## Workshop
## Marketing a cancer drug

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### Trends in the oncology market

Europe/ RoW compared to US

Marketing cancer drugs successfully

Leveraging 1st mover advantage

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## Oncology market

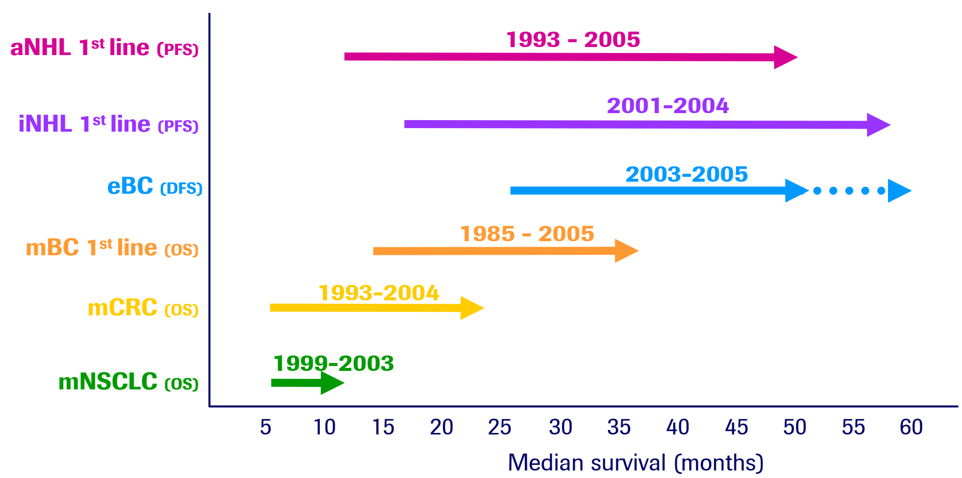
*Recent developments and emerging trends*

- Substantial improvement in survival in recent years
- Cancer under-funded, yet many new therapies are cost-effective
- Efficacy hurdles are increasing – larger, longer and riskier trials
- Emerging combination of targeted therapies – no chemo



## Cancer treatment outcomes

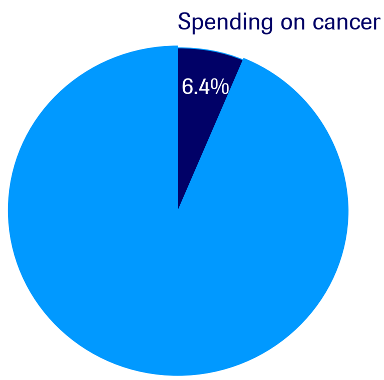
*Substantial treatment progress in recent years*



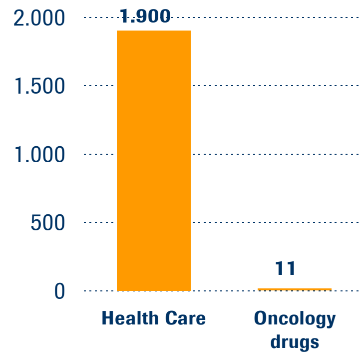
## Cancer is under-funded

*Oncology drugs account for 0.5 % of health care costs*

**Healthcare costs (drugs, hospital care etc.)**




**Average costs per inhabitant and year (EU)**




Source: A pan-European comparison regarding patient access to cancer drugs, Karolinska Institute
Spending figures from 2002/ 03

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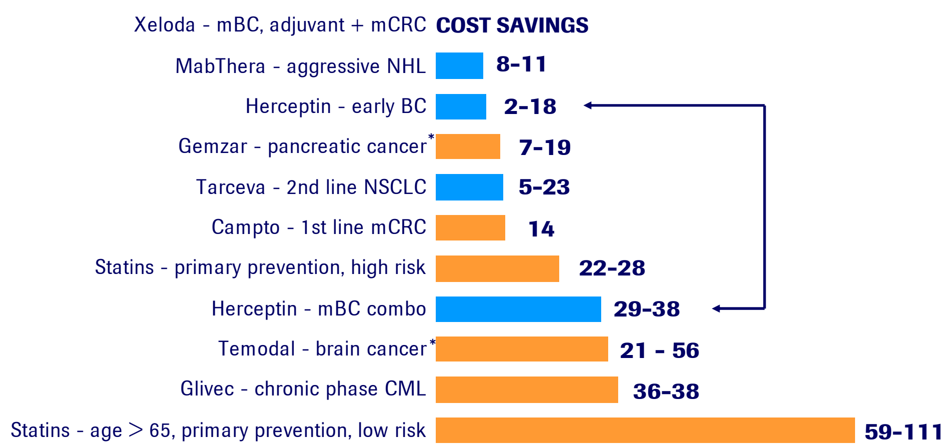
## Many targeted therapies are cost-effective

