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Commerical Bulletin

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Special points of Interest

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Pfizer renews its DTP deal with Alliance Healthcare

Alliance Healthcare will continue as the distributor of Pfizer medicines from March 2010, C+D can reveal.

The direct-to-pharmacy (DTP) deal, the first of its kind in the UK, was met by hostility from both pharmacists and wholesalers when first launched in March 2007.

However, a Pfizer spokesperson confirmed the manufacturer will continue to use Alliance Healthcare as its sole distributor under a renewed deal.

He said: "Alliance Healthcare is the sole direct-to-pharmacy logistics service provider for Pfizer medicines in the UK and, from March 2010, Pfizer will continue to use Alliance Healthcare to deliver its medicines."

Speaking exclusively to C+D, Alliance Boots pharmaceutical wholesale division chief executive Ornella Barra said the wholesaler had been confident of renegotiation.

She said: "The service offered by Alliance Healthcare is perfect. The pharmacies are happy, Pfizer is very happy about the service and I am very confident it will continue."

Rival wholesaler Phoenix said it would be interested in partnering with the pharma giant should Pfizer wish to change its model. Wholesaler AAH said it was "not aware" Pfizer had been interested in re-tendering its DTP contract.

In January, a Pfizer consultation with pharmacists revealed 74 per cent of respondents were unhappy with the DTP system. The Pfizer spokesperson told C+D the manufacturer was "continually reviewing our arrangements in order to maintain and further improve the high level of service provided to our customers".

Two years ago DTP schemes survived a challenge over possible restriction of competition, with the Office of Fair Trading ruling "manufacturers should be free to choose the distribution method they consider to be most efficient".

Chemist and Druggist 22/10/09

IMS Health acquired in \$5.2bn deal

IMS Health, who provide market intelligence to the pharmaceutical and healthcare industries, is to be acquired by TPG Capital and the CPP Investment Board (CPPIB) in a transaction worth \$5.2bn including the assumption of debt.

The deal will see IMS shareholders receive \$22 per share – around 50 per cent over the closing price.

"This transaction enables our shareholders to realise substantial value from their investment in IMS with an immediate cash premium, while at the same time

strengthening our position to capture long-term growth opportunities," said IMS chairman and CEO David R Carlucci.

"With the backing of world-class private equity partners, we will continue our focus on expanding into new markets, further improving the quality and depth of offerings we deliver to our clients, and playing a bigger role in the healthcare market," Carlucci added.

The IMS board of directors unanimously approved the agreement. They took guidance from a spe-

cialist committee who were established to review IMS' strategic alternatives. The transaction includes fully committed financing. This is made up of equity investments from TPG and CPPIB and debt financing provided by affiliates such as Goldman Sachs & Co.

The deal is subject to approval from IMS shareholders and regulatory and customary closing conditions. It is expected to complete by the end of Q1 2010.

Pmlive 05/1109

Pfizer to close six research centres

Pfizer is to close six research and development facilities in the UK and US as part of its recent acquisition of Wyeth.

The remaining 14 out of the original 20 facilities will be consolidated into five main campuses and nine specialised units.

R&D operations will be eliminated in Gosport and Slough/Taplow in the UK; Princeton, New Jersey; Chazy, Rouses Point and Plattsburgh, New York; and Sanford and Research Triangle Park, North Carolina in the US.

Activities will also be significantly reduced at Collegeville, Pennsylvania; Pearl River, New York; and St Louis, Missouri. In addition, Pfizer will consolidate R&D functions from its New London, Connecticut site to its nearby research facility in Groton.

The restructuring will focus Pfizer's research activities on three main areas of biotherapeutics, pharmatherapeutics and vaccines, supported by specialised units such as monoclonal antibody discovery and regenerative medicine.

The five main research sites include Sandwich in Kent (UK); Cambridge, Massachusetts; Groton, Connecticut; Pearl River, New York; and La Jolla, California.

A broad outline of the restructure was announced back in April, when Wyeth stated that it expected a workforce reduction of 15 per cent – approximately 19,000 positions – as a result of the merger.

pmlive 10/11/09

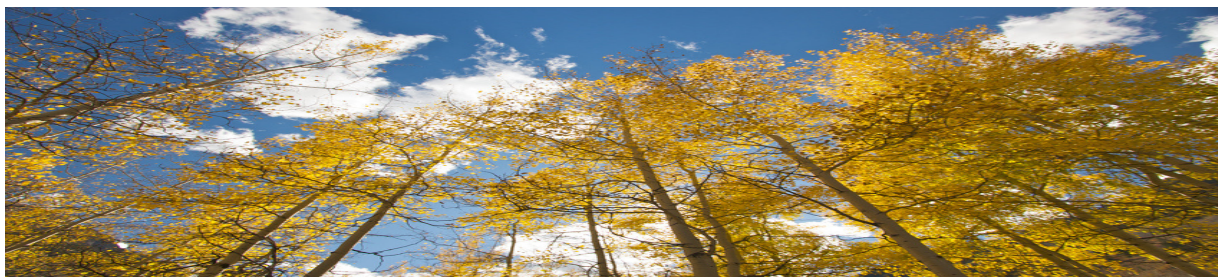
UCB changes distribution of drugs in UK

UCB is the latest firm to announce changes to the way it distributes its drugs in a bid to improve supply chain efficiency. The Belgium-headquartered company says that it has appointed AAH Pharmaceuticals, Alliance Healthcare (formerly known as UniChem) and Phoenix Healthcare as its distributors in the UK. The changes will take effect from Sunday.

