



blenheim partners

no limitations

The Blenheim Report

CONFIDENTIAL INTELLIGENCE REPORT

PHARMACEUTICALS SECTOR

October 2014



blenheim partners

no limitations

Blenheim Partners is an elite international Executive Search and Board Advisory firm. We specialise in senior level Executive Search, Non-Executive Director Search, Board Consulting, Management and Team Appraisals and Leadership Development.

We were founded in 2012 by leading figures in Executive Search and Consultancy. Members of the team have advised in Leadership and Succession Planning to over 45 of the ASX 100, 9 FTSE 100, Multinational, Private Family and Mutually Owned Companies.

Our philosophy is to develop deep and committed relationships with a small number of clients and help them deliver a superior performance by optimising the composition of their executive teams.

- We only partner with one to two companies per sector to ensure our clients receive sector expertise and have access to the very best candidates.
- We do not have “Conflicts of Interest” or “Off Limits” restrictions as a result of our partnering model.
- We operate as one firm. We staff each assignment with the best people.
- We support our client’s long term planning capability with Strategic Succession Planning.
- We provide global reach. Over 90% of our searches are international.
- We provide an end to end search process, including Assessment and a 90 day On Boarding Programme.
- We provide a fixed fee of which the final 25% is only payable if our client assesses that expectations have been exceeded.
- We have “no limitations” in the pursuit of excellence.

Confidentiality

This report and the information contained in it are confidential and proprietary information belonging to Blenheim Partners. The report contains confidential and proprietary information based on data from public and private sources, including Blenheim Partners’ proprietary database of information. **The recipient will not use or disclose, or permit the use or disclosure of, this Report by any other person or for any other purpose.** The information contained in this report is preliminary in nature and subject to verification by Blenheim Partners. Blenheim Partners does not guarantee its accuracy or completeness.

CONTENTS

Introduction	4
CSL Ltd	5
Mayne Pharma Group Ltd	18
Mesoblast Ltd	30
Novartis Pharmaceuticals Australia Pty Ltd	48
Sirtex Medical Ltd	69
Market Intelligence	77
Movements	81

Pharmaceuticals Sector Overview

Pharmaceuticals is a knowledge-based and technology-intensive industry, and spans a spectrum of activity from the technology intensive research and development (R&D) segment associated with innovative drugs through to the production of generic and over-the-counter (OTC) medicines. The industry is dominated by horizontally and vertically integrated multinational entities and is more research intensive than most other industries.

The Australian pharmaceuticals industry comprises of bio-medical research, biotechnology firms, originator and generic medicines companies, and service related segments including wholesaling and distribution. In 2012-13, the industry had exports of \$3.89b, a decrease of 4.4% on the previous year, and received \$7.1b from the Pharmaceutical Benefits Scheme (PBS) sales. The turnover of the entire Australian industry, not only the industry manufacturing sector, was \$23.4b in 2012-13, consistent with 2011-12.

There are around fifty global research-based pharmaceutical companies and in excess of 400 Australian owned medical biotechnology companies currently operating in Australia. They employ over 40,000 people in Australia, one third in manufacturing. There are over 150 companies listed as suppliers to the PBS.

Research & Development

Developing a new drug is expensive, and current estimates of bringing a new chemical or biological product to market are approximately US\$1.3b. Longer development and approval times, larger and more complex clinical trials, increased expenditures on new technologies, and shifts in product portfolios towards riskier, more expensive therapeutic categories have contributed to a real increase in the development costs. Every year the Australian pharmaceuticals industry spends about \$1b on R&D, and is one of the largest employers of the nation's science graduates.

The sector has been identified by the current Australian government as one of five to be given funding as part of the government's Industry Innovation Competitiveness Agenda. Industry Growth Centres will be established, and the sector and researchers will be consulted on a plan to focus the \$9.2b per year investment in research to improve commercial return.

Sources: <http://www.industry.gov.au/industry/PharmaceuticalsandHealthTechnologies/Pharmaceuticals/Pages/PharmaceuticalsIndustryProfile.aspx>
http://www.dpmc.gov.au/publications/Industry_Innovation_and_Competitiveness_Agenda/docs/industry_innovation_competitiveness_agenda.pdf

CSL LTD (ASX:CSL)

Market cap: \$36.44b (Oct2014) | **Employees:** ~13,000 | **Operations:** Australia, USA, Switzerland, Germany | **Head office:** Melbourne, VIC

CSL Ltd is an ASX top 10 (September 2014), specialty biopharmaceutical company that researches, develops, manufactures, markets and distributes biotherapies and allied products to treat and prevent a range of human medical conditions. The CSL Group has 40 years manufacturing experience with sales across 27 countries, and includes bioCSL incorporating immunohaematology, and CSL Behring incorporating CSL Plasma. CSL also invests heavily in its Research & Development portfolio and capabilities in immunoglobulins, specialty products, haemophilia products and breakthrough medicines.

