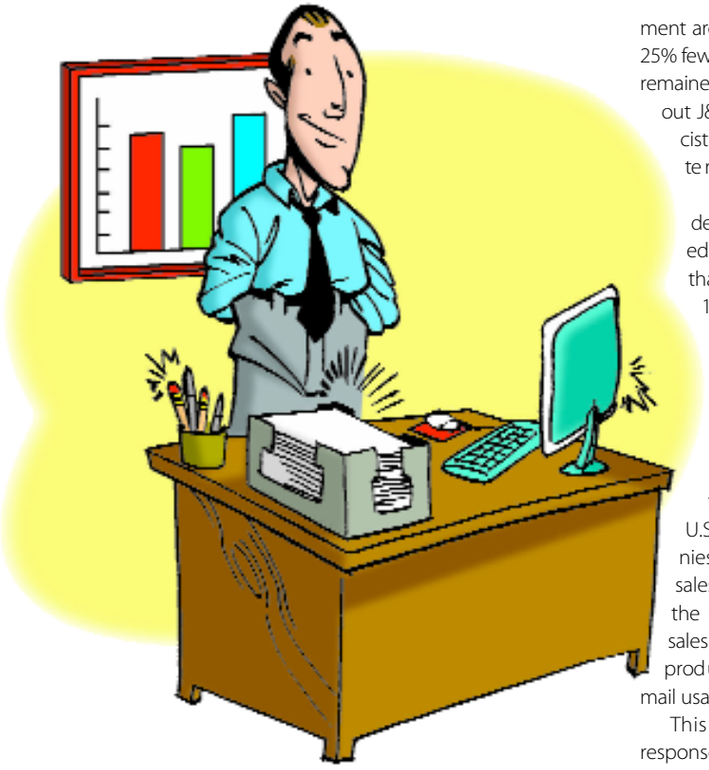

Johnson & Johnson is TOP PHARMA COMPANY IN LONG-TERM CARE

Johnson & Johnson has been selected as the best overall pharmaceutical company by long-term care (LTC) pharmacists participating in Verispan's spring 2003 Nursing Home Pharmacy Provider/Consultant Promotional Audit.

Johnson & Johnson finished first in all four assessment areas. Even though the company made 25% fewer contacts than in the fall of 2002, J&J remained in first place. Audit panelists singled out J&J for its ability to work with pharmacists as well as its knowledge of the long-term care industry.

Pfizer ranked second in all categories, despite the company's lack of a dedicated LTC salesforce. The Pfizer field forces that promote geriatric products allocate 5% to 10% of their time to LTC.

Novartis, which has the largest dedicated LTC salesforce, according to Verispan's spring 2003 Strategic Advantage study, placed third in all areas except contracting, where it finished fourth.

Verispan's report provides in-depth profiles of more than 45 leading U.S. pharmaceutical companies' managed care and LTC salesforces. The profiles detail the size and structure of these sales teams, training, account and product responsibilities, and e-mail usage.

This audit is based on the responses of pharmacy providers and consultants who represent a majority of nursing home and assisted-living beds in the United States. These executives reported promotional activity by pharmaceutical companies during an eight-week period in the spring of 2003. They rated companies on their ability to meet LTC industry needs in four areas: contracts, value-added services, knowledgeable reps, and pharmaceutical company strategy.

BEST OVERALL IN LONG-TERM CARE

Rank	Company
1	Johnson & Johnson
2	Pfizer
3	Novartis
4	Forest
5	Abbott Labs
6	AstraZeneca
7	Akzo
8	Boehringer Ingelheim
9	TAP Pharma
10	Pharmacia

Source: Verispan's Spring 2003 Nursing Home Pharmacy Provider/Consultant Promotional Audit, Yardley, Pa. For more information, visit verispan.com.

Biotech Companies Need to Adopt STRONGER RISK-MANAGEMENT Measures

A survey of biotechnology executives has found that 63% believe a risk-management program is critical to their organizations' success, and 50% think it is important to their venture capital partners. But many did not think their companies had adopted best practices for managing a variety of potential disasters.

