For immediate release:

Annual R&D General Metrics Study Highlights
New Success Rate and Cycle Time Data

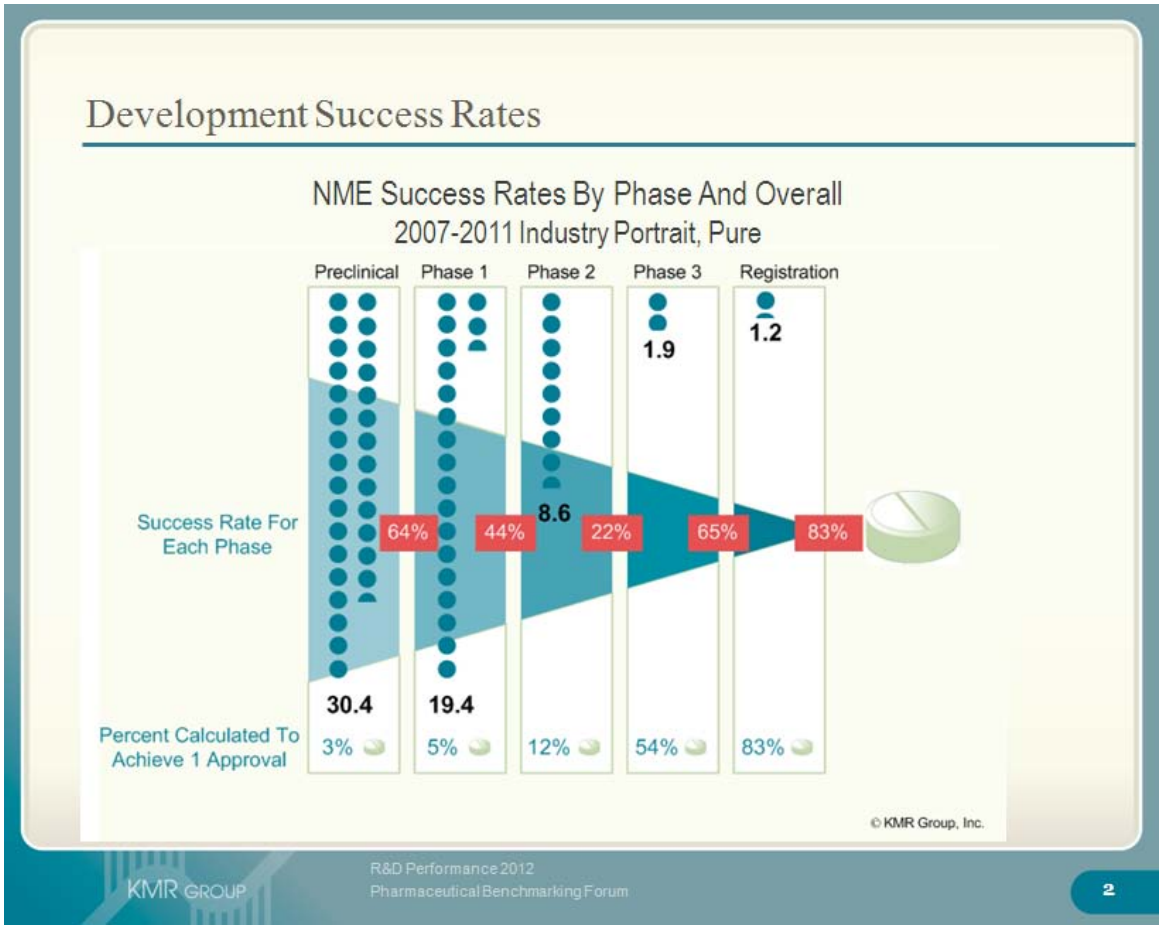
CHICAGO, Illinois, August 8, 2012 – Only 12% of molecules that enter Phase II will reach market, according to recent analysis by the Pharmaceutical Benchmarking Forum (PBF). This is an overall rate; there are certain types of molecules where success is more likely, and there are certain companies that have been able to consistently achieve higher Late Development success.

