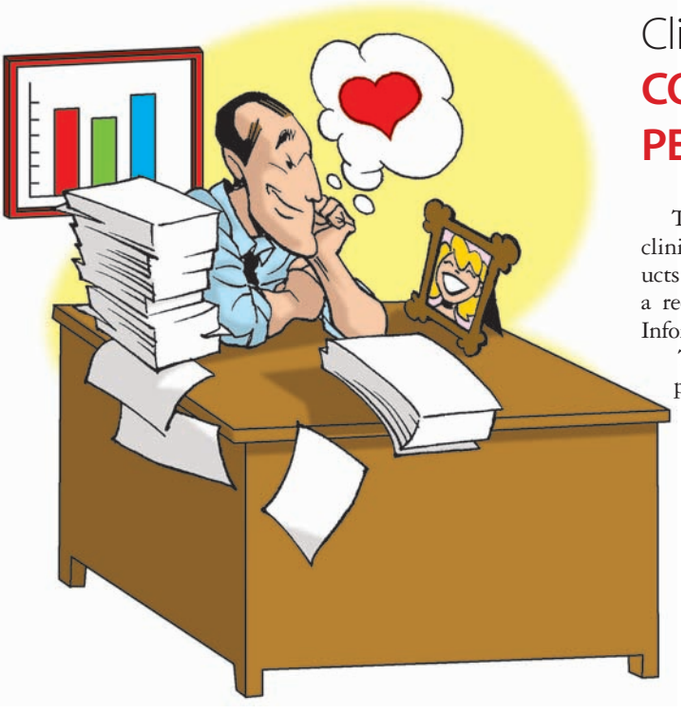


Clinical-Trial **COSTS TOP $26,000 PER PATIENT**

The cost per patient of running Phase III clinical studies of new pharmaceutical products exceeds $26,000 on average, according to a recent report published by Cutting Edge Information.

The company surveyed dozens of leading pharmaceutical and biotech companies about their clinical-development spending, staffing, and performance-measurement practices. Survey data reveal that Phase III studies are the most costly as measured on a per-patient basis. Phase II trials are comparatively cheaper, with the average per-patient cost falling to about $19,300 per patient. Even less expensive are Phase I trials, which include a fraction of the number of patients tested in Phase III trials and have an average per-patient cost of less than $15,700.

Life-Sciences Marketers **CAPITALIZE ON MEDIA ENGAGEMENT LEVEL**

A recent survey — Marketing to Life Scientists 2006: Capitalizing on Media Engagement — from BioInformatics LLC found that life scientists who are highly engaged differ significantly from less engaged scientists in their media preferences and response to marketing communications.

The 1,300 scientists surveyed ranked the effectiveness of their suppliers' marketing programs in the major marketing media, including best Website, print catalog, exhibits, print advertising, and salesforce.

While hundreds of companies were mentioned, market leaders such as Bio-Rad Laboratories, BD Biosciences, Fisher Scientific, Invitrogen, Sigma-Aldrich, and New England Biolabs were ranked highly in multiple categories.

Based on an additional analysis of media engagement of the top 30 life-science suppliers, the BioInformatics survey identified Agilent Technologies and Roche Applied Sciences as being particularly effective at communicating. Behind the leaders, Clontech Laboratories (a Takara Bio company), New England Biolabs, and GE Healthcare, a division of General Electric, were found to be successful in creating marketing materials that are thoroughly reviewed by an above-average number of the surveyed scientists.

Pain-Management Drugs and Devices **TO GROW BY 6% BY 2010**

The aging world population and the increase in chronic pain conditions suggest that the global market for pain-management drugs and devices will continue to grow. The expected revenue of $26 billion in 2006 could increase to more than $33 billion in 2010, according to new market research from Kalorama Information.

The study — The World Market for Pain Management Drugs and Devices — projects that the market will grow more than 6% from 2006 to 2010 based on strong performance in the neuropathic, musculoskeletal, and device-pain treatment segments.

