

STATE OF WISCONSIN,

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Plaintiff,

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Case No.: 04 CV 1709

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v.

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ABBOTT LABORATORIES, *et. al.*,

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Defendants.

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RESPONSES AND OBJECTIONS BY DEFENDANT SMITHKLINE BEECHAM CORPORATION, D/B/A GLAXOSMITHKLINE (“GSK”) TO PLAINTIFF’S FIRST SET OF CONSOLIDATED DISCOVERY REQUESTS TO ALL DEFENDANTS

Pursuant to Wis. Stat. §§ 804.08, 804.09 and 804.11, defendant SmithKline Beecham Corporation, d/b/a GlaxoSmithKline (“GSK”), by its attorneys, hereby asserts the following responses and objections to the Plaintiff’s First Set Of Consolidated Discovery Requests To All Defendants as follows:

PRELIMINARY STATEMENT

1. By responding to these Requests or Interrogatories, GSK does not waive or intend to waive: (a) any objections as to the competency, relevancy, materiality, privilege, or admissibility as evidence, for any purpose, of any documents or information produced in response to the Requests and Interrogatories; (b) the right to object on any ground to the use of the documents or information produced in response to the Requests and Interrogatories at any hearing, trial, or other point during the litigation; or (c) the right to object on any ground at any time to a demand for further responses to the Requests and Interrogatories.

2. By responding to a particular Request or Interrogatory, GSK does not assert that it has responsive documents or information or that such documents or information exist, only that it will conduct a reasonable inquiry and provide the information if it is responsive, non-objectionable, and non-privileged. No objection made herein, or lack thereof, is an admission by GSK as to the existence or non-existence of any document.

3. The Responses made herein are based on GSK's investigation to date of those sources within its control where it reasonably believes responsive documents or information may exist. GSK reserves the right to amend or supplement these Responses in accordance with the applicable law and Court orders.

4. GSK reserves the right to modify these objections and responses and to present in any proceeding and at trial any further information and documents obtained during discovery and preparation for trial.

GENERAL OBJECTIONS

GSK expressly incorporates all of the General Objections set forth below into each Response to the Requests and Interrogatories. Any Specific Objections provided below are made in addition to these General Objections and failure to reiterate a General Objection below does not constitute a waiver of that or any other objection.

GSK objects generally as follows:

1. GSK objects to Plaintiff's "Definitions" and "Instructions" to the extent that they expand upon or alter GSK's obligations under applicable law and court rules. GSK will comply with the applicable law and rules in providing its Responses and Objections to Plaintiff's Consolidated Set of Requests and Interrogatories.

2. GSK objects to each and every Request and Interrogatory as irrelevant, overly broad, unduly burdensome, and not reasonably calculated to lead to admissible evidence to the extent that it purports to require production of documents or information relating to pharmaceuticals not properly placed at issue in this litigation.

3. GSK objects to each and every Request and Interrogatory to the extent that it seeks information protected by the attorney-client privilege, work-product doctrine, common-interest doctrine, privileges relating to the right to lobby, constitutional privileges, joint-defense privilege, or any other applicable privileges or protections, and to the extent these Requests or Interrogatories seek trial preparation and expert materials. GSK hereby asserts these privileges to their fullest extent and no statement or answer herein shall constitute waiver thereof. Any document subject to any such privilege that is inadvertently produced by GSK shall not constitute or be deemed a waiver of such privilege or protection, and GSK reserves its rights to demand the return of any inadvertently produced documents.

4. GSK objects to each and every Request and Interrogatory to the extent that it seeks information that was compiled for and presented during compromise negotiations. GSK hereby asserts these privileges and protections to their fullest extent and no statement or answer herein shall constitute waiver thereof. Any document subject to any such privileges and protections that is inadvertently or otherwise produced by GSK shall not constitute or be deemed a waiver of such privileges or protections, and GSK reserves its rights to demand the return of any inadvertently produced document.

5. GSK objects to each and every Request and Interrogatory to the extent that it seeks information or documents concerning a trade secret, proprietary or other confidential

information and is not otherwise subject to a protective order entered by the Court in this litigation.

6. GSK objects to each and every Request and Interrogatory to the extent that it seeks information that GSK received from third parties and cannot disclose without prior approval of the third-parties.

7. GSK objects to each and every Request and Interrogatory to the extent that it seeks information that does not currently exist at GSK.

8. GSK objects to each and every Request and Interrogatory to the extent that it purports to require GSK to create, compile, or develop information or documents not already in existence.