UCB argues that the new distribution model, which reduces the number of wholesalers it uses, aims to "improve the availability and efficiency of access" to medicines "by partnering with three of the industry's leading providers". Matthew Speers, managing director for UCB UK and Ireland, comments, "We have listened to our customers and are very happy to be working with the distribution industry leaders to ensure our patients' needs are met".

He added that "these partnerships will allow us to better manage the supply of our products to patients at all times." UCB added that distribution of its Neupro (rotigotine) range of patches for Parkinson's disease and restless legs syndrome remains available solely from Alliance.

Pharmatimes 27/10/09



TRIAL RESULTS ON FLU VACCINE CO-ADMINISTRATION

GlaxoSmithKline (GSK) has announced the results of a clinical trial to assess its adjuvanted H1N1 pandemic influenza vaccine, Pandemrix, when administered in conjunction with Fluarix, the annual seasonal influenza vaccine. The annual seasonal influenza vaccine contains three strains of influenza identified by public health organisations, but for the Northern Hemisphere 2009/2010 influenza season, the composition of the seasonal influenza vaccine was determined before the appearance of the H1N1 strain.

The trial, involving 168 adults over the age of 60 years, was designed to evaluate the tolerability and immunogenicity of the co-administration of Pandemrix and Fluarix, and showed that one dose of both vaccines in separate arms induces a strong response for both the H1N1 pandemic vaccine and the seasonal vaccine. The results confirmed previously reported findings in an elderly population that the immune response elicited by Pan-

demrix exceeded the immunogenicity criteria as defined by international licensing authorities for a pandemic influenza vaccine. The strong immune response to the seasonal influenza vaccine demonstrated in the trial also exceeded the three immunogenicity criteria as defined by international licensing authorities for a seasonal trivalent vaccine.

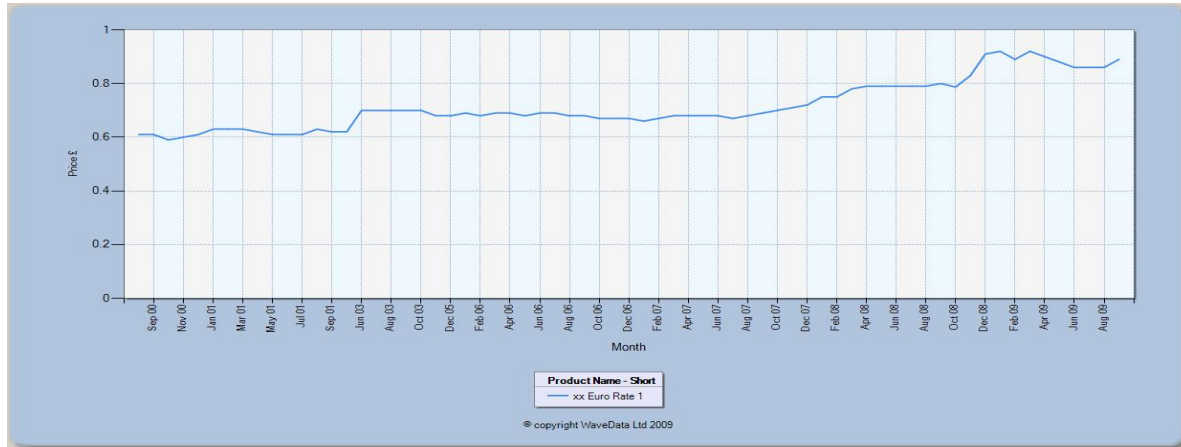
According to Jean Stéphanne, president of GSK Biologicals, this data could simplify the influenza vaccination programmes that countries are beginning to implement. "This provides valuable insight into vaccination in this specific age group that generally benefits from the annual seasonal vaccination," Mr Stéphanne said.

