0%         66.7%           Rhodes Technologies         144         143         144         1         0.7%         0         3         2.1%         4         2.8%           Rhodes Pharma         20         25         23         0         0.0%         0         0         0.0%         0         0.0%         0         0.0%         0         0.0%         4         2.4%           Total Miami         4         4         4         0         0.0%         0         0         0.0%         0         0         0.0%         0         0         0.0%         0         0         0         0			ZIDOTOCIONO DI DIDUNDI DI CONTROLO DI CONT	AND DESCRIPTION OF THE PROPERTY OF THE PROPERT	-					DODGE CONTRACT OF THE PARTY OF	THE RESERVE OF THE PARTY OF THE
Rhodes Technologies         144         143         144         1         0.7%         0         3         2.1%         4         2.8%           Rhodes Pharma         20         25         23         0         0.0%         0         0         0.0%         0         0.0%         0         0.0%         0         0.0%         4         2.4%           Total Miami         4         4         4         0         0.0%         0         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0         0.0%         0         0         0         0.0%         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0         0		260	265	263		0.4%	***************************************	isosoosoosoo aanaa ja j	0.8%	<u>.</u>	1.2%
Rhodes Pharma         20         25         23         0         0.0%         0         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         4         2.4%           Total Miami         4         4         4         4         0         0.0%         0         0         0.0%         0         0         0.0%         0         0         0.0%         0         0         0         0.0%         0         0         0         0         0         0         0	v	9.44	1.42	4.4		A ##A /			A 407		2 00 /
Total MFG/OPERATIONS         164         168         166         1         0.6%         0         3         1.8%         4         2.4%           25.0%         0.0%         75.0%         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0.0%         0         0.0%         0         0.0%         0         0.0%         0.0%         0         0.0%         0         0.0%         0         0.0%         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0.0%         0         0         0.0%         0         0.0%         0         0.0%         0         0         0.0%         0         0.0%         0         0         0.0%         0         0         0.0%         0         0         0         0.0%         0 <td>_</td> <td></td>	_										
25.0%         0.0%         75.0%           Total Miami         4         4         4         0         0.0%         0         0.0%         0         0.0%         0.0%         0.0%           Grand Total         1,725         1,808         1,771         5         0.3%         0         14         0.8%         19         1.1%											NAMES OF TAXABLE PARTY
Total Miami         4         4         4         0         0.0%         0         0         0.0%         0         0.0%         0.0%         0.0%           Grand Total         1,725         1,808         1,771         5         0.3%         0         14         0.8%         19         1.1%	Total MFG/OPERATIONS	164	168	166		0.6%			1.8%	4	2.4%
% of X-FTE's     0.0%     0.0%     0.0%       Grand Total     1,725     1,808     1,771     5     0.3%     0     14     0.8%     19     1.1%		_	· ·	· ·							
Grand Total 1,725 1,808 1,771 5 0.3% 0 14 0.8% 19 1.1%		4	4	4		0.0%		7	0.0%	0	0.0%
					0.0%						
% of X-FTE's 26.3% 0.0% 73.7%		1,725	1,808	1,771	AND THE RESERVE OF THE PARTY OF	0.3%			0.8%	19	1.1%
	% of X-FTE's				26.3%		0.0%	73.7%			

# Exhibit 65

### BOARDS OF DIRECTORS MEETINGS (U.S. Companies)

Friday, May 20, 2011

#### **AGENDA**

1. Interim Decision

### Redacted

2. Pending Decision



- 3. Amendment The P.F. Laboratories, Inc. Pension Plan
- 4. Amendments Purdue Pharma L.P. Retirement Savings 401(k) Plan
- 5. Communication and External Affairs Committee (CEAC) Update (Written report only)
- 6. Compliance Update (Written report only)

7.

8. Other

# Page(s) Omitted

### Summary

- Corporate Integrity Agreement (CIA) Update OIG signed-off on year 3 Annual Report, and copy of letter at end of slide deck; year 4 requirements on track for July 30 completion, including Field Contact Reports and Medical Services Inquiries; OIG formally notified of two FDA Field Alert Reports
- Speaker Programs Processes –OIG-mandated compliance procedures implemented for new Butrans speaker programs, including monitoring, with no compliance issues to date
- Hotline Calls and Other Inquiries 88 new matters reviewed, none deemed to involve Reportable Events or significant compliance concerns
- OIG's Exclusion Guidance and New FDA Park Prosecution Guidelines FDA's new Park Doctrine guidance is meant to increase individual accountability for compliance through wider threatened application of Park misdemeanor prosecutions
- Compliance Audits Schedule of 2011 planned audits, and summaries of two completed compliance audits with positive findings





2

U.S. - 44

# Page(s) Omitted

# Exhibit 66

# Page(s) Omitted

low, and what "performance improvement plans" are being put in place for those in the lowest deciles"

Dennis: "questions/obstacles being identified from the field and medical services, and how they are being addressed; what other information the sales force feels will help boost sales"

I grab time tomorrow for us to meet

## KATHY- THIS TAKES PRIORITY PLEASE SET MEETING FOR 10AM

Russ

From: Stewart, John H. (US)

**Sent:** Wednesday, May 25, 2011 1:56 PM

To: Gasdia, Russell

**Subject:** FW: Butrans Weekly Report for the week ending May 13, 2011

**Importance:** High

Russ

Please get your team to pull together the analyses and action plan referred to in both your memo and my email below, and the action plan should have elements specifically directed at: sales force call targeting; sales force prescriptions by representative (range from high to low, and what "performance improvement plans" are being put in place for those in the lowest deciles; key questions/obstacles being identified from the field and medical services, and how they are being addressed; what other information the sales force feels will help boost sales; the current situation with each of the major MCOs, and the plan and targets going forward (with specific dates); and key marketing activities and their start date that by themselves may help boost sales.

Look to have a draft ready by Friday at noon, and I'll look to set a meeting with Jon et al next Tuesday or Wednesday.

You were going to send the agenda for the RM Meeting, and if they are still her tomorrow – I'll find a time to come in and hear from them directly.

John

From: Stewart, John H. (US)

**Sent:** Wednesday, May 25, 2011 1:36 PM

**To:** Sackler, Jonathan

Cc: Sackler, Dr Richard; Sackler, Dr Raymond R

**Subject:** FW: Butrans Weekly Report for the week ending May 13, 2011

Jon

We can speak for sure, and the growth curve is concerning – in that we went from 0 to 2,500 scripts in 5 weeks – which was ahead of the rate (430 incremental per week) required to hit this year's budget. However, it then took 10 weeks to increase from 2,500 to 5,000 scripts per week – and although there were some weeks of good growth in that period – there were also some with almost no increase.

As Russ noted, the Regional Managers are in this week – and their top priority is to decide the actions

to take to stimulate sales growth. In association with their meeting, a lot of analyses have been performed – and I'll ask Russ to pull together the salient points along with the feedback and action plans from the RM Meeting – and set a time to get-together and discuss.

John

From: Sackler, Jonathan

**Sent:** Wednesday, May 25, 2011 1:09 PM

**To:** Stewart, John H. (US)

Subject: FW: Butrans Weekly Report for the week ending May 13, 2011

John, this is starting to look ugly. Let's talk.

# Jon Sackler

201 Tresser Boulevard Stamford, CT. 06901

tel: (203) 588-7200 fax: (203) 588-6500 jsackler@pharma.com

Executive Assitant: Alicia Laing

tel: (203) 588-7202 fax: (203) 588-6500 alicia.laing@pharma.com

From: Gasdia, Russell

**Sent:** Wednesday, May 25, 2011 8:37 AM

**To:** Sackler, Dr Richard; Sackler, Mortimer D.A.; Sackler, Dr Raymond R; Sackler, Dr Kathe; Sackler, Jonathan; Sackler, Theresa; Pickett, Cecil; Boer, Peter; Lewent, Judy; Baker, Stuart D.; Stewart, John H. (US)

**Cc:** Mahony, Edward; Dolan, James; Landau, Dr. Craig; Long, David; Lundie, David; Stiles, Gary; Mallin, William; Weinstein, Bert; Abrams, Robin; Silbert, Richard W; Strassburger, Philip; Haddox, Dr. J. David; Must, Alan

**Subject:** Butrans Weekly Report for the week ending May 13, 2011

### Colleagues

While we experienced a small increase (29) from the previous week, based on total Rxs, we gained market share and reached 1.07%, the highest level since launch. Also, we are seeing increases in utilization of the 10mcg/hr and 20mcg/hr strengths.