- **bioCSL:** In Australia, bioCSL manufactures and in-licenses, markets and distributes vaccines for the prevention and treatment of serious disease, operating one of the world's largest influenza manufacturing sites. In conjunction with public health authorities and the Australian Department of Health & Ageing, bioCSL's influenza vaccine technology has been used to develop and license a pandemic influenza vaccine to provide biosecurity to Australia in the event of an influenza pandemic such as the 2009 swine flu.
- **CSL Behring's** biotherapies treat serious and rare conditions, including coagulation disorders, immune deficiencies and genetic emphysema, and are used in critical care settings to treat shock, sepsis and severe burns, during cardiac surgery and for wound healing. Biotherapies are also used to prevent hemolytic disease in newborns. Biotherapies differ from conventional chemical-derived pharmaceuticals in that they are derived from human plasma, or produced as their recombinant equivalents, in the place of using chemicals, and this expensive source material makes biotherapies a more costly product than pills derived from chemicals.

Products:

- **Plasma Products:** CSL is a leading manufacturer in a US\$7.5b plasma industry. It operates all aspects of the human plasma process from collection and testing of donated plasma through to the production of a number of plasma derived products. The businesses involved include CSL Behring – a global provider of plasma-derived and recombinant products, operated by their collection network CSL Plasma; and CSL Behring (Australia) – Australia, New Zealand, Hong Kong, Malaysia, Singapore and Taiwan's chosen national plasma fractionator, and also manufactures and markets in vitro diagnostic products through bioCSL immunohaematology.
- **Vaccines & Pharmaceuticals:** CSL is a major manufacturer in a US\$2b influenza industry. In Australia and New Zealand, bioCSL also markets a range of vaccines and antivenoms, as well as pharmaceutical products supplied by other manufacturers. *27 October 2014: CSL announced it had agreed to acquire Novartis' global influenza vaccine business for US\$275m, and that it will combine it with bioCSL. Novartis' influenza vaccines facilities are located in Holly Springs in the USA and Liverpool in the UK. The acquisition is expected to be funded through surplus cash and is not expected to impact the share buy-back program announced at the AGM in October 2014. <http://www.csl.com.au/s1/cs/auhq/1187378853231/news/1252899897085/prdetail.htm>
- **R&D:** Activities are focused on new product development, life-cycle management and safety of their product portfolio. CSL invests in the development of protein based medicines for the treatment of serious human diseases.

R&D Investment:

- CSL is investing in the development of new protein-based medicines as a significant avenue to growth; currently have a potentially valuable portfolio of projects at various stages of development; continue to make balanced investment in lifecycle management and market development of existing products that will bring short to mid term commercial benefits, as well as strategic investments in longer term higher risk and high opportunity new product development activities.
- Investment in R&D programs has increased to US\$466m in 2013/14, from US\$427m in 2012/13 and US\$368m in 2011/12.

blenheim partners

2014 RESULTS			
	FY14	Change	Comments
Revenue	US\$5.5b	8%	<ul style="list-style-type: none"> Significant investment in future growth has taken place; new Biotechnology manufacturing facility opened at Broadmeadows (Aust) in May; major expansions underway at manufacturing sites in USA, Germany & Switzerland; construction complete of new Privigen facility at Broadmeadows (Aust) & Switzerland announced as location for new commercial recombinant manufacturing facility; CSL Plasma opened its 100th collection centre and expanded laboratory & logistics operations. A\$950m share buyback 93% complete, new ~€300m private placement foreshadowed, Board considering further share buyback of up to A\$950m. *15Oct2014: CSL confirmed the A\$950m on-market share buyback; CSL have returned more than 23% of its shares to shareholders since 2005; the previous 7 buybacks totalling ~A\$42.b have contributed an increase to EPS in excess of 19%. (http://www.csl.com.au/docs/152/5/AGM%202014%20-%20Press%20Release%20BuyBack%20Final.pdf) <p>Outlook:</p> <ul style="list-style-type: none"> Robust global demand for plasma therapies. Broad suite of products with multisite capacity expansion program positions company strongly in a competitive market. Within recombinant haemophilia space anticipate new generation of products to enter market, CSL well placed to compete with a portfolio of innovative therapies in the final stages of development. NPAT to grow ~12%, EBIT to grow ~15%, EPS to exceed profit growth expectations as shareholders benefit from ongoing effect of past and current share buybacks.
CSL Behring Sales	US\$4.9b	10%	
bioCSL Sales	A\$433m	(4%)	
CSL Intellectual Property Revenue	US\$145m	8%	
EBIT	US\$1.64b	11%	
NPAT	US\$1.3b	8%	
EPS	US\$2.70	11%	
R&D Investment	US\$466m	9%	

Source: <http://www.csl.com.au/about>
<http://www.csl.com.au/research-development/investments.htm>
http://www.csl.com.au/docs/208/704/CSL_AR_2014.pdf