9. GSK objects to each and every Request and Interrogatory to the extent that it seeks production of documents or information not in GSK's custody or control, publicly available documents or information, documents or information equally available to the Plaintiff, or documents or information more appropriately sought from third-parties to whom subpoenas or requests could have been directed.

10. GSK objects to each and every Request and Interrogatory to the extent that it requests or purports to require production of documents or seek information relating to a period of time outside of any applicable statute of limitations -- that is, before June 3, 1998 (six years prior to the date on which Plaintiffs filed their Complaint in Wisconsin) -- and/or after September 6, 2002 (the date on which Plaintiffs filed the Master Consolidated Class Action Complaint in *In re Pharmaceutical Industry Average Wholesale Price Litigation*, MDL No. 1456 (D. Mass.)).

11. GSK objects to each and every Request and Interrogatory as irrelevant, overly broad, unduly burdensome, and not reasonably calculated to lead to admissible evidence to the extent they seek documents or information concerning divested or discontinued drugs after the date of divestiture or discontinuation, including documents and information concerning Kytril[®] after December 22, 2000, the date on which GSK's predecessor, SmithKline Beecham, sold Kytril[®] to Hoffman-La Roche Inc.

12. GSK objects to each and every Request and Interrogatory, either individually or collectively, that is overly broad, unduly burdensome, expensive, embarrassing, vexatious, or oppressive to answer on the grounds that such Request or Interrogatory exceeds the permissible scope of discovery under applicable law and court rules.

13. GSK objects to each and every Request and Interrogatory to the extent that it seeks information that is not relevant to this litigation or is not reasonably calculated to lead to the discovery of admissible evidence.

14. GSK objects to any implications and to any explicit or implicit characterization of facts, events, circumstances, or issues in the Requests or Interrogatories. Any Response by GSK is not intended to indicate that GSK agrees with any implication or any explicit or implicit characterization of facts, events, circumstances, or issues in the Requests or Interrogatories, or that such implications or characterizations are relevant to this action.

15. GSK reserves the right to withhold the production of any responsive documents, other than what it agrees to produce through these responses and during the meet and confer process, until the court has ruled on any Motion to Dismiss or Motion for Judgment on the Pleadings filed by GSK in this case.

16. Subject to and without waiving any objection set forth herein, GSK will produce non-privileged, responsive information and documents as set forth below at a time and place and in a manner to be agreed upon by the parties.

17. GSK objects to the definition of “Document” as set forth in Definition No. 1 on the grounds that it is vague and ambiguous with respect to the language “writing,” “recording of any kind,” “agendas, agreements, analyses, announcements, audits, booklets, books, brochures, calendars, charts, contracts, correspondence, electronic mail (e-mails), facsimiles (faxes), film, graphs, letters, memos, maps, minutes,” “Executive Committee meeting minutes,” “notes, notices, photographs, reports, schedules, summaries, tables, telegrams, and videotapes” “medium,” “written, graphic, pictorial, photographic, electronic, phonographic, mechanical, taped,” “saved on computer disc,” “hard drives, data tapes” and “non-identical copy.” GSK further objects to this definition to the extent that it seeks to impose discovery obligations that are broader than, or inconsistent with, GSK’s obligations under applicable law and Court Rules. GSK further objects to this definition to the extent it requires or seeks to require GSK to: (i) produce documents or data in a particular form or format; (ii) convert documents or data into a particular or different file format; (iii) produce data, fields, records, or reports about produced documents or data; (iv) produce documents or data on any particular media; (v) search for and/or produce any documents or data on back-up tapes; (vi) produce any proprietary software, data, programs, or databases; or (vii) violate any licensing agreement or copyright laws.

18. GSK objects to the definition of “Identify” as set forth in Definition No. 2 on the grounds that, taken together with the requests for production, admission, and interrogatories using this defined term, it is overly broad and unduly burdensome.