The survey of nearly 100 biotechnology companies was conducted by the Chubb Group of Insurance Companies and the Biotechnology Industry Organization (BIO), in conjunction with the *Journal of Business and BioLaw*. The survey reveals that 66% of biotechnology executives are "very satisfied" with their companies' risk management programs. One-third of respondents, however, note that their companies lack a strong disaster recovery program, 79% do not believe their organizations are prepared for a product recall, and 73% do not have a cyber risk-management plan.

Philip Fiscus

The challenge the biotechnology industry faces is that many companies simply may not have a full-time risk manager or other resources necessary to develop or implement effective risk management practices. These organizations should consider partnering with an expert who knows their industry's issues to help develop a strong risk management program.

"Our research, the first of its kind, offers the biotechnology industry an in-depth understanding and a dynamic view of its approach to managing risk," says Philip Fiscus, a senior VP of Chubb & Son and worldwide manager of the life-sciences division for Chubb Commercial Insurance. "Biotechnology companies have a great understanding of the importance of a good risk-management program. But by focusing less on disaster preparedness issues, they may face serious consequences."

THE 2003 SURVEY OF RISK MANAGEMENT AND INSURANCE PRACTICES FOR THE BIOTECHNOLOGY AND LIFE-SCIENCES SECTOR HAS FOUND THAT 63% BELIEVE A RISK-MANAGEMENT PROGRAM IS CRITCAL TO SUCCESS.

Political and social unrest, terrorism, and the challenging global economy are creating new exposures for biotechnology organizations. Mr. Fiscus says mitigating these exposures is critical for biotechnology firms, especially when it comes to securing venture capital funding, successfully completing a clinical trial, or profitably manufacturing a drug.

Companies also may lack an understanding of international insurance issues. The survey finds that 43% of respondents believe that their firms' domestic insurance policy "will always" protect them from lawsuits or losses that occur in a foreign country. For the 69% of respondents who conduct clinical trials in a foreign country, this is risky thinking, Chubb researchers say. The best protection for these companies is a blend of domestic and international insurance coverages, including both admitted (local) and nonadmitted (foreign) insurance policies.

The 2003 Survey of Risk Management and Insurance Practices for the Biotechnology and Life Science Sector was conducted over the Internet in April 2003 and 95 responses were received from CEOs, chief financial officers, comptrollers, and others who make insurance purchasing decisions. The respondents answered 29 questions, several with multiple parts and rankings. Respondents represented both publicly traded and privately held companies.

Consumers Believe NEW SCIENCE Offers Significant Opportunity

Although nearly 80% of consumers can't name a biotechnology company or product, the same num-

KEY FINDINGS OF KRC'S SURVEY

- **ABOUT EIGHT OUT OF 10 CONSUMERS** surveyed believe that biotechnology is somewhat likely, with about half saying very likely, to provide ways to repair human tissue, lead to treatments for cancer, and be the most important source of new medicines during the next 20 years.
- **THE PUBLIC KNOWS VERY LITTLE ABOUT THE BIOTECHNOLOGY INDUSTRY.** Four out of five consumers (82%) can't name a company they would consider part of the biotechnology industry, and 80% can't name a product created through biotechnology.
- **A MAJORITY OF CONSUMERS** (58%) say they are not comfortable or familiar with the word "biotechnology"; a majority of Washington insiders (66%) say they are.
- **HALF OF BOTH CONSUMERS** (49%) **AND WASHINGTON INSIDERS** (46%) say they have at least some concerns about biotechnology.
- **BIOTECHNOLOGY IS NOT A FAMILIAR PART OF CONSUMERS' LIVES.** Fewer than half of both the public and Washington insiders think they have used a product created through biotechnology.
- **ONE IN FIVE CONSUMERS** (20%) think they have used a product created through biotechnology, while more than twice as many (49%) do not believe that they have.
- **ONE IN THREE** (37%) Washington insiders believe they have used a product created through biotechnology, while nearly half are unsure (47%) and one in five (16%) do not believe that they have ever used a product created by biotechnology.

