



CONTRACT MODIFICATION

February 11, 2009

Ms. Lillian Hom
McKesson
Email: Lillian.Hom@mckesson.com

Dear Ms. Hom:

Due to changes in the competitive marketplace, Mallinckrodt Pharmaceuticals is providing McKesson's OneStop Generics Program with this notice of a contract modification. **Effective February 13, 2009**, the existing contract between McKesson's OneStop Generics Program and Mallinckrodt Pharmaceuticals is being modified as follows, only with respect to the prices for the products ("Products") listed below on contract number 0561700349.

NDC#		Product/Description	Size	New Contract Price Per Bottle	New Net Price Per Bottle
0406					
3243-01		Hydromorphone Hydrochloride 2mg Tablets, USP CII	100's	\$8.72	\$6.50
0552-01		Oxycodone Hydrochloride 5mg Tablets, USP CII	100's	\$11.44	\$8.52

These Products will remain eligible for the 20% rebate and the 5.5% retention rebate (reflected above as "New Net Price Per Bottle") currently in place between McKesson's OneStop Generics Program and Mallinckrodt Pharmaceuticals.

Price Increase Allowance

Pursuant to section 2.7 of the OneStop Supplier Agreement dated November 4, 1999 between the parties, McKesson is entitled to a 60 day buy-in from the effective date of the price increase or a 60 day allocation credit. Mallinckrodt will pay McKesson the one-time allocation credit equal to the difference between the old and new contract price multiplied by the number of bottles equal to an average 60 day demand for each product, totaling \$421,256. Payment will be made within 45 days of price increase effective date, as noted herein.

Miscellaneous Terms

Mallinckrodt Pharmaceuticals will remain McKesson's OneStop Generics Program's primary incumbent supplier of the Products and will be given the opportunity to "meet or beat" any written, bona fide competitive bid for any of these Products that is received by McKesson's OneStop Generics Program.

Mallinckrodt Pharmaceuticals reserves the right, upon written notice to McKesson, to adjust pricing for the Products due to changes in the competitive marketplace or in manufacturing costs.

McKesson has the sole obligation to timely, fully, and accurately report all product discounts and rebates to Medicaid, Medicare and/or third party payers in accordance with all applicable federal and state laws and regulations.

The information contained in this proposal is confidential and may only be used by McKesson to evaluate Mallinckrodt Pharmaceuticals' bid. Any other use, copying, dissemination or distribution of this proposal is strictly forbidden.

McKesson shall sell the contracted Products it is buying from Mallinckrodt Pharmaceuticals under this agreement to end user pharmacy customers only. In no event shall McKesson sell Mallinckrodt Pharmaceuticals' products to any other party, including, without limitation, wholesalers/distributors or warehousing entities that distribute and or resell product unless mutually agreed to by both parties. All chargeback submissions not complying with the aforementioned will be denied. McKesson shall purchase all Mallinckrodt Pharmaceuticals' products directly from Mallinckrodt Pharmaceuticals.

Mallinckrodt Pharmaceuticals will not process chargeback claims or resubmissions made more than 90 days after McKesson's original invoice date to a Mallinckrodt Pharmaceuticals' approved contract customer unless chargeback is related to a customer audit. Chargeback claims or resubmissions made after that 90 day period will be denied and any deductions taken against the claims by McKesson are to be paid back to Mallinckrodt Pharmaceuticals within 30 days after denial.

All other McKesson claims for reimbursement or payment against Mallinckrodt Pharmaceuticals, including, without limitation, claims for unpaid balances, rebates, credit balances or discrepancies of any kind, however arising, must be made no later than 12 months after the original invoice date to which the claim relates or Mallinckrodt Pharmaceuticals will deny the claim as untimely. The foregoing in no way affects or extends any notification periods set forth in Mallinckrodt Pharmaceuticals' return policy.

In all other respects, the existing contract remains unchanged.

If you have questions regarding the products or services offered by Mallinckrodt Pharmaceuticals, please call Frena McGowan at (800) 833-1717 ext. 43042 or Tim Berry at (636) 561-4325.

Best Regards,

Michael L. Gunning

Michael L. Gunning
Vice President, Sales & Marketing
Mallinckrodt Pharmaceuticals

cc: Tim Berry
Carmen Chung

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675 McDONNELL BLVD.
HAZELWOOD, MO
63042



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NOTICE OF PRICE ADJUSTMENT

February 11, 2009

Mallinckrodt Pharmaceuticals announces an AWP and Invoice Price adjustment for the attached products, effective February 13, 2009.

We appreciate your attention to this matter. If you have any questions, please do not hesitate to contact LouAnn Randall at (314) 654-7109.

Sincerely,

Mike Gunning

Mike Gunning
VP, Sales & Marketing
Specialty Generics

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NEW AWP & INVOICE PRICES – EFFECTIVE February 13, 2009

NDC#	PRODUCT DESCRIPTION	SIZE	New AWP	New Invoice Price
055201	OXYCODONE HCL 5MG TABS USP	100ct	\$47.94	\$31.16
055401	OXYCODONE HCL 5MG CAPS	100ct	\$33.89	\$22.41
324301	HYDROMORPHONE HCL 2MG TABS	100ct	\$48.04	\$14.56

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