*Favorable comparison to other products*

**Cost per QALY for selected drugs (UK data – NICE/SMC)**




** per LYG*

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## Efficacy hurdles are increasing

*Longer timelines, higher costs, higher risk*

| Trial | Design | N of pts | Start | Approval | Remarks |
|---|---|---|---|---|---|
| Herceptin HERA | Chemo ± Herceptin | 5,090 | Q4 '01 | May '06 (EU) | Approval based on interim data |
| Lapatinib APHRODITE | - Herceptin 1 yr<br>- Lapatinib 1 yr<br>- Lap 6 mths, Her 6 mths<br>- Her + Lap 1 yr | ~8,000 | 2006/07 | 2012+ | Longer timelines; higher risk |
| AVANT | FOLFOX ± Avastin, XELOX + Avastin | 3,450 | Q4 '04 | Post 2009 (EU) | Two thirds of patients enrolled |
| Panitumumab Colon adjuv | FOLFOX+Avastin ± Panitumumab | ~3,000 | Q1 '07 | 2014+ | Longer timelines; higher risk |



## New horizons - targeted therapy without chemo

*Avastin Tarceva combination in lung cancer*

| Parameter | Chemo (n=41) | Avastin + chemo (n=40) | Avastin + Tarceva (n=39) |
|---|---|---|---|
| **PFS** | | | |
| Median (months) | 3.0 | 4.8 | 4.4 |
| 6-month (%) | 21.5 | 30.5 | 33.6 |
| adjusted HR | | 0.66 (0.38-1.16) | 0.72 (0.42-1.223) |
| HR | | 0.78 (0.47-1.30) | 0.76 (0.45-1.28) |
| **OS** | | | |
| 6-month (%) | 62.4 | **72.1** | **78.3** |
| **RR** | | | |
| CR/PR (%) | 12.2 | 12.5 | 17.9 |
| CR/PR/SD (%) | 39.0 | 52.5 | 51.3 |

Fehrenbacher, abstract 7062, ASCO 2006

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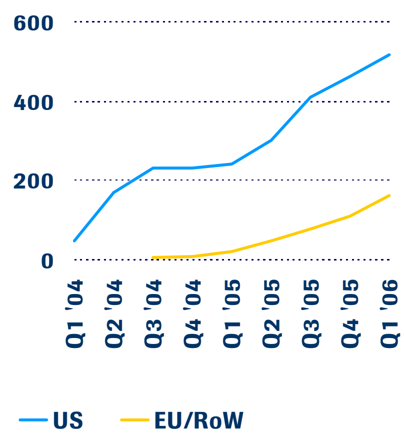
## Oncology launches – US compared to EU/ ROW

*Reasons for faster uptake in US*

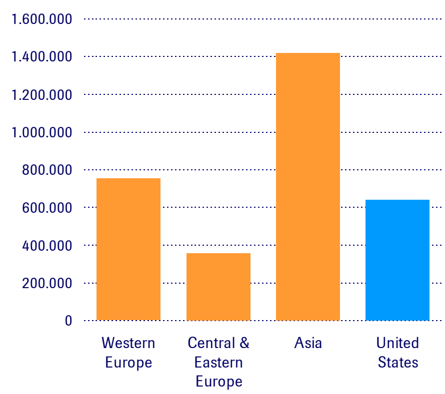
Avastin sales (CHF m)



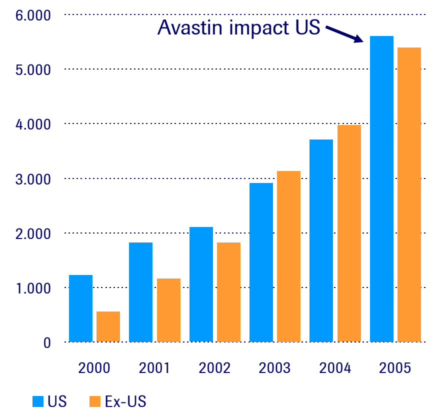

- Approval in US often ahead of EU/ RoW
- Physician attitude: rapidly adopting new treatment options
- Reimbursement of new indications ahead of approval possible
- Better funding for health care/ oncology

