

**INTERNATIONAL FEDERATION OF
PHARMACEUTICAL WHOLESALERS**



2016 ANNUAL REPORT

IFPW 2016 ANNUAL REPORT



	<i>Page</i>
Letter from IFPW's President	1
IFPW Board of Directors	2
IFPW's Mission & Members	3
Industry/Members' News	4
IFPW Meetings	11
Financial Review	13



A LETTER FROM IFPW'S PRESIDENT...



Dear Members,

While every year is important in an industry that is such a vital part of the world's healthcare systems, 2016 represented a critical year for the pharmaceutical industry and the environment in which it operates. The impact of Brexit, populist movements and its effect on elections and a significant challenge to "business as usual" with Governments globally, will have implications in 2017 and beyond. Within our Industry, change

continues to abound throughout our industry through manufacturer consolidation in the Branded, Generic and OTC segments and similar consolidations occurring in the pharmaceutical wholesaler segment. The establishment of Retail/Wholesale Generic consortiums and joint ventures continues to be an important, impactful and likely an enduring innovation. They are an emphatic example of the power and collaboration that can be generated throughout the Industry. They also show the significance in the marketplace that can come from Pharmaceutical Wholesalers partnering closely with their customers. While economic conditions continued to be favorable in 2016, with interest rates at historic lows, the changing political landscape has caused a certain degree of uncertainty, creating the need for solid strategic thinking in order to take advantage of opportunities for growth and expansion. 2017 will bring a new set of challenges as the US Government considers a challenge to pharmaceutical manufacturer business model, the EU reacts to the impact of Brexit, emerging markets work to stimulate growth and meet the needs of a population desiring modern products and a number of key elections are conducted throughout the world.

These dynamics highlight the fact that markets are changing, at an ever-increasing pace. As Governments grapple with the cost of Healthcare and consumers continue to weigh buying decisions carefully, IFPW members use the skills within their organizations to adapt and change. It's difficult to imagine the circumstances in which this cycle slows down, so success will go to those who can move quickly and decisively in identifying and seizing the opportunities. It's my belief that the current membership of IFPW is a collection of Healthcare Services Companies that are achieving success in the market and will continue to do so.

The IFPW member company's vision for growth and customer focus create the opportunity for unique business solutions. These solutions come from having an intimate understanding of their customer

operations, products and services. This knowledge comes from having patient facing operations within the company portfolios and from being very close to their unaffiliated customers. The result of this intimacy has been an increase in the importance of channel power. This power has translated into pricing and programs from pharmaceutical manufacturers - branded generic and OTC - who reward the increased ability to increase market share for their products.

While the membership has been driving these sweeping changes, your IFPW staff organization has been working to continually strengthen our programs to make them relevant during these extraordinary times. IFPW is working to steadily increase the exposure our members receive in a very important arena - Global Health. Global Health, and specifically the delivery of medicines to underserved populations in developing countries, represents a great opportunity for our Industry. Through our IFPW Foundation, we continue to look for opportunities to highlight the important role IFPW members play in healthcare, as well as demonstrate member organizations' skills, competencies and sophistication. Our members are also providing opportunities for employees to contribute and grow through their corporate CSR programs, which encourages positive impact upon the health of many, many people. Each of the major branded and generic manufacturers have active philanthropic programs for Global Health. These programs are a high priority with Governments in the developed world and developing world alike. They represent an important opportunity for engagement and recognition from our manufacturer partners that our member Companies have embraced the challenge of Global Health and created a new avenue for partnership and collaboration. We will continue to pursue opportunities in this important area in 2017 through the IFPW Foundation under Chris's leadership.

In 2016, we hosted another successful General Membership Meeting in London. Approximately 200 executives from around the world attended and received presentations from industry experts, including GSK CEO, Emma Walmsley, Stefano Pessina of Walgreens Boots Alliance, Dr. Jessica Mega of Verily (formerly Google Life Sciences), and many others. We were able to hear the opinions of a number of Industry executives through panels that dealt directly and candidly with important industry topics. The cultural venues in London provided a unique and stunning backdrop for the social program events, and the business program was one of the best we have organized. We are very thankful to Ornella Barra of Walgreens Boots Alliance and her staff for lending us their talents and expertise. Without them, the 2016 GMM could not have been such an incredible success. We now look forward to our 2017 CEO Roundtable on May 8-9 in London.

IFPW continues its efforts to provide productive and impactful meetings, new networking opportunities and advance its work in Global

A LETTER FROM THE PRESIDENT(cont.)...

Health. This continues to represent a unique opportunity to increase awareness among manufacturers, governments and other stakeholders of the vital pharmaceutical supply chain. I invite you to review the IFPW Annual Report for the year for additional details on the exciting developments within both the Federation and our Industry.

Thank you for your support of IFPW! We strive to continually develop new ways fulfill our mission statement advancing the safe, efficient and continuous access to pharmaceuticals worldwide through the promotion of good distribution practices and services. I believe that 2017 will be a year in which the Membership and the Federation will be able to make great strides in raising the awareness and appreciation of the membership's capabilities to key constituents and do good for Global Health in the process. It will be an exciting and fulfilling journey for the Industry.

On behalf of Chris, George, Christina, Wendy and myself,

Best regards,



Mark Parrish
President, IFPW

IFPW Board of Directors...

IFPW programs thrive with the help and involvement of its members and guided by the Board of Directors and their vision through the association's strategic plan. The Directors representing IFPW's membership during 2014-2016 were:

Asia & Australia



Ken Suzuki
VITAL-NET Inc.



Keisuke Nakakita
Nakakita Yakuhin Co. Ltd.



Eric Zwisler
Cardinal Health China



Chuncheng Wang
China Resources
Pharmaceutical Group



Wei Yulin
Sinopharm Group

Europe, Middle East & Africa



Ornella Barra
Walgreens Boots Alliance
IFPW Chairman



Eero Hautaniemi
Oriola-KD Corporation

Latin America



Maria Luisa Macchiavello
Droguería del Sud S.A.



Elias Salomon Nader
Fármacos Nacionales, S.A. de C.V.



Juan Mulder
Quicorp



Sammy Birmarcker
Profarma Distribuidora

United States & Canada



Paul C. Julian
McKesson Corporation
IFPW Vice Chairman



Steve Collis
AmerisourceBergen
Corporation

IFPW's Mission...

The International Federation of Pharmaceutical Wholesalers' (IFPW) role is to help its members and stakeholders advance the safe, efficient and continuous access to pharmaceuticals worldwide through the promotion of good distribution practices and services.

The Board of Directors has developed the following strategic objectives for 2016, ensuring all industry leaders in the pharmaceutical supply chain are involved.