The regional management team in here this week. A great deal of focus has been on Butrans and what needs to be done to increase growth at a faster pace. The major areas of focus are:

- Improving physician "targeting" to ensure representatives are calling on the highest potential physicians
- Increasing call frequency on a select "super core" of physicians. We are seeing a direct
  correlation between call activity and results. The results indicate it is taking more calls than
  expected to generate a first prescription (buprenorphine is "new" to many physicians, the 7day transdermal system is a "new" concept and identifying a patient who's managed care
  plan covers them are all contributing factors to a longer selling cycle)
- Improving selling skill effectiveness to:

- Improve specific patient focus on calls and effective positioning of Butrans for specific patient types
- Improve identification of managed care access for patients within the physician's practice
- Improving "closing" skills to gain commitment to prescribe Butrans for appropriate patients

The regional management team indicates that the biggest challenge thus far has been managed care access. We knew that this would be a challenge at launch, but it has had a greater impact than anticipated. Many physicians see a role for Butrans in elderly, yet we do not have formulary coverage in Medicare D plans. They are currently developing their 2012 formularies and we have lined up meetings with Medicare Part D providers to present Butrans with the objective of gaining formulary support for 2012. We are starting to get good support via commercial managed care providers and this should start to have a positive impact on prescription growth.

Finally, the regional management team has indicated that they are hearing about positive results with Butrans. When used in the appropriate patient, physicians are reporting good results. As a result, the representatives remain positive and committed to improving upon current results and remain positive about Butrans.

There are some additional "leading indicators", such as shipments from wholesalers to retail pharmacies and Patient Savings Program, that are a week ahead of IMS prescription data. In both cases, we see a nice increase which should lead to an improved increase with next week's IMS prescription data.



# Weekly Prescriptions and Stocking Report for the Week Ending May 13, 2011

### \*Please note:

- Prescriptions are inclusive of retail, long term care, and mail service channels.
- Stocking data reflects the week ending May 6th.
- The store count and patches ordered data reflect all channels of trade.
- The store count reflects the number of outlets that ordered products during the given time period.
- Wal-Mart, Target and Kroger data are not included in the stocking data.

## 1. Weekly Rx Snapshot for Week 17 of Butrans Launch

# Page(s) Omitted

# Exhibit 67

To: Gasdia, Russell[/O=PURDUE/OU=Purdue US/cn=Recipients/cn=58B02E32]

From: Stewart, John H. (US)
Sent: Thur 6/16/2011 5:40:10 PM

Subject: FW: Feedback from District Manager Advisory Council - FYI

Russ

Just saw this, which was one of the things I had planned on speaking with you about tomorrow.

is

From: Sackler, Dr Richard

Sent: Thursday, June 16, 2011 4:46 PM

**To:** Gasdia, Russell **Cc:** JHS (US)

Subject: Re: Feedback from District Manager Advisory Council - FYI

Russ,

One more thing. Who have you chosen for me to go to the field with the week after the budget meetings? Where are they? Can we conveniently do two reps each day especially if I travel to get to the right place as I probably should do.

From: Richard Sackler < DrRichard.Sackler@pharma.com >

Date: Thu. 16 Jun 2011 16:44:58 -0400

To: "Gasdia, Russell" < Russell. Gasdia@pharma.com>

Cc: "JHS (US)" < JHS@pharma.com>

Subject: RE: Feedback from District Manager Advisory Council - FYI

Nothing is quantitative. May all be true but insignificant. How have you tried to quantify these elements?

What is missing or misleading in our message that causes physicians to think of Duragesic? I thought that we were careful to make clear this is not for the most severe pain patients.

- 1. The manager's all felt that we can improve in our call focus and frequency on high-potential prescribers
- 1 Above suggests that we are calling on non-high potential prescribers. How can our managers have allowed this to happen?
  - 1. O We are seeing that where we focus our efforts with greater call frequency, we see a great number of Rxs per MD. This is not a surprise, but now that we have a few months of call data as well as Rx data, we see a pretty clear correlation. (This will be presented next week at the Mid-Year meeting)

What is the evidence that calling on more physicians with higher frequency will produce more sales? I must say that I don't find this convincing as a major cause of our underperformance. Isn't it the case that reps call more frequently on their

best customers, so maybe the higher frequency is caused by higher use, not the other way around. What about poor reps? Are they not calling on some does with high frequency who still are poor to zero users?

The notion that newer reps are poorer reps is believable, but a couple of scatter plots would show this better. Chart 1 would have results from Jan through Mar with tenure of reps on the x-axis and results on the y-axis. Then Apr (with May, if available) would do it again. Not only would you be able to show the evidence of the observation, but the magnitude of the discrepency would be evident, and some reason to hope for progress moving forward would be show by comparing the two graphs.

It is reassuring to know that the managers think that some corrective programs will be productive, but more telling would be the reasons that managers disagreed, or thought that other actions would be more productive. If you had no disagreements with the course of action or no alternative courses proposed, then say that. But this would be disappointing.

# Richard Sackler, M.D.

- +1 203 588 7777 Office
- +1 203 550 4550 iPhone
- +1 801 742 1001 UT Locus
- r@pharma.com

From: Gasdia, Russell

Sent: Thursday, June 16, 2011 9:24 AM

**To:** Sackler, Dr Richard **Cc:** Stewart, John H. (US)

Subject: Feedback from District Manager Advisory Council - FYI

Dr Richard

I received the message that you weren't able to join us for the District Manager Advisory Council luncheon yesterday.

I'm providing a top-line overview of the feedback received on the Butrans launch results from this group of DMs:

- The primary issue facing the physicians right now is patient access through managed care plans.
  - This is consistent with recent market research conducted at the American Academy of Pain Management conference (John forwarded you a presentation on this research for your review)
  - Representatives are improving their ability to focus the physicians on managed care
    plans where Butrans is available and we are also increasing our messaging on the
    Patient Savings Program to reduce the patient's out-of-pocket costs until we can

achieve improved formulary status for Butrans.

- The managers all indicated that proper patient selection is key.
  - Some physicians think of Duragesic when we present Butrans
  - The Butrans doses available are not considered to be "equianalgesic" to the available doses of Duragesic. Therefore, a patient who requires Duragesic has pain that is "beyond" Butrans and if they convert a patientfrom Duragesic to Butrans there is a risk on "failure" on Butrans. This has occurred in some areas, but the representatives are improving in their ability to focus the physicians on more appropriate patients (low dose Vicodin, Percocet, or tramadol, as well as opioid naïve who now require an opioid analgesic)
- The manager's all felt that we can improve in our call focus and frequency on high-potential prescribers
  - We are seeing that where we focus our efforts with greater call frequency, we see a great number of Rxs per MD. This is not a surprise, but now that we have a few months of call data as well as Rx data, we see apretty clear correlation. (This will be presented next week at the Mid-Yearmeeting)
  - They discussed tactics managers can take to assist representatives with call planning and physician selection for their call lists.
- As you know we expanded by 125 new territories during the 4<sup>th</sup> quarter 2010. With additional expansion at the management level, we actually hired approximately 147 new representatives into the Sales Force between October 2010 and March 2011.
  - The managers all see that the newer representatives are not having the same level of impact as our veteran representatives.
    - While some of the newer representatives are doing well, most of the newer representatives are behind our more experienced representatives in performance.
    - This is not a surprise as relationships need to be developed to be effective at selling. Also, many of the representatives we hire do not have a pain management background, since there are only a few companies who are in this market.
    - All the manager's were confident that with our training focus for these new representatives we will see improvement. They also felt that as we progress into the second half of2011 they will increase effectiveness as they build more relationships withtheir physicians.
- We have some representatives who are underperforming and the managers all indicated the value of a program we initiated called the "Performance Enhancement Plan".
  - This is designed to focus the manager's efforts on representatives who are not performing to expectations. It is not probation. Instead it is designed to improve performance before a representative is performing so poorly they need to be placed onto probation.
  - The program focuses on selling skills, call activity focus, product knowledge and any other areas that require improvement. It also requires the manager to devote more time to the representative, beyond the normal field contact rotation.
    - All managers reported successes with this program. All had examples of representatives placed onto this program who have demonstrated significant improvement.
- The positioning and messaging is effective. However, all the managers felt we need to

continue to train the representatives on how to more effectively deliver the messages and reinforce appropriate positioning for Butrans.