19. GSK objects to the definition of “Incentive” as set forth in Definition No. 3 on the grounds that it is overly broad, unduly burdensome, ambiguous and vague, particularly with respect to the language “anything of value,” “provided,” “customer,” “reward a customer or other party for promoting, prescribing, dispensing or administering a pharmaceutical or course of treatment,” “lowering the cost of a pharmaceutical to the customer in any way, regardless of the time the ‘incentive’ was provided,” “credits,” “discounts,” “return to practice discounts,” “prompt pay discounts,” “volume discounts,” “on-invoice discounts,” “off-invoice discounts,” “rebates,” “market-share rebates,” “access rebates,” “bundled-drug rebates,” “free goods or samples,” “administrative fees or administrative fee reimbursements,” “marketing fees,” “stocking fees,” “conversion fees,” “patient education fees,” “off-invoice pricing,” “educational or other grants,” “research funding,” “clinical trials,” “honoraria,” “speaker's fees or payments,” “patient education fees” and “consulting fees.” GSK incorporates by reference its objections to the definitions of the terms “chargeback” and “pharmaceutical.” GSK further objects to this definition to the extent it seeks information from beyond the time period relevant to this litigation. GSK further objects on the grounds that defining “payments or proposed payments in cash or in kind, chargebacks, credits, discounts such as return-to-practice discounts, prompt-pay discounts, volume discounts, on-invoice discounts, off-invoice discounts, rebates such as market share rebates, access rebates, or bundled-drug rebates, free goods or samples, credits, administrative fees or administrative fee reimbursements, marketing fees, stocking fees, conversion fees, patient education fees, off-invoice pricing, educational or other grants, research funding, payments for participation in clinical trials, honoraria, speaker’s fees or payments, patient education fees or consulting fees” as *per se* “incentives” is argumentative.

20. GSK objects to the definition of “You,” “Your,” and “Your Company” as set forth in Definition No. 4 on the grounds that it is overly broad, unduly burdensome, vague, ambiguous, confusing, seeks to invade the attorney-client and work product privileges, and/or seeks to impose on GSK any obligation in conflict with or beyond those imposed by applicable law and Court Rules.

SPECIFIC RESPONSES AND OBJECTIONS TO REQUESTS

CONSOLIDATED DISCOVERY REQUEST NO. 1

REQUEST FOR ADMISSION NO. 1: At no time has the State of Wisconsin, its Department of Health and Family Services, or any employee thereof, explicitly approved your practice of reporting to First DataBank average wholesale prices (“AWPs”) for your drugs that were not the true average prices charged by wholesalers to their customers for your drugs.

RESPONSE TO REQUEST FOR ADMISSION NO. 1: Denied. In addition to its General Objections, which are incorporated herein by reference, GSK objects to this Request on the ground that the following phrases are vague, ambiguous, and/or undefined: “true average prices.” GSK further objects to this Request to the extent it falsely implies that GSK provided AWPs to First DataBank at all during the relevant time period. GSK further objects to this Request to the extent it falsely implies that there was a requirement for a state, or any agency or department or employee thereof, to give approval of any kind with respect to reporting of prices to third parties. GSK further objects to this Request on the ground that it is too early for GSK to respond concerning the State’s actions because the discovery process is ongoing.

Subject to and without waiving the Preliminary Statement, General Objections, and Specific Objections, GSK denies the Request for Admission No. 1, and responds that GSK did not report AWPs during the relevant time period. In addition, GSK states that there was no requirement for approval of any kind by state agencies with respect to prices reported to third-

party reporting services. GSK further responds that it has been widely known for decades, including by state Medicaid agencies such as that in the State of Wisconsin, that published AWP's were not mathematical averages of prices paid by pharmacies but rather reimbursement benchmarks that exceed pharmacy acquisition costs and are calculated by adding a standard 20% or 25% mark-up to the list prices, also known as WACs, for branded pharmaceutical products.

INTERROGATORY NO. 1: If your response to Request for Admission No. 1 is anything other than an unqualified admission, state all bases for your response, including the following:

- (a) identify whether the approval was made verbally or in writing;
- (b) identify the person(s) who approved the practice;
- (c) identify the date(s) on which the approval was made;
- (d) state whether the approval was communicated to you;
- (e) if the approval was communicated to you, state whether the communication was made verbally or in writing;
- (f) if the approval was communicated to you, identify the date of such communication(s);
- (g) if the approval was communicated to you, identify the person(s) who made the communication(s);
- (h) if the approval was communicated to you, identify the person(s) who received the communication(s);
- (i) identify all documents relating to the approval of the practice;
- (j) identify all documents relating to the communication of the approval to you.