- *Improve the image and promote the value proposition of full-line wholesalers to all stakeholders.*
- *Strengthen key stakeholder relationships through engaging in meaningful and relevant dialogues.*
- *Participate in initiatives to improve access to medicines and/or advance global health*
- *Continue to serve as the industry's international networking and information platform.*

IFPW's member companies span the following 19 countries and are segregated within four geographical regions.

<i>Argentina</i>	<i>Finland</i>	<i>Norway</i>
<i>Australia</i>	<i>France</i>	<i>Peru</i>
<i>Austria</i>	<i>Hong Kong</i>	<i>South Africa</i>
<i>Belgium</i>	<i>Japan</i>	<i>Switzerland</i>
<i>Brazil</i>	<i>Korea, South</i>	<i>United Kingdom</i>
<i>Chile</i>	<i>Mexico</i>	<i>United States</i>
<i>China</i>		

IFPW membership is classified by four membership categories:

Association - A national pharmaceutical distributors' organization. For countries which have no national trade association, the pharmaceutical distributor doing in excess of 50 percent of the wholesale trade would be considered an association member. There are five National Association members.

Wholesaler/Distributor - Individual pharmaceutical wholesale firms that participate directly in IFPW. There are twenty-seven (28) wholesaler members. Most major wholesalers/distributors participate in IFPW.

Manufacturer - Suppliers of ethical pharmaceutical and proprietary medicines and producers of other products distributed by pharmaceutical wholesalers. There are six Manufacturer members.

Service Organization - Firms which provide a service, product or value to distributors for the distributors' internal use. There are four Service Organization members.

IFPW Wholesale Members (by region)...

ASIA & AUSTRALIA

Baheal Pharmaceutical Group
China Resources Pharmaceutical
Commercial Group
EBOS Group
Medipal Holdings Corporation
Nakakita Yakuhin Co., Ltd.
Sinopharm Group Co., Ltd.
Suzuken Company, Ltd.
Toho Holdings Co., LTD
VITAL-NET Inc.
Zuellig Pharma Asia Pacific

LATIN AMERICA

Droguería del Sud S.A.
Fármacos Nacionales SA de CV
Nadro, S.A. de C.V.
Profarma Distribuidora de Productos
Farmacéuticos S/A
Prosper Log Distribuidora
Quícorp
SantaCruz Distribuidora

EUROPE, MIDDLE EAST & AFRICA

Eurapharma
Imperial Health Services
Oriola-KD Corporation
Norsk Medisinaldepot A/S
Parazelsus Ltd

UNITED STATES & CANADA

AmerisourceBergen Corporation
Cardinal Health Inc.
H.D. Smith
McKesson Corporation
Walgreens Boots Alliance

2016 MEMBERS IN THE NEWS...

January

Walgreens Boots Alliance reported fiscal first-quarter earnings of US\$1.11 billion, USD\$1.03 on an adjusted EPS basis, on revenues of US\$29.03 billion. "The year has started with a comparatively strong first quarter, as we expected," CEO Stefano Pessina said in a statement. "Our ongoing work to control costs across Walgreens Boots Alliance and improve adjusted operating income margins is growing earnings overall. Although it is early in the year, we are on track to deliver against our expectations." Separately, the company reiterated that their deal to acquire US pharmacy chain Rite Aid is progressing as planned.

Bayer AG (Germany) announced the completion of Panasonic Healthcare's acquisition of Bayer's Diabetes Care business. The total consideration for the transaction is approximately €1.0 billion/US\$1.08 billion. The acquired Diabetes Care business will operate as a stand-alone company to be named Ascensia Diabetes Care.

McKesson will source pharmaceuticals for and service the Target pharmacies acquired by CVS Health. The company made the announcement after narrowing its outlook for adjusted earnings per diluted share for the fiscal year ending March 31, 2016 to a new range of US\$12.60 to US\$12.90 (previously US\$12.50-US\$13.00.) The updated outlook for fiscal 2016 reflects McKesson's expectation that operating profit derived as a result of generic pharmaceutical pricing trends will be weaker in the second half of the fiscal year compared to previous expectations.

February

Cardinal Health reported a 23% increase in revenue, to US\$31.4 billion, and a 3% increase in operating earnings (to US\$563 million) for its fiscal 2nd quarter. Pharmaceutical segment revenue increased 25% to US\$28.3 billion with the segment's profit increasing 16% (to US\$627 million) in the period while Medical segment revenue increased 9% to US\$3.2 billion with profits of US\$106 million (-8%), including a Cordis-related inventory adjustment.

McKesson's revenues rose 3% to US\$47.9 billion for its 3rd quarter ended December 31. Distribution Solutions revenues were US\$47.2 billion for the quarter, up 3% on a reported basis and up 6% on a constant currency basis. Separately, the company's Celesio AG business announced that it would sell its Brazilian businesses, including Panpharma and Oncoprod, to SC Participações Empresariais (Brazil) for an undisclosed sum.

Celesio, a subsidiary of McKesson Corporation, reported group

revenue of €16.2 billion / US\$ 16.7 billion, up 6.8%, for the first 9 months of fiscal 2016. Adjusted earnings before interest and taxes (EBIT) increased 7.8% to €343.5 million / US\$375.1 million for the period.

McKesson/Celesio also acquired UK-based clinical homecare provider Bupa Home Healthcare from its parent company Bupa (a global health insurance provider) for an undisclosed sum. The deal is McKesson's fourth European transaction since acquiring Celesio in 2014, following purchases of: Sainsbury (UK-based retail pharmacy), UDG (pharma distribution and nurse-enabled home specialty in Ireland), and Belmedis (pharma distribution and retail pharmacies in Belgium). Bupa Home Healthcare's 1,000 employees and national nursing team provide home-based specialty care and administer 15,000+ prescriptions (including specialty therapeutic areas such as oncology, MS, and RA) to over 35,000 patients in the home setting.

AmerisourceBergen reported a 9.3% increase in revenue to US\$36.7 billion for its fiscal 2016 first quarter ended Dec. 31. "Our recent acquisitions, MWI Veterinary Supply and PharMEDium, as well as strong contributions from our specialty business and our international businesses helped overcome a challenging year over year comparison and a sharper than expected decline in generic inflation," reported Steven Collis, AmerisourceBergen president and CEO. The company posted a 7% increase in Pharmaceutical Distribution revenue (to US\$35.2 billion), which includes both AmerisourceBergen Drug Corporation and AmerisourceBergen Specialty Group. Separately, AmerisourceBergen and Publix announced a long-term agreement around the distribution of branded, generic and over-the-counter health and pharmaceutical products which also enables Publix's network of more than 980 pharmacy locations across the southeast US to expand patient access to specialty medications.

