

Date 11th July 1983
 To M. Costi
 From B.A. Dyos/B.J. Barber
 Subject Cutter U.K. - Key Indicator Report - June 1983

Copy to J. Wood

1. Key Indicator Explanations

a) Sales - Cutter Division

	<u>Budget</u> <u>£'000</u>	<u>Actual</u> <u>£'000</u>	<u>&</u> <u>Variance</u>
June	93	108	+16%
Y.T.D.	486	596	+23%

U.K. sales were £93,000. Exports of Canadian Blood Bags to Spain totalled £15,000.

Blood Bags

	<u>Budget</u> <u>£'000</u>	<u>Actual</u> <u>£'000</u>	<u>&</u> <u>Variance</u>
June	53	33	-38%
Y.T.D.	264	323	+22%

Sales were £20,000 below budget because of late arrival of new inventory. Sales in July should be ahead of budget.

Koate

	<u>Budget</u> <u>£'000</u>	<u>Actual</u> <u>£'000</u>	<u>&</u> <u>Variance</u>
June	38	74	+95%
Y.T.D.	214	268	+25%

This result was the second best ever with unit sales (1.14 million i.u.) and the best ever with sales revenue. Good sales to all major accounts including a very large order to the Royal Free Hospital achieved this result. Unit sales are now 14.5% ahead of the Y.T.D. budget.



b) Gross Profits - Y.T.D.

	Budget		Actual	
	£'000	% Margin	£'000	% Margin
Blood Bags	45	17.0	16	5.0
Koate	33	15.4	51	19.2
Other	1	-	(11)	*
	79	16.3	56	9.6

Further airfreight charges kept Blood Bag margins low, and this will continue until August when a normal seafreight inventory becomes available. Koate margins remain ahead of budget as selling prices continue to harden.

c) Marketing Expenses

	Budget		Actual	
	£'000	% Margin	£'000	% Margin
June	15	16.1	9	8.0
Y.T.D.	75	15.4	47	7.8

Marketing expenditure continues to be well contained. From July onwards the cross charge of B. Dyos' salary and expenses ceases and reports will then indicate true mandatory costs.

d) Operating Results

	Budget		Actual	
	£'000	% of Sales	£'000	% of Sales
June	(3)	(3.2)	1	0.9
Y.T.D.	(21)	(4.3)	3	0.4

The overall result for June was a £1,000 operating profit. Y.T.D. the Division now shows a £3,000 operating profit against a budgeted loss of £21,000.

e) Commentary

Apart from inventory problems there are no current difficulties with Blood Bags. Further sales of Canadian Blood Bags to Spain have further reduced this inventory to £52,000.

The new Tuta tear-down pack was exhibited at the World Federation of Haemophilia Meeting in Stockholm and evoked considerable interest. Interest in this concept continues to develop in the U.K. and augurs well for the future.

Record sales of Koate demonstrate that no changes in treatment levels because of A.I.D.S. have occurred in the U.K. Information required by the DHSS concerning checks on plasma collection etc., was supplied with the assistance of Cutter International.

Visitors during the month were R.D. Taylor, Group Product Manager, Medical Products, International Division and J. Ryan, Vice-President and General Manager, Biological Division of Cutter.

Regards,

B.A. Dyos/B.J. Barber