blenheim partners

EXECUTIVE MANAGEMENT TEAM				
Name	Title	Background	Location	Comments
 <p>Paul Perreault</p>	<p>Chief Executive Officer & Managing Director (Jul2013-Present)</p>	<p>Paul was appointed to the CSL Board in February 2013 and was appointed as CEO & MD in July 2013. Previously he was President of CSL Behring, responsible for overseeing operations in more than 25 countries, including major manufacturing sites in the US, Switzerland, Germany and Australia, and an extensive network of plasma collection centres throughout North America and Germany.</p> <p>Prior to becoming President of CSL Behring, he was Executive VP Worldwide Commercial Operations with responsibility for all commercial and business development activities globally. He joined CSL Behring in 2004 when CSL Ltd acquired Aventis Behring. He held several executive positions at Aventis Behring including VP & GM of Plasma Operations at Aventis Bio-Services, and VP & GM for Aventis Behring Hospital Products in North America and Puerto Rico. Prior to this, he spent 16 years in key senior roles at Wyeth-Ayerst Laboratories, now owned by Pfizer. He has more than 30 years' experience in the global healthcare industry.</p> <p>Education – BA (Psych), University of Central Florida; Advanced Business Management Training, Kellogg and Wharton Schools of Business</p>	<p>Melbourne & USA</p>	
 <p>Gordon Naylor</p>	<p>Chief Financial Officer (2010-Present)</p>	<p>Gordon was appointed CFO in 2010, and is responsible for the financial operations of the CSL Group, including financial planning, risk and reporting. Prior to his current role, he was Executive VP Plasma, Supply Chain & Information Systems where he was responsible for plasma supply, global planning and supply chain management for CSL Behring. This role involved meeting the organisation's plasma needs, as well as balancing plasma supply and the global manufacturing network with the plasma products markets served by CSL Behring.</p> <p>Throughout his career he has held many international positions with CSL. He joined the company in 1987 as a project engineer in the Australian plasma facility with responsibility for automation, electrical and process systems, and then as operational Engineering and Logistics Manager. He</p>	<p>Melbourne</p>	

blenheim partners

		<p>moved to Austria and then to Ireland in order to manage an international project in Poland. Subsequently, he was assigned responsibility for the integration of ZLB (Switzerland) into the CSL Group. He also had responsibility for a strategic planning and business development role based in Switzerland, prior to assuming the leadership role at CSL Plasma in the US.</p> <p>Education – BE(Hons); DipCompSci; MBA</p>		
<p>Dr Andrew Cuthbertson</p> 	<p>Chief Scientific Officer and Research & Development Director (Mar2000-Present)</p>	<p>Dr Cuthbertson was appointed as Chief Scientific Officer and R&D Director in March 2000.</p> <p>After completing medical training at the University of Melbourne and a PhD in Immunology at the Walter and Eliza Hall Institute in Australia, Dr Cuthbertson spent five years doing molecular biology research as a staff member at the Howard Florey Institute in Melbourne and the National Institutes of Health in the United States. He then spent seven years at Genentech, Inc. in San Francisco working on anti-VEGF therapy for age related macular degeneration.</p> <p>With a keen interest in biopharmaceutical drug development, Dr. Cuthbertson joined the company in 1997 as Research Director. He was promoted to R&D Director in March 2000. In his current role as R&D Director and Chief Scientific Officer, Dr. Cuthbertson manages an internal R&D budget of over \$350m, and a global R&D organisation of 800 scientists. He is responsible for crafting the global R&D strategy for CSL.</p> <p>Education – BMedSci, University of Melbourne; MBBS; PhD, Walter & Eliza Hall Institute; FTSE</p>	Melbourne	
<p>Mary Sontrop</p>	<p>Executive Vice President, Manufacturing & Planning (2010-Present)</p>	<p>Mary was appointed as Executive VP Manufacturing & Planning in 2010, and is responsible for CSL Behring’s state-of-the-art global manufacturing and plasma collection operations with sites in Germany, Australia, Switzerland and USA where the company’s biotherapies are produced. She is also accountable for the company’s global Health, Safety and</p>	Melbourne	

blenheim partners

		<p>Environment business as well as Planning.</p> <p>She joined the company in 1988 where she held a broad range of positions in Australia and Europe during CSL's rapid international growth. She was involved in the acquisitions of ZLB and NABI in 2001 and Aventis Behring in 2004. At ZLB in Bern, Mary became Head of Quality Management, Assurance and Control in 2000 and was later appointed COO. She also previously headed CSL Behring's manufacturing facilities in Marburg. Most recently she served as GM CSL Biotherapies Australia, having been appointed in 2006. In that role, she was responsible for the company's vaccines and pharmaceuticals business and provided operational support for global sales of influenza vaccines manufactured by CSL.</p> <p>Education – BAppSc; GradDip Health Admin; GradDip Quality Man; MBA</p>		
<p>Greg Boss</p> 	<p>Executive Vice President, Legal and CSL Group General Counsel (Jan2009-Present)</p>	<p>Greg was appointed Group General Counsel in January 2009 and is responsible for worldwide legal operations for all CSL Group companies, overseeing legal operations on five continents. He joined the company in 2001, serving as US General Counsel. In this capacity, he was instrumental in the company's acquisition and integration of the Aventis Behring business. Upon the merger of ZLB Bioplasma and Aventis Behring in 2004 he assumed the General Counsel position for the combined companies. In January 2009 he was appointed to the role of Group General Counsel for CSL Ltd, while continuing as General Counsel for CSL Behring.</p> <p>Prior to joining CSL, he served as VP & Senior Counsel for CB Richard Ellis International. Before that, he worked 10 years in private practice, focusing on corporate and securities law, mergers and acquisitions, corporate finance and commercial transactions.</p> <p>Education – JD, University of Southern California; BS(Hons), University of Southern California – School of Business</p>	<p>USA</p>	