They all felt that the workshops we've developed for the June two-day district
meetings are on target and will help to elevate the skills of the representatives in
regards to effective messaging around Butrans.

Overall, the managers reported that they hear from physicians that Butrans is an effective product, as long as it was prescribed for the appropriate patient and those who have access through their managed care plan. They also indicated that they feel the second half of the year should be strong, based on what they see in the field and how call activity relates to results. They also feel the newer representatives will increase effectiveness as we get further into 2011.

I'll provide more lead time to you and John prior to our nextfeedback session. We will most likely conduct the next one via a phone conference and you are more than welcome to join us.

Russ

# Exhibit 68

## Overall S&P for 2011

Marketing Report - Russ Gasdia

- 1. What is the data that supports our belief that the generic Oxy business that existed in 2010 has not converted to brand Oxy?
  - a. A sub-question to the above where has the generic Oxy business gone (i.e. which competitive products), and also where has the lost Oxy brand business gone?
- 2. Mortimer Jr. asked if we should launch an OxyContin AG to capture more cost sensitive patients.
- 3. Kathe asked us to study the characteristics of patients switching to OxyContin from MSER and other products to look for common etiologies that might later be helpful in identifying potential un /under developed markets for OxyContin.
- 4. Jon asked for market share change over time for opioid medicines over time --- by strength.

## Offline Report - Ed Mahony

- 1. Dr Richard asked for more detail on trade inventory assumptions and history.
- 2. Dr Richard asked for more detail on volume of AE's and PC's and related headcount.

## <u>Butrans</u>

#### Marketing Report - Russ Gasdia

- Dr. Kathe -Provide script data on how many patients are on patch for 6 days, 8 days, etc.-NDTI data
- 2. Dr. Kathe -Need to understand what patients and what conditions (OA, LBP) the product is being used for.
- 3. Provide a complete report to the board on the impact of managed care including what steps are being taken to address the pricing pressure.
- 4. Jon-Has anything in the launch experience changed plans for 2nd generation or additional strengths?
- 5. Mortimer Jr asked for more detail on the transition timing and impact to 2<sup>nd</sup> generation and additional strengths. Jon asked us to consider the possibility that generic companies may already have elegant patch technology that they would use to seek ANDA approval for the old formula (eg. Mylan's fentanyl patch).

#### ONU

## For 1 Day R&D Meeting – Gary Stiles

- 1. Questions on the commercial value proposition seeking a constipation claim may be a serious barrier to adoption-use bowel dysfunction. Dr. Richard- "brilliantly designed program for the wrong goal" basically, can you sell this product? Does it solve a bigger issue than constipation? What specific clinical studies would have to be successful to have a saleable Targin claim that reduces pain and improves quality of life e.g. bowel dysfunction.
- Are we testing a PEO-like formulation in ONU?
- 3. Jon Will the oxy/naloxone have any effect on respiratory depression?

# Page(s) Omitted

# Exhibit 69 (Intentionally Omitted)

# Exhibit 70

# Purdue Quarterly Report to the Board August 3, 2011

# **TABLE OF CONTENTS**

SALES & MARKETING	3
MANUFACTURING & SUPPLY CHAIN	16
QUALITY	18
RESEARCH & DEVELOPMENT	20
PLANNING & OUTSOURCING MANAGEMENT	23
DISCOVERY RESEARCH	23
HEALTH POLICY	25
CORPORATE COMPLIANCE	28
FINANCE	29
INFORMATION TECHNOLOGY	33
LICENSING & BUSINESS DEVELOPMENT	34
EXTERNAL AFFAIRS	35
LATIN AMERICA	36
HUMAN RESOURCES	39

# Page(s) Omitted

**Result:** Through the first half 2011, total sales calls are at 102% of overall target. For primary position presentations, Butrans is on target at 100% for all calls having Butrans as the primary presentation. For secondary position presentations, OxyContin is below target of 90%, with only 75% of all calls having OxyContin in a secondary position YTD. This is due to continued focus on Butrans messaging and time needed during a call to a physician to appropriately provide information regarding Butrans. As the year progresses, we anticipate an increase in the number of OxyContin second position presentations. Ryzolt is slightly below target of 35%, with 29% of all calls YTD having a Ryzolt third position presentation. Laxatives are slightly exceeding target of 35% with 36% of all calls including a promotional message for one of the Laxatives.

								Senokot/
2011	Call	Calls	Difference	% to	Butrans	OxyContin	Ryzolt	Colace
	Goal	Made		Goal	Primary	Secondary	Third%	Third %
					% of all	% of all	of all	of all
Q1	168,210	173,647	5,437	103%	84%	77%	39%	38%
Q2	187,950	189,650	1,700	101%	100%	73%	19%	33%
Q3	189,525							
Q4	166,315							
Total	712,000	363,297	7,137	51%	92%	75%	29%	36%

Source: Report Gallery – Metrics Report (weeks of 1/1 - 7/1/2011)

**Result:** The average physician calls per day for 2011 YTD is 6.91 calls per day. This is slightly lower than the objective of 7 calls per day and is attributed primarily to the impact in Q1 of the conclusion of the sales force expansion and the launch of Butrans. With newer representatives, we tend to see lower call activity until they build relationships and an understanding of the territory. Also with a launch of a new product we see decreased calls per day because initial calls for a new product tend to take longer, decreasing the number of prescribers a representative can see in a day. We did see an increase to 7.2 calls per day during the second quarter, and expect to continue at the targeted goal, or better, through the remainder of 2011.

	Daily Average	Daily Call	
2011	Daily Average Call Target	Daily Call Average Actual	Prior Year
Q1	7.0	6.7	7.0
Q2	7.0	7.2	7.0
Q3	7.0		6.8
Q4	7.0		6.2

# Page(s) Omitted

## **CORPORATE COMPLIANCE**

Assure compliance with Purdue's Corporate Integrity Agreement (CIA) and all Federal and State laws and regulations, as well as the PhRMA Code. Conduct risk assessments and audit and monitor business operations. Respond as required to all inquiries and conduct investigations of Company operations when appropriate. Assure that all ethics and compliance training requirements are met.

## **Corporate Integrity Agreement**

Purdue's Corporate Integrity Agreement will have one year remaining as of July 31st. All requirements under the CIA have been met in Reporting Period 4, including all critical field-based CIA requirements such as the required number of Field Contact Reports (FCRs), with well over two times the required five day minimum of ride-alongs monitored through June.

There have been no Reportable Events to report to the Office of Inspector General during this quarter.

## **State Law Filing Requirements**

Purdue satisfied all sales and marketing reporting and fee payment requirements imposed under law by Massachusetts, Vermont, and the District of Columbia.

## **Speaker Programs**

Speaker programs are a high risk activity, in view of the potential for off-label or other improper promotional conduct by third parties during such activities, but they are an acceptable risk with appropriate safeguards in place. Corporate Compliance has worked closely with Sales and Marketing and others to implement appropriate controls for Butrans speaker programs. During the second quarter we implemented a live monitoring process, so that independent monitors attend a significant sample of such programs nation-wide to evaluate and report to us on these programs. In addition, every program is monitored by Purdue attendees. An expert consultant on Fair Market Value compensation of speakers and other Healthcare Professionals has completed analysis of Purdue's HCPs and published FMV criteria to be applied company-wide to all such arrangements, an important point to cover in view of Government requirements for such arrangements.