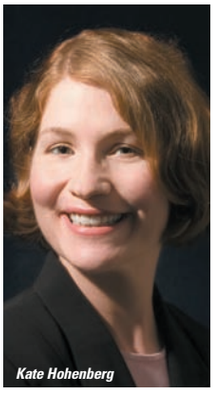
The largest segment in 2006 will be cancer pain treatments with almost $7 billion in revenue. The escalating world cancer incidence, as well as the global focus on breakthrough cancer treatments, will continue to keep this segment growing over the next four years.

The study finds that there are many issues that are impacting the pain-management market, including drug recalls, side effects, and restrictive policies. In 2003, there were 48 new medications in development and in 2006 there were 163, supporting the premise that with all the medications currently available, there is still a great need for new and better treatments.

Novel Agents Will Account For **30% OF ANTIDEPRESSANT MARKET**

Recent findings by Decision Resources show that sales of antidepressants will experience 4% annual growth during the 2006 to 2016 study period as patent expirations and the introduction of novel agents erode the sales of market-leading drugs.

The new Pharmacor report — Outlook for Antidepressants, 2006-2016: Will Novel Agents Surprise the Market? — finds that the patent expirations of market-leading drugs in the monoamingergic class, including Pfizer's Zoloft, GlaxoSmithKline's Wellbutrin, Forest/Lundbeck's Lexapro, and Wyeth's Effexor — will play a key role in constraining market growth between 2010 and 2016 in the United States, Japan, Germany, France, Spain, Italy, and the United Kingdom. Additionally, the arrival of next-generation monoaminergic drugs, including that of the triple reuptake inhibitors (TKIs) in 2010, will not sustain the market's value and will not meet the need for more effective agents for the treatment of depression and anxiety.



Kate Hohenberg

Of the nine agents that are in clinical trials, those we identify with commercial promise include paroxetine/vestipitant and the melatonin agonist agomelatine, says Kate Hohenberg, Principal Area Director at Decision Resources. None of these drugs will reach the $3 billion to $4 billion major-market sales level that has been achieved by many of the current monoaminergic agents.

According to the report, the arrival of four classes of novel nonmonoaminergic agents, including drugs from GlaxoSmithKline and Servier/Novartis, will account for about 30% of sales in 2016. GlaxoSmithKline's paroxetine/vestipitant and Servier/Novartis' melatonin agonist agomelatine will be the only nonmonoaminergic drugs to compete for first-line use in primary care and will be used as adjuncts to monoaminergic antidepressants in refractory patients and other subgroups.

Study Outlines **STEPS TO BECOME RISK INTELLIGENT**

According to a new whitepaper from Deloitte & Touche, companies must effective-

ly address the industry's complex risk matrix and meet the demands from many constituents — regulators, investors, partners, insurers, physicians, patients, lawyers, and others.

The key for life-sciences companies to successfully navigate the risks is intelligence, or more appropriately, risk intelligence, including:

- Recognizing and managing the full spectrum of risk an organization faces
- Minimizing "siloed" behavior that can obscure an integrated view of risk
- Allocating proportionally more resources to the most strategic and pertinent risks
- Making sure risk management is an organizationwide responsibility and competency
- Anticipating and preparing integrated responses to risk
- Managing risk with a view to maximizing the upside of strategic decisions while minimizing the downside

"Discovering and developing new products entails high risk, given the heavy up-front investments of money, time, and expertise," says Terry Hisey, Deloitte Consulting's U.S. managing principal of life-sciences. "Factor in the complexity brought on by the pressures from patients, payers, physicians, and the markets, and now you get a picture of how challenging the risk environment is within this industry."

The whitepaper, The Risk Intelligent Life Sciences Company, cites a number of fundamental steps organizations need to undertake to create a risk intelligent enterprise, including looking specifically at what Deloitte & Touche calls "life events."

These life events for life-sciences companies include:

- Research and development
- Product commitment
- Scale manufacturing capability
- Commercialization
- Merger, acquisition, and divestiture
- Unexpected occurrences

Follow up

BIOINFORMATICS LLC, Arlington, Va., is a market-research and consulting firm that supports marketing, sales, and R&D personnel in the life-sciences industry through published research reports, custom research, and consulting. For more information, visit gene2drug.com.

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