RESPONSE TO INTERROGATORY NO. 1: In addition to its General Objections set forth above, which are incorporated herein by reference, GSK objects to Interrogatory No. 1 on the grounds that it is overly broad and unduly burdensome, and not reasonably calculated to lead to the discovery of admissible evidence. GSK further objects to this Interrogatory to the extent it falsely implies that GSK reported AWP's during the relevant time period. GSK further objects to this Interrogatory to the extent it falsely implies that there was a requirement for a state, or any agency or department or employee thereof, to give approval of any kind with respect to reporting of prices to third parties. GSK further objects to this Interrogatory on the ground that it is too early for GSK to respond concerning the State's actions because the discovery process is

ongoing. GSK further objects to this Interrogatory on the ground that it seeks information or documents that are equally, or more readily, available to plaintiff.

Subject to and without waiving these Objections and GSK's General Objections, GSK responds that neither GSK, nor the companies that merged in 2001 to form GSK (that is, SmithKline Beecham Corporation ("SB") and Glaxo Wellcome, Inc. ("GW")), provided AWP's to First DataBank during the relevant time period, which is the reason that Request for Admission No. 1 was denied. Prior to the merger, GW reported a Net Wholesale Price ("NWP") for its prescription pharmaceuticals, and SB reported a Wholesaler Purchase Price ("WPP") and a Suggested List Price ("SLP"). After the merger, GSK has reported a WAC (and not an AWP) for its prescription pharmaceuticals.

NWP was defined by GW, in its price reporting letters, as the "list price to wholesalers and warehousing chains, not including prompt pay, stocking or distribution allowances, or other discounts, rebates, or chargebacks." WPP was defined by SB, in its price reporting letters, as "SB's price to SB's wholesaler class of trade, without taking into account prompt pay discounts or other pricing or promotional concessions paid to wholesalers, or chargebacks paid to wholesalers on account of purchases by wholesalers' end user customers." SLP was defined by SB, in its price reporting letters, as "the non-binding suggested resale price to end user purchasers who did not purchase under special contractual arrangements. Actual end user product acquisition costs may be lower than the Suggested List Price, depending on wholesaler markups, chargebacks, or other pricing concessions." WAC is defined by GSK, in its price reporting letters, as "the listed price to wholesaler and warehousing chains, not including prompt pay, stocking or distribution allowances, or other discounts, rebates, or chargebacks."

REQUEST FOR PRODUCTION NO. 1: Produce all documents identified in your Response to Interrogatory No. 1.

RESPONSE TO REQUEST FOR PRODUCTION NO. 1: In addition to its General Objections, which are incorporated herein by reference, GSK objects to this Request on the grounds that it is overly broad, unduly burdensome, and not reasonably calculated to lead to admissible evidence. GSK further objects to this Request for Production to the extent it falsely implies that GSK provided AWP's to First DataBank during the relevant time period. GSK further objects to this Request to the extent it falsely implies that there was a requirement for a state, or any agency or department or employee thereof, to give approval of any kind with respect to reporting of prices to third parties. GSK further objects to this Request on the ground that it is too early for GSK to respond concerning the State's actions because the discovery process is ongoing. GSK further objects to this Request on the ground that it seeks information or documents that are equally, or more readily, available to plaintiff.

Subject to and without waiving the Preliminary Statement, General Objections, and Specific Objections, GSK responds that because GSK, SB and GW did not report an AWP to First DataBank during the relevant time period, it has no responsive documents. GSK further responds that it has produced a series of price reporting letters which demonstrate what list prices GSK did, in fact, report to First DataBank during the relevant time period.

CONSOLIDATED DISCOVERY REQUEST NO. 2

REQUEST FOR ADMISSION NO. 2: At no time has the State of Wisconsin, its Department of Health and Family Services, or any employee thereof, explicitly approved your practice of reporting to First DataBank suggested wholesale prices ("SWPs") for your drugs that were not the true average prices charged by wholesalers to their customers for your drugs.

RESPONSE TO REQUEST FOR ADMISSION NO. 2: Denied. In addition to its General Objections, which are incorporated herein by reference, GSK objects to this Request on the grounds that it is overly broad and unduly burdensome, not reasonably calculated to lead to the discovery of admissible evidence, and because the following terms or phrases are vague, ambiguous and/or undefined: “true average price.” GSK further objects to this Request for Admission to the extent it falsely implies that GSK provided SWPs to First DataBank at all during the relevant time period. GSK further objects on the grounds that SWPs are not relevant to Plaintiff’s claims because the State of Wisconsin did not use SWPs as a basis for reimbursement in the Wisconsin Medicaid Program. GSK further objects to this Request to the extent it falsely implies that there was a requirement for a state, or any agency or department or employee thereof, to give approval of any kind with respect to reporting of prices to third parties. GSK further objects to this Request on the ground that it is too early for GSK to respond concerning the State’s actions because the discovery process is ongoing.

