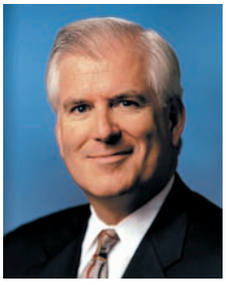
The **Corner Office**

A review of the annual reports and public statements of more than two dozen of the industry's publicly traded pharmaceutical/biotechnology companies **REVEALS THE TOP TRENDS AS IDENTIFIED BY THE CEOS, PRESIDENTS, AND EXECUTIVE MANAGEMENT TEAMS OF THESE INDUSTRY STANDARD BEARERS**.

(Editor's Note: Predictions are presented in alphabetical order by contributor's company.)



THINKING OUTSIDE THE U.S. BOX

Miles D. White
Chairman of the Board and CEO
Abbott

While the United States is still by far our largest single national market, it no longer accounts for the majority of our total sales, as it had since the company's founding. In 2007, for the first time ever, our revenue outside of the United States slightly exceeded that within. While we expect the United States to remain an important market for many years to come, we also recognize that, with the rise of major new market economies, such as China, India, Russia, and Latin America, the rest of the world will play a much larger role than ever before in our future growth. Consequently, we are building our business around the world to capture the continued emergence of new international markets.

PAYER DIVERSITY

David E. I. Pyott
Chairman and CEO
Allergan

In 2008, we initiated a long-term contract to outsource our global data centers to realize certain cost benefits and focus our information technology resources on the evolving software and business information needs of our growing company. A further strength is our diversity of payers, with roughly one-third of our revenue being medical aesthetics products that are paid electively out-of-pocket by the patient or consumer. While we have strong positions in Medicare Part D and in national formularies, primarily in Europe, the outlook for pricing and rebates is challenging for all participants in the pharmaceutical industry.

SAFETY FIRST

Kevin W. Sharer
Chairman and CEO
Amgen

There is more focus on safety and greater urgency around ensuring that safety concerns are quickly and fully disclosed, thoroughly explored and considered, and aggressively recognized in setting payment and usage policy. The implication for Amgen and our industry colleagues is that we must focus even more intently on safety-risk management. In practical terms that means continued full disclosure of safety-related concerns; early, robust, and ongoing discussions with regulators; aggressive and extensive clinical trial-based safety exploration and post-approval safety surveillance; and effective two-way dialogues with providers and patient groups.

GLOBAL CATEGORY LEADER

Masafumi Nogimori
President and CEO
Astellas

We aim to develop a business model called "Global Category Leader," which provides high-value added products on a global scale in several categories where a high degree of expertise is required. Targeting those therapeutic categories in which medical needs are unmet, such as diseases where the level of satisfaction with current treatment is low, we have identified six priority research areas — urology, inflammation/immunology, infectious diseases (virus), neurology/sharp pains, diabetes, and cancer — where our R&D capabilities can be utilized, taking into consideration the marketability.

CONTRIBUTING TO GREATER HEALTH

David R. Brennan
CEO
AstraZeneca

I envision that we can improve a healthcare system in which more people get the right treatment, fewer people are hospitalized, and medicines will be viewed as an investment, not a cost.

We won't make changes by standing on the sidelines. We won't do it by waiting for someone else to take the lead. We want to do it by playing a collaborative, proactive role in shaping a system that helps Americans lead longer and healthier lives.

GEOGRAPHIC EXPANSION

Robert L. Parkinson Jr.
Chairman and CEO
Baxter

Baxter's strategy includes driving growth through geographic expansion and it plans to pursue select acquisitions, collaborations, and alliances as part of its long-term strategy. The company has finalized a joint-venture agreement in China for a parenteral nutrition products franchise, which allows the company to improve access to care by expanding the availability of its innovative products to patients, physicians, and pharmacists in the region. The venture reflects the

importance of China to Baxter's continued geographic expansion. Baxter has been investing record levels in R&D in recent years to pioneer new therapies and advance care for patients with chronic diseases, such as hemophilia and immune deficiencies. The company also intends to increase the number of patients who use its PD home dialysis products, particularly in developing countries, and continue to obtain European and other regulatory approvals and launch its products outside of the United States.

INVESTMENT IN EMPLOYEES

Werner Wenning
Chairman of the Board of Management
Bayer AG

We owe our success in the past year — our most successful yet — to the tremendous commitment displayed by all of our employees, who once again demonstrated their innovative capabilities, their diligence, and their customer orientation.

Demographic change presents large corporations with new challenges. In important disciplines, such as science and engineering, good specialists and highly qualified academics are already scarce, and this shortage is likely to deepen in the future. We place great importance on the continuing professional advancement and personal development of our employees.

