

Letter dated November 5th 2014 addressed to the President of the Peruvian College of Pharmaceutical Chemists by Bristol-Meyers Squibb Perú S.A.

Bristol-Meyers Squibb Peru S.A.

Lima, November 5th 2014

Dr. Luis Alberto Kanashiro Chinen
Decan President of the College of Chemical Pharmacists of Peru
Av. Andrés Tinoco A3 Lote 1 Urb. Prolongación Benavides
Santiago de surco

Delivered by hand

Dear Dr. Kanashiro,

We are writing to you in relation to the Press Conference held on October 16th 2014 on the premises of the **Peruvian College of Pharmaceutical Chemists**, during which a discussion focusing on a supposed issue concerning the acquisition of medicines to treat HIV/AIDS in our country was initiated. In particular, we are addressing this letter to you with reference to certain unfounded assertions you made regarding the medicine atazanavir and our company's conduct with respect to its marketing.

During the course of this discussion, you clearly indicated that during the past year your institution has addressed official letters to the Director General of Medicines, the office of the Ministry of Health and the Presidency of the Council of Ministers with the objective of lodging a formal complaint on the grounds that the State would be paying an inflated price for acquisition of atazanavir, thereby incurring an excess expenditure of 27 million soles, money that in your view could be better spent on the treatment of other patients and other diseases. You additionally expressed the opinion that the granting of a compulsory license would constitute an ideal means of facilitating the entry of other competitors into the market of the mentioned medicine, since to your way of thinking, nothing positive can come from monopolies.

In this context, you also stated that by virtue of having a monopoly and supplying a product exclusively indicated for the treatment of HIV/AIDS, the company has the benefit of exoneration from custom duties and general sales tax with respect to this product. Moreover, you expressed that "they take advantage of having such a monopoly" to set a high price and that the absence of competition "give us the luxury" of paying such a high price, resulting in an excess expenditure of up to 27 million soles.

Furthermore, faced with a question from the public about the possible collusion of the "monopoly" with the State of Peru, designed to maintain the status quo with regard to the price of the medicine and to avoid a compulsory license, instead of refusing to answer, or at least keeping your distance from this false allegation, you responded to the question in a manner unnecessarily and excessively indicating your approval. You declared that such collusion could indeed be inferred and that the State of Peru could achieve significant cost savings by introducing a compulsory license and could use the money saved for other purposes. In reply to another question about who should make the decision about a

compulsory license, you stated that in response to the justified claims, the College - of which you are the President – has sent out many letters to the effect that this excessive cost is detrimental to the health of people, mainly to persons who do not have the privilege of counting on insurance cover. Finally, you repeated that the State is incurring an excessive cost for the medicine concerned.

In this respect, we would first of all like to emphasize that, as the public is aware, the company I represent (through the various firms constituting the Bristol Myers Squibb [BMS] corporation) is the legitimate owner of the intellectual property rights conferred by a patent protecting its product REYATAZ, to be commercialized in Peru, according to the legislation in force.

Consequently, when you evoked and reiterated the idea of a presumed “monopoly” during the course of the discussion, this constantly alluded to the company I represent. **By these fallacious and malicious assertions, devoid of any foundation, you therefore deformed the facts when you implied that by holding exclusivity in virtue of the ownership of rights legitimately obtained in accordance with the laws in force, the company I represent is abusing its position of dominance or monopoly.** In other words, you implied that we are **unfairly taking advantage of this situation to impose an excessively high price and, even worse, you unjustifiably insinuated that we were involved in collusion with the State with the aim of maintaining this position.**

In that sense, your allegations have evidently sullied the good name and the reputation of the company I represent. Furthermore, these statements and insinuations were expressed in public and in the presence of a considerable number of people attending the press conference. It can be no doubt that this generated a potential for their diffusion in the various academic, medical, commercial and social circles relevant to the company I represent, through the dissemination of unfounded and deliberately ambiguous opinions.

Bristol Myers Squibb is sensitive to concerns about access to treatments for HIV. We have a long history of cooperation with the Government of Peru and other stakeholders to guarantee adequate access to our medicines against HIV in accordance with our ethical principles and standards of integrity.

In view of the above considerations, we demand that within a maximum of four working days **you issue a rectification and consequently a public apology with respect to the company I represent, by issuing a written press release to be validated by this company prior to its release.**

Otherwise, we will be obliged to consider taking appropriate legal action in order to defend our reputation and legitimate marketing procedures which you have irresponsibly and lightly sought to damage without any justification.

Yours sincerely,

Maria Aste G.
Directora Pais