blenheim partners

<p>Bob Repella</p> 	<p>Executive Vice President, Global Commercial Operations (Jul2014-Present)</p>	<p>Bob joined CSL in his current role in July 2014, and is responsible for a variety of global functions including sales, marketing, commercial development and medical affairs.</p> <p>Prior to joining CSL, he held senior management roles at a number of pharmaceutical companies including Cephalon and Wyeth. He has over 30 years of commercial experience including biotech and specialty markets.</p> <p>Education – Bachelor’s degree in pharmacy, Rutgers University; MBA, Temple University</p>	<p>USA</p>	
<p>Dr Karen Etchberger</p> 	<p>Executive Vice President, Quality & Business Services (Apr2013-Present)</p>	<p>Karen was appointed to her current role in April 2013, and is responsible for Quality, IT, Sourcing, Logistics and enterprise project management. Prior to that, she was Executive VP Plasma, Supply Chain & IT.</p> <p>Karen joined the company in 1994, when CSL Ltd purchased JRH Biosciences. At that time she led the development of a new state-of-the-art manufacturing process. Joining CSL in the role of Technical Director, she advanced through CSL in positions in technical services, quality management and R&D. Prior to joining CSL, she was Director of Developmental Research at Endotech Corporation.</p> <p>Education – PhD in Immunology & Virology, University of Maine</p>	<p>USA</p>	
<p>Laurie Cowan</p> 	<p>Senior Vice President, Human Resources (Apr2014-Present)</p>	<p>Laurie commenced her current role in April 2014, and is responsible for leading HR practices and objectives that promote an employee-oriented, high performance culture at the CSL Group of Companies, including the development of HR processes and metrics that support the achievement of the organisation’s business goals.</p> <p>She previously served as the Head of HR for CSL Behring. She has more than 20 years of HR experience in both the regional banking industry in the US as well as in the pharmaceutical industry globally. She has held diverse HR roles including HR Business Partner, M&A HR Leader, and Organisation Development Consultant/Project Leader, and she has provided HR support</p>	<p>USA</p>	

blenheim partners

		to groups including Sales & Marketing organisations, and Manufacturing/ Operations. Education – BSc, Indiana University of Pennsylvania; MA, American University in Washington		
OTHER KEY PERSONNEL				
Name	Title	Background	Location	Comments
Russell Basser	Chief Medical Officer (May2014-Present)	<p>Russell commenced this newly created role in May 2014. A qualified Medical Oncologist/Haematologist, he has spent ten years in academic clinic medicine in Melbourne. Since joining CSL in 2001, he has worked in a wide range of therapeutic areas and overseen clinical development, clinical operations, regulatory affairs, drug safety and biometrics/medical writing. He was previously Senior VP Global Clinical R&D, based in Australia and then the USA from 2012 to 2014, and oversaw clinical R&D activities globally. Upon joining CSL in 2001, he was Global Director of Clinical Development.</p> <p>From 1992 to 2009, he was Medical Oncology staff specialist at Royal Melbourne Hospital. He was also Clinical Associate at Ludwig Institute for Cancer Research.</p> <p>Education – MD (Haematology & Medical Oncology) & MBBS (Medicine), University of Melbourne; FRACP (Medical Oncology), Royal Australian College of Physicians</p>	Melbourne	
Andrea Douglas	Vice President, Research & Development Strategy & Portfolio (Jul2012-Present)	<p>Andrea commenced her current role in July 2012, and is responsible for enabling rigorous and sound decision making regarding CSL’s global R&D strategic priorities, projects and portfolio investment. Immediately prior, she was VP Project & Portfolio Management for just over five years, and before she was Program Director of Influenza for two and a half years.</p> <p>She joined CSL in 2005 from Gene CRC Cerylid Biosciences Ltd, where she was most recently CEO.</p>	Melbourne	

blenheim partners

		<p>Education – GAICD; Master of Health Administration, La Trobe University; PhD & BSc(Hons), Monash University</p>		
<p>Katy Dimitropoulos</p> 	<p>Director, Global Research & Development Program Office (Nov2013-Present)</p>	<p>Katy joined the Global R&D Program Management Office as Director in November 2013. She was previously Global R&D Project Systems Manager.</p> <p>Before joining CSL in 2008, she was with Australian Stem Cell Centre, initially as Project Management Director and then Director Corporate Development. Before that she was a Project Management Consultant with Cerylid, and before that Project Manager of Global Regulatory Affairs at FH Faulding.</p> <p>Education – PhD (Immunology), Monash University; BSc(Hons), University of Melbourne</p>	Melbourne	
<p>Rose Fida</p>	<p>Director, Global Research & Development Project Management (May2011-Present)</p>	<p>Rose joined CSL in her current position in May 2011. Previously, she was Drug Development Manager with YM Biosciences Australia, formerly known as Cytopia Research.</p> <p>From 2004 to 2007 she was with Hospira Australia Ltd, most recently as Project Management Associate. She has also held roles with the Centre for Drug Candidate Optimisation and the Victorian College of Pharmacy based at Monash University.</p> <p>Education – PhD (Medicine) & BSc(Hons), Monash University</p>	Melbourne	
<p>Elie Hadaya</p>	<p>Chief Information Officer (2012-Present)</p>	<p>Elie came to CSL with a strong IT background in 2012. He is responsible for the overall management of the IT team of CSL and leading the Company's digital transformation.</p> <p>He has over 20 years' experience in strategic roles within telecommunications globally. Prior to CSL, Elie worked for Telstra Global, where he led the global Business Transformation Program and delivered customer centric capabilities across the whole Customer value chain.</p>	Hong Kong	

