



People Programs Initiatives

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PNoy appoints new set of PPI Directors

President Benigno Simeon C. Aquino III signed the appointment papers last October 8, 2012 of the members of the Board of Directors of PITC Pharma, Inc.. Ma. Lourdes F. Rebueno, Maria Lourdes T. Baua and Aurora Ma. F. Timbol were re-appointed to another one-year term while Bienvenido S. Bautista replaced former Director and Chief Executive Officer, Dr. Rolando M. Bautista.

Pres. Aquino also nominated Ms. Rebueno and Mr. Bautista as Chairperson and President and Chief Executive Officer of PITC Pharma, respectively. Mr. Bautista is not new to the pharmaceutical industry having spent his first 23 working years in the industry. He served as National Sales Director of Pfizer, Corporate Marketing Director of Wyeth Philippines and President and General Manager of PT Warner Lambert Indonesia.

Mr. Bautista assumed office on November 9, 2012.



Trade Secretary Gregory L. Domingo (Left) administers the oath of office to the new set of PPI Directors (L-R) Chairperson Ma. Lourdes F. Rebueno, President and CEO Bienvenido S. Bautista, Atty, Aurora Ma. F. Timbol and Vice Chairperson Ma. Lourdes T. Baua

PPI exceeds first two months sales target

PITC Pharma posted sales of Php 24.497 million for the first two months of 2013, which is 1.5% over its projected sales of Php 24.133 million for the said months. The company's sales volume for January and February 2013 has increased almost six-folds compared to the same period last year of Php 4.318 million.

Servicing of the 3rd quarter allocation for the DOH oncology projects as well as delivery of the orders from some local government units which were shipped forward got PPI over the budget.

Gross profit for January amounted to Php 7.23 million, right on budget, and with lower operating expenses of Php 2.0 million compared to projected expenses of Php 3.08 million for the same period, net income before taxes amounted to Php 3.82 million. This is 39% over the budget and is way better than January 2012's loss of Php 3.92 million.

For 2013, the company targets to generate Php 900 million in sales, up by 1,178% from last year's total sales of Php 70.397 million.

PPI sees increased business with DOH

President and CEO Pet Bautista started the year by paying a courtesy call on Health Secretary Enrique T. Ona. During the said meeting, Mr. Bautista presented PITC Pharma's new business model wherein it will focus on a select list of essential medicines where its clients will enjoy substantial savings. This will be achieved by aggregating the requirements of government agencies for the medicines in PPI's product list to be able to secure big discounts from manufacturers.

Mr. Bautista informed the Secretary that he has met personally with both the big local and foreign pharmaceutical manufacturers and PPI will source its products from them. These will ensure that only legitimate, high potency and real medicines are procured by DOH. "Unsubstantiated yes, but reports that 20% of all medicines in the market are fake is unacceptable. PPI cannot be a vehicle to their proliferation or propagation," Mr. Bautista was heard telling the Secretary.

Aside from the breast cancer and acute lymphocytic leukemia (ALL) Medicines Access Programs which have already been awarded to PPI with a combined budget of Php 139 million for 2013, PPI is also eyeing the flu and pneumococcal vaccines, CAT-II anti-TB medicines and the Vitamin A requirements of the DOH. These requirements have a total budget of Php 392 million for 2013.

Also present during the said meeting was Dr. Jimmy Lagahid, Secretary Ona's Head Executive Assistant.

OUR FIRST EDITION

PPI is coming out with this e-newsletter to improve communication among PPI employees. Through this e-newsletter, which we will bring out every other month, we will keep you up-to-date on what is happening within and outside our world.

We encourage you to submit articles and comments to improve this publication.

Thank you.



PPI President and CEO Pet Bautista called on Health Secretary Enrique T. Ona to discuss future collaborations. Others in photo are (L-R) Joe Cortez, Vice President for Sales and Distribution, Joy Riel, Cynthia Rio, and Dr. Jimmy Lagahid.

PET's CORNER



Welcome to our new E-Newsletter, part of our attempts to improve communication among the employees of PPI. You will recall we have our Salu-Salo every month with the birthday celebrants, while our suggestion box has elicited many notable suggestions from you. Through this E-newsletter, which we will attempt to bring out every other month, we will keep you up-to-date on what is happening within and outside our world. Coming up too is our State of the Business Meeting which will be held every semester. In order to further improve morale, we are now planning our Summer outing! But this is getting ahead of my message.