Cardinal Health has introduced MedSync Advantage, a custom-built medication synchronization program solution built upon the premise that community pharmacists can help improve medication adherence and patient outcomes while increasing efficiency for the pharmacy. "We believe medication synchronization is a core competency for medication therapy management expansion in the pharmacy, and we want to prepare our pharmacies to move toward a value-based pharmacy model for payment in the future," said a company spokesperson, adding, "MedSync Advantage allows us to do that by re-engineering the pharmacy to allow for a more patient-centric approach to care."

2016 MEMBERS IN THE NEWS...

February (cont.) ...

Mscripts, a mobile pharmacy platform, has partnered with McKesson Patient Relationship Solutions (MPRS), the company's provider of patient adherence programs through manufacturer sponsorships. The partnership will allow patients to receive coupons from manufacturers via text message or mobile app, connecting mscripts' 6,000-pharmacy network with MPRS's adherence programs and savings offerings that support more than 500 branded products.

Rite Aid stockholders voted to approve the proposed merger with Walgreens Boots Alliance, with approximately 97% of the votes cast at a special meeting of stockholders voted in favor of the adoption of the merger agreement (representing approximately 74% of Rite Aid's total outstanding shares of common stock).

March

McKesson will acquire Canadian drugstore chain Rexall Health, including its approximately 470 retail pharmacies, from Katz Group for C\$3 billion / US\$2.2 billion. The acquisition is expected to strengthen McKesson's position in Canada's pharmaceutical supply chain and expand upon the companies' 20+ years of working together. Like McKesson Canada, the operations of Rexall Health will be part of McKesson's Distribution Solutions segment, which is under the purview of Paul Julian, EVP and group president (and IFPW's current vice chairman).

Japanese wholesaler Suzuken reported a 12.2% increase in net sales (to ¥1,655 billion / US\$14.6 billion) and a 62.6% rise in operating income (to ¥17,273 million / US\$152.2 million) for its fiscal 3rd quarter.

American Associated Pharmacies (AAP) and US wholesaler H.D. Smith will combine their respective pharmacy services administrative organizations (PSAOs) into a stand-alone PSAO entity, known as Arete Pharmacy Network, servicing more than 2,300 independent retail pharmacies across the United States. PSAOs are crucial but little-known intermediaries that operate between pharmacies and pharmacy benefit managers (PBMs) in the complex U.S. drug channel system. Arete Pharmacy Network will be the 4th-largest PSAO, just behind the PSAOs operated by the Big Three US wholesalers.

EBOS Group (New Zealand) reported revenues of NZ\$3.4 billion / US\$2.3 billion (up 8.3% overall; with Healthcare up by 8.2% and Animal care up by 10.1%) and EBITDA up 13.3% to NZ\$113.7 million / US\$75.9 million (with Healthcare up by 12.7% and Animal Care up by 16.3%).

IMS Health reported revenue of US\$2.9 billion (+21% on a constant currency basis) and net income of US\$417 million, compared with a net loss of US\$189 million in the prior-year period which included one-time IPO-related charges, in 2015.

Bayer has named Werner Baumann as its new chairman of the management board, succeeding current chief executive Marijn Dekkers. Baumann will retain his current role as head of strategy and portfolio management when he takes on the chairman position on May 1.

Walgreens Boots Alliance is reportedly eyeing the Australian retail pharmacy market, having registered its trademark with IP Australia late last year and looking at options to expand, including establishing a Boots franchise network and gaining distribution for its health and beauty brands in local pharmacies. Pharmacy ownership restrictions in Australia have prevented market entry in the past but are due to be revisited. If they are maintained, Walgreens Boots would also consider establishing a new franchise under the Boots banner or establish a partnership with one of the existing wholesalers (likely Sigma or API). The group is also interested in acquiring or distributing Australian health and beauty brands to deliver across its retail network, including 13,000 company-owned pharmacies in eight countries, and its wholesale network, which supplies more than 140,000 pharmacies, health centers and hospitals in 12 countries.

At its Annual General Meeting held on March 14 in Helsinki, Oriola-KD's reported that its net sales increased by 0.9% to €1.63 billion / US\$1.81 billion and operating profit excluding non-recurring items increased by 3.0% to €60.8 million / US\$ 67.5 million in 2015. Operating profit was €62.6 million / US\$69.5 million for the year.

Cardinal Health, Target and Walmart were all selected as part of the 2016 National Association for Female Executives (NAFE) Top Companies for Executive Women, which recognizes American corporations that have moved women into top executive positions and created a culture that fosters the careers of talented women. More than half of the companies on the 2016 NAFE Top 60 have four or more women on their boards of directors.

AmerisourceBergen elected 10 directors to serve one-year terms on the company's board of directors at its recent annual stockholders meeting. *Steven Collis*, who has served as AmerisourceBergen's president and CEO since July 2011, was elected chairman of the

2016 MEMBERS IN THE NEWS...

March (cont.) ...

board, succeeding *Richard Gozon*. The additional directors elected were: *Douglas R. Conant; D. Mark Durcan; Richard W. Gochbauer; Lon R. Greenberg; Jane Henney; Kathleen W. Hyle; Michael J. Long; Henry W. McGee; and Ornella Barra*.

April

Walgreens Boots Alliance (WBA) announced net sales of US\$30.2 billion for its 2nd quarter ended February 29th, an increase of 13.6% over the same quarter last year. Also, WBA received approval from stockholders for its merger with Rite Aid Corporation. WBA expects to close the transaction in the second half of this year. Stefano Pessina, Executive Vice Chairman and CEO, stated "Looking ahead, we remain on track to achieve our expectations for this fiscal year, as we work to lower pharmacy reimbursement rates and challenging retail sales environments." Separately, WBA announced the sale of Alliance Healthcare Russia to leading Russian health and beauty retailer 36.6. WBA will own a 15% stake in 36.6 upon completion of the deal.

New U.S. Treasury Department rules on tax inversions has led to the termination of the US\$160 billion merger between Pfizer Inc. and Allergan PLC. It is the second time that Pfizer has been forced to abandon an acquisition aimed at providing tax savings benefits. Looking forward, Allergan expects to close the sale of its generics unit (formerly known as Actavis) to Teva Pharmaceuticals by June of this year. The EU has already given conditional approval of the deal.

In a US\$293 million cash deal, Novartis AG will sell 14 of its "established prescription brands" to Sun Pharmaceutical Industries (India). The brands will ultimately be sold under the Sun Pharma label by local marketing distributors. No specifics were given as to which brands were involved.