pmlive 09/11/09

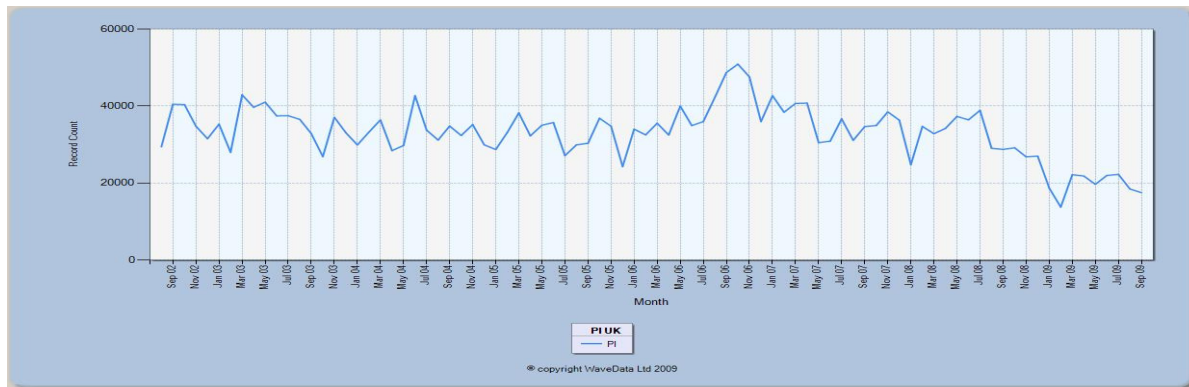
Exports, imports and parity

Over the last few years, the value of a Euro in pounds has steadily risen. Looking back through time there have been at least two growth ‘spurts’, the first in 2001 and the second in 2008.

(Fig 1) We are now in a situation where parity between the pound and the Euro is widely predicted.



(Fig 2) At the same time the numbers of offers for imported products has declined markedly,



The UK has for the first time become a net exporter.

The way in which exporters source product is at least partially direct from retail.

The retail chemist will purchase branded products in the normal way, often through a DTP (direct to pharmacy) scheme via a full line wholesaler.

The exporter then needs to persuade the chemist (who will need a wholesaler dealer’s license) to keep some of this stock aside for export, and so sends a request list to the chemist.

This list shows the price they will pay for each product, and some indication of an assumed purchase price and profit. They may also give some guidance on how many boxes they need, or the maximum order size that may not be noticed by the innovator manufacturer.

Later during the month, once the exporter has accumulated the stock needed, they may contact the retailer again to put a stop on certain products.

Most noticeably, Wavedata have noticed products appearing on these export lists which are not normally used in primary care – i.e. chemists don’t usually stock them. This may encourage some pharmacies to order hospital only products direct from the manufacturer, or via their DTP partner. As some of these products are high value, the temptation for the chemist is enormous. For example if a chemist were to order a pack of 2 Humira Pens for £715 (the list price), one particular exporter is willing to pay £930 for it – a profit of £215.

WaveData have also noticed individual chemists purchasing from other chemists to pass onto exporters. Whether the chemists supplying packs to the distributing chemists have wholesale dealers licenses is at the moment unknown

Export pricing information is now available from wavedata in the normal way for subscribed customers — www.wavedata.net

Joint agreement on supply chain issues

Representatives of the Association of the British Pharmaceutical Industry (ABPI), the British Association of Pharmaceutical Wholesalers (BAPW), the Department of Health (DH), the Dispensing Doctors' Association, the Ethical Medicines Industry Group (EMIG), the Medicines and Healthcare Products Regulatory Agency (MHRA), the General Practitioners' Committee of the British Medical Association, the National Pharmacy Association, the Pharmaceutical Services Negotiating Committee (PSNC) and the Royal Pharmaceutical Society of Great Britain, have agreed to endorse and support the promotion of the existing legal and ethical obligations in relation to the trading of medicines in short supply.

The obligations on manufacturers, wholesalers, NHS Trusts, registered pharmacies and dispensing doctors in relation to the supply and trading of medicines are outlined in the guidance note: Trading Medicines for Human Use: Shortages and Supply Chain Obligations, which will be published jointly by the partner organisations on November 12, 2009.

According to PSNC chief executive Sue Sharpe: "The clarification of the legal and ethical position is helpful for all and a positive first outcome from this joint working. We will continue to work with partner organisations to identify further action that could be taken to help relieve the current problems and to reduce the burden on pharmacy contractors."

ABPI commercial director, David Fisher commented: "The current situation cannot be allowed to continue. The ongoing diversion of UK stock into Europe is causing real difficulties for patients, pharmacists and industry. People's responsibilities are now crystal clear - they must put the UK patient first, and it is heartening that all sides in the UK supply chain have come together to ratify the obligations of individuals."

pmlive 16/11/09



WaveData — Top ten products

According to WaveData, these were the most commonly investigated products in searches of the online pricing data at www.wavedata.net

Both uk and pi prices were viewed for each product, giving some indication of where the focus was in October 09

Clopidogrel Tabs 75mg 30

Clopidogrel Tabs 75mg 28

Fluoxetine Caps 20mg 30

Amisulpride Tabs 100mg 60

Prednisolone E/C Tabs 5mg 30

Amisulpride Tabs 50mg 60

Seroquel Tabs 100mg 60

Amisulpride Tabs 200mg 60

Bettamousse 0.12%W/W 100g I

Depo Medrone + Lidocaine Injection 40mg/10mg in ml Iml



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If you would like to add or suggest any articles/comments, please let me know by the 9th December 09, as I will be issuing the next one on the 16th December 09

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