



***For immediate release:***

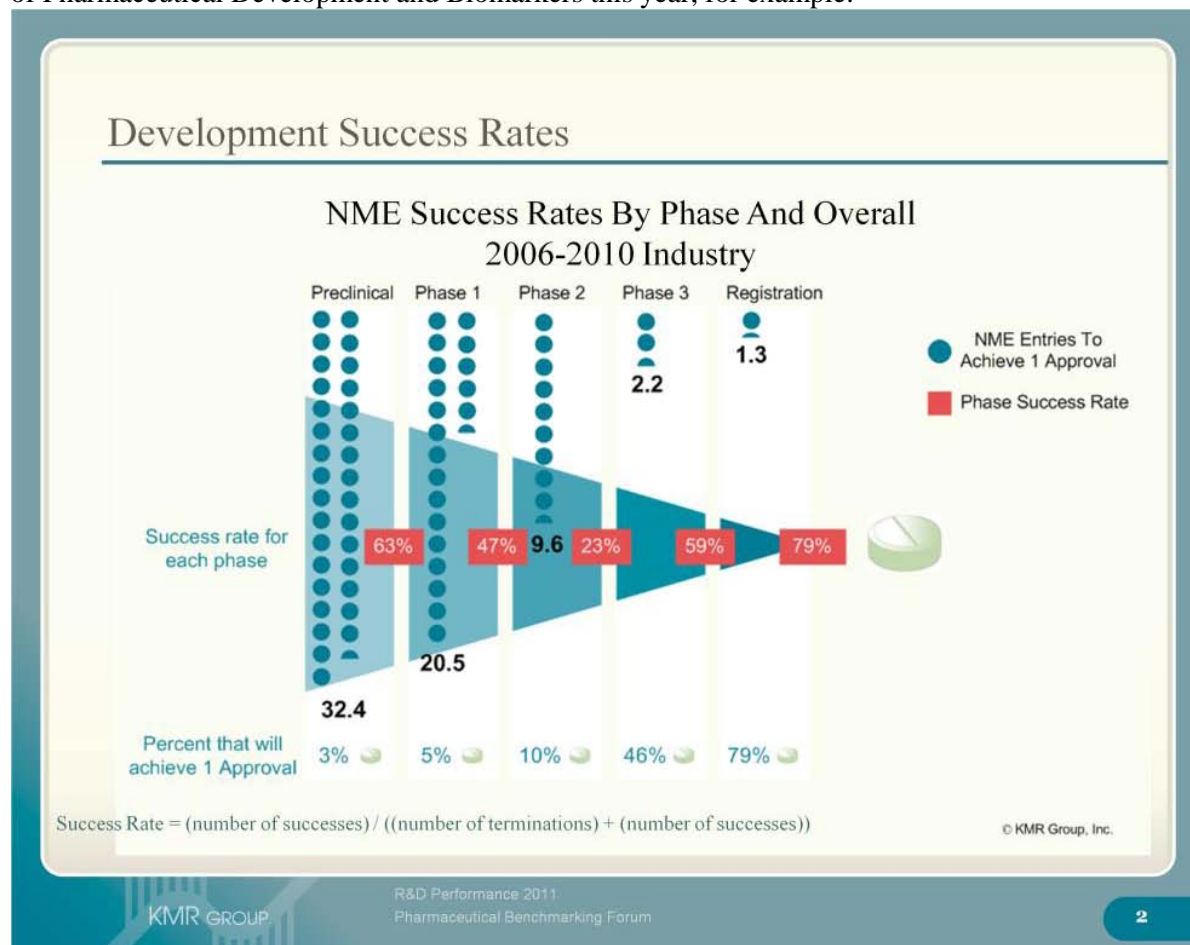
## **PHARMACEUTICAL BENCHMARKING FORUM'S SUCCESS RATE DATA ILLUMINATES CHALLENGES TO R&D INDUSTRY**

CHICAGO, Illinois, January 9, 2012 - Only 10% of molecules that enter Phase II will reach market, according to recent analysis by the Pharmaceutical Benchmarking Forum (PBF). And that is on top of growing attrition rates in earlier phases – for preclinical and initial human studies – that make the overall challenge of bringing drugs through Development even greater.

This analysis is based on very detailed data from the PBF -- which consists of the leading pharmaceutical companies -- and offers the most reliable foundation for understanding rates of success. It covers all therapy areas and examines the industry's performance over the most recent 5 years.

According to Scott Martin of KMR Group, the firm facilitating the analysis, "there are important underlying differences for individual companies, particular therapy areas, and depending on molecule size, but the overall figures clearly underscore the growing risk confronting the R&D industry. A critical question for each company is how best to mitigate that risk, and it is illuminating to compare how each is answering that question."

Founded in 1997, the PBF is the Industry's premier source for R&D analytics. In 2011 the following submitted data for this analysis: Abbott, AstraZeneca, Bayer, Boehringer Ingelheim, Bristol-Myers Squibb, Eli Lilly, GlaxoSmithKline, Johnson & Johnson, Merck Research Labs, Novartis, Pfizer, Roche, and Sanofi. The PBF examines performance for areas within R&D as well, with potential detailed studies of Pharmaceutical Development and Biomarkers this year, for example.





#### Notes to Analysis:

“Industry” means all data from contributing companies is combined into single analysis (as if they were a single company).

All in-licensed/acquired NMEs excluded from calculation for the phase in which they entered.

Method to calculate Success Rate:  $(\text{number of successes in phase}) / ((\text{number of terminations in phase}) + (\text{number of successes in phase}))$

Method to calculate Percent that will achieve 1 Approval: apply multiplier method for each phase (e.g., Phase 2 rate starts with industry portrait Phase 2 success rate and multiplies all subsequent phase success rates to obtain 10%)

#### About KMR

KMR has been working exclusively in the biopharmaceutical R&D industry since the early 1990s. KMR is a leader in benchmarking, analytics and performance management. With an exclusive focus on biopharmaceutical R&D and unrivaled commitment to data quality, KMR provides industry with the experience and knowledge to produce clear and uncompromising results in the form of reports, tools and presentations. We use our extensive, unparalleled datasets and experience within the industry to add value to the most pressing business questions. Please visit our website at <https://www.kmrgroup.com>

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