blenheim partners

		<p>Elie has been responsible for managing complex IT digital landscape and infrastructure solutions across Sales, Service Delivery, Supply Chain, Customer Service, Billing and Finance.</p> <p>Prior to Telstra Global, Elie held various senior business technology roles for several telecom operators and successfully led multiple large-scale digital transformational changes.</p> <p>Education – ME(CompSci), POLYTECH Clermont – Engineering School</p>		
<p>Anthony Farina</p> 	<p>Chief Communications Officer & Vice President of Corporate Affairs (Mar2014-Present)</p>	<p>Anthony was appointed to this role in March 2014. He leads strategic communications, brand management and corporate social responsibility, and is accountable for building, protecting and defending CSL’s reputation with key stakeholders and influencers globally. He is responsible for CEO communications and provides strategic counsel to C-level leadership on all communications issues, positioning and reputation management for CSL. He is accountable for building and developing CSL’s high-performance, collaborative global communications function.</p> <p>Previously, he was with DuPont for over 13 years, where he was most recently Chief Global Public Affairs & Director of Corporate Communications. Before, he was Creative Director of Communications and Press Secretary for the Governor of the State of Delaware in the US for four years, and before that was an editor and journalist in the US for 13 years.</p> <p>Education – Post graduate studies, Public Policy & Government Affairs, University of Delaware; Major in Communications, Minor in Marketing, Temple University; Member, Public Relations Society of America</p>	<p>USA</p>	
<p>Mark Dehring</p>	<p>Head of Investor Relations (2003-Present)</p>	<p>Mark was appointed Head of Investor Relations at CSL Limited in 2003 ahead of the acquisition of Aventis Behring, an event that more than doubled the size of the company.</p> <p>Before taking up his present position he held investor relations roles over a 10 year period. This included positions at Telstra, when the company was</p>	<p>Melbourne</p>	

blenheim partners

		<p>undergoing privatisation, and ANZ Banking Group. Prior to working in investor relations, Mark was a financial accountant with ANZ Banking Group in Melbourne.</p> <p>Education – GradDip Applied Valuation & Analysis, Finsia; BBus, Curtin University; CPA</p>		
--	--	---	--	--

BOARD MEMBERS

Name	Title	Background	Location	Comments
<p>Prof John Shine, AO</p> 	<p>Chairman (Oct2011-Present)</p>	<p>John was appointed to the CSL Board in June 2006 and became Chairman in October 2011. He is Professor of Molecular Biology and Professor of Medicine at UNSW, and a Director of many scientific research and medical bodies throughout Australia.</p> <p>John is President of the Museum of Applied Arts and Science (Powerhouse Museum and Sydney Observatory) and was formerly Executive Director of the Garvan Institute of Medical Research. He was also formerly Chairman of the National Health and Medical Research Council and a Member of the Prime Minister’s Science, Engineering and Innovation Council. In November 2010, he was awarded the 2010 Prime Minister’s Prize for Science.</p> <p>John is Chairman of the Nomination Committee and a member of the Innovation and Development Committee.</p> <p>Education – BSc(Hons); PhD; DSc; FAA</p>	<p>Sydney</p>	
<p>John Akehurst</p> 	<p>Non-Executive Director (Apr2004-Present)</p>	<p>John was appointed to the CSL Board in April 2004. He had 30 years’ executive experience in the international hydrocarbon industry, including seven years as MD & CEO of Woodside Petroleum Ltd. He is a member of the Board of the Reserve Bank of Australia and is a Director of Origin Energy Ltd, and Transform Exploration Pty Ltd.</p> <p>He was formerly Chairman of Alinta Ltd and of Coogee Resources Ltd and is a former Director of Oil Search Ltd. He is Chairman of the National Centre for Asbestos Related Diseases and the Fortitude Foundation.</p>	<p>Perth</p>	

blenheim partners

		<p>John is Chairman of the Human Resources and Remuneration Committee and a member of the Nomination Committee.</p> <p>Education – MA, Oxford University; FIMechE</p>		
<p>David Anstice</p> 	<p>Non-Executive Director (Sep2008-Present)</p>	<p>David was appointed to the CSL Board in September 2008. He was a long-time member of the Board of Directors and Executive Committee of the US Biotechnology Industry Organisation, and has over 45 years' experience in the global pharmaceutical industry.</p> <p>Until his retirement in August 2008, David was for many years a senior executive of Merck & Co., Inc., serving at various times as President of Human Health for US/Canada/Latin America, Europe, Japan and Asia, and at was an Executive VP. He is a Director of Alkermes Plc, Ireland, and a Director of the United States Studies Centre at the University of Sydney.</p> <p>David is a member of the Human Resources and Remuneration Committee, the Innovation and Development Committee and the Nomination Committee.</p> <p>Education – BEc</p>	<p>USA</p>	
<p>Bruce Brook</p> 	<p>Non-Executive Director (Aug2011-Present)</p>	<p>Bruce was appointed to the CSL Board in August 2011. He is currently Chairman of Programmed Maintenance Services Ltd and a Director of Boart Longyear Ltd and Newmont Mining Corporation. He has previously been Chairman of Energy Developments Ltd and a Director of Lihir Gold Ltd and Consolidated Minerals Ltd.</p> <p>During his executive career, he was CFO of WMC Resources Ltd and Deputy CFO of the ANZ Banking Group.</p> <p>Bruce is Chairman of the Audit and Risk Management Committee and a member of the Nomination Committee.</p> <p>Education – BCom; BAcc; FCA; MAICD</p>	<p>Victoria</p>	