## "Email" Investigation

As a result of a sales representative unknowingly violating the Sales SOP provisions strictly limiting emails exchanged with HCPs, and self-reporting such to Corporate Compliance, a wider review of representative email activity was conducted to determine if wider issues existed. Our review disclosed the existence of emails exchanged with HCPs by some 50 representatives. In some cases the emails were innocuous and involved the HCP contacting the representative to make an appointment, while the most problematic (and only a limited number) involved promotion of product and claims, not permitted under Purdue's Sales SOP. A range of disciplinary actions have been taken, including written warnings and coaching, and further training of representatives is to follow. This matter will be discussed during the July 21st Board meeting.

# Page(s) Omitted

# Full-Time Turnover Report YTD 6/30/2011

	Begin Count	End Count	Ave # EE's	Termina- tions	% Term EE's	Retired	Resigna- tions	% Resigned	Total T/O	YTD T/O Rate
S&P		***************************************					***************************************	000000000000000000000000000000000000000	***************************************	
Sales	589	640	615	9	1.5%	0	6	1.0%	15	2.5%
Marketing	45	47	46	0	0.0%	0	1	2.2%	1	2.2%
Sales Support	20	28	24	0	0.0%	0	2	10.0%	2	10.0%
Field Ops, Support & Admin	18	16	17	0	0.0%	0	3	16.7%	3	16.7%
Total S&P	672	731	702	9	1.3%	0	12	1.8%	21	3.1%
% of X-FTE's				42.9%		0.0%	57.1%			
G&A										
Administrative Services	33	34	34	0	0.0%	0	0	0.0%	O	0.0%
Business Development	6	6	6	0	0.0%	0	1	16.7%	1	16.7%
Corporate Compliance	9	10	10	0	0.0%	0	0	0.0%	O	0.0%
EHS	5	5	5	0	0.0%	0	0	0.0%	0	0.0%
Executive	14	14	14	0	0.0%	0	0	0.0%	O	0.0%
External Affairs	16	18	17	0	0.0%	0	0	0.0%	O	0.0%
Finance	61	61	61	0	0.0%	0	0	0.0%	O	0.0%
General Counsel	53	50	52	0	0.0%	0	0	0.0%	0	0.0%
Human Resources	22	23	23	0	0.0%	0	0	0.0%	0	0.0%
IT	86	88	87	1	1.2%	0	1	1.2%	2	2.3%
Procurement	16	15	16	Ô	0.0%	0	0	0.0%	0	0.0%
QA	18	20	19	ő	0.0%	0	0	0.0%	0	0.0%
Security	15	15	15	0	0.0%	0	0	0.0%	0	0.0%
Total G&A	354	359	357	1	0.3%	0	2	<b>*</b> 0.6%	3	* 0.8%
% of X-FTE's	334		337	33.3%	0.570	0.0%	66.7%	0.0 / 0		0.0 70
IRD/US				55.570		0.070	00.770			
Discovery	52	53	53	0	0.0%	0	0	0.0%	0	0.0%
Drug Safety & Pharma	35	37	36	0	0.0%	0	2	5.7%	2	5.7%
Health Policy	46	48	47	0	0.0%	0	0	0.0%	0	0.0%
Medical Research	56	63	60	0	0.0%	0	2	3.6%	2	3.6%
Nonclinical & R&D	41	49	45	0	0.0%	0	0	0.0%	0	0.0%
Project Management	21	22	22	0	0.0%	0	1	4.8%	1	4.8%
Regulatory Affairs	20	22	21	0	0.0%	0	0	0.0%	0	0.0%
Total IRD/US	271	294	283	0	0.0%	0	5	1.8%	5	7 1.8%
% of X-FTE's	4/1	434	203	0.0%	0.070	0.0%	100.0%	1.070	<u> </u>	1.0 70
MFG/OPERATIONS				0.070		0.070	100.070			
	17	17	17	0	0.007	0	0	0.097	0	0.007
PF Labs Salaried	17	17	17	0	0.0%	0	-	0.0%	0	0.0%
PPMD	56	57	57	0	0.0%	0	0	0.0%	0	0.0%
Wilson NC	187	189	188	3	1.6%	0	3	1.6%	6	3.2%
Total MFG/OPERATIONS	260	263	262	3	1.2%	0	3	1.2%	6	* 2.3%
% of X-FTE's				50.0%		0.0%	50.0%			
Rhodes Technologies	144	146	145	1	0.7%	0	4	2.8%	5	3.5%
Rhodes Pharma	20	24	22	0	0.0%	0	11	5.0%	11	5.0%
Total MFG/OPERATIONS	164	170	167	<u>* 1                                   </u>	0.6%	0	5	<b>3.0%</b>	6	3.7%
				16.7%		0.0%	83.0%			
Total Miami	4	4	4	0	0.0%	0	0	0.0%	0	0.0%
% of X-FTE's				0.0%		0.0%	0.0%			
Grand Total	1,725	1,821	1,773	14	0.8%	0	27	1.6%	41	<b>2.4%</b>
% of X-FTE's				34.1%	***************************************	0.0%	65.9%			

# Exhibit 71

To: Sackler, Jonathan[Jonathan.Sackler@pharma.com]

From: Gasdia, Russell

**Sent:** Mon 1/9/2012 5:30:19 PM

Subject: Re: Butrans

Yes

With holidays, prep for national sales meeting and Intermezzo, I dropped the ball last week. I'll have a final for 2011 this week as I now have final report. In 2012, I'm going to move to bi-weekly for Butrans and weekly for Intermezzo.

From: Sackler, Jonathan

Sent: Monday, January 09, 2012 04:55 PM

**To**: Gasdia, Russell **Subject**: Butrans

Russ, are you going to resume a weekly (bi-weekly?) update on sales?

# Jon Sackler

201 Tresser Boulevard

Stamford, CT. 06901

tel: (203) 588-7200 fax: (203) 588-6500 jsackler@pharma.com

Executive Assitant: Alicia Laing

tel: (203) 588-7202 fax: (203) 588-6500 alicia.laing@pharma.com

# Exhibit 72

To: Gasdia, Russell[Russell.Gasdia@pharma.com]

From: Fisher, Windell

**Sent:** Sun 2/12/2012 1:15:58 PM

Subject: RE: 10 Year Plan - A Dose of How at Least One Board Member is Feeling - FYI ONLY

Got it.

From: Gasdia, Russell

**Sent:** Sunday, February 12, 2012 1:06 PM

**To:** Fisher, Windell

Subject: Re: 10 Year Plan - A Dose of How at Least One Board Member is Feeling - FYI ONLY

Windell

We have budget for 525. We should have 525. If we don't fill them, it sends the wrong message to the board. I want to start messaging that we need more reps, not less. We are not able to get to thousands of high prescribers with 525 reps. Endo has 600, JandJ 1000, how many would Pfizer put behind Remoxy? 1000?

Have them get us to 525 soon. We have places to put the. If a DM pushes back. They aren't "on the bus".

Russ

From: Fisher, Windell

**Sent**: Sunday, February 12, 2012 11:06 AM

To: Gasdia, Russell

Subject: RE: 10 Year Plan - A Dose of How at Least One Board Member is Feeling - FYI ONLY

Russ,

We are down two territories (523), and Jane has a proposal to close another vacant one (Phoenix area). I have given direction to Phil & Jane to add back the headcount to get us where we are budgeted. Do we need to discuss this? Do we need to think about holding on adding back the territories? I am concerned that there may be a BOD push for some headcount reduction cost savings and if so, it's easier to deal with vacant positions than staffed ones.

WF

From: Gasdia, Russell

**Sent:** Tuesday, February 07, 2012 9:15 AM **To:** Fisher, Windell; Innaurato, Mike

Subject: FW: 10 Year Plan - A Dose of How at Least One Board Member is Feeling - FYI ONLY

Guys

FYI for your eyes only

Things are not good at BOD level. I met with Dr Raymond for one hour yesterday.