## EU/ ROW long-term market potential
*Ultimately higher than US*

**Global Incidence of major cancers (000)** [1]




**Roche Group oncology sales (CHF m)** [2]




[1] Breast cancer, Lung cancer, colorectal cancer; Source: Globocan
[2] Includes MabThera/ Rituxan, Herceptin, Avastin, Tarceva, Xeloda, NeoRecormon (oncology), Kytril, Bondronat

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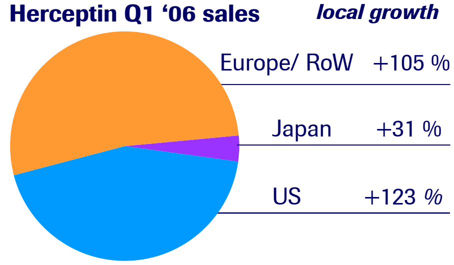
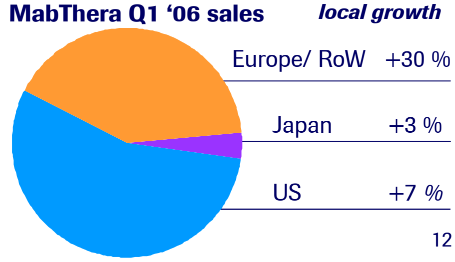
## EU/ ROW long-term market potential
*Further enhancing performance*

- Significant upfront investments: Avastin, Tarceva
- Action plan for MabThera in 2003 – now catching up with US
- Increased focus on other stakeholders: payers, patients etc.
- Action plans for fast growing markets: Central and Eastern Europe, Asia etc.

**Herceptin Q1 '06 sales** *local growth*




**MabThera Q1 '06 sales** *local growth*

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## Marketing cancer drugs successfully
*Integration of R&D and Marketing*

**R&D – differentiated products**

- Right clinical candidate
- Early identification of clinical benefits
- Speedy development
- Pharma/ Diagnostics integration
- Result: innovative treatments for a well defined group of patients

**Marketing – fast uptake**

- Early pre-marketing
- Tactical focus: Opinion Leaders, EAP's/ Phase IV, Patients and Funding, Medical Education
  - data driven market
- Strong Lifecycle management
- Shaping treatment algorithms

**Outcome: treatment standards established well ahead of competition**

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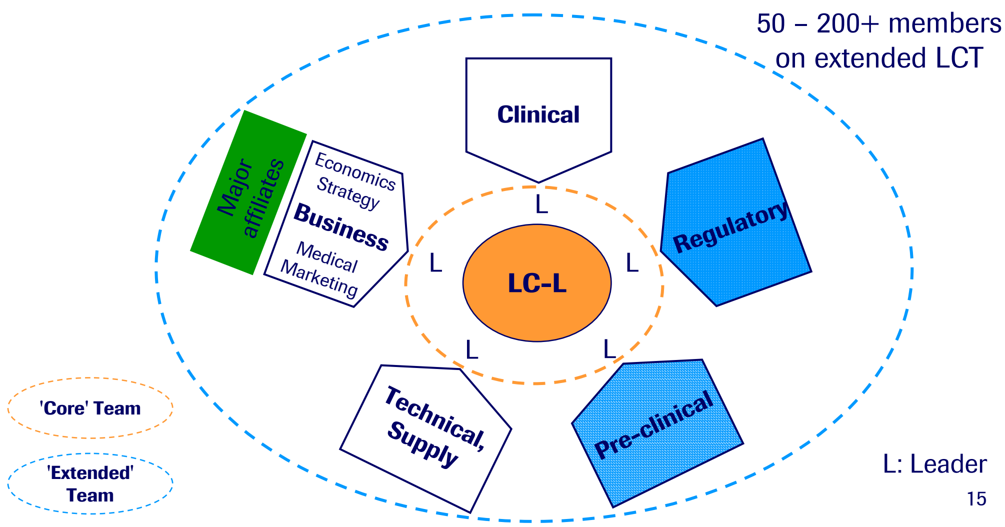
## The Roche Life Cycle Teams (LCT)