TRIM COSTS, FOLLOW THE COURSE

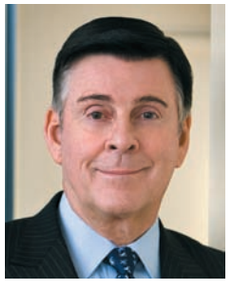
James C. Mullen
President and CEO
Biogen

Since our merger in 2003, our board of directors and management team have regularly and objectively reviewed our ongoing operations, capital structure, organizational design, and talent. This has led to divesting noncore products, the sale of manufacturing facilities, and the reduction of our workforce. We are continuing our execution of a comprehensive strategic plan of growth that does not rely on any single event or single approach but encompasses driving the core business, maintaining discipline in business development, and advancing the pipeline.

SKILL CENTERS NARROW CULTURAL DIVIDE

Christian Boehringer
Chairman of the Shareholders Committee
Boehringer Ingelheim

To further strengthen our R&D organization, we have implemented global skill centers to improve efficiency and to secure equal access to state-of-the-art technologies and informatics platforms for all sites. To ensure the most efficient drug development, nonclinical development at Boehringer Ingelheim operates as one internationally integrated organization with two major regional centers in the United States and Germany.



BUILDING A PROMISING FUTURE

James M. Cornelius
Chairman and CEO
Bristol-Myers Squibb

I can think of no more exciting time to be part of this great company as it literally reinvents itself for the future. While businesses are always in a state of flux, it's not common for a company to launch a top-to-bottom transformation of its organization and operational philosophy. But these are not common times for the pharmaceutical industry. For companies to succeed they need to embrace different ways of thinking and acting.

I believe our next-generation biopharma model incorporates the best of these new approaches and provides the clearest roadmap for achieving our goals. Last December, we unveiled our plans for transforming Bristol-Myers Squibb from a midcap pharmaceutical company to a next-generation biopharma company. This hybrid approach combines the strengths of a traditional pharmaceutical company, such as its global reach and its integrated commercial and manufacturing infrastructure, with the advantages of agility, entrepreneurial thinking, and flexibility that are characteristic of biotechnology companies we admire. Ultimately, our success as a next-generation biopharma company will be measured by the difference we can make in the lives of patients fighting serious diseases and in our ability to inspire hope for the future.

COMMITMENT TO BIOTHERAPIES AND VACCINES

Dr. Brian McNamee
CEO and Managing Director
CSL Behring

Innovation is at the heart of CSL. To fulfill our commitment to our patients, we are dedicated to excellence in producing complex biotherapies and vaccines and are focused on discovering and developing new protein-based medicines. From FY2006 to FY2008, R&D investments in the areas of new product development, market development, and life-cycle management have increased by 40%. We intend to increase our R&D investment by approximately 20% in FY2009. Recent successes in our R&D portfolio include the co-development and licensing of the technology for Gardasil and the marketing of Afluria in the United States. With core capabilities in plasma therapeutics, vaccines, Iscomatrix adjuvant, and recombinant biotechnology, CSL and its global subsidiaries — CSL Behring, ZLB Plasma, CSL Biotherapies, and CSL Bioplasma — are poised for continued growth.

MERGING INTO A GLOBAL HYBRID MODEL

Kiyoshi Morita, Representative Director and Chairman
Takashi Shoda, Representative Director, President, and CEO
Daiichi Sankyo

We have moved proactively to keep ahead of a rapidly changing business environment by adding Indian pharmaceutical company Ranbaxy Labora-

tories Ltd. to the Daiichi Sankyo Group. Through this expansion into a fast-growing emerging market and the field of nonproprietary drugs, we are pursuing a hybrid business model, adding global reach with a broad product portfolio to our existing high-risk, high-return model.

EMERGING MARKETS

Hajime Shimizu
Chairman and CEO
Eisai Corporation of North America

The environment surrounding the pharmaceutical industry is changing globally; particularly obvious is the growing importance of emerging markets. Eisai continues to make diligent efforts to expand in the major markets of Japan, the United States, and Europe while also building strong business foundations in emerging markets. Simultaneously, we continue to place the highest priority on our corporate mission of creating and increasing patient value.