It's been a wild and woolly last two months. On January 29, the PPI Board approved our budget, and so the whole organization has embarked on this journey to live up to the expectations of the board where our new budget, at 13x bigger than actual 2012 sales, loomed ominous.

This new budget is premised on our new business model which basically leverages on our sustainable competitive advantage - the only government pharmaceutical company, with the ability to aggregate orders from other government agencies, resulting in lowest priced, quality medicines. Remember that we are not a profit oriented company, in fact the Governance Commission for GOCC, (GCG) has classified us into Social Services and Housing. So that's the first thing we did - re-align our pricing and focus only on the key, common drugs usually bought by as many of our customers as possible. We released our 2013 Price List with only 117 Products/SKUs, and as important, we only buy from big local and foreign pharmaceutical companies, thereby guaranteeing quality medicines.

With lower pricing, we were brave enough to write to Health Secretary Enrique Ona directly and offer him savings of up to Php 50m from his order of oncology medicines and vaccines. We were sure enough of our business model that we have given a presentation to the League of Provinces, which are comprised of all governors of the country, asking them to consider pooled procurement or government to government procurement. We presented to the provincial board of Pampanga, with their 9 regional hospitals with a huge budget for medicines, and much savings to be had by central procurement.

Are we on our way? Yes? Last year, 2012 total sales were the lowest ever at Php 64 Million with a net loss of Php 35 million. As I write this, we have a total order in the bag of P138 million, for oncology medicines, and almost there sales of P230 million for vaccines. So after two months we have already increased sales by nearly 6 times and we still have 10 months to go!

I would like to thank the organization for allowing me to exercise my leadership and to thank you for being good followers. We have lots more work to do but as our January Financial Statements show, our sales are above budget and we are now making money, such a happy feeling. Mabuhay po tayong lahat.

Pet

PPI BOD approves 2013 plans, programs and budget

The PITC Pharma Board approved the 2013 plans, programs and budget which were presented by management during the January 29, 2013 regular board meeting.

In order to achieve its mandate to provide low-priced, quality medicines to the Filipino people, management seeks to improve its financial performance and strengthen its organizational capability. PPI will capitalize on its competitive advantage as the only government pharmaceutical company with the ability to aggregate orders resulting in low-priced, quality medicines.

For 2013, PPI is targeting a Php14.265 million

net income which management hopes to achieve by generating Php 900 million in sales and keeping its total cash operating expenses at only 6% of its total annual sales.

Sales to the Department of Health is projected to account for 45.6% of total annual sales at Php 410 million, while other government agencies, local government units and uniformed services will account for 50% or Php 450 million. PPI is also planning to service the CSR requirements of big private corporations and foundation for medicines which they can give-out during calamities and medical missions. It hopes to generate Php 40 million from this customer class.

Meet our new PPI President and CEO

Mr. Bienvenido Syquia Bautista, the second of twelve children of Felix (deceased), a journalist and Lourdes, a former school teacher was born on August 6, 1947. He is married to Roswinda Aguas of San Fernando, Pampanga with whom he has three daughters - Lori Baltazar, Tricia Turcuato and Charley Braga. Pet, as he is fondly called is a proud grandfather of two boys and two girls.

Pet spent his elementary and high school years at the University of Sto. Tomas where both his parents taught. He received his B.S. degree in Economics from Ateneo de Manila University in 1967 and Masters in Business Management, Marketing and Finance from the Ateneo Graduate School of Business in 1969.

Pet has 40 years of combined experience in the pharmaceutical and consumer industries. From May 1969 to March 1981, he held positions of increasing seniority at Pfizer Inc., both in the Philippines and in Hongkong, starting as Management Trainee/Medical Representative assigned in Davao. His final position was National Sales Director of Pharmaceuticals in the Philippines. In April 1981, he left the country to work at PT Warner Lambert in Indonesia as its Marketing Director and eventually became its President and General Manager. After EDSA I, he came back and joined Wyeth Philippines as its Corporate Marketing Director from March 1988 to May 1992 where he launched Promil and Clusivol.

After 23 years in the pharmaceutical industry, he shifted to the consumer industry and joined Kraft General Foods Philippines as its President and General Manager from May 1992 to May 1995. He moved on to San Miguel Corporation where he served as President of San Miguel Food Group from June 1995 to May 1997 and President of San Miguel Beer from June 1997 to September 1998. This was the time when San Miguel was facing stiff competition from another beer brand and he is credited for launching the "Affordaboys" marketing campaign.

