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Wholesale Bulletin

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Monthly Service for wholesalers

Special points of Interest

This bulletin is free to interested wholesaler employees

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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.com 05/11/09

PRODUCT SUPPORT AND 24-HOUR ORDERING SERVICE LAUNCHED

Two contract sales companies have joined forces to launch a product support and ordering service for UK independent pharmacies.

The collaboration of Powermed Healthcare and OTC+ Plus will enable pharmacies to take advantage of the former's field sales reps and the latter's online and telesales teams to save money and time, the companies claim.

The new service, also called OTC+ Plus, covers a "strong portfolio" of OTC medicines and health and beauty products from manufacturers including

SSL, Reckitt Benckiser and Johnson & Johnson.

Field reps provide product training and help with category and stock management, but orders are placed through a 24-hour online system. This relieves pressure on pharmacies to order high volumes while reps are in store to benefit from discounts, Powermed's Mandy Willmore told C+D.

OTC+ Plus is already working with independent chains including Day Lewis and PCT Healthcare, and in a three month trial over half of pharma-

cies requested regular sales calls, she added.

Kamal Lakhani, owner of Browns Chemist in west London's Maida Vale, told C+D the service had helped with stock turnover, saved him money and made ordering products "a lot easier".

"For example, if something's selling a bit quicker than you thought you can order [more] without losing your discount," he said.

Chemist and Druggist 11/11/09

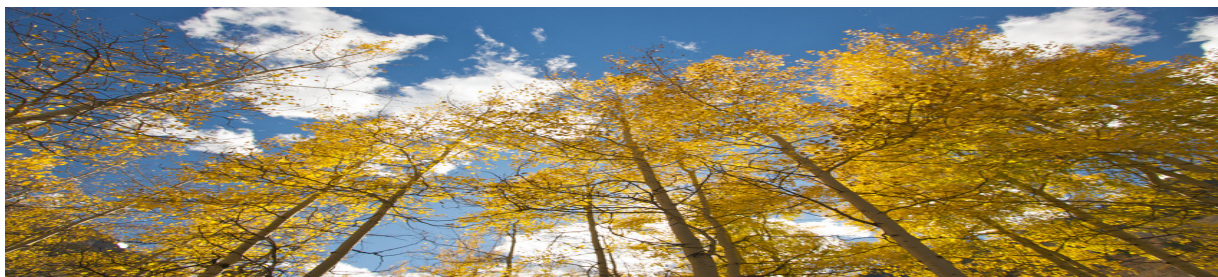
UCB changes distribution of drugs in UK

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



ROWLANDS LATEST MULTIPLE TO DEVELOP GP CO-LOCATION

Rowlands has become the latest multiple to develop co-location with GP surgeries.

The chain has relocated one of its Portsmouth pharmacies to a £4 million purpose-built development shared with the Portsdown Group Practice surgery.

The chairman of Portsmouth City Teaching PCT, Richard Hibbert, unveiled the plaque on the Kingston Crescent Surgery last week.

Rowlands branch manager Pamela MacPherson, C+D Pharmacy Technician of the Year 2008, managed the relocation and described the new premises as "quite posh" with "all mod cons". She said: "Having these fantastic facilities makes it so much easier to deliver a first

class service."

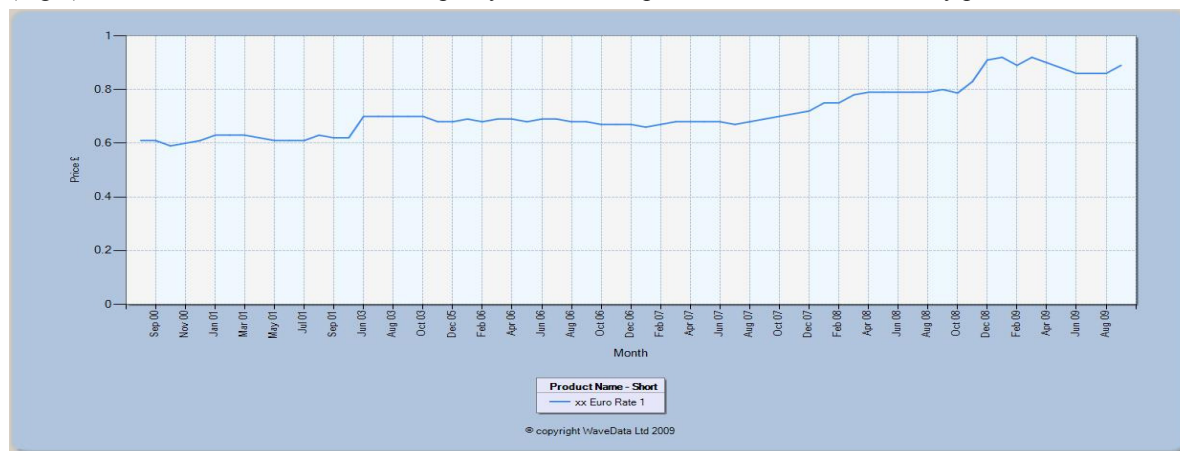
Kenny Black, Rowlands managing director, said the company would consider further integrated premises "if the circumstances were right".