COLLABORATION

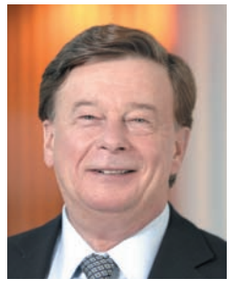
Arthur D. Levinson, Ph.D.
Chairman and CEO
Genentech

While we are proud of the caliber of our internal research organization, we recognize that Genentech is not the only place for great science, and therefore collaborations play an important role in our pipeline development. As one example, in collaboration with Curis, we are developing a small-molecule antagonist of the hedgehog pathway, which could represent an important new approach to treating patients with solid tumors. In 2007, we entered into agreements for 64 collaborations, which included four molecules that are currently in clinical trials or expected to move into clinical trials in 2008. These four molecules are being developed in collaboration with Seattle Genetics, BioInvent, and Abbott.

PATIENT-CENTRIC APPROACHES

Henri A. Termeer
President and CEO
Genzyme

Perhaps the most important distinguishing factor for Genzyme is our focus on patients. Because of our heritage in rare genetic disorders with small patient populations, we are accustomed to fostering close relationships with patients. This creates a unique perspective. Simply put, our view



is this: we succeed by taking care of patients, not by marketing drugs. Our commitment to patients with few or no treatment options has guided us on our journey to become who we are today, and it will drive the successful achievement of our goals going forward.

NEW CEO LOOKS AHEAD

Andrew Witty
CEO
GlaxoSmithKline

The environment that we find ourselves in as a pharmaceutical company is so different from seven or eight years ago that it is almost unrecognizable, whether you look at the impact of regulators and the way in which they have become more conservative, or the focus of society on what the pharmaceutical industry does. It will be no surprise to you that my plans as the new CEO will focus on engaging with this environment. I believe it will require us to concentrate on how we develop our business model and on the way we operate. A company like GSK has a special opportunity to develop products to meet unmet medical needs. There remain significant diseases across the world where vaccination or treatment have the potential to transform the lives of millions. We also need to make sure, when we bring new medicines and vaccines to market, that we engage with the payers to prove value. We cannot expect them to pay for something where we have not demonstrated value. This is an area that I am particularly keen on developing further.

R&D REMAINS IN-HOUSE

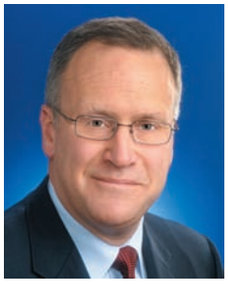
William C. Weldon
Chairman and CEO
Johnson & Johnson

Whether within our current markets or in markets waiting to be created, superb R&D capabilities and productive pipelines are critical to winning in healthcare. We continue to invest heavily in internal R&D to achieve organic growth and build our businesses for the long term. Like our operating companies, our R&D organizations throughout the world are decentralized, with all the advantages of small-company environments. But they are closely networked around the globe and have ready access to the full breadth of the company's engineering prowess, formulation, and materials expertise, and deep knowledge of customers, diseases, and conditions. This allows us to capitalize on R&D capabilities across the broad array of our businesses in ways our competitors cannot.

AN ONLINE JAM SESSION

John C. Lechleiter, Ph.D.
President and CEO
Lilly

Last year ended on a particularly hopeful note with a global "Vision Jam" involving more than 22,000 Lilly employees and contractors. Facilitated



by IBM, the four-day, around-the-clock event brought together Lilly people in an online setting to brainstorm new ideas and explore them in an uninhibited way. The Jam left Lilly with literally thousands of fresh ideas, discussion threads, and well-argued debates focused on our transformation. Many of the ideas were implemented immediately and many more will follow quickly.

ACCELERATED R&D AND CLINICAL-TRIAL PROCESS

Dick Clark
Chairman, President, and CEO
Merck

We are moving products through our research pipeline more quickly, and at the same time, we are using exciting new technology to increase the chances that our initial discoveries will end up as products that improve and save lives. And we are growing our pipeline not only through our internal efforts but also through strategic external partnerships. One of the most impressive examples of the impact of this transformation is our reduction in clinical development cycle times, or how long it takes to complete the three phases of clinical studies and move a product through our pipeline. Before we began transforming Merck's R&D process, our clinical studies progressed more slowly than those of most of our peers. But a recent evaluation by an independent industry expert found that Merck has substantially improved its performance in this important measure. We now rank either at or near the top in how quickly we can initiate and enroll patients in a study, as well as how quickly we can complete it, while never forgetting our dedication to patient safety.

TAKING SCIENTIFIC ACTIONS FOR SUSTAINABLE GROWTH

Daniel Vasella, M.D.
Chairman and CEO
Novartis

In a rapidly changing and increasingly challenging environment, Novartis is implementing longer-term strategic initiatives to deliver sustainable growth and life-saving drugs to patients around the world. To do this, we are strengthening our healthcare portfolio through targeted acquisitions, driving innovation through novel medicines and stepped-up innovation, expanding in high-growth markets, and improving organizational efficiency. We are seeing the results of our efforts with our portfolio of oncology and high blood pressure medicines; a pipeline of new products with three products under accelerated, priority review by the FDA; and plans for more than 10 major U.S./EU regulatory submissions in 2008.