blenheim partners

<p>Marie McDonald</p> 	<p>Non-Executive Director (Aug2013-Present)</p>	<p>Marie was appointed to the CSL Board in August 2013. For many years she has practised in company and commercial law and she was a partner of Ashurst (formerly Blake Dawson) until July 2014. She was Chair of the Corporations Committee of the Business Law Section of the Law Council of Australia from 2012 to 2013, having previously been the Deputy Chair, and was also a member of the Australian Takeovers Panel from 2001 to 2010.</p> <p>Marie is a member of the Audit and Risk Management Committee and the Nomination Committee.</p> <p>Education – LLB & BSc(Hons), University of Melbourne</p>	<p>Melbourne</p>	
<p>Christine O'Reilly</p> 	<p>Non-Executive Director (Feb2011-Present)</p>	<p>Christine was appointed to the CSL Board in February 2011. She is a Director of the Transurban Group, Energy Australia, Medibank Private Ltd, Baker IDI and Care Australia. During her executive career, she was Co-Head of Unlisted Infrastructure Investments at Colonial First State Global Asset Management and prior to that was CEO of the GasNet Australia Group.</p> <p>Christine is a member of the Audit and Risk Management Committee, the Human Resources and Remuneration Committee, and the Nomination Committee.</p> <p>Education – BBus</p>	<p>Melbourne</p>	
<p>Maurice Renshaw</p> 	<p>Non-Executive Director (Jul2004-Present)</p>	<p>Maurice was appointed to the CSL Board in July 2004. Formerly he was VP of Pfizer Inc, USA, Executive VP Pfizer Global Consumer Group and President of Pfizer's Global Consumer Healthcare Division. Prior to his positions in Pfizer, Maurice was VP of Warner Lambert Co. and President of Parke-Davis USA. He has had more than 35 years' experience in the international pharmaceutical industry.</p> <p>Maurice is Chairman of the Innovation and Development Committee and a member of the Nomination Committee.</p> <p>Education – BPharm</p>	<p>NSW</p>	

blenheim partners

<p>Edward Bailey</p> 	<p>Company Secretary (2009-Present)</p>	<p>Edward commenced his current role in 2009. He was previously Senior Corporate Counsel, having joined CSL Group in 2000 as Corporate Counsel.</p> <p>Earlier, he was a lawyer with Allens Arthur Robinson.</p> <p>Education – LLB/BCom, University of Melbourne; FGIA</p>	<p>Melbourne</p>	
--	---	--	------------------	--

MARKET INTELLIGENCE

28 OCTOBER 2014

Australian Financial Review

CSL buys Novartis flu vaccine business for \$US275m

CSL has vowed to turn around the loss-making influenza vaccine division of rival Novartis by taking advantage of recently refurbished plants and pushing a portfolio of new products that will drive sales of \$1 billion within five years.

The \$36 billion biotechnology giant said on Monday it would pay \$US275 million (\$313.5 million) for Novartis' influenza vaccine business. The unit will merge with CSL's vaccine subsidiary, bioCSL, which manufactures predominantly from Melbourne.

Chief executive Paul Perreault said the deal would "transform bioCSL" by giving the smaller vaccine division access to modern facilities, global scale and product and geographic diversity.

CSL will become the second-largest player in the \$US4 billion influenza -vaccine market after Sanofi, he said.

Source: <http://www.afr.com/Page/Uuid/8ded8716-5d58-11e4-89d2-c0f3145b79f4>

17 OCTOBER 2014

The Australian

Ondek, Mesoblast and Sirtex investors roll the biotech dice

Australia has a poor record of capitalising on its world-class scientific and medical research. It's not for want of innovation, as Australian medical research is booming but turning bright ideas into commercial success has been difficult in the small Australian market. Local investors have found it hard to value the blue sky in start-up biotech companies. But there are an increasing number of Australian-based scientists seeking to change that picture.

Source: <http://www.theaustralian.com.au/business/the-deal-magazine/ondek-mesoblast-and-sirtex-investors-roll-the-biotech-dice/story-e6frgabx-1227090406491>

14 OCTOBER 2014

The Australian

Tony Abbott unveils industry innovation and competitiveness plan

TONY Abbott has declared Australia must get more bang for its buck from the \$9.2 billion it spends on research each year, as he unveiled a competitiveness plan that will link research to industry, reform the 457 visa program and reintroduce employee share plans.

blenheim partners

The Prime Minister, releasing a \$400 million industry innovation and competitiveness agenda, announced plans to lift apprenticeship completion rates through an Australian apprenticeship support network, promote science, technology, engineering and mathematics skills in schools, and explore allowing major companies to sponsor colleges that specialise in producing graduates with the skills required in their industries.

