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23 December 2005

To All Pharmaceutical Suppliers, Medical Groups and Interested Parties

By facsimile (1page)

Proposed listing of hydrogen peroxide (Crystacide), capsaicin cream (Zostrix HP), sodium alginate (Acidex) and procarbazine hydrochloride (Natulan) in the Pharmaceutical Schedule.

Provisional agreement with AFT Pharmaceuticals Limited

PHARMAC has entered into a provisional agreement with AFT Pharmaceuticals Limited in relation to the above pharmaceuticals. The details of the provisional agreement are as follows:

- It is proposed that the following pharmaceuticals are listed in Section B of the Pharmaceutical Schedule from 1 March 2006.

Chemical	Presentation	Strength	Brand	Proposed Price	Proposed Subsidy	Pack Size
Hydrogen peroxide	Cream	1%	Crystacide	\$8.56	\$8.56	10 g
Capsaicin	Cream	0.075%	Zostrix HP	\$12.50	\$12.50	45 g
Sodium alginate	Oral liquid	500 mg	Acidex	\$4.95	\$1.50	500 ml

Prices and subsidies are ex-manufacturer, ex-GST.

There are confidential risk sharing arrangements associated with the listing of Crystacide and Zostrix HP.

- It is proposed that the following pharmaceuticals are listed in Section H of the Pharmaceutical Schedule from 1 March 2006.

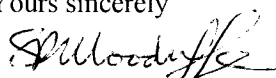
Chemical	Presentation	Strength	Brand	Proposed Price	Pack Size
Hydrogen peroxide	Cream	1%	Crystacide	\$8.56	10 g
Capsaicin	Cream	0.075%	Zostrix HP	\$12.50	45 g
Sodium alginate	Oral liquid	1 mg/ml	Acidex	\$4.95	500 ml
Procarbazine hydrochloride	Capsule	50 mg	Natulan	\$133.00	50

Prices are ex-manufacturer, ex-GST.

No market exclusivity, such as Hospital Supply Status, would apply to these hospital pharmaceuticals.

If you wish to make comments regarding this proposal for the PHARMAC Board to consider when making its decision, please forward them to PHARMAC by **5:00pm, Friday, 20 January 2006**.

Yours sincerely



Stephen Woodruffe
Therapeutic Group Manager Intern