From October 1998 to March 2004, he held various positions at Kraft Foods International

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Bienvenido "Pet" Bautista
President & CEO

EDITORIAL TEAM

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PPI, Philhealth sign MOA on Type Z

PITC Pharma and the Philippine Health Insurance Corporation (PhilHealth) formally entered into a partnership to greatly reduce the cost of drugs and medicines for acute lymphocytic leukemia (ALL) and breast cancer illnesses under the PhilHealth Type Z benefit package. Dubbed "One with Pharma Z," the agreement which was signed by Sec. Enrique T. Ona and President Pet Bautista will enable PhilHealth members and their qualified dependents to avail themselves of quality medicines for the two catastrophic illnesses at discounted prices.

Based on the agreement, PITC Pharma will provide the initial 21 selected government Levels 3 and 4 contracted hospitals located nationwide with low-priced quality drugs and medicines for availment of members who are pre-qualified to avail of the package.

Under the Type Z benefit package which was launched in July 2012, catastrophic illnesses initially covered for are childhood Acute Lymphocytic (Lymphoblastic) Leukemia (ALL) with a benefit cost of Php210,000.00; early stage Breast Cancer (stage 0 to III-A) shall be at Php 100,000 for the entire course of treatment; Prostate Cancer (low to intermediate risk) requiring Prostatectomy for Php 100,000.00; and kidney transplant or end stage kidney disease requiring kidney transplant for Php 600,000.00.

The Type Z benefit package can be availed of at the following contracted hospitals: East Avenue Medical Center, National Kidney and Transplant Institute, Philippine Children's Medical Center, Quirino Memorial Medical Center, Rizal Medical Center, Jose R. Reyes Memorial Medical Center, Philippine General Hospital, Baguio General Hospital, Ilocos Training and Regional Medical Center, Mariano Marcos Memorial Hospital and Medical Center, Cagayan Valley Medical Center, Jose B. Lingad Memorial Hospital, Dr. Paulino J. Garcia Memorial Medical Center, Batangas Regional Hospital, Bicol Medical Center, Bicol Regional Teaching and Training Hospital, Western Visayas Medical Center, Dona Corazon Locsin Montelibano Memorial Hospital, Vicente Sotto Memorial Medical Center, Northern Mindanao Medical Center, Davao Regional Hospital and Southern Philippines Memorial Medical Center.

President Pet's Christmas Message

delivered during the PPI Christmas Party held on December 19, 2012

As I sat preparing for this Christmas Message today, I counted the number of days I have been with you, and it has been an amazing 28 working days or 5 weeks and 3 calendar days.

For sure your life and mine have been changed irrevocably, and as I look at your faces tonight, I think this is what Christmas is all about - life, hope, blessings and gratefulness. I look back on my last Christmas party with my old company three years ago, and instead of the old familiar faces I see new ones, faces I will get to know next year. Instead of the former ever present Christmas tree or belen in our yuletide parties in URC, I now see a new belen and new trimmings. Nostalgia continues to be present and I have to remind myself that now it is your faces I have to be responsible for, it is your faces that I will need to make sure will always be smiling in the future. Your lives and mine are now inextricably linked and together we must make sure we are happy. Christmas is about life.

Christmas is about hope. In my Action Register, which I have recently introduced to PPI and which is a document that outlines all of the actions that I will need to do, and by the way which each one of the Mancom members also has, the first important topic is this: improve the morale of the people.

I know it has been a tough many years for PPI, and for you personally, but no matter how long the tunnel is, there is always light at the end of the tunnel. No matter how dark our offices may have been in the past, today it is no longer as dark. And all we needed were a few light bulbs to help change, no matter how small, our destiny. As I look at all your happy faces, with all the raffle prizes you have won, I know for sure that your morale is higher now than last year. But it is just the start - lots of work need to be done for our morale to be high permanently. But we have started well, and Christmas is about Hope.

As we step back from the wonderful noises of the evening, of the memories, the updates, the stories, the jokes, the banter about the nice food we ate, let us retreat into our hearts and minds and let us savor each moment that slips by so quickly, and imprint the joy, the unity, the wonderful simplicity of this moment, when all of it comes down to the blessings that God has bestowed on each of us. Where we are today, what we are today, where we will be tomorrow and the day after, are all blessings from God, whose birth and humanity we celebrate this Christmas. Yes, Christmas is about Blessings.

