



# Schering Canada

## Proud of Its Tradition #1

Talking with Linda Zhou,  
President & General Manager,  
Schering Canada

**Please review  
your career path  
to date, leading to  
your appointment  
as President of  
Schering Canada.**

I was appointed to my position as President of Schering Canada after nine years with Schering-Plough in a series of developmental assignments. I worked in U.S. Business Units and Corporate Headquarters in staff functions, such as Finance, and in front-line positions, including sales management. Schering has a fantastic entrepreneurial environment in which people with initiative can contribute to the fullest level of their potential.

During the first nine years with Schering-Plough, I gained valuable experience working with colleagues in virtually every area of the company—sales, marketing, manufacturing, research, business development, strategic planning, and many more. I also had the opportunity to manage increasing numbers of talented staff. The appointment as President of Schering Canada three years ago was the culmination of my experience to date. It offered the perfect opportunity to combine all of the knowledge I had obtained and to manage Schering as an integrated company in a highly competitive