Chemist and Druggist 29/10/09

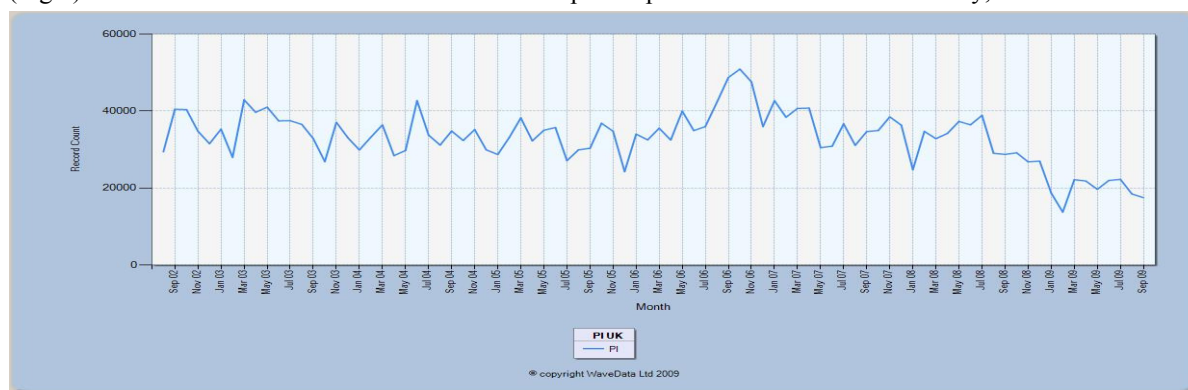
Exports, imports and parity

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

GPs told to cut back on antibiotics

GPs are being urged to stop prescribing antibiotics for coughs and colds as overuse is increasing resistance to them, making it more difficult to tackle serious infections like hospital bugs, it has been reported.

The European Centre of Disease Prevention and Control (ECDC) is writing to all family doctors on November 18 to warn them of the implications of routinely giving patients the drugs, the Daily Telegraph reported.

Prescribing the pills when they are not necessary is leading to a rise in the number of infections that are resistant to antibiotics, experts at the Stockholm-based centre said.

They warned that hospitals would be unable to carry out many procedures if antibiotics are powerless to protect patients from life-threatening infections.

Dominic Monnet, senior expert at the Scientific Advice unit at the ECDC, said: "If this wave of antibiotic resistance gets over us, we will not be able to do organ transplants, hip replacements, cancer chemotherapy, intensive care and neonatal care for premature babies.

"It is the whole span of modern medicine as we know it, that we will not be able to do if we lose antibiotics."

Sarah Earnshaw, of the health communications unit at the ECDC, said that GPs were often pressured by patients - especially pushy parents - to prescribe antibiotics. She said: "Patients are often demanding antibiotics, especially parents demanding them for their children. A survey in 2002 showed that 60% of people did not know that antibiotics do not work against viruses such as flu."

Britain has one of the highest rates of resistance in Europe, with more antibiotics prescribed in the UK than in nine other European countries.

Last year GPs handed out 38 million prescriptions for antibiotics at a cost to the NHS of Â£175 million. The Government launched a major advertising campaign earlier this year telling people that antibiotics do not work on coughs or colds.

The National Institute for Health and Clinical Excellence (NICE) also issued guidance urging doctors not to prescribe them for minor illnesses such as coughs, colds, sore throats or ear infections.

Daily Mail 10/11/09



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 1ml



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500 plus people, and it is growing each
month.

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

If you have any colleagues
who would like to receive this,
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let them know
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