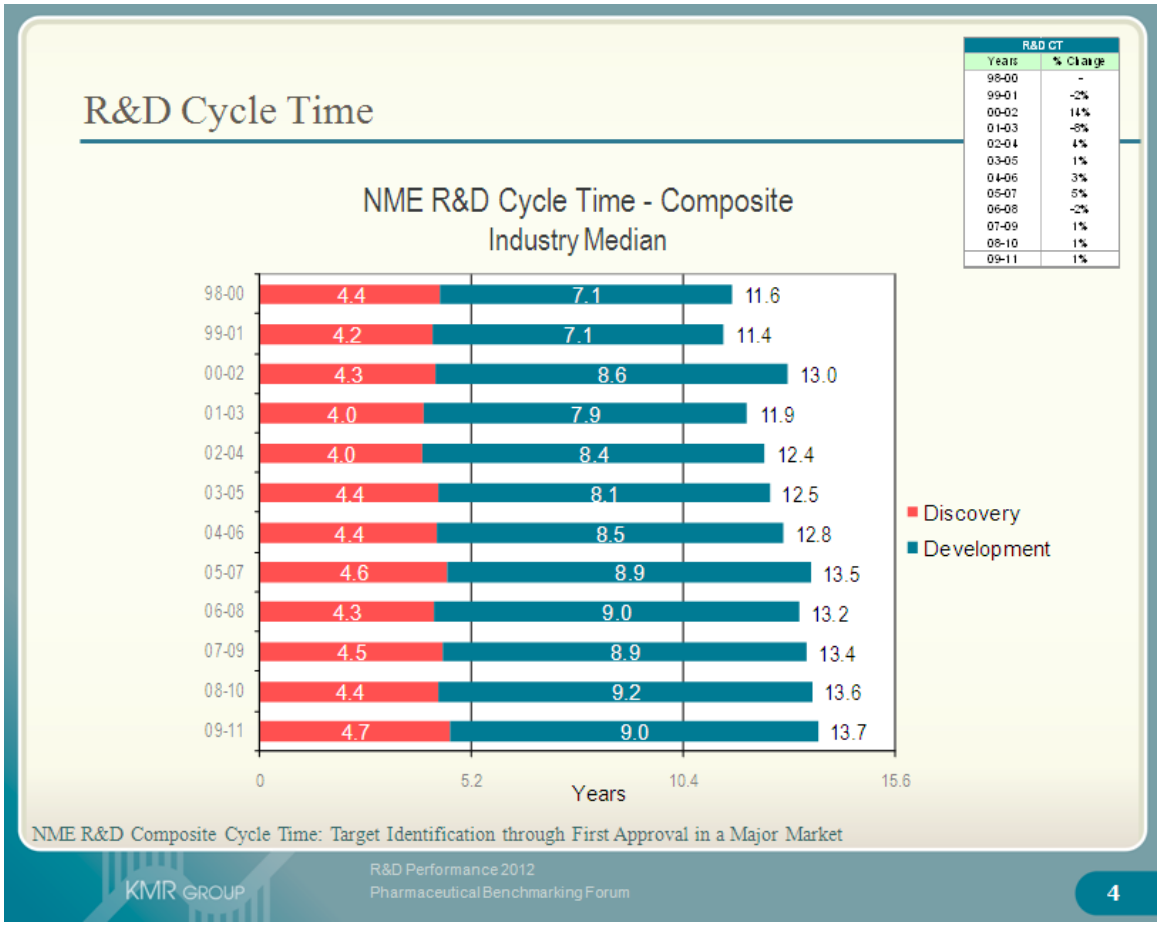
At the same time, the full R&D process is requiring 13.7 years to complete.

These analyses are based on detailed data from the PBF -- which consists of the leading pharmaceutical companies -- and offers the most reliable foundation for understanding rates of success as well as cycle times at the molecule and project (or indication) level. It covers all therapy areas and both small and large molecules.

According to Linda Martin of KMR Group, the firm facilitating the analysis, "the success rate and cycle time analysis are critical factors in understanding overall R&D performance. There are important underlying differences for individual companies, particularly in certain TAs and based on molecule size, but the overall figures reveal the continuing challenges confronting R&D."

Founded in 1997, the PBF is the Industry's premier source for R&D analytics. In 2012 the following submitted data for this analysis: Abbott, AstraZeneca, Bayer, Boehringer Ingelheim, Bristol-Myers Squibb, Eli Lilly, Johnson & Johnson, Merck Research Labs, Novartis, Novo Nordisk, Pfizer, Roche, and Sanofi. The PBF examines performance in focused areas within R&D as well, such as this fall's detailed study of the cost of Drug Development projects.





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: (number of successes in phase) / ((number of terminations in phase) + (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 12%)

Composite means: cycle time results for all R&D phases are combined based on NMEs which completed the phase in the given 3-year period.

R&D cycle time means all phases of Discovery (assay development, screening, optimization) and Development.

About Pharmaceutical Benchmarking Forum
Formed in 1997, the Pharmaceutical Benchmarking Forum (PBF) consists of many of the world's leading pharmaceutical companies and has emerged as the Industry's premier source on R&D performance metrics. Its focus is to employ careful analysis of R&D data to compare performance, examine Industry trends, answer critical business questions, and identify best practices. The scope of the Forum extends across the full R&D spectrum, from a detailed examination of Discovery to an annual review of R&D performance, including productivity, success rates, cycle time, and pipeline. In addition to its flagship study on R&D performance, the PBF sponsors additional studies on topics of interest to the Industry. These specialist studies range from the evaluation of project cost to an in-depth look at biologics R&D.

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 as well as a developer of proprietary analytics software. 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://kmrgroup.com

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