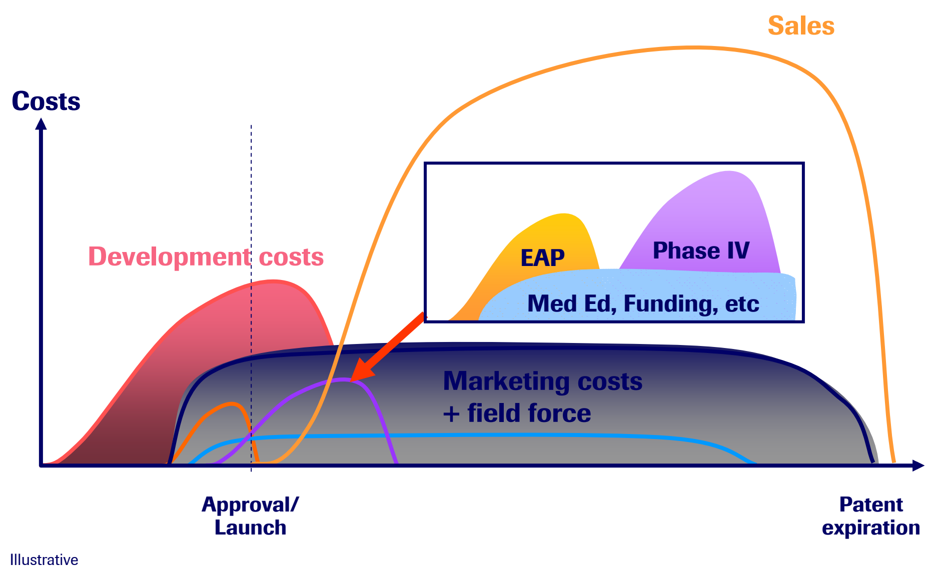
*In charge from late stage development onwards*






## Lifecycle of a product or major indication

*Increase in profitability over time*



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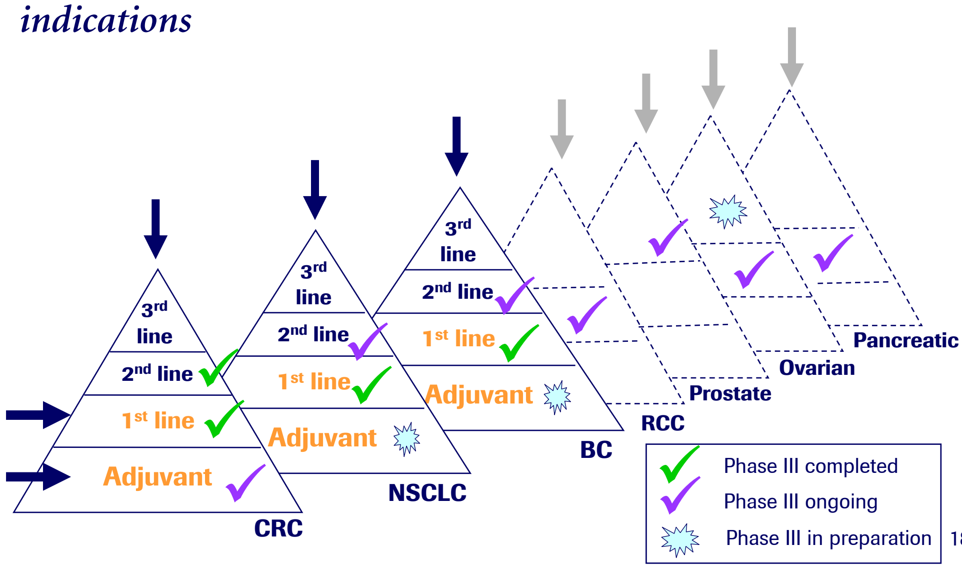
## Avastin development overview

*Substantially ahead of competition in all relevant indications*



## Leveraging 1st mover advantage

*Hurdles for competitors are increasing*

- Roche Oncology – **setting new treatment standards** through impressive clinical trial results and fast uptake
- **Hurdles to penetrate major indications are increasing**
  - studies often require integration of Roche products
  - difficult to show incremental benefits
  - timelines are increasing (larger sample size needed)
  - studies expensive to conduct
- **Roche drugs define current and future treatment algorithms**
  - own development efforts (e.g. Avastin/Tarceva combo in Lung Ca, Avastin/ Herceptin in Breast Ca and Avastin/ Xeloda in CRC )
  - competitor development efforts: Roche drugs included in reference arm (example: CRC trials with Chemo-Avastin backbone)



## Summary and conclusions

*Strong growth potential & sustainable competitive advantage*

- Significant therapeutic benefit and good ‘value for money’
- Appropriate oncology funding will support growth
- Initiatives ongoing to leverage ex-US potential
- Comprehensive marketing approach and organizational set-up
- Significant 1st mover advantage leveraged through development & marketing efforts