



The Bruckner Group, Inc.

STRATEGY & RESEARCH FOR THE PHARMACEUTICAL INDUSTRY

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Inadequate response to managed markets challenges poses high revenue risk for pharma and biotech companies, according to Business Week article by healthcare experts at The Bruckner Group

Wakefield, MA. June 14, 2006. Why have drugs like Caduet (from Pfizer), Fuzeon (Roche), Amevive (Biogen Idec), and FluMist (MedImmune) fallen drastically short of analyst predictions and company expectations, generating as little as 4% of anticipated billions in new revenue? Because many pharmaceutical and biotechnology manufacturers (and those investing in them) have failed to sufficiently evolve. They have simply not incorporated solid valid propositions at a pace and level commensurate to the health insurance industry's incremental rollout of cost-conscious drug management efforts. As a result, emergent managed markets strategies have throttled many drug manufacturers' business models.

In the Outside Shot column of the June 19, 2006 issue of Business Week, David Balekdjian and Michael J. Russo, Partners at The Bruckner Group (BGI) (www.brucknergroupp.com), explain why BGI's approach to solving this problem, outcomes-based access (OBA), can help drugmakers meet the challenges of the managed markets channel, overcome access restrictions, and prove the value of their drugs.

The article also shares data from The Bruckner Group's 2001-2006 Payer Studies and 2006 OBA Manufacturer Index (OBAMI). The 2006 OBAMI, which measures a company's ability, capacity, and execution in developing and marketing drugs with high healthcare value, gives only 3 of the top 20 pharmaceutical and biotechnology manufacturers a grade of C+ or better. Novartis stands apart as an OBA leader and formidable OBA competitor. For the vast majority of others, there's considerable work to be done.

About The Bruckner Group: *BGI provides strategic advice to pharmaceutical and biotech company executives.*

About Outcomes-Based Access (OBA): *BGI is the pioneer and leading expert in outcomes-based access strategy (OBA) and marketing, helping clients build successes from development, through launch, and beyond. OBA development strategies help pharma and biotech manufacturers develop their pipeline drugs to deliver differentiating, healthcare value. OBA launch strategies overcome managed markets access restriction hurdles at launch while speeding uptake. Finally, OBA marketing strategies re-define value in terms that competitors on the defensive and build long-term competitive advantage.*