Subject to and without waiving the Preliminary Statement, General Objections, and Specific Objections, GSK further responds that neither GSK, SB, nor GW provided SWPs to First DataBank during the relevant time period.

INTERROGATORY NO. 2: If your response to Request for Admission No. 2 is anything other than an unqualified admission, state all bases for your response, including the following:

- (a) identify whether the approval was made verbally or in writing;
- (b) identify the person(s) who approved the practice;
- (c) identify the date(s) on which the approval was made;
- (d) state whether the approval was communicated to you;
- (e) if the approval was communicated to you, state whether the communication was made verbally or in writing;
- (f) if the approval was communicated to you, identify the date of such communication(s);
- (g) if the approval was communicated to you, identify the person(s) who made the communication(s);

- (h) if the approval was communicated to you, identify the person(s) who received the communication(s);
- (i) identify all documents relating to the approval of the practice;
- (j) identify all documents relating to the communication of the approval to you.

RESPONSE TO INTERROGATORY NO. 2: In addition to the General Objections set forth above, GSK objects to Interrogatory No. 2 on the grounds that it is overly broad and unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence. GSK further objects to this Interrogatory to the extent it falsely implies that GSK provided SWPs to First DataBank at all during the relevant time period. GSK further objects to this Interrogatory to the extent it falsely implies that there was a requirement for a state, or any agency or department or employee thereof, to give approval of any kind with respect to reporting of prices to third parties. GSK further objects to this Interrogatory on the ground that it is too early for GSK to respond concerning the State's actions because the discovery process is ongoing. GSK further objects to this Interrogatory on the ground that it seeks information or documents that are equally, or more readily, available to plaintiff.

Subject to and without waiving these Objections and GSK's General Objections, GSK incorporates its Response to Interrogatory No. 1 and responds that neither GSK, SB, nor GW provided SWPs to First DataBank during the relevant time period, which is the reason that Request for Admission No. 2 was denied.

REQUEST NO PRODUCTION NO. 2: Produce all documents identified in your Response to Interrogatory No. 2.

RESPONSE TO REQUEST FOR PRODUCTION NO. 2: In addition to the General Objections set forth above, GSK objects to Request No. 2 on the grounds that it is overly broad and unduly burdensome and not reasonably calculated to lead to the discovery of admissible

evidence. GSK further objects to this Request for Production to the extent it falsely implies that GSK provided SWPs to First DataBank at all during the relevant time period. GSK further objects to this Request to the extent it falsely implies that there was a requirement for a state, or any agency or department or employee thereof, to give approval of any kind with respect to reporting of prices to third parties. GSK further objects to this Request on the ground that it is too early for GSK to respond concerning the State's actions because the discovery process is ongoing. GSK further objects to this Request on the ground that it seeks information or documents that are equally, or more readily, available to plaintiff.

Subject to and without waiving the Preliminary Statement, General Objections, and Specific Objections, GSK responds that because GSK, SB and GW did not report an SWP to First DataBank during the relevant time period, it has no responsive documents. GSK further responds that it has produced a series of price reporting letters which demonstrate what list prices GSK did, in fact, report to First DataBank during the relevant time period.

CONSOLIDATED DISCOVERY REQUEST NO. 3

REQUEST FOR ADMISSION NO. 3: At no time has the State of Wisconsin, its Department of Health and Family Services, or any employee thereof, explicitly approved your practice of reporting to First DataBank wholesale acquisition costs ("WACs") for your drugs that were not the true average prices, net of discounts, rebates, chargebacks, and incentives, paid by wholesalers to you for your drugs.

RESPONSE TO REQUEST FOR ADMISSION NO. 3: Denied. In addition to the General Objections set forth above, GSK objects to Request No. 3 on the grounds that it is vague and ambiguous, including with respect to the phrase "true average price." GSK further objects to this Request to the extent that it falsely implies that there was a requirement for a State or any agency or department or employee thereof to give approval of any kind with respect to the

reporting of prices to third parties. GSK further objects to this Request on the ground that it has been widely known, including by State Medicaid agencies such as that in the state of Wisconsin, that WAC is a list price for pharmaceutical products that does not include discounts, rebates, chargebacks or incentives. GSK further objects to this Request on the ground that it is too early for GSK to respond concerning the State's actions because the discovery process is ongoing. GSK further objects to this Request on the ground that it seeks information or documents that are equally, or more readily, available to plaintiff.