GlaxoSmithKline announced that it will no longer seek patent protections in developing and low-income nations. This will pave the way for the distribution of cheaper generic versions of its name brand drugs to be available to the public. Health experts welcomed the announcement as a reflection of a fairer system in poor countries.

McKesson/Celesio announced the acquisition of Holon, a network of approximately 380 independent pharmacies in Portugal. While Celesio has conducted pharma wholesaling activities in Portugal since 1993, the Holon deal provides a new retail footprint and expands the company's geographic presence. Financial details were not disclosed.

May

Cardinal Health reported a 21% increase in revenue to US\$30.7 billion for its fiscal 3rd quarter. Pharmaceutical segment revenues increased 22% in the period to US\$27.5 billion (due to growth from new and existing customers as well as acquisitions) while revenue for the Medical segment increased 13% to US\$3.1 billion. "We had a strong financial and operational performance in our fiscal third quarter. At the same time, we continued to enhance and grow enterprise-wide service and product lines, which are important to our customers and address some of health care's most difficult challenges," stated George Barrett, chairman and CEO Cardinal Health.

McKesson, through its McKesson Business Performance Services unit, has partnered with Blue Cross Blue Shield of Arizona (BCBSAZ) to form a joint venture designed to deliver a broad range of services to help healthcare providers succeed in today's value-based environment. The new company, ACO Partner, is being called a Maximum Services Organization, and will be an innovative collaborative that will leverage McKesson's physician engagement, care management, and population health services and technology. ACO Partner plans to contract with payers and provider groups nationwide to increase the overall quality of care through strong partnerships in pursuit of the triple aim of lowering costs, improving outcomes and enhancing overall patient experience.

Quintiles and IMS Health are planning to merge, to create a new clinical services and analytics powerhouse, in all-stock transaction valued at nearly US\$9 billion. The combined entity to be called Quintiles IMS with annual revenues of more than US\$7 billion, will offer a distinctive global real-world evidence solutions platform underpinned by "a leading portfolio" of anonymous patient records, technology-enabled data collection and observational research experts, to help address critical healthcare issues of cost, value and patient outcomes. The companies say the move will improve clinical trial design, recruitment and execution in the US\$100 billion biopharma product development market by combining IMS Health's global information solutions with Quintiles' product development skills.

U.S. wholesaler and distributor McKesson Corporation report revenues for the 4th quarter ended March 31st of US\$46.7 billion, an increase of 4%. Current revenues for the fiscal year are up 7% to US\$190.0 billion. Separately, in an effort to consolidate the pharmaceutical supply chain, McKesson entered into an agreement with Walmart to jointly source generic drugs in their U.S. operations. This move will allow the companies to purchase generics at cheaper and more cost-effective prices.

Smith Drug Co. (a division of H.D. Smith) has announced its partnership with Diplomat Pharmacy in an effort to provide its customers with specialty pharmacy services through Diplomat's Retail Specialty Network.

2016 MEMBERS IN THE NEWS...

May (cont.) ...

Japanese wholesaler Medipal Holdings will establish a wholly-owned subsidiary, SPLine, to distribute specialty drugs for rare diseases and intractable diseases. The new company will propose ideal logistics plans as well as serve as a liaison for specialty product distribution, and will be implemented by Medipal's distribution companies.

Cardinal Health's board of directors has approved a 16% increase for the company's quarterly dividend to US\$1.80 per share on an annualized basis. It also approved a stock repurchase plan of up to US\$1 billion of common shares in addition to the August 2014 plan.

AmerisourceBergen and Walgreens Boots Alliance have extended their strategic long-term relationship for an additional three years to 2026. As part of the agreement, Walgreens will further commit to the utilization of ABC as its key U.S. distribution partner, and ABC will make certain working capital investments in its distribution network.

June

Cardinal Health has unveiled a web-based medication synchronization tool, MedSync. The tool is designed to improve pharmacy operations as well as boost adherence. It will also increase prescription volume by delivering more medication therapy management opportunities. MedSync is one of Cardinal Health's new offerings through its Reach for the Stars Program.

Mylan (US) plans to acquire Renaissance Acquisition Holdings' specialty and generics business in a cash deal of US\$950 million and contingency payments valued at up to US\$50 million. Renaissance's specialty and generics business generated US\$250 million in revenue for 2015.

IMS Health has acquired Toronto-based Privacy Analytics. "This acquisition strengthens our role as a leading patient privacy and data protection advocate while increasing the value clients across healthcare can realize from real world evidence," stated IMS Health VP and General Manager RWE solutions, John Resnick.

The Associazione Guido e Maria Carli, an Italian association that honors distinguished personalities from the world of economics, high finance and social commitment has awarded Walgreens Boots Alliance's Executive Vice President and Chief Executive of Global Wholesale and International Retail, Ornella Barra, with the Guido Carli Award. This prestigious honor is given to individuals who, through excellence, will stand out in the pages of Italian history. The award, named for Italian economist and politician, Guido Carli, was presented during a ceremony held at the Queen's Hall of the Palazzo Montecitorio in May.

Cardinal Health's interventional vascular business, Cordis, along with the Cardinal Health Foundation, will donate 11 million yen (US\$105,500) to Save the Children Japan to assist with restoration efforts for children and families affected by earthquakes that have struck Japan's Kumamoto and Oita prefectures since April 14 this year. Cardinal Health Foundation will also match 50 percent of all donations from Cardinal Health employees around the world to aid with relief in Japan.

As part of its ongoing evolution, Walgreens Boots Alliance has announced changes to its senior management roles and responsibilities. Ornella Barra (Executive Vice President of Walgreens Boots Alliance and President and Chief Executive of global Wholesale and International Retail) and Alex Gourlay (Executive Vice President of Walgreens Boots Alliance and President of Walgreens) have been appointed to the roles of Co-Chief Operating Officers. Mr. Gourlay will oversee Walgreens and Boots, while Ms. Barra will take on the additional responsibilities of supervising Global Brands, human resources and other business services. Ken Murphy, currently Executive Vice President of Walgreens Boots Alliance and Chief Commercial Officer and President of Global Brands, and Kathleen Wilson-Thompson, Executive Vice President and Global Chief Human Resources Officers, will now report directly to Ms. Barra. Ms. Barra is also sitting Chairperson of IFPW.

Oriola-KD and Shire have signed an agreement to extend their cooperation in Finland. As of June 1st, Oriola-KD has taken over the warehousing and distribution for Shire products in Finland. "This agreement further strengthens the relationship between our two companies and provides a platform for Shire to consolidate its storage and distribution requirements with one strategic partner in Finland," stated Darren Devlin, EU & CEEMEA 3PL Lead, Supply Chain Logistics for Shire.