The centrepiece of the plan, developed by Industry Minister Ian Macfarlane, is a \$188m scheme to create industry growth centres in five sectors: food and agribusiness; mining equipment, technology and services; oil, gas and energy resources; medical technologies and pharmaceuticals and advanced manufacturing services.

These would be non-profit industry-led centres to foster better use of researchers to commercialise products. Funding of \$60m would be available to convert ideas with great potential into profitable commercial realities.

Source: <http://www.theaustralian.com.au/business/tony-abbott-unveils-industry-innovation-and-competitiveness-plan/story-e6frg8zx-1227090269511>

14 OCTOBER 2014

The Pharma Letter

“Industry Innovation Competitiveness Agenda” applauded by Medicines Australia

The Australian government’s Industry Innovation and Competitiveness Agenda and the announcement of five industry growth centres released today has been welcomed by trade group Medicines Australia’s chairman Martin Cross.

“Australia is uniquely placed to harness our competitive advantages, particularly in the medical technologies, pharmaceuticals and advanced manufacturing sectors,” Dr Cross said, adding: “The industry is heartened by the policies being put into place that will make Australia a more attractive investment destination. I am particularly encouraged by the government’s commitment to support growth in Australia’s medical technologies, pharmaceuticals and advanced manufacturing sectors, when the global market for medicines and vaccines is projected to double over the next 10 years. With much of the growth coming from Asia, Australia is well-placed to capitalise on this growth.”

Dr Cross continued: “We are not only conveniently located but we also have a world-class medical research infrastructure and a well-established reputation in the region for manufacturing safe, high-quality medicines and vaccines. With the right policies in place, like those announced by the government today, Australia could double its exports of medicines and vaccines products by 2024. We could also double the level of investment Australia attracts in pharmaceutical R&D and clinical trials.”

Source: <http://www.thepharmaletter.com/article/industry-innovation-competitiveness-agenda-applauded-by-medicines-australia>

7 OCTOBER 2014

IBIS World

Patent cliff causes headaches for pharmaceutical giants

Pharmaceutical product manufacturers are operating in tumultuous times. The era of blockbuster drugs is coming to an end, and R&D expenditure is stagnating. Between 2011 and 2015, some of the world's highest selling drugs have lost or are due to lose patent protection. IBISWorld expects industry revenue to contract by an annualised 2.7% in the five years through 2014-15, but not all Australian pharmaceutical manufacturers are suffering from the downturn. Well-established companies like GlaxoSmithKline Holdings Pty Ltd and Pfizer Holdings Pty Ltd are divesting assets and terminating operations, while generics manufacturers like Aspen Asia Pacific Pty Ltd are capitalising on expired intellectual property rights and relinquished assets.

Many factors are influencing the decline in pharmaceutical product manufacturing revenue. In addition to the looming expirations of a number of key patents, consumers are increasingly turning to over-the-counter and complementary medications. Furthermore, import penetration in the industry is considerable. In 2014-15, imports are expected to satisfy 65.5% of domestic demand.

Source: <http://www.ibisworld.com.au/media/2014/10/07/patent-cliff-causes-headaches-pharmaceutical-giants/>

2 JULY 2014

Australian Financial Review

Sirtex harnesses power of research institutes in fight against liver cancer

For more than a decade, Sirtex has been working on a pioneering new liver cancer treatment, Selective Internal Radiation Therapy (SIRT), that zaps liver tumours. The treatment works by injecting millions of tiny resin microspheres, called SIR-Spheres into the blood vessels that surround the tumour.

Clinical tests to date show it to be effective, and Sirtex's goal is to turn liver cancer into a manageable disease. Before Sirtex can achieve this goal, they have to have SIRT recognised as a first line therapy, rather than its current classification as a therapy of last resort.

Early next year, the results from the latest clinical studies will hopefully see the company achieve this goal. In the meantime, the company will continue to invest heavily in research around the world. At present, the product is sold in 40 countries and Sirtex works closely with local researchers at the Peter MacCallum Cancer Centre in Melbourne, the University of Sydney and the Australian National University in Canberra.

What makes Sirtex particularly interesting is its thoroughly modern research model. Rather than working on a hunch in isolation, Sirtex utilises some of Australia's leading research institutes with all their work geared towards meeting an unmet clinical need.

Source: http://www.afr.com/p/business/healthcare2-0/sirtex_harnesses_power_cancer_research_8Di6WJ86ZZEgJEcqD6kML

19 MAY 2014

Sydney Morning Herald

Pharmas need to do more drugs

It generates billions and keeps us alive. So why does the local pharmaceutical industry struggle for attention?

Every year the Australian pharmaceutical industry generates about \$4 billion in export revenue and spends about \$1 billion on R&D. It employs about 15,000 Australians directly, 40,000 indirectly, and is one of the largest employers of the nation's science graduates.