Finally, Christmas is about gratefulness. Where would we be if we stopped thanking The Lord for all of his generosity? Amidst all of this gaiety, we owe a big thank you to God for bringing all of us to this marvelous moment, where we look around and see the wonder of the PPI family, where we put our arm around the shoulder of a co-employee and realize that he or she is more than someone who wears the PPI ID but is a friend who has shared with you the creative cycles of life.

I would like to thank you for welcoming me into your lives, and this Christmas we in turn welcome Christ, the little baby in the manger. It is Christmas and I would like to greet you, in behalf of my wife Winda and my family, all the peace, joy, and happiness that the birth of Christ brings into our lives. God bless all of us.



Pres. Pet presents pooled procurement system for LGUs at governors' assembly

President and CEO Pet Bautista presented PPI's proposal for a pooled procurement system for local government units (LGUs) during the 10th General Assembly of the League of Provinces of the Philippines (LPP) held at the Heritage Hotel, Pasay City on February 1, 2013. Among the about 30 governors in attendance were LPP President and Mindoro Oriental Gov. Boy Umali, LPP Chairman and Ilocos Sur Governor

Chavit Singson, Secretary-General and Mindoro Occidental Governor Josie Ramirez-Sato.

Under the proposed system, LGUs will procure commonly used essential medicines from PPI on an agency-to-agency arrangement. Pres. Bautista pointed out that some of the benefits of this system are competitive prices, improved

quality assurance, reduction or elimination of procurement corruption, rationalized choices of medicines through better-informed selection and standardization and increased access to essential medicines. He also stressed that the system will result in the reduction of operating costs and lessen the administrative burden of conducting bidding procedures individually.

PPI Celebrates Christmas with Renewed Hope

Everyone will agree that PPI's Christmas Party held last December 19, 2012 at the A. Barretto Hall of NDC Building was the best Christmas Party in PPI's history, not only because of the abundance of food and raffle prizes but because of the atmosphere of unity, solidarity and hope that was present during the celebration.

The occasion was graced by the presence of PPI's Board of Directors, Corporate Officers and our special guest, the better-half of Sir Pet, Mrs. Winda Bautista.

Kudos to the Christmas Party Committee for their dedication and hardwork! And of course, a million thanks to our beloved President Pet Bautista, who provided the lechon and solicited those amazing raffle prizes.

"... I think this is what Christmas is all about — life, hope, blessings and gratefulness."

Pet Bautista



Meet our new PPI President and CEO

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starting as Director for Strategy in Rye Brook, New York, then Vice President and Area Director for South/Southeast Asia and finally as Chairman of Kraft Foods Philippines. In April 2004, he transferred to Universal Robina Corporation as EVP and Managing Director for Philippines and Indonesia where he launched C2.

In recognition of his work, he has been conferred the Agora Award for Excellence in Marketing Management by the Philippine Marketing Association in 1994, the CEO Excel Award by the International Association of Business Communicators in 2005 and the Executive (Boss) of the Year Award by the Philippine Association of Secretaries and Professionals, Inc. in 2006.

At the age of 62, he retired from the private sector but was kept busy with his involvement in church and community organizations, lecturer in various seminars as well as numerous directorships in private corporations. In the middle of 2012, the Aquino administration tapped him to join government and was appointed Director of CIIF Oil Mills Group. On October 8, 2012, he was appointed as Director and nominated President and Chief Executive Officer of PITC Pharma, Inc.

As he always says, he has been un-retired to pay it forward. He has had a successful and fulfilling career in the private sector and it is now time to share his time and talent in running a government agency that has a very important mandate.

UPCOMING ACTIVITIES and EVENTS.....

25 March 2013—Regular Board of Directors' Meeting
03—04 April 2013— Quarterly Business Review
10—11 April 2013—Seminar on the Government Procurement Reform Law

BIRTHDAY CELEBRANTS!

JANUARY

Atty. Victa Magcase (Corp. Sec.) - Jan. 7

Hope Dumalaoco - 15

Vi Mirabueno - 15

Ana Froilan - 17

Hani Taha - 25



FEBRUARY

Vice Chairperson Baby Bawa - 13

Ed Enriquez - 16

Ellen Rosalejos - 22

Joyce Alimon - 29