Mediq will successfully complete the sale of Pharmacies Netherlands to Brocacef, a joint venture between McKesson's Celesio and PHOENIX AG, now that approval has been given by ACM. Mediq will now focus on the delivery of medical devices and care solutions directly to patients' homes, hospitals and other healthcare institutions. Mediq is a leading international provider in 14 countries.

The Healthcare Distribution Management Association (U.S.) is now the Healthcare Distribution Alliance (HDA). The announcement was made on June 13th effective immediately at the opening session of HDA's 2016 Business and Leadership Conference in Colorado Springs. HDA's not-for-profit charitable research foundation, The Center for Healthcare Supply Chain Research, will now be known as the HDA Research Foundation. HDA President, John Gray, said "While simplifying our name, the new Healthcare Distribution Alliance brand also reflects our organization's strategic role as a supply chain leader and convener in advocacy and education."

2016 MEMBERS IN THE NEWS...

June (cont.) ...

Jacques Nathan, current global head of the rheumatology business at Sanofi, S.A., will become president of Sanofi's Japan operation, Sanofi K.K., effective July 1, 2016. Mr. Nathan will replace Fabrice Baschiera, who will return to France to assume the role of International Commercial Head of Sanofi Pasteur. Mr. Nathan will also serve as JPAC (Japan, Australia, New Zealand and South Korea) region head of the Global Business Units for General Medicines and Emerging Markets, as well as Japan General.

McKesson and Change Healthcare Holdings announced the creation of a new healthcare information technology company which will combine substantially all of Change Healthcare's business and the majority of McKesson Technology Solutions (excluding RelayHealth Pharmacy and its Enterprise Information Solutions (EIS) division) into a new company that brings together the strengths of both organizations to deliver a broad portfolio of solutions that will help lower healthcare costs, improve patient access and outcomes, and make it simpler for payers, providers, and consumers to manage the transition to value-based care. McKesson will own approximately 70% of the new company, with the remaining equity stake held by Change Healthcare stockholders. The to-be-named organization is expected to have annual revenues of approximately US\$3.4 billion.

Group revenue at Celesio, a part of McKesson, grew 3.7% (1.2% at constant currency) to €21.4 billion / US\$23.7 billion while EBIT rose 6.4% to €426.6 million / US\$472.1 million, excluding pension gains, for its fiscal year 2016. Marc Owen, Chairman of the Management Board of Celesio commented, "We had the opportunity to strengthen our position by acquiring UDG's pharmaceutical distribution in Ireland, we started expanding our pharmacy business in the UK through the announced partnership with Sainsbury's, and boosted our home healthcare service with Bupa. We also took major steps in our business activities in other markets, such as Portugal and Belgium."

Bayer Yakuin is running a unique initiative to provide its back office employees with firsthand opportunities to learn about patient needs, hoping these experiences would help them become more patient-centric and eventually transform its corporate culture. The Japan pharma arm of Bayer AG launched a Better Life Initiative in April 2014 under which back office employees and others who do not usually see patients on a daily basis, spend 1% of their working hours, or two days per year, joining "touchpoint" programs to learn about patients and the impact of their own products on the end users.

July

Walgreens Boots Alliance reported a 2.4% increase in net sales to US\$29.5 billion and net earnings of US\$1.1 billion (-15.3%) for its fiscal 2016 3rd quarter. Executive Vice Chairman and CEO Stefano Pessina said, "We delivered solid results in the quarter while continuing to make progress in several key areas, including our work to develop long-term strategic relationships and pursue partnership opportunities. I'm pleased to report that since the quarter end we achieved our goal set four years ago of at least US\$1 billion in combined net synergies in fiscal year 2016 related to the strategic combination with Alliance Boots. This provides us with a strong platform to further enhance operating performance, to meet the challenges of the current volatility in many of our markets and to better position our company for long-term success."

Imperial Health Sciences is expanding, to optimize its logistics services to the healthcare sector, by making an investment in a new 41,000m² state-of-the art warehouse and additional office space at its Centurion, South Africa head office. The business needed additional capacity following its diversification into the pharmaceutical wholesaling, medical devices and animal health markets. As a result of the expansion, which will enable Imperial's Pharmed pharmaceutical wholesale distribution business to move into the Centurion facility, clients will reap the benefits of a refined and cost effective "over the fence" supply chain solution, according to Imperial. Separately, the Imperial Logistics and Sasfin Banking groups have joined forces to create a new business entity, Imperial Sasfin Logistics, which will offer end-to-end import and export solutions (from point of origin to final destination), covering freight forwarding, customs clearing, warehousing, transport and distribution - as well as a full suite of trade finance products to facilitate international trade.

The IMS Institute for Healthcare Informatics has released a series of reports on type 2 diabetes and the effects of low persistence and adherence on health systems. "Improving Type 2 Diabetes Therapy Adherence and Persistence" looked at 5 health systems, including the US, Mexico, UK, Germany, Brazil and Saudi Arabia. In the U.S., the report noted that type 2 diabetes cost the healthcare system about US\$176 billion, with 61% of the cost coming from diabetes-related complications. Of those patients with type 2 diabetes, about 59% are older than 65 years of age and a majority of them enrolled in Medicare. Among Medicare patients with diabetes, about 46% of them were sub-optimally adherent, and thus the IMS Institute estimates that complications from type 2 diabetes will cost about US\$100 billion annually in the United States.

2016 MEMBERS IN THE NEWS...

July (cont.) ...

Toho Holdings has appointed Mr. Ryuzo Takada, formerly senior managing director at major pharmacy chain operator Qol, as senior executive officer, effective immediately. Mr. Takada resigned from Qol on June 11 for personal reasons.

Cardinal Health has appointed Pamela O. Kimmet as Chief Human Resources Officer. Pam joins the company from Coca-Cola Enterprises, where she was senior vice president, Human Resources and she will report directly to George S. Barrett, chairman and CEO of Cardinal Health.

McKesson reported a 5% increase in revenues to US\$49.7 billion and net income of US\$542 million for its fiscal first quarter. Separately, McKesson Health Solutions recently released a national study which found that value-based reimbursement has firmly taken hold in the US but that payers and providers are struggling to operationalize some of the fastest growing payment models. In response, the company is acquiring HealthQX and the latter's ClarityQx value-based payment technology for an undisclosed sum. The move will enhance McKesson's ability to help customers rapidly and cost-effectively transition to value-based care by automating and scaling complex payment models, such as retrospective and prospective bundled payments.