Subject to and without waiving the Preliminary Statement, General Objections, and Specific Objections above, GSK incorporates the Response to Interrogatory No. 1 and denies Request for Admission No. 3 because GSK disclosed the nature of its reported WACs and there is clear evidence that State Medicaid officials were notified that WAC was a list price, as eventually codified by federal law.

INTERROGATORY NO. 3: If your response to Request for Admission No. 3 is anything other than an unqualified admission, state all bases for your response, including the following:

- (a) identify whether the approval was made verbally or in writing;
- (b) identify the person(s) who approved the practice;
- (c) identify the date(s) on which the approval was made;
- (d) state whether the approval was communicated to you;
- (e) if the approval was communicated to you, state whether the communication was made verbally or in writing;
- (f) if the approval was communicated to you, identify the date of such communication(s);
- (g) if the approval was communicated to you, identify the person(s) who made the communication(s);
- (h) if the approval was communicated to you, identify the person(s) who received the communication(s);
- (i) identify all documents relating to the approval of the practice;
- (j) identify all documents relating to the communication of the approval to you.

RESPONSE TO INTERROGATORY NO. 3: In addition to its General Objections set forth above, which are incorporated herein by reference, GSK objects to Interrogatory No. 3 on

the grounds that it is overly broad and unduly burdensome, and not reasonably calculated to lead to the discovery of admissible evidence. GSK further objects to this Interrogatory to the extent it falsely implies that there was a requirement for a state, or any agency or department or employee thereof, to give approval of any kind with respect to reporting of prices to third parties. GSK further objects to this Interrogatory on the ground that it is too early for GSK to respond concerning the State's actions because the discovery process is ongoing. GSK further objects to this Interrogatory on the ground that it seeks information or documents that are equally, or more readily, available to plaintiff.

Subject to and without waiving these objections and GSK's General Objections, GSK incorporates by reference its Response and Objections to Request for Admission No. 3 and states that GSK price-reporting letters reflect the well-known fact that WAC is a list price, a fact also established by federal statutes, reports from various branches of the federal government, documents from the files of various agencies of the State of Wisconsin, and documents widely available to the public.

REQUEST FOR PRODUCTION NO. 3: Produce all documents identified in your Response to Interrogatory No. 3.

RESPONSE TO REQUEST FOR PRODUCTION NO. 3: In addition to the General Objections set forth above, GSK objects to Request No. 3 on the grounds that it is overly broad and unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence. GSK further objects to this Request to the extent it falsely implies that there was a requirement for a state, or any agency or department or employee thereof, to give approval of any kind with respect to reporting of prices to third parties. GSK further objects to this Request

on the ground that it is too early for GSK to respond concerning the State's actions because the discovery process is ongoing.

Subject to and without waiving the Preliminary Statement, General Objections, and Specific Objections, GSK responds that pursuant to the Stipulation with Plaintiff and other states dated April 13, 2007 and discussions with Plaintiff's counsel, GSK has produced (and will continue to produce) non-privileged documents that are responsive to this Request.

CONSOLIDATED DISCOVERY REQUEST NO. 4

REQUEST FOR ADMISSION NO. 4: The average wholesale prices ("AWPs") that you reported to First DataBank for your drugs were not the true average prices charged by wholesalers to their customers for your drugs. Rather, the AWPs that you reported to First DataBank for your drugs were more than the true average prices charged by wholesalers to their customers for your drugs.

RESPONSE TO REQUEST FOR ADMISSION NO. 4: Denied. In addition to its General Objections, which are incorporated herein by reference, GSK objects to this Request on the grounds that the following terms or phrases are vague, ambiguous and/or undefined: "true average prices." GSK further objects to this Request for Admission to the extent that it falsely implies that GSK reported AWPs during the relevant time period. GSK states that it has been widely known for decades, including by state Medicaid agencies such as that in the State of Wisconsin, that AWPs are not mathematical averages of prices paid by pharmacies or doctors but rather reimbursement benchmarks that exceed acquisition costs and are calculated by adding a standard 20% or 25% mark-up to the list prices, also known as WACs, for branded pharmaceutical products.

Subject to and without waiving its General and Specific Objections, GSK denies Request for Admission No. 4 on the basis that neither GSK, SB nor GW reported AWP's to First DataBank during the relevant time period.

