

APPENDIX

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DR..PETER JONES

STRICTLY CONFIDENTIAL MEMORANDUM

re: PARIS TRIP 14th - 17th SEPTEMBER, 1979

Meeting with Robert Taub and Wolfgang Marguerre

Marguerre has now been for nine months with the Revlon Health Care Group and Taub has just joined him and will shortly be taking over as Managing Director of a recently purchased company covering Germany - a contract is to be finalised in November. In the course of general conversation over the weekend information was given that one third of plasma supplies to Travenol is from Befise and Lesoto. It was also suggested that Travenol intend to gradually withdraw from the fractionation business over the coming years with a gradually decreasing commitment to all aspects of blood collection and fractionation (in other words, no further research and development). The analogy that the cow had been milked dry was used on several occasions. The saying that with the introduction of factor VIII concentrates in 1973 to the United Kingdom that the market should be milked being attributed to Brian Steer.

With regard to Immuno it was confirmed that the low priced blue packet is made from plasma bought from Armour and that the more expensive red pack which is "made" in Europe in fact contains plasma bought from the United States.

It was suggested by Marguerre that the true cost of plasma was presently around 12p/factor VIII unit and that this cost did not take into account any research and development. To his knowledge no research and development was intended in any company other than Armour. The cost of Factorate in the United Kingdom would be increased in December, and it was expected that Koate would follow. An increase in costs within the United Kingdom would then allow for some research and development. The price is likely to be 10.5p/unit.

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ORGANISATION OF REVLOX HEALTH CARE GROUP

Headquarters of Armour are in Phoenix, Arizona.

Plasma phoresis headquarters is in Phoenix with the biggest centre in Knoxville, Tennessee.

Fractionation is carried out at Kankakee (KKK) which is 100 miles south of Chicago. The plasma phoresis centres cover a block of mid States from Chicago to Tennessee. One million litres of plasma are drawn within a year from centres under the direct control of Armour, this being 20% of the U.S. production. It is claimed by Marguerre, who says that he has figures to support it, that no outside source plasma is necessary for the Armour products.

The headquarters of the Health Care Group is at Tuckahoe, New York, in the U.S. Vitamins Building, an old name for part of a company taken over by Revlon. The Head of Health Care is a Mr. Roelker and in New York State are the corporate management and the centre for basic research employing 300 PhD's, development and research taking place in KKK. Two further companies are involved, apart from Armour. These are Meloy which largely works with NIH grants and is concerned with biologicals and diagnostic products. Chief concern is with cancer research. Revlon have also recently acquired Technicon. The only other Company I know of that has been taken over is that in Germany to be run by Robert Taub. The head of entire Revlon Group is Bergerac.

On Monday, 17th September, 1979 in session with Marguerre and Taub the following points - in addition to those already mentioned - emerged.

Hyland is shortly to introduce a "new product" into the United Kingdom. This will be a degraded method 4 product which will in fact be an intermediate product of Hemofil.

Marguerre and his colleagues were highly critical of the management of plasma sales from Armour, particularly with regard to the United Kingdom. They had successfully taken over half the market by using an unrealistic price structure which allowed for no service commitment or research and development. It was the intention to change this image, but this could only be done by increasing price.

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Specifically, there emerge two objectives.

The first is to try and validate the Bonn approach, this almost certainly being connected with a recent acquisition of the company for Taub in Germany.

The second was to throw open the whole of the plasma collection and marketing in the United States to independent scrutiny. The attitude to the other companies if this were done would be that there was no intention of attacking them, but nor was there any intention of supporting the introduction of plasma from developing countries.

In order to achieve these two objectives and later hazily sketched ideas to develop a major commitment to funding national and international meetings, symposia, and research and development in the clinical sector, it was proposed that PJ became a "consultant" with direct access to Marguerre and Taub and with authority to approach any physician or scientist he wished in order to set up programmes.

The political situation in Germany was discussed in some depth. PJ agreed that he would be willing to participate in a scientific study of the new factor VIII product being introduced by Armour in conjunction with the Doctors in Bonn. It was suggested that this might be an initial step towards achieving access to the Bonn Centre and sorting out the mass of data which has become available over the years. A statistician is available to do this (Dr. Vogt of the Bonn University Bio-Medical Institute; he speaks English). It was stated that if PJ were acceptable to Bonn - and the approach would be cautious and through Taub - it was hoped that should the approach both with home therapy and antibodies be validated or invalidated by the data that PJ would help to present it as Bonn lacked anybody of sufficient calibre in this field. It was confirmed that a paper is presently on Egli's desk concerning treatment of inhibitors, this paper having been seen by Ingram.

With regard to the second objective, it was suggested that within the coming weeks a gradual dialogue be established between PJ and Revlon Health Care and that this should culminate in a visit to the facilities in the United States. It was stated that PJ could invite anybody from the scientific field (Arthur Bloom in particular being mentioned) to accompany him on this trip, the purpose of which would be to validate the company claims of collection and fractionation independence. It was also mentioned that Revlon presently put 9% of their profit into research.

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PJ. stated that he would go along with the project with the provisos that it was fully understood that there were no strings attached, that he remained in Newcastle, and that any commitment made by either the company or himself was known to his colleagues. This was agreed.

He suggested that it was of primary importance that in order to back up claims for the new "clean" factor VIII product being launched by Armour, that efforts be directed into looking at possible longterm side effects of intensive transfusion therapy. In the first instance PJ suggested that extensive animal experiments be conducted by Armour, this suggestion being received with acclaim. It was, however suggested that the first evidence of morbidity would be likely to be in Bonn where the highest doses over a period of time had been used. It was realised that this was another way of approaching the Bonn problem.

Further points. It will be 6 months before the new product is available in 500 or 250 unit vials. It will probably be 11.5p/unit, even for a clinical trial. It is suggested that a clinical trial in the first instance be on surgical patients where blood loss and in-vivo half life can be studied. Protocol to be worked out with Bonn to include biochemical, physical and radiological evaluations. Possibility of involving other members of the Home Therapy Working Party.

#### CONCLUSION

No finances discussed, apart from statement of full financial support for studies conducted through PJ with complete expenses and reimbursement for personal time.

"WE INTEND TO UTILISE YOUR BRAIN".