

Interoffice
Communication



FILE
Cutter Laboratories
STOKE COURT

Date March, 1985.
To M. Costi
From B. Dyos/L. Frith
Subject Cutter UK - Key Indicator Report - January, 1985.

Copy to W. Ewald
S.R. Hollis
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Key Indicator Explanations

a) Net Sales

	Budget £000's	Actual £000's	Variance %
January	118	151	+27.9
Y.T.D.	118	151	+27.9

Blood Bags

	Budget £000's	Actual £000's	Variance %
January	61	62	+1.6
Y.T.D.	61	62	+1.6

Blood bag sales have met the budget in January, an encouraging start to the forthcoming year.

Biologicals

	Budget £000's	Month and Y.T.D. Actual £000's	Variance %
Koate HT (less returned Koate)	54	88	+63
Gamimune	3	0.5	-83
	57	88.5	+55

Koate HT a.s.p. 11p

Koate Regular Material

The total volume of returned regular material amounted to 633460 units, £50,618. It is expected that by the end of February 85 all the major returns of material will be complete.



Koate HT

Total sales of Koate HT were 1,263,660 units, £138,639. After subtracting the returned Koate regular material, Koate HT was 1.65% over budget in i.u. terms.

All major accounts have been maintained and it is anticipated that for a short period of time, Cutter will take a share of the NHS Factor VIII market. NHS have supplied heat-treated material to selected centres but it is uncertain when they will be able to supply to their former capacity.

Gamimune

Gamimune had a very disappointing month. Strong competitor pressures from Sandoglobin pH 4.0 are apparent. The European Group for Immunodeficiencies have met in the UK and the overall impression is that they are in favour of the unmodified product. Cutter UK will continue with intensive detailing and local meetings.

b) Gross Profit Y.T.D.

	<u>Budget</u>		<u>Actual</u>	
	<u>£000</u>	<u>% Margin</u>	<u>£000</u>	<u>% Margin</u>
Blood Bags	5	8	2	3
Biologicals	16	28	(1)	-1
Other	5	8	(2)	-4
	26	22	0.7	-

c) Marketing Expenses

	<u>Budget</u>		<u>Actual</u>	
	<u>£000</u>	<u>% Margin</u>	<u>£000</u>	<u>% Margin</u>
January	14	11	10.6	7

d) Divisional Margin

	<u>Budget</u>		<u>Actual</u>	
	<u>£000</u>	<u>% Margin</u>	<u>£000</u>	<u>% Margin</u>
January	0	-	(13.3)	8

Comments

Gross Profit for the biological area was below budget. This was solely due to a large volume of Koate HT stock which was invoiced from California on 19th December, 1984 and entered into stock in U.K. in 1985. The difference in transfer price from 1984 and 1985 has caused an adverse variance because the transfer price of Koate HT is lower in 1985 than in 1984.

CUTTER U.K.

KEY INDICATORS - January , 1985

STERLING

EARNINGS
STATEMENT

	MONTH					YEAR-TO-DATE				
	BUDGET	ACTUAL	VARIANCE	% B	% A	BUDGET	ACTUAL	VARIANCE	% B	% A
NET SALES	118	151	33	100	100					
GROSS PROFIT	26	1	-25	22	0.7					
MARKETING EXPENSES	14	11	-3	11.8	7.3					
DIVISION R & D	3	-	-3	2.5	-					
DIVISION ADMIN	4	3	-1	3.4	2.0					
DIVISION MARGIN	-	-13	-13	-	-8.6					

BALANCE SHEET

	BUDGET	ACTUAL	VARIANCE	%
INVENTORIES	350	682 *	332	95
MONTHS SUPPLY	3	4	-	-

* This figure includes inventory of Koate regular of £416

MISC. ITEMS

	BUDGET	ACTUAL	VARIANCE	%
EX RATE - MONTH	1.48	1.1110	(0.369)	24.9
EX RATE - YTD	1.48	1.1110	(0.369)	24.9
SALARIES	-	-	-	-
NO OF EMPLOYEES	4	4	-	-

CUTTER U.K.

CUMULATIVE SALES ANALYSIS BY PRODUCT LINE (£'000)

MONTH	TUTA BAGS			KOATE			GAMIMUNE			OTHER			TOTALS			VARIANCE
	1984 A	1985 B	1985 A	1984 A	1985 B	1985 A	1984 A	1985 B	1985 A	1984 A	1985 B	1985 A	1984 A	1985 B	1985 A	
JAN	60	61	62	79	54	88	-	3	0.5	1	-	0.5	140	118	151	33 27.9
FEB																
MAR																
APR																
MAY																
JUNE																
JULY																
AUG																
SEPT																
OCT																
NOV																
DEC																