From: Mahony, Edward

**Sent:** Tuesday, February 07, 2012 8:04 AM

**To:** Sackler, Mortimer D.A.

**Cc:** Sackler, Dr Raymond R; Sackler, Beverly; Sackler, Dr Richard; Sackler, Jonathan; Sackler, Theresa; Sackler, Dr Kathe; Boer, Peter; Boer, Peter; Pickett, Cecil; Lewent, Judy; Stewart, John H. (US);

Baker, Stuart D.; Shum, Sam; Gasdia, Russell; Strassburger, Philip; Stiles, Gary

**Subject:** Re: 10 Year Plan

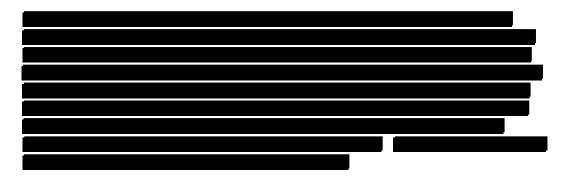
Thank you - all good questions. I have added a few answers or comments in all caps below. We will try to be sure all are also answered either in the formal deck / presentation or in supplementary exhibits.

Best Regards,

Ed

On Feb 6, 2012, at 7:53 PM, "Sackler, Mortimer D.A." <msackler@pharma.com> wrote:

A couple of comments:



- 2. Will the new 10 year plan give risk adjusted product P&Ls and NPVs so we can see product by product how they look and if they are still have positive NPVs given the risk adjusted 10 year plan? YES THE PLAN DOCUMENTS WILL INCLUDE SCENARIOS FOR EACH PIPELINE PROJECT.
- 3. How will you risk adjust Intermezzo? We know it will come to market but the big unknown is how it will do once launched??? WE HAVE NOT UPDATED OUR INTERMEZZO SCENARIOS -WE ESSENTIALLY HAVE ONE INTERMEZZO FORECAST. I UNDERSTAND YOUR POINT. WE WILL DEVELOP THOUGHTS ON THIS.
- 4. Given the already heated press on the development of a CR Hydrocodone, can we REALLY say that the likelihood of approval is 80%? I would have thought more like 50% given the politics that are already happening and the difficulty getting ANYTHING approved by the FDA these days, especially on time unless it is truly a life saving/extending medicine.MORE ON THIS IN THE PRESENTATION.
- 5. Have you budgeted further savings and cost reductions given the current further set backs to the business including the higher Medicaid rebates and continued slower growth of Butrans? I am hoping you will be coming back to the Board with further reductions for this year (and future years) to offset those further setbacks as well as as we discussed to have all departments share in the cost reductions not just R&D.UNDERSTOOD. JOHN AND I WILL TALK TO THIS BUT FIRST LETS HEAR RUSS' SALES

## ACTION PLAN.

6. How have you handled "spare" R&D capacity as trials finish? In the past you have kept that capacity on board assuming it will get filled by new products. Is that the same here or have you changed it to reduce headcount and cost when those product developments come to an end? THE SPARE R&D IS IN THE PLs

I have limited the distribution of these comments given the sensitive nature of some of the comments. I leave it to you to decide who to share them with.

Regards,

Mortimer

From: Edward Mahony < Edward. Mahony@pharma.com>

Date: Mon, 6 Feb 2012 14:46:12 -0500

To: "Sackler, Dr Raymond R" < DrRaymondR.Sackler@pharma.com">, "Sackler, Beverly" < Beverly.Sackler@pharma.com">, "Sackler, Dr Richard" < DrRichard.Sackler@pharma.com">, "Sackler, Jonathan.Sackler@pharma.com">, Theresa Sackler < Theresa.Sackler@mdsackler.co.uk">, "Sackler, Dr Kathe" < Dr.K.A.Sackler@pharma.com">, Mortimer Sackler < msackler@pharma.com">, "F. Peter Boer" < Peter.Boer@pharma.com">, Cecil Pickett < cecil.pickett@pharma.com">, "Lewent, Judy" < Judy.Lewent@pharma.com">

Cc: JOHN STEWART < John.H.Stewart@pharma.com >, "Abrams, Robin" < Robin.Abrams@pharma.com >, James Dolan < James.Dolan@pharma.com >, "Gasdia, Russell" < Russell.Gasdia@pharma.com >, Craig Landau < dr.craig.landau@pharma.com >, "Lundie, David" < David.Lundie@pharma.com >, "Mallin, William" < William.Mallin@pharma.com >, "Silbert, Richard W" < Richard.Silbert@pharma.com >, Gary Stiles < Gary.Stiles@pharma.com >, "Strassburger, Philip" < Philip.Strassburger@pharma.com >, Stuart Baker < SBaker@chadbourne.com >, "Bostrup, Eric" < Eric.Bostrup@pharma.com >, "Lowne, Jon" < Jon.Lowne@pharma.com >, "Shum, Sam" < Sam.Shum@pharma.com >, "Davis, Neal" < neal.davis@pharma.com >

Subject: 10 Year Plan

Colleagues,

We are finalizing the 10 Year Plan and want to share with you some additional thoughts. As always, your comments on how to make the format and content of the 10 Year Plan more meaningful are welcome.



- 2.
- 3. We plan to incorporate the cost of the potential for higher Medicaid Rebates on OxyContin as a result of the "line extension" proposed regulation, described in our email last week.

- 4. The previous 5 year plan had the cost and risk adjusted revenue expected from the second generation Butrans patch and the higher strength Butrans patches. Following the 2012 budget decision, we plan to remove the cost of the higher strength efficacy studies and the related sales from the 10 year plan. We will leave the second generation patch in the plan, but for now, limited to the lower strengths. Consistent with the 2012 budget, the plan does contain funding for the higher strength QTc studies. If these studies are positive, and if the sales of Butrans meet expectations and the second generation patch looks positive we will likely seek approval to invest in the higher strength studies via the 2013 budget.
- 5. We will add Intermezzo to the plan, not in the previous plan.
- 6. We have updated each products IP, commercial and R&D plan and they will be presented.
- 7. We plan to include the estimated cost of a new manufacturing facility which, of course, will require Board approval.

Your thoughts in advance on these or other matters will be appreciated.

Ed

From: Mahony, Edward

Sent: Tuesday, January 17, 2012 8:51 PM

To: P. Boer, J. Lewent, C. Pickett, Dr. Raymond Sackler, Beverly Sackler, Dr. Richard Sackler, Jonathan

Sackler, Dr. Kathe Sackler, Mortimer D. A. Sackler, Theresa Sackler

**Cc:** Dolan, James; Gasdia, Russell; Landau, Dr. Craig; Long, David; Lundie, David; Mallin, William; sdb; Stewart, John H. (US); Stiles, Gary; Weinstein, Bert; Lowne, Jon; Shum, Sam; Davis, Neal; Bostrup,

Eric; lap; edm

Subject: 10 Year Plan --- seeking your input

Colleagues,

The Purdue team is updating the 10 Year Plan and plans to present that update at the February Board Meeting.

As we prepare for that presentation, there are several financial modeling and presentation assumptions that we would like your feedback on. We hope that your advance input will make the presentation more useful to you and will ensure that it contains / covers those items of greatest interest.

To start, the following is a list of financial modeling and presentation assumptions that we used last year – and which we believe should continue:

1. Pipeline project prelaunch development cost projections are not risk adjusted. Instead, 100% of the expected prelaunch development cost is included in the ten year plan. While industry experience would suggest

- that some projects might terminate early, we prefer this approach because it earmarks funds for programs.
- 2. Pipeline project forecasted sales, launch spending and profit are developed with high, medium and low potential commercial / sales outcomes. From this range of outcomes, we include the middle case in the 10 year plan. That middle case outcome is multiplied that by the probability of FDA approval of the product's NDA. So, if a product's middle range forecast is \$500 million in revenue, \$100 million pretax earnings and the product has a 50% chance of approval --- we would include 50% of those amounts in the plan.
- 3. Where we use probabilities in the 10 Year Plan we apply industry average success rates --- adjusted slightly for the nature of our projects. For example, TR Hydrocodone is in Phase 3 and we have assigned it an 80% probability of receiving FDA approval.
- 4. Potential IN OR OUT-licensed products, company acquisitions or like transactions are not included in the plan, since the number of transactions, the amounts and the timing of such transactions are very uncertain. In past years we included a "war chest" in the plan to fund such potential opportunities but discontinued that approach due to the uncertainties described above. We plan to not include such a war chest in this update to the 10 Year Plan.
- 5. The 10 Year Plan financials are summarized in two ways (a) a simple sum of all the projects not risk adjusted and (b) a sum of all the projects risk adjusted as described above.
- 6. The 10 Year Plan summaries include standard financial statements and a multi- page summary of each pipeline project including the target product profile.
- 7. The 10 Year Plan projects on a product-by-product basis the marketing period without generic completion, based on our Legal group's evaluation of the IP, Regulatory and Commercial landscape. This period is typically shorter than the full patent life. This same approach will be used in the 10 Year Plan Update.