ADHERING TO THE TRIPLE BOTTOM LINE

Lars Rebien Sørensen
President and CEO
Novo Nordisk

Novo Nordisk is committed to sustainable development and balanced growth. The principles of sustainable development — to preserve the planet while improving the quality of life for its current and future inhabitants — resonate well with the philosophy upon which the company was founded and how it does business today: constantly striving to improve performance as measured by the "Triple Bottom Line" principle.

The objectives of the company are to strive to conduct its activities in a financially, environmentally, and socially responsible way. This implies that any decision should always seek to balance three considerations: is it economically viable?; is it socially responsible?; and is it environmentally sound?

MOVING TOWARD AN ENTREPRENEURIAL MODEL

Jeff Kindler
Chairman of the Board and CEO
Pfizer

We have created smaller, more entrepreneurial business groups within our company. I firmly believe that Pfizer can gain competitive advantage by combining the spirit of a small company with the global reach and resources that we uniquely possess in our industry. In 2007, we reorganized operations in our largest market — the United States — into four smaller, much more focused businesses, each devoted to a distinct group of therapies. Leaders can now deploy their resources as the market demands and move fast to capitalize on new opportunities. We also created a dedicated U.S. customer support group to work more closely with our valued national customers.

R&D FOCUS

Severin Schwan
CEO, Roche Group
Roche

We continue to invest heavily in new technologies. This includes acquiring or entering into alliances with leading companies in pioneering new fields such as DNA sequencing, microarrays, therapeutic antibodies, and RNAi therapeutics. Transactions such as these open the way to developing new and better diagnostic tests and treatments for complex diseases.

BUILDING THE BRIC-M MARKET

Gérard Le Fur
CEO
Sanofi-Aventis

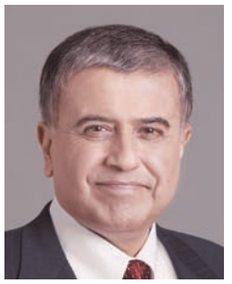
Thanks to substantial financial and human investment and leveraging our comprehensive range of innovative products, vaccines, and especially local prescription-free mature medicines and generics, we are now a market leader in the BRIC-M countries. Through advances in our research and development programs, together with partnerships in biotechnologies and vaccines, we can maintain our road-map target of filing some 30 submissions for approval by the end of 2010. This will enable us to upgrade our product portfolio and offset the natural loss of certain patents.

(Editor's note: Mr. Le Fur leaves his position as CEO Dec. 1, 2008, and will continue to work in scientific areas within the group. PharmaVOICE looks forward to featuring Chris Viehbacher, the incoming CEO, in next year's Year in Preview issue.)

CONTINUOUS TRANSFORMATION

Fred Hassan
Chairman and CEO
Schering-Plough

At Schering-Plough, we have achieved enormous progress over the past five-plus years by focusing intensely on the fundamentals and taking the long view. Our strategy for creating value and transforming Schering-Plough is based on growing the top line, growing the R&D pipeline, and containing and reducing costs while investing wisely. By executing well on these basics, we built the strength and wherewithal to undertake a major transaction: our acquisition in 2007 of Organon BioSciences NV. This combination began an important and exciting chapter in our company's history. Value in our industry is created through good science by discovering, developing, and bringing to market innovative new medicines that provide significant benefits. It is through innovation and science excellence that we intend to deliver high performance for the long term.



CONNECTING WITH PATIENTS

Roch Doliveux
CEO
UCB

The building blocks are now in place to help us realize our goal of becoming a next-generation biopharma leader. Moreover, we achieved all this while swiftly integrating Schwarz Pharma into our business, an acquisition that is designed to turn UCB into one of the world's top neurology companies. This involves much more than a portfolio of small, chemically derived molecules and large, antibody-based molecules. It is about connecting patients, people, and science in new ways. Our staff and board regularly meet patients and we are involving them much earlier in our initiatives. This not only gives us important insights into the therapeutic priorities that patients truly value, but also provides us with the emotional connection and drive to make a real difference. How we operate is another hallmark of the next-generation biopharma industry. For example, we are developing an open, networked environment so that our staff — who span more than 70 nationalities — can cross-fertilize ideas and unleash their full potential. This includes fully empowered, therapeutically focused, multidisciplinary project teams.