Oriola-KD (Finland) has acquired Pharmaservice Oy, a Finnish company that provides supporting services for automated dose dispensing of medicines to pharmacies in Finland and serves approximately 20,000 of the pharmacies' customers. In 2015, Pharmaservice had net sales of approximately €14 million / US\$15.5 million. The acquisition complements Oriola-KD's purchase of the Swedish dose dispensing company Svensk Dos in early 2016.

Walgreens Boots Alliance is forming a franchise partnership with Emart Company, a member of Shinsegae Group and South Korea's No. 1 hypermarket retailer. Together, they will create a Boots branded pharmacy-led, health and beauty retail franchise in South Korea. Separately, Walgreens will discontinue operations of drugstore.com and Beauty.com in favor of its online offerings at Walgreens.com.

Humanwell Healthcare Group, a healthcare solutions provider headquartered in Wuhan, China plans to focus on the United States in the next 5 years through mergers and localized research, stating that "The advanced technologies and high standards in the US will help bring down costs, which will eventually benefit China's general public." According to Bloomberg, Chinese firms have engaged in more than US\$3.9 billion in overseas acquisitions in the pharmaceutical, biotechnology and healthcare sectors in 2016, a pace on track to exceed last year's record total and a tenfold increase from the amount spent in 2012.

August

IMS Health, a leader in global information and technology services, announced revenues for the second quarter were US\$802 million, an increase of 8.1%. Technology services revenue grew 13.8% in the second quarter on a reported basis, and up 14.3% from the same period last year. Income declined from US\$47 million to US\$24 million year over year. This is attributable to higher restructuring charges in 2016

Mylan has announced that it has completed the settlement of its recommended public offer to Meda's shareholders to tender all company shares to Mylan. Meda shareholders accepted Mylan's offer, and shares were acquired by Mylan according to the terms of the offer, making Meda a controlled subsidiary of Mylan.

Cardinal Health posted revenues of US\$121.5 billion for fiscal year 2016, an increase of 19%. Fourth quarter revenue for the pharmaceutical segment increased 14% to US\$28.2 billion, attributed to existing and new pharmaceutical distribution customers, and performance from specialty business. Revenue for the pharmaceutical segment increased 19% to US\$2.5 billion for the full year. Separately, Cardinal Health announces the 13 winners of the first multi-year E3 Patient Safety Grants given by the Cardinal Health Foundation. The winning organizations will focus on engaging patients and/or their caregivers in self-care, and improving the safe use of medications during transitional periods, such as the transition from hospital to home.

AmerisourceBergen Corporation announced its third quarter results for fiscal year 2016, with a 7.7% increase to US\$39.6 billion. The pharmaceutical distribution segment – including ABDC and AmersourceBergen Specialty Group – had revenues of US\$35.4 billion, up 8% over the previous year. "I am pleased with the solid performance we delivered in the June quarter," Chairman, President and CEO Steve Collis said. "Our most recent acquisitions, MWI Veterinary Supply and PharMEDium, have made strong contributions, and our specialty group delivered excellent performance."

GlaxoSmithKline (GSK) and Verily Life Sciences, a division of Google's parent company Alphabet, have entered into a partnership agreement, resulting in the creation of Galvani Bioelectronics. The newly-formed company, which will be headquartered in the UK, will be involved in the research, development and commercialization of bioelectronics medicines. GSK will own a 55% while Verily will retain the remaining 45%. The bioelectronics field is aimed at tackling a wide range of chronic diseases through the use of very small implantable devices that are designed to modify electrical signals in the body, including irregular and altered impulses present in many illnesses.

2016 MEMBERS IN THE NEWS...

September

GlaxoSmithKline will continue to invest in the UK despite the UK's exit from the EU, committing £275 million / US\$360 million in its sites at Barnard Castle in Durham County, Montrose in Scotland and Ware in Hertfordshire to expand production of new respiratory drugs and biopharmaceuticals. The company expects the expansion to lead to a number of new jobs and provide further work for the 2,750 people already working at the 3 sites.

Emma Walmsley has been named as successor to GSK CEO, Andrew Witty, when he retires on March 31, 2017. She will join the GSK board of directors on Jan. 1, 2017. Walmsley currently heads GSK's consumer health unit and was a speaker at IFPW's 2016 GMM in London.

October

China Resources Pharmaceutical Group will launch an initial public offering aimed at raising between HK\$13 billion and HK\$15.6 billion (US\$1.68 billion-US\$2.0 billion.) Sources close to the plan stated that approximately 50% of the offer will be sold to cornerstone investors, with shares ranging between HK\$8.45 and HK\$10.15 (US\$1.09 – US\$1.31).

The completion of the merger between Quintiles Transnational Holdings and IMS Health was announced on October 10th. In a statement, Quintiles CEO, Tom Pike, said "This combination addresses life-science companies' most pressing needs: to transform the clinical development of innovative medicines, demonstrate the value of these medicines in the real world, and drive commercial success. We are bringing together two best-in-class leaders. I'm confident that together we will make our clients even more successful." The new company name is QuintilesIMS. Shares of IMS stock was converted into 0.3840 shares of Quintiles stock.

Profarma (Brazil) has acquired the chain Rosário, nearly doubling the Group's retail presence. Approximately 280 stores will be distributed throughout the southeast and Midwest regions of Brazil, contributing to Profarma's efforts to further integrate companies and capture valuable market share. The deal was valued at R\$173 million (US\$54.02 million), and faces approval by the Brazilian Antitrust Authority.

Sinopharm, China's largest state-owned pharmaceutical group, has submitted a second draft of its mixed ownership reform plan to the Stateowned Assets Supervision and Administration Commission. This move will further increase the power of its board of directors as part of the company's mixed ownership reform process. Second submissions are normal practice and may require more details in the future, if so directed

by the SASAC. Sinopharm is one of six state-owned enterprises that have been selected to pilot reforms in ownership, management and supervision.

McKesson Corporation reported revenues of US\$50 billion for its 2nd quarter, up 2% year over year. Second quarter GAAP earnings per diluted share from continuing operations were down 49% year over year.

Walgreens Boots Alliance announced its 4th quarter and FY2016 results, beating its own guidance. Fourth quarter net earnings attributable to Walgreens Boots Alliance determined in accordance with GAAP were US\$1.0 billion as compared with US\$26 million in the same quarter a year ago. Sales in the 4th quarter rose 0.4 percent year over year, or 2.5% on a constant currency basis. Fiscal year net earnings decreased 1.1 percent to US\$4.2 billion, reflecting fluctuations in the fair value adjustments of the company's AmerisourceBergen warrants and the prior year gain on the previously held equity interest in Alliance Boots, which was largely offset by increased operating income. The company also announced an extension of the merger agreement between Walgreens Boots Alliance and Rite Aid Corporation to 27 January 2017.