After we presented the 10 Year Plan last year the Board members asked for some additional information. The management team also sought detailed input from a few Board members, including Peter, Judy and Dr Richard. Some of their

comments and our thoughts are included below for comment. We will use your comments, especially on these items, as we complete development of this update to the plan.

1. The past 10 Year Plans did not include upside potential to the OxyContin brand due to positive findings in the epidemiology studies now underway with the new formulation. As the amount and timing of this upside is uncertain we suggest no change to this approach. However, we are considering market research later this year to evaluate the potential magnitude of positive findings in these studies.



- Peter Boer suggested that the 10 Year Plan include more detail on the planned build out of R&D capabilities, a SWOT analysis on the Purdue organization and succession planning. We suggest addressing these topic separately.
- 3. Peter Boer suggested that the 10 Year Plan include an assessment of Purdue's bulk API strategy and how it might add value --- like low-ABUK did for OxyContin. We suggest that this topic be handled by the Strategic Manufacturing Group, which includes representation from BOTH Purdue and Rhodes.
- 4. A number of Board members asked for further information on THE Burtans life cycle plan --- especially how the new formula will HELP avert the threat of generics to the current formula. This will be covered.
- 5. A number of Board members asked how managed care was considered in developing the commercial opportunity for the OAD TR Hydrocodone formulation. This will be covered.

- 6. The Board asked that the world wide pipeline be ranked, more projects have global potential and for more diversification beyond opioids. This was presented by John and Antony at the November budget meetings and is being further pursued.
- 7. Certain Board members asked for a further description of how the development of the U.S. economy is expected to impact the 10 Year Plan, how the U.S. pharmaceutical market is expected to develop, and how Purdue will succeed in that market. We were asked to and plan to include:
  - i. Payer consolidation
  - ii. Payer influence over medicine choices
  - iii. Resistance to increased prices
  - iv. Slower launch uptake due to payer medical and formulary review.

These factors are taken into consideration on a product-by-product basis, in the process of developing sales projections — so are to a certain extent already included. However, we will address the ways in which we are planning to generate / bring additional supportive data to payers.

- 8. Board member asked that we consider the possibility of commercial failure for each project after launch and regulatory approval. The 10 year plan project evaluations generally include 4 cases: no approval after full R&D investment, low case (usually a loss), base case and high case. We think that these reasonably bookend the potential outcomes. NOTE: In the case of a commercial failure, Purdue is generally able to downward adjust its investment in S&P. Generally, licensing terms give Purdue that flexibility. We suggest not adding additional cases to the 10 Year Planning Process.
- 9. Board members asked that the 10 year plan discuss competing pipelines more deeply especially their expected product attributes compared to Purdue's expected offerings. This will be covered.

Best Regards,

**Ed Mahony** 

# Exhibit 73

To: Feltz, Margaret[Margaret.Feltz@pharma.com]; Stroud, Alexis[Alexis.Stroud@pharma.com]

From: Weinstein, Bert

**Sent:** Wed 2/8/2012 9:47:34 AM

Subject: FW: Butrans Weekly Report for the week ending January 27, 2012 - FYI

#### Oh dear

Bert Weinstein Vice President, Corporate Compliance Purdue Pharma L.P. One Stamford Forum Stamford, CT 06901 203-588-8288 (o) 203-912-4462 (c)

From: Sackler, Dr Richard

**Sent:** Wednesday, February 08, 2012 9:45 AM **To:** Gasdia, Russell; Sackler, Mortimer D.A.

**Cc:** Sackler, Dr Raymond R; Sackler, Dr Kathe; Sackler, Jonathan; Sackler, Theresa; Pickett, Cecil; Boer, Peter; Lewent, Judy; Baker, Stuart D.; Stewart, John H. (US); Abrams, Robin; Dolan, James; Landau, Dr. Craig; Long, David; Lundie, David; Mahony, Edward; Mallin, William; Silbert, Richard W;

Stiles, Gary; Strassburger, Philip; Weinstein, Bert

Subject: Re: Butrans Weekly Report for the week ending January 27, 2012 - FYI

Maybe the thing to have done was not have the meeting at all.

From: "Gasdia, Russell" < Russell. Gasdia@pharma.com>

Date: Wed, 8 Feb 2012 09:38:33 -0500

To: Mortimer Sackler < msackler@pharma.com >

Cc: Richard Sackler < DrRichard.Sackler@pharma.com>, Raymond Sackler

<DrRaymondR.Sackler@pharma.com>, "Sackler, Dr Kathe" <Dr.K.A.Sackler@pharma.com>, "Sackler, Dr Kathe" <Dr.K.A.Sackler@pharma.com</p>

Cecil internet < cecil.pickett@pharma.com >, Boer < fpboer@boer.org >, Judy Lewent

<Judy.Lewent@pharma.com>, Chadbourne SDB <sbaker@chadbourne.com>, John Stewart

<John.H.Stewart@pharma.com>, Robin Abrams <robin.abrams@pharma.com>, "Purdue Pharma

L.P." < James. Dolan@pharma.com >, "Landau, Dr. Craig" < Dr. Craig. Landau@pharma.com >, David Long

<david.long@pharma.com>, "Lundie, David" <David.Lundie@pharma.com>, Ed Mahony

<edward.mahony@pharma.com>, "Mallin, William" <William.Mallin@pharma.com>, "Silbert,

Richard W" < Richard.Silbert@pharma.com >, "Stiles, Gary" < Gary.Stiles@pharma.com >,

"Strassburger, Philip" < <a href="mailto:Philip" strassburger@pharma.com">Philip" strassburger@pharma.com</a>, Bert Weinstein

<Bert.Weinstein@pharma.com>

Subject: RE: Butrans Weekly Report for the week ending January 27, 2012 - FYI

### Mortimer

We have considered this. I fact, Windell Fisher and I discussed this just last week. Our meeting is set for next January, but we are considering moving into mid to late January in order to do what you say and also allow some added tome to prepare for the meeting.

Most companies have kick-off meetings at the start of the year. Not sure about "Big Pharma" where they are too big to conduct in a national setting.

The balance is waiting too long after the end of a year to gather the sales force together, gain a new focus, introduce new promotional campaigns and provide training geared towards addressing issue faced in the previous year and anticipated in the new year.

#### Russ

---Original Message----

From: Sackler, Mortimer D.A.

Sent: Tuesday, February 07, 2012 6:35 PM

To: Gasdia, Russell

Cc: Sackler, Dr Richard; Sackler, Dr Raymond R; Sackler, Dr Kathe; Sackler, Jonathan; Sackler, Theresa; Pickett, Cecil; Boer, Peter; Lewent, Judy; Baker, Stuart D.; Stewart, John H. (US); Abrams, Robin; Dolan, James; Landau, Dr. Craig; Long, David; Lundie, David; Mahony, Edward; Mallin, William; Silbert, Richard W; Stiles, Gary; Strassburger, Philip; Weinstein, Bert

Subject: Re: Butrans Weekly Report for the week ending January 27, 2012 - FYI

#### Russ,

Do you feel based on these results that in future years we should not plan the national sales meeting so close following the winter break as it extends the period of time since the doctor last saw our rep? Wouldn't it be better to have the reps get back to work for January and back in front of doctors who enter the new year refreshed and ready to take on new information and challenges and hold the sales meeting the beginning of Feb? At least then the doctors will have have gotten at least one reminder visit from our reps in the last month whereas now they might go two months without seeing one of our reps??