Source: KRC Research, Washington, D.C. For more information, visit webershandwick.com.

ber believe biotechnology will treat cancer, replace or repair damaged tissue, and be the primary source of new medicines during the next 20 years, according to a survey conducted by KRC Research, a division of Weber Shandwick.

"The American public has great faith in science, and people are open to biotechnology as an extension of that faith," says Jack Leslie, chairman of Weber Shandwick. "As our study found, most consumers are not familiar with biotech companies or products — 58% don't even feel comfortable with the term. Yet one in two believe biotech will make major medical and health science breakthroughs."

Because of this, he says the biotech industry faces a challenge despite the great visibility in the media over the past few years.

KRC Research conducted the survey in May among a nationally representative sample of 500 U.S. adults by phone interviews and 169 online interviews with mid-to-senior level professionals in policy-related jobs, classified as Washington insiders.

CROs are **RECRUITING GLOBALLY** for Clinical Trials

As patient recruitment has become more difficult in the United States, contract research organizations (CROs) increasingly are recruiting patients from outside the country for clinical studies in connection with new drug development. This is the finding of a recent analysis by the Tufts Center for the Study of Drug Development.

Eastern and Western Europe, Japan, and other parts of the world are seen as offering better access to trial participants in certain therapeutic areas.

"Patient populations outside major industrialized countries offer attractive pools of clinical-trial prospects, since potential subjects often are not taking other medications that would exclude them from the clinical study," says Tufts Center Director Kenneth I Kaitin.

KEY FINDINGS FROM THE TUFTS CENTER ANALYSIS

- **CROS PREFER TO RECRUIT TRIAL SUBJECTS FROM DOCTORS' PRIVATE PRACTICES** instead of recruiting them through academic medical centers, site management organizations, HMOs, or other organizations.
- Institutional patient access policies and sponsor willingness to increase the number of study sites, and not budgets, are the **MOST CRITICAL DETERMINANTS OF ENROLLMENT SUCCESS**.
- Nearly **50%** of CROs saw projects cancelled due to corporate restructuring among the drug companies that outsource to CROs, **90%** faced project delays, and **70%** experienced a change in project scope.

Source: Tufts Center for the Study of Drug Development, Boston. For more information, visit csdd.tufts.edu.

About 1,000 CROs account for about $6 billion to $7 billion, or 10%, of worldwide annual spending on new drug research and development by sponsoring drug companies, according to the Tufts Center. CROs also are involved in the majority of clinical development programs. CRO participation in new drug development projects has grown steadily.

Follow up

BIOTECHNOLOGY INDUSTRY ORGANIZATION, Washington, D.C., represents more than 1,000 biotechnology companies, academic institutions, state biotechnology centers and related organizations in all 50 U.S. states and 33 other nations. For more information, visit bio.org.

CHUBB GROUP OF INSURANCE COS., Warren, N.J., provides property and casualty insurance for personal and commercial customers through 8,000 independent agents and brokers. For more information, visit chubb.com.

KRC RESEARCH, Washington, D.C., is a full-service opinion and marketing research division within Weber Shandwick, a unit of The Interpublic Group of Companies. For more information, visit webershandwick.com.

TUFTS CENTER FOR THE STUDY OF DRUG DEVELOPMENT, Boston, is affiliated with Tufts University and provides strategic information to help drug developers, regulators, and policy makers improve the quality and efficiency of pharmaceutical development, review, and use. The center conducts a wide range of in-depth analyses. For more information, visit csdd.tufts.edu.

VERISPAN, Yardley, Pa., is a healthcare informatics joint venture of Quintiles Transnational Corp. and McKesson Corp. and is one of the nation's leading providers of patient-level longitudinal data, with more than 2 billion annual de-identified pharmacy and medical transactions spanning virtually every pharmacy in the country. For more information, visit verispan.com.