A grant from The AmerisourceBergen Foundation in the amount of US\$250,000 was awarded to Haiti's largest non-government healthcare provider, Partners in Health, to build a new medical distribution center outside Port Au Prince. "Like AmerisourceBergen, the AmerisourceBergen Foundation is dedicated to support efficient and safe access to pharmaceutical care around the globe," said Gina Clark, Executive Vice President of the AmerisourceBergen Foundation and Chief Marketing Officer at AmerisourceBergen. "With the financial support of this grant, PIH's plans for a new distribution facility will go a long way towards accomplishing this goal in Haiti."

The United Nations Foundation's 2016 Global Leadership Awards Dinner honored Walgreens Boots Alliance for its commitment to the UN's Sustainable Development Goals through its support for well-being around the world. The award recognizes, in part, the accomplishments of Walgreens highly successful Get a Shot. Give a Shot.® initiative, which provides life-saving vaccines to children in developing countries through the Foundation's Shot@Life campaign. Walgreens Boots Alliance's Co-Chief Operating Officer (and IFPW Director) Ornella Barra accepted the Global Leadership Award on behalf of the company.

2016 MEMBERS IN THE NEWS...

November

Profarma (Brazil) announced Q3 revenue of R\$1.2 billion (US\$310 million), up 4.3% year over year. EBITDA rose 33.8% to R\$38.9 million (US\$11.5 million) including a 3.3% EBITDA margin. Brazil's unemployment was a continuing factor, but the pharmaceutical market historically outperformed the Brazilian economy in part because of an aging population which resulted in higher sales of generics and new medicines. Changes within Profarma's corporate headquarters and the finishing stages of retail systems' integration impacted quarterly sales by 3% to 5%.

Cardinal Health reported first quarter 2017 revenue of US\$32 billion, an increase of 14% year over year. There was also a decline in GAAP earnings of 14% to US\$535 million. "Our first quarter results were largely as we suggested they would be, with a healthy increase in revenue and a decrease in our operating earnings large driven by conditions in the pharmaceutical distribution market," stated George Barrett, Chairman and CEO of Cardinal Health. "While short-term headwinds, particularly around pharmaceuticals, are quite challenging, our Medical segment had an excellent quarter building on the momentum coming out of fiscal year 2016."

AmerisourceBergen Corporation announced fiscal Q4 results, with total revenue of US\$37.6 billion (up 5.9%) and a fiscal year revenue increase of 8% (US\$146.8 billion.) "I am pleased with the solid performance we delivered in the September quarter," AmerisourceBergen Chairman, President and CEO Steve Collis said. "We successfully navigated a challenging healthcare landscape, and we continued to enhance our offerings for customers and make important investment in our infrastructure." The company's board also authorized a new US\$1 billion share repurchase program.

Merck opened a pharmaceutical plant in Nantong, located in China's Jiangsu province. The plant will manufacture products listed on China's Essential Drug List. Merck's investments in the Nantong plant total US\$138 billion.

GlaxoSmithKline realized a 23% increase in sales to GBP7.5 billion (US\$9.35 billion) for its third quarter. Core operating profit jumped 35% to GBP2.3 billion (US\$2.87 billion), beating expectations. This was due in part to the weak pound. Growth in sales came in at 8%, while operating profit was up 13%. Separately, Colin Mackenzie has been named Region Head of the Americas for GSK Consumer Health. This is in addition to his current role as Area General Manager of North America. His new role will include commercial operations of both North America and Latin America.

December

AmerisourceBergen Specialty Group (ABSG) announced the construction of a 300,000-sq. ft. corporate campus in Carrollton, Texas. The facility will serve as AmerisourceBergen Specialty Group's new regional headquarters. "AmerisourceBergen is the essential partner for pharmaceutical manufacturers and providers; we continue to rapidly grow our capabilities to help our partners to improve patients' lives," said James Frary, EVP, President of ABSG.

Celesio Group announced first half revenue for 2017 (ended September 30th) of €10.4 billion (US\$11 billion), a decrease of 2.8% year over year. Sales of the Norwegian and Swedish businesses, combined with exchange rate effects, had a negative impact, though partially offset by revenue growth in the German wholesale operation and acquisitions that were completed in the first half of 2017.

McKesson Canada named Paula Keays president, effective immediately. Keays will oversee 4,000 employees and will be responsible for driving sales, marketing and operations for the business.

Cardinal Health has purchased Navidea Biopharmaceuticals' Lymphoseek. Under the terms of the deal, Navidea will receive US\$80 million at closing and up to US\$230 million in milestones through 2026, with US\$20.1 million guaranteed over the next three years. Cardinal will also license a portion of the intellectual property back to Navidea to allow it to develop and market new immunodiagnostic and immunotherapeutic products.

U.S. wholesaler McKesson is now offering its Central Fill centralized solutions as a service for pharmacies, allowing pharmacies to meet stocking requirements more efficiently without the additional investment in inventory, equipment and personnel. Cost for the service will be allocated on a "per-prescription" basis.

IFPW 2016 MEETINGS

IFPW 2016 CEO Roundtable



IFPW's annual CEO Roundtable has become a spring tradition and continues to provide wholesaler CEOs with the information and tools necessary in today's changing environment.

The International Federation of Pharmaceutical Wholesalers' (IFPW) held its 2016 CEO Roundtable at the iconic Pierre Hotel across from Central Park in New York City. The meeting, May 21st & 22nd, attracted a diverse group of more than 60 participants from all over the globe.

Attendees were treated to timely and relevant speakers from a number of global companies, including IMS Health, Merck, Ernst & Young, Mannkind, Stanford C. Bernstein and Magellan Rx Management. The business session was highlighted by a presentation on Manufacturer Perspective from Albert Bourla of Pfizer.

The Welcome Reception and Dinner was held the evening of the 21st at the hotel. In keeping with the geographical rotation between New York and London, the 2017 CEO Roundtable will once again be held at the Corinthia Hotel in London.

IFPW 2016 General Membership Meeting



London's iconic Landmark Hotel provided the perfect backdrop for the International Federation of Pharmaceutical Wholesalers' 21st biennial General Membership Meeting (GMM) On September 14-16th. This year's meeting saw more than 200 attendees from 21 countries across the globe. "Evolutions & Visions in the Healthcare Industry" was the overlying theme for the meeting which featured nearly 40 speakers and a comprehensive business program that touched upon topics such as emerging technologies, biosimilars, pharmacy and retailing, and a host of perspectives from major pharmaceutical manufacturers. Speakers eagerly shared their experiences, insights and thoughts on today's pharmaceutical wholesale industry, and its impact in today's pharmaceutical market.