What do other companies do?

Regards,

Mortimer

On Feb 7, 2012, at 5:55 PM, "Gasdia, Russell." <Russell. Gasdia@pharma.com> wrote:

- · Prescriptions for the final week of January 2012 are now available
- We experienced a 2.3% increase over the previous week in TRx growth and an increase in share from 1.48% to 1.59%. This is the third highest share since launch.
- o This occurred while the entire extended-release opioid market experienced a 4.9% decrease in TRxs
- · While the prescription trends have decreased since mid-December, the past four weeks are showing a slight rebound
- · Call activity appears to be a major driver of these trends, as evidenced below
- o The graph below depicts primary presentations per week in blue. You will note that primary presentations dropped during December due to vacations as well as the company holiday week. Also we lose a full week in January due to the National Sales Meeting.

o The red line represents TRxs and you can see the relationship/trend with calls and results. [cid:image015.png@01CCE5C1.AAA3C490]

We are also tracking the Butrans Patient Savings Program. Results for this program are a week ahead of the TRx data.

- We had a record week for redemptions with data the week ending February 4th
- o On a weekly basis, we have been averaging 40% of all TRxs including a redemption of a savings card or eVoucher. Based on this, we should see an increase in TRxs next week.
- We also see redemptions for a new version of the savings program which offers a \$0 co-pay on the first RX (for patients receiving their first RX of Butrans) and we cover up to \$75 of the co-pay.
- The blue bar represents the eVoucher savings (which is savings at the retail pharmacy cash register/computer). This is the bulk of our redemptions and the most recent eek was the strongest week to date.
- This Patient Savings Program is designed to provide a reduction in a patient's out-of-pocket costs while we continue to negotiate with Managed Care Organizations for improved formulary status.

## [cid:image016.png@01CCE5C1.AAA3C490]

The National Sales Meeting focused on improving the effectiveness of the sales force. The entire meeting was geared on "best practices" of our top Butrans sales representatives for 2011. We transferred their successful approaches to the entire sales force via a series of workshops. We are confident that as we progress into February primary presentations will increase. This, along with improved skills of the sales reps and implementation of the new patient savings card, should lead to increases in TRxs in line with our objectives.

Russ

### [cid:image001.jpg@01CCE03A.5FFE0630]

Weekly Prescriptions and Stocking Report for the Week Ending January 27, 2012

#### \*Please note:

- · Prescriptions are inclusive of retail, long term care, and mail service channels.
- Stocking data is not available for 2012 as Purdue no longer purchases the weekly data.
- The store count and patches ordered data reflect all channels of trade.
- The store count reflects the number of outlets that ordered products during the given time period.
- · Wal-Mart, Target and Kroger data are not included in the stocking data.

- 1. Weekly Rx Snapshot for Week 54 of Butrans Launch
- The new Butrans Trial Offer \$0 copay began the week ending January 27.
- Butrans total prescriptions for week of January 27, accounted for 7,567 Rxs compared to last week's prescription count of 7,396.
- Butrans share of ERO Rx segment was 1.59% this week, compared to 1.48% last week. 1.59% of the ERO market is the highest share since Dec 16, 2011 and the third highest share percent since launch. The highest ERO market share was 1.62% for the week of November 18, 2011.

highest ERO market share was 1.62% for the week of November 18, 2011.
Key Metrics
Actual
Latest weekly Butrans TRx volume
7,567
Latest weekly Butrans NRx volume
6,142
Year to date 2012 TRxs
29,497
Latest weekly Butrans growth rate
2.3%
Latest weekly distribution by Butrans dosage strength
TRxs
%
5mcg
2,115
28.0%
10mcg

3,441

45.5
20mcg
2,011
26.6
Total
7,567
100.0%
Latest weekly growth rate for Extended Release Opioids (EROs)
-4.9%
Latest weekly Butrans share of Extended Release Opioids (EROs)
1.59%
2. Launch Comparison (Retail Only)
The following is a post launch comparison of Butrans versus other extended release opioids and Butrans versus extended release Tramadol products. At 54 weeks post-launch, Butrans retail Rxs (7,567) continued to outpace all launched EROs with the exception of OxyContin.
· At 21 weeks post-launch, Butrans outpaced all EROs, including recently introduced Nucynta ER which is tracking similarly to Duragesic's launch.
[cid: <u>image002.png@01CCE59C.8402B2D0]</u>
*Includes pre-launch prescriptions

# 3. New vs. Refill Prescriptions

Latest weekly new and refill Rxs are shown as follows: [cid:image004.png@01CCE59C.8402B2D0]

[cid:image003.png@01CCE59C.8402B2D0]

## [cid:image005.png@01CCE59C.8402B2D0]

## 4. Prescriptions by Dosage Strength

· In order to meet the 2012 prescription target of 604,500 Rxs, Butrans prescriptions must increase at an average of 190.5 Rxs each week, starting with the Rx total for the week ending January 6th (6,770). Butrans Rxs must also achieve a year end distribution of 5mcg/hr at 30%, 10mcg/hr at 45% and 20mcg/hr at 25% in order to meet demand forecast of \$132mm. Progress against the Rx target is shown in the following figures:

Week Prior Last Week Current Week YTD Goal 5mcg 27.6% 28.2% 28.0% 27.9% 30.0% 10mcg 46.2% 45.4% 45.5% 45.8%

45.0%

20mcg
26.1%
26.3%
26.6%
26.3%
25.0%
[cid:image006.png@01CCE59C.8402B2D0]
[cid:image007.png@01CCE59C.8402B2D0]
[Cid: <u>imageou7.piig@01CCE39C.8402B2D0</u> ]
· 10mcg equivalents Rxs:
[cid: <u>image008.png@01CCE59C.8402B2D0]</u>
5. Prescriptions by Channel
Retail pharmacy scripts continue to dominate Butrans total Rxs by channel, accounting for 95%, followed by 4% in LTC and 1% from Mail order.
[cid: <u>image009.png@01CCE59C.8402B2D0]</u>
[cid: <u>image010.png@01CCE59C.8402B2D0]</u>
6. Prescriptions by Specialty
By specialty group, Primary Specialists continue to garner largest share of Butrans Rxs, accounting for 39.7% this week, followed by PCPs with 39.6%, and NP/PAs with 15%.

Anesthesiology/pain medicine (19.7%), FP/GP (15.3%), Physical Medicine (12.1%) and Osteopathic

[cid:image012.png@01CCE59C.8402B2D0]

Medicine (13.1%), were leading individual specialties this week.

## 7. Stocking Overview

• Stocking data is not available for 2012 as Purdue no longer purchases the weekly data.

Stephen Wachter | Manager, Market Research | Purdue Pharma L.P.
One Stamford Forum | 201 Tresser Blvd. | Stamford, CT 06901
Tel: 203-588-8416 | Fax: 203-588-6216 | Mobile: 203-461-1169 |
Email: stephen.wachter@pharma.com<mailto:stephen.wachter@pharma.com>

<image001.jpg>
<Butrans Weekly Report 1-27-12.xlsm>
<image002.png>
<image003.png>
<image004.png>
<image005.png>
<image006.png>
<image007.png>
<image008.png>
<image009.png>
<image010.png>
<image012.png>
<image015.png>
<image015.png>
<image015.png>
<image016.png>
<image016.png>
</mage016.png>

# Exhibit 74

To: Rosen, David (Sales and Marketing)[/O=PURDUE/OU=Purdue US/cn=Recipients/cn=rosend]

Cc: Stewart, John H. (US)[/O=PURDUE/OU=Purdue US/cn=Recipients/cn=johns]; Gasdia,

Russell[/O=PURDUE/OU=Purdue US/cn=Recipients/cn=58B02E32]; Innaurato, Mike[/O=PURDUE/OU=Purdue US/cn=Recipients/cn=X.InnauraM]; Fisher,

Windell[/O=PURDUE/OU=Purdue US/cn=Sales and Marketing - Field/cn=6DF5A406]

From: Sackler, Dr Richard
Sent: Mon 4/30/2012 8:34:17 PM

Subject: Re: Butrans Weekly Report 4-20-12.xlsm

Thank you for the update.