Surprised? You wouldn't be the only one. Despite having long done more for Australia's balance of trade figures than the endlessly mourned automotive industry, pharma remains the manufacturing sector's quiet achiever. Which is unfortunate, because it has the potential to be an even larger contributor to our national prosperity in years to come. Asian consumers are getting richer and older, which is throwing up some spectacular opportunities.

Source: <http://www.smh.com.au/small-business/growing/pharmas-need-to-do-more-drugs-20140512-384y1.html>

24 MARCH 2014

Australian Financial Review

Biotechs under pressure to show drugs also save cash

Early stage biotechnology companies are increasingly using clinical trials to analyse the cost benefits of their products in the hope they can persuade cash-strapped governments to pay for their novel treatments.

Biotechnology companies are under pressure from payers – both governments and health insurers – to prove their interventions can deliver both a patient benefit and an economic benefit.

Over a decade, government spending on health climbed 41 per cent to \$140 billion in 2011-12, data from the Australian Institute of Health Welfare shows.

The reason for rising health costs are broad and varied. Although demographic trends like the growing and ageing population play a large role, enhanced technology such as new drugs and devices can also add up. A recent study from the Grattan Institute showed hospitals rack up \$1 billion in “avoidable costs” each year.

Source: http://www.afr.com/p/business/companies/biotechs_under_pressure_to_show_WSJoVpunwOVgEE5K1IKITO

MOVEMENTS

There have been a number of movements in the pharmaceuticals sector this year, some include:

- Bob Repella – Appointed Executive Vice President, Global Commercial Operations of CSL Ltd, July 2014 (replaced Dr Ingolf Sieper, retired)
- Laurie Cowan – Appointed Senior Vice President, Human Resources of CSL Ltd, April 2014 (replaced Jill Lever, retired)
- Russell Basser – Appointed Chief Medical Officer of CSL Ltd, May 2014 (newly created role)
- Anthony Farina – Appointed Chief Communications Officer & Vice President, Corporate Affairs of CSL Ltd, March 2014 (newly created role)
- Dr Ilana Stancovski – Appointed Chief Scientific Officer of Mayne Pharma Ltd, September 2014
- Chris Schneider – Appointed Executive Vice President, Generic Products of Mayne Pharma Ltd, 2014
- Blake Cullen – Appointed Vice President, Business Development of Mayne Pharma Ltd, May 2014
- William (Phil) Hodges – Appointed Non-Executive Director of Mayne Pharma Ltd, January 2014 (formerly President of Mayne Pharma USA)
- Prof Bruce Robinson, AM – Appointed Non-Executive Director of Mayne Pharma Ltd, August 2014
- Dr Joris de Bie – Appointed Vice President, Clinical Operations of Mesoblast Ltd, June 2014
- Paul Hodgkinson – Appointed Chief Financial Officer of Mesoblast Ltd, August 2014 (replaced Jenni Pilcher who moved to Alchemia Ltd)
- Sue MacLeman – Appointed Global Head, Commercial of Mesoblast Ltd, January 2014
- Suzanne Lipe – Appointed Vice President, Research Operations of Mesoblast Ltd, September 2014
- Charlie Harrison – Appointed Company Secretary of Mesoblast Ltd, September 2014 (replaced Jenni Pilcher who moved to Alchemia Ltd)
- Nancy Retzlaff – Appointed Vice President, Global Marketing, Commercial of Mesoblast Ltd, February 2014
- Dr Stephen Klinecicz – Appointed Vice President, Global Pharmacovigilance of Mesoblast Ltd, June 2014
- Kim Thacker – Appointed Vice President, Medical Affairs of Mesoblast Ltd, July 2014
- William (Bill) Burns – Appointed Non-Executive Director of Mesoblast Ltd, March 2014
- Steven Baert – Appointed Head of Human Resources of Novartis International AG, February 2014
- Richard Francis – Appointed Division Head, Sandoz of Novartis International AG, May 2014
- Jeff George – Appointed Division Head, Alcon of Novartis International AG, May 2014 (replaced Kevin Buehler, retired)
- George Gunn – Retiring as Division Head, Novartis Animal Health of Novartis International AG, July 2015 (at contractual retirement age)
- Brian McNamara – transitioning from Novartis International AG where he is currently Division Head, Novartis OTC to GSK upon completion of transaction with GSK to create JV (Novartis will own 36.5% of the JV), expected first half of 2015
- Dr Andrin Oswald – leaving Novartis International AG where he is currently Division Head, Novartis Vaccines, upon completion of transaction with GSK, expected first half of 2015

blenheim partners

- André Wyss – Appointed Global Head, Novartis Business Services of Novartis International AG, May 2014
- Juergen Brokatzky-Geiger – Appointed Global Head, Corporate Responsibility of Novartis International AG, February 2014
- Eric Cornut – Appointed Chief Ethics, Compliance & Policy Officer of Novartis International AG, August 2014
- Michael Willi – Appointed Group Head, Communications of Novartis International AG, June 2014
- Nathalie Amoury – Appointed Global Marketing & Communications Director of Sirtex Medical Ltd, January 2014



blenheim partners

no limitations

ABN 21 160 009 236

Level 5, 17-19 Bridge Street, Sydney NSW Australia

p +61 2 9253 0950

w blenheimpartners.com