The invitation-only Chairman's Dinner was held the evening prior to the start of the meeting and featured a standing reception under the gazebo in the Landmark's Winter Garden, followed by a seated dinner in the Landmark's elegant Drawing Room. The crowd of 75 was welcomed by IFPW's 2014-2016 Chairman, Ornella Barra (Co-Chief Operating Officer of Walgreens Boots Alliance.)

Thursday's business program opened with a warm welcome by IFPW's President, Mark Parrish, along with Ornella Barra. Mr. Parrish commented on the importance of the pharmaceutical wholesale industry in today's market, and the challenges it faces on a global scale. Immediately after, attendees got right down to business with IMS' "Global Industry Review" presented by Doug Long and Per Troein.

Among the distinguished speakers for day 1 was Dr. Jessica Mega of Verily (formerly Google Life Sciences) who provided a fascinating journey into Emerging Technologies in Patient Care and Monitoring. There was also a panel discussion on "Biosimilars: Today and Tomorrow" moderated by Per Troein and featuring panelists Dr. Fraser Cummings (National



Dr. Jessica Mega, Verily Life Sciences

Healthcare System), Margaret Dolan (NHS Commercial Solutions), Dr. Dongho Lee (Hanmi Pharmaceuticals and Asan Medical Center), Carol Lynch (Sandoz) and Eric Percher (Barclays.)

Manufacturer perspectives featured Mylan Europe's President, Jacek Glinka, and Craig Kennedy of Merck/MSD. Richard Ellis of Walgreens Boots Alliance moderated an informative discussion on Wholesalers' Value to Society and Members' CSR Activities which was highlighted by Shinjiro Watanabe's (ATOL Co., Ltd) presentation on his company's efforts to provide relief in the aftermath of Japan's Kumamoto Earthquake on April 14th of this year. The last session of the day, a panel discussion entitled "Pharmacy as a Point of Care" featured NACDS President, Steve Anderson as moderator with panelists Alex Gourlay (Co-Chief Operating Officer of Walgreens Boots Alliance), Thomas Moriarty (Executive VP, Strategy Officer and General Counsel



IFPW General Membership Meeting Welcome Reception at One Marylebone

IFPW 2016 MEETINGS

IFPW 2016 GENERAL MEMBERSHIP MEETING (cont.)...

of CVS Health, and Yulin Wei (Chairman and Executive Director of Sino-pharm Group Co., Ltd.).



Declan Curry and Stefano Pessina, Walgreens Boots Alliance

A Welcome Reception was held for attendees and spouses at One Marylebone, a desacralized 18th century church in the heart of London. The theme for the evening was 1930s swing and featured a live swing band.

Friday's business program kicked off with an intensely interesting executive interview, featuring Walgreens Boots Alliance's own Stefano Pessina. The interviewer, former BBC personality Declan Curry, led Mr. Pessina through a host of timely questions on the healthcare industry and its future direction. Mr. Pessina's perspectives on the industry provided the perfect intro to the remainder of the day's business program which



Emma Walmsley, CEO Designate of GlaxoSmithKline

included a panel session on the Future of Healthcare Delivery, moderated by IMS' Doug Long, with panelists from IFPW's own Board members. IFPW's president, Mark Parrish, also led a fascinating panel discussion on the Path Ahead in Generics featuring Dipankar Bhattacharjee of TEVA Europe, Peyton Howell of AmerisourceBergen, Paul McGarty of Lupin Pharmaceuticals, Marc Owen of McKesson's Celesio subsidiary, and Chirag Patel of Amneal.

A session highlighting the IFPW Foundation's partnership with the GAVI Alliance brought to the forefront IFPW's good works, in conjunction with GAVI and GlaxoSmithKline, in both Benin and Senegal where

efforts push forward to provide instruction on good supply chain practices through an intense advanced instructional program.

Newly appointed GlaxoSmithKline CEO, Emma Walmsley, presented the final manufacturing perspective to the group. There was also an enlightening session on Evolutions in Retailing and Retail Pharmacy moderated by Jim Whitman of NACDS who hosted panelists, Thomas Blischok of Nielsen, Randy Edeker of Hy-Vee and Paul Mulder of Quicorp. The afternoon was rounded out with a panel session "Manufacturer Evolutions and Future Roundtable" moderated by GIRP's René Jenny and featuring panelists Louis Dallago of Pfizer, Carl Dempsey of Johnson & Johnson, and Andrew Garden of Procter & Gamble.



Mark Parrish, IFPW President, Ornella Barra, Walgreens Boots Alliance, Doug Long, QuintilesIMS and IFPW International Award Recipient

The highlight of the meeting's social program culminated in a spectacular reception and dinner at London's Natural History Museum. The seated dinner, held under the Museum's famous skeletal dinosaur, Dippy, was replete with incredible entertainment provided by the singing group "Incognito" and an eye-catching light show by performers "Feeding the Fish." The evening ended with lively music and dancing on the dancefloor.

IFPW's International Leadership Award was none other than IMS's own Doug Long, Vice President of Industry Relations. We congratulate Mr. Long on this achievement and express our enduring gratitude for his support of IFPW and its members.

IFPW looks forward to seeing everyone in 2018, which will be held back in the United States in Washington, D.C.



IFPW's Gala Dinner held at the London Natural History Museum

Balance SheetDecember 31, 2016
(in US dollars)

Assets			
Cash & Investments		530,190	
Accounts Receivable		701	
Deposits		34,196	
	Total Assets		565,088
Liabilities			
Accounts Payable		2,165	
Dues Paid in Advance		289,910	
	Total Liabilities		292,075
Members' Capital			
Retained Earnings		116,216	
Net Income (2015)		156,796	
	Total Members' Capital		273,012
	Total Liabilities & Capital		565,088

2016 Income Statement

(in US dollars)

Operating Revenue (Dues)			1,104,900
Operating Expenses			
Management Fees & Expenses	675,977		
Directors' Expenses	-		
Office Expenses	29,687		
IFPW Foundation Support	350,000		
		1,055,664	
	Net Operating Income		49,236
Meeting Revenues			
General Membership Meeting Revenues	928,750		
CEO Roundtable Revenues	2,000		
		930,750	
Meeting Expenses			
General Membership Meeting Expenses	745,704		
CEO Roundtable Expenses	80,601		
		826,305	
	Net Meeting Income		104,445
Other Revenue			3,115
	TOTAL NET INCOME / (LOSS)		156,796