From: <Rosen>, "David (Sales and Marketing)" <<u>David.Rosen@pharma.com</u>>

To: Richard Sackler < <a href="mailto:DrRichard.Sackler@pharma.com">DrRichard.Sackler@pharma.com</a>

**Cc:** John Stewart < <u>John.H.Stewart@pharma.com</u>>, "Gasdia, Russell" < <u>Russell.Gasdia@pharma.com</u>>, "Innaurato, Mike" < <u>Mike.Innaurato@pharma.com</u>>, "Fisher, Windell" < <u>Windell.Fisher@pharma.com</u>>

Subject: Butrans Weekly Report 4-20-12.xlsm

Hi, Dr. Richard. We have once again flattened over the last few weeks. Butrans Rx's totaled 8,566 this week, and share of EROs remained flat at 1.73% compared to last week. To help provide insight into Butrans' recent trends, we are initiating quantitative market research to gain insight as to why some patients remain on Butrans, why others leave and why others never try prescribing it (e.g. perception of managed care coverage, product attributes, comfort, etc.).

-David

CONFIDENTIAL PPLPC012000374532

# Exhibit 75

# Purdue Quarterly Report to the Board 1<sup>St</sup> Quarter, 2012

April 30, 2012

# TABLE OF CONTENTS

SALES & MARKETING
MANUFACTURING & SUPPLY CHAIN
QUALITY
RESEARCH & DEVELOPMENT
DISCOVERY RESEARCH19
HEALTH POLICY21
CORPORATE COMPLIANCE24
LICENSING & BUSINESS DEVELOPMENT25
EXTERNAL AFFAIRS
HUMAN RESOURCES28
FINANCE
INFORMATION TECHNOLOGY

# Page(s) Omitted

#### CORPORATE COMPLIANCE

Assure compliance with Purdue's Corporate Integrity Agreement (CIA) and all Federal and State laws and regulations, as well as the PhRMA Code. Conduct risk assessments and audit and monitor business operations. Respond as required to all inquiries and conduct investigations of Company operations when appropriate. Assure that all ethics and compliance training requirements are met.

# Corporate Integrity Agreement

- The fifth and final year of Purdue's CIA comes to an end July 30th. There have been no Reportable Events in year five, and no unfavorable communications with the Office of Inspector General. We fully expect to complete the fifth year, and full term, of the CIA with a favorable review and close out, although formal closing of the CIA may well take up to six months past July 30<sup>th</sup>.
- On March 26th, the OIG released its report from the February 23 Pharmaceutical Compliance Roundtable. This will be discussed in our forthcoming Quarterly Compliance Report to the Board. The report is generally favorable with respect to its discussion of the challenges and concerns raised by industry participants and the general state of compliance in the pharmaceutical industry. On this latter point, the OIG stated: "We hope this report will be useful to providers outside the pharmaceutical industry as they seek to enhance their own compliance programs."

# Compensation of Health Care Professionals at "Fair Market Value"

• Compliance has implemented an updated process with respect to compensation of Healthcare Professionals (HCPs), to ensure Purdue's practices continue to remain in accord with governmental regulations. We must compensate HCPs only at "fair market value (FMV)" levels. An assessment has been completed with a consultant to benchmark compensation levels and FMV methodology, to ensure compliance with governmental expectations and industry best practice, and to take into account each HCP's specialty area, level of expertise, and the task and amount of time spent providing services to Purdue. We now have a one page chart to serve as a template for determining FMV for each HCP. As such, future contracts with HCPs for services to Purdue (e.g. participation on Advisory Boards, Speaker Programs, etc.) will follow this updated FMV compensation analysis.

## <u>Preparations for Intermezzo Launch</u>

• In addition to on-line compliance training modules required of all Purdue colleagues, Compliance fully participated in live Home Office and launch meeting compliance training of the Quintiles Intermezzo representatives. Key points of emphasis, beyond our normal level of compliance training included a focus on

# Page(s) Omitted

# Full-Time Turnover Report YTD 3/31/2012

	Begin	End	Ave #		% Term		Resigna-		Total	YTD T/O
	Count	Count	EE's	tions	EE's	Retired	tions	Resigned	T/O	Rate
S&P										
Sales	631	630	631	5	0.8%	0	10	1.6%	15	2.4%
Marketing	45	46	46	1	2.2%	0	1	2.2%	2	4.4%
Sales Support	23	27	25	0	0.0%	1	0	0.0%	1	4.3%
Field Ops, Support & Admin	15	14	15	0	0.0%	0	2	13.3%	2	13.3%
Total S&P	714	717	716	6	<b>-</b> 0.8%	1	13	1.8%	20	2.8%
% of X-FTE's				30.0%		5.0%	65.0%			
G&A										
Administrative Services	34	34	34	0	0.0%	0	0	0.0%	0	0.0%
Business Development	7	7	7	0	0.0%	0	0	0.0%	0	0.0%
Corporate Compliance	9	10	10	0	0.0%	0	0	0.0%	0	0.0%
EHS	5	5	5	0	0.0%	0	0	0.0%	0	0.0%
Executive	11	11	11	0	0.0%	0	1	9.1%	1	9.1%
External Affairs	18	18	18	0	0.0%	0	0	0.0%	0	0.0%
Finance	60	59	60	0	0.0%	0	0	0.0%	0	0.0%
General Counsel	47	47	47	0	0.0%	0	0	0.0%	0	0.0%
Human Resources	23	23	23	0	0.0%	0	0	0.0%	0	0.0%
IT	92	95	94	0	0.0%	0	1	1.1%	1	1.1%
Procurement	13	13	13	0	0.0%	0	0	0.0%	0	0.0%
QA	24	29	27	0	0.0%	0	0	0.0%	0	0.0%
Security	16	16	16	0	0.0%	0	0	0.0%	0	0.0%
Total G&A	359	367	363	0	0.0%	0	2	0.6%	2	0.6%
% of X-FTE's				0.0%		0.0%	100.0%			
IRD/US										
Discovery	56	56	56	0	0.0%	0	0	0.0%	0	0.0%
Drug Safety & Pharma	36	35	36	0	0.0%	0	0	0.0%	0	0.0%
Health Policy	38	39	39	0	0.0%	0	0	0.0%	0	0.0%
Medical Research	75	84	80	0	0.0%	0	1	1.3%	1	1.3%
Nonclinical & R&D	47	50	49	0	0.0%	0	0	0.0%	0	0.0%
Project Management	22	13	18	0	0.0%	0	0	0.0%	0	0.0%
Regulatory Affairs	23	24	24	0	0.0%	0	0	0.0%	0	0.0%
Total IRD/US	297	301	299	- 0	-0.0%	0	1	0.3%	1	0.3%
% of X-FTE's				0.0%		0.0%	100.0%			
MFG/OPERATIONS										
PF Labs Salaried	17	18	18	0	0.0%	0	0	0.0%	0	0.0%
PPMD	55	56	56	0	0.0%	0	0	0.0%	0	0.0%
Wilson NC	189	185	187	1	0.5%	1	7	3.7%	9	4.8%
Total MFG/OPERATIONS	261	259	260	1	0.4%	1	7	2.7%	9	3.4%
% of X-FTE's				11.1%		11.1%	77.8%			
Total Purdue	1,631	1,644	1,638	7	0.4%	2	23	1.4%	32	2.0%
Rhodes Technologies	145	144	145	1	0.7%	0	1	0.7%	2	1.4%
Rhodes Pharma	22	26	24	0	0.0%	0	0	0.0%	0	0.0%
Total MFG/OPERATIONS	167	170	169	1	0.6%	0	1	0.6%	2	1.2%
				50.0%		0.0%	50.0%			
Total Miami % of X-FTE's	4	5	5	0.0%	0.0%	0.0%	0.0%	0.0%	0	0.0%
Grand Total	1,802	1,819	1,811	8	0.4%	2	24	1.3%	34	1.9%

# Page(s) Omitted