INTERROGATORY NO. 4: If your response to Request for Admission No. 4 is anything other than an unqualified admission, state all bases for your response and identify all documents that support or relate to your response.

RESPONSE TO INTERROGATORY NO. 4 GSK incorporates the objections set forth in its Response to Request for Admission No. 4, above. Subject to and without waiving the Preliminary Statement, General Objections, and Specific Objections, GSK responds that neither GSK, SB, nor GW reported AWP's to First DataBank during the relevant time period, which is the reason that Request for Admission No. 4 was denied.

REQUEST FOR PRODUCTION NO. 4: Produce all documents identified in your Response to Interrogatory No. 4.

RESPONSE TO REQUEST FOR PRODUCTION NO. 4: Subject to and without waiving the Preliminary Statement, General Objections, and Specific Objections, GSK responds that because GSK, SB, and GW did not report AWP's to First DataBank during the relevant time period, it has no responsive documents. GSK further responds that it has produced a series of price-reporting letters which demonstrate what list prices GSK did, in fact, report to First DataBank during the relevant time period.

CONSOLIDATED DISCOVERY REQUEST NO. 5

REQUEST FOR ADMISSION NO. 5: The suggested wholesale prices ("SWPs") that you reported to First DataBank for your drugs were not the true average prices charged by wholesalers to their customers for your drugs. Rather, the SWPs that you reported to First DataBank for your drugs were more than the true average prices charged by wholesalers to their customers for your drugs..

RESPONSE TO REQUEST FOR ADMISSION NO. 5: Denied. In addition to its General Objections, which are incorporated herein by reference, GSK objects to this Request on the grounds that the following terms or phrases are vague, ambiguous and/or undefined: “true average prices.” GSK further objects to this Request for Admission to the extent it falsely implies that GSK provided SWPs to First DataBank at all during the relevant time period. GSK further objects on the grounds that SWPs are not relevant to Plaintiff’s claims because the State of Wisconsin did not use SWPs as a basis for reimbursement in the Wisconsin Medicaid Program.

Subject to and without waiving the Preliminary Statement, General Objections, and Specific Objections, GSK denies Request for Admission No. 5 on the basis that neither GSK, SB, nor GW provided SWPs to First DataBank during the relevant time period.

INTERROGATORY NO. 5: If your response to Request for Admission No. 5 is anything other than an unqualified admission, state all bases for your response and identify all documents that support or relate to your response.

RESPONSE TO INTERROGATORY NO. 5: GSK incorporates the objections set forth in its Response to Request for Admission No. 5, above. Subject to and without waiving the Preliminary Statement, General Objections, and Specific Objections, GSK responds that neither GSK, SB, nor GW reported SWPs to First DataBank during the relevant time period, which is the reason that Request for Admission No. 5 was denied.

REQUEST FOR PRODUCTION NO. 5: Produce all documents identified in your Response to Interrogatory No. 5.

RESPONSE TO REQUEST FOR PRODUCTION NO. 5: Subject to and without waiving the Preliminary Statement, General Objections, and Specific Objections, GSK responds that because GSK, SB, and GW did not report SWPs to First DataBank during the relevant time

period, there are no responsive documents. GSK further responds that it has produced a series of price-reporting letters which demonstrate what list prices GSK did, in fact, report to First DataBank during the relevant time period.

CONSOLIDATED DISCOVERY REQUEST NO. 6

REQUEST FOR ADMISSION NO. 6: The wholesale acquisition costs (“WACs”) that you reported to First DataBank for your drugs were not the true average prices, net of discounts, rebates, chargebacks, and incentives, paid by wholesalers to you for your drugs. Rather, the WACs that you reported to First DataBank for your drugs were more than the true average prices, net of discounts, rebates, chargebacks, and incentives, paid by wholesalers to you for your drugs.

RESPONSE TO REQUEST FOR ADMISSION NO. 6: Denied. In addition to the General Objections set forth above, GSK objects to Request No. 6 on the grounds that it is vague and ambiguous, including with respect to the phrase “true average prices.”