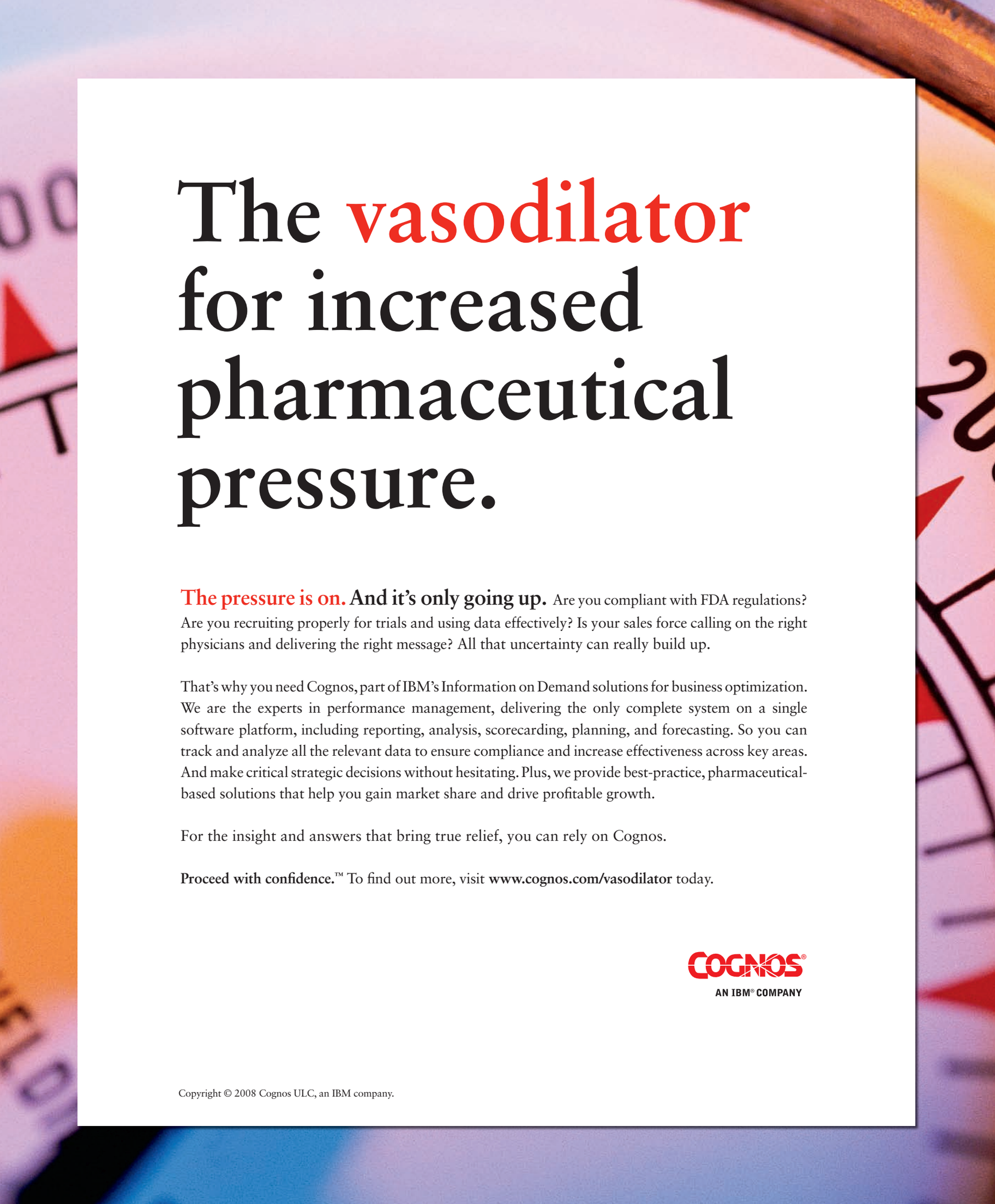
A TRANSITION PERIOD

Bernard Poussot
Chairman, President, and CEO
Wyeth

We viewed 2008 as a year of transition and progress for our company, as we drove growth, pursued innovation, and continued to look for ways to further improve our performance. A near-term challenge is the impact of generic competition for several of our major products. We are initiating a companywide effort to re-examine our cost structure, reduce expenses, and identify new productivity opportunities. Our goal remains to protect and sustain our important investments in research. ✦

PharmaVOICE welcomes comments about this article.

E-mail us at feedback@pharmavoice.com.



The vasodilator for increased pharmaceutical pressure.

The pressure is on. And it's only going up. Are you compliant with FDA regulations? Are you recruiting properly for trials and using data effectively? Is your sales force calling on the right physicians and delivering the right message? All that uncertainty can really build up.

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