Subject to and without waiving the Preliminary Statement, General Objections, and Specific Objections above, GSK states that GSK and its predecessors have consistently stated in the definitions of WAC (and WAC equivalents) that they have provided to First DataBank during the relevant time period that its WACs (and WAC equivalents) are “list prices” to wholesalers and warehousing chains, which do *not* include discounts, rebates, or chargebacks. GSK (and its predecessors) typically charged wholesalers and warehousing chains the reported WAC (or WAC equivalent) price on the invoice that GSK sent to these customers. The reported WACs (and WAC equivalents) were thus “actual” or “true” invoice prices. GSK typically offered its customers an industry-standard “prompt pay” discount (which has been recognized by the federal Medicaid statute since 1991), which could be earned by the customer if it paid GSK within a specified period. The vast majority of GSK’s customers earned this discount by paying promptly, but customers that did not earn the prompt pay discount may have ended up paying

GSK an amount equal to the published WAC (or WAC equivalent) on a net basis, which is the basis for GSK's denial.

INTERROGATORY NO. 6: If your response to Request for Admission No. 6 is anything other than an unqualified admission, state all bases for your response and identify all documents that support or relate to your response.

RESPONSE TO INTERROGATORY NO. 6: In addition to the General Objections set forth above, GSK objects to Interrogatory No. 6 on the grounds that it is overly broad and unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence. GSK further objects to the Interrogatory on the ground that it is vague and ambiguous, to the extent it incorporates the phrase "true average price" from Request for Admission No. 6.

Subject to and without waiving the Preliminary Statement, General Objections, and Specific Objections, GSK responds that GSK and its predecessors have consistently stated in the definitions of WAC (and WAC equivalents) that they have provided to First DataBank during the relevant time period that its WACs (and WAC equivalents) are "list prices" to wholesalers and warehousing chains, which do *not* include discounts, rebates, or chargebacks. GSK (and its predecessors) typically charged wholesalers and warehousing chains the reported WAC (or WAC equivalent) price on the invoice that GSK sent to these customers. The reported WACs (and WAC equivalents) were thus "actual" or "true" invoice prices. GSK typically offered its customers an industry-standard "prompt pay" discount (which has been recognized by the federal Medicaid statute since 1991), which could be earned by the customer if it paid GSK within a specified period. The vast majority of GSK's customers earned this discount by paying promptly, but customers that did not earn the prompt pay discount may have ended up paying

GSK an amount equal to the published WAC (or WAC equivalent) on a net basis, which is the basis for GSK's denial of Request for Admission No. 3.

GSK further responds that, pursuant to the Stipulation with Plaintiff and other states dated April 13, 2007 and discussions with Plaintiff's counsel, GSK has produced sales transaction data for each GSK NDC at issue in this litigation which includes detailed information concerning the price charged each GSK customer and about the discounts, rebates and chargebacks (if any) associated with those GSK sales, as well as other documents concerning GSK's sales to wholesalers. These data and documents provide a further basis for GSK's response to Request for Admission No. 6.

REQUEST FOR PRODUCTION NO. 6: Produce all documents identified in your Response to Interrogatory No. 6.

RESPONSE TO REQUEST FOR PRODUCTION NO. 6: In addition to the General Objections set forth above, GSK objects to Request No. 6 on the grounds that it is overly broad and unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence.

Subject to and without waiving the Preliminary Statement, General Objections, and Specific Objections, GSK further responds that, pursuant to the Stipulation with Plaintiff and other states dated April 13, 2007 and discussions with Plaintiff's counsel, GSK has produced sales transaction data for each GSK NDC at issue in this litigation which includes detailed information concerning the price charged each GSK customer and about the discounts, rebates and chargebacks (if any) associated with those GSK sales, as well as other documents concerning GSK's sales to wholesalers.

Dated: June 16, 2008

Respectfully submitted,

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*Counsel for Defendant SmithKline Beecham Corporation,
d/b/a GlaxoSmithKline*

STATE OF WISCONSIN

CIRCUIT COURT

DANE COUNTY

STATE OF WISCONSIN,

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Case No.: 04 CV 1709

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Plaintiff,

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v.

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ABBOTT LABORATORIES, ET AL.,

)

)

Defendants.

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CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the **RESPONSES AND OBJECTIONS BY SMITHKLINE BEECHAM CORPORATION, D/B/A GLAXOSMITHKLINE ("GSK") TO PLAINTIFF'S FIRST SET OF CONSOLIDATED DISCOVERY REQUESTS TO ALL DEFENDANTS** by SmithKline Beecham Corporation, d/b/a GlaxoSmithKline ("GSK"), to be served on counsel of record by transmission to LNFS pursuant to Order dated December 20, 2005.

Dated this 16th day of June, 2008.

/s/ Richard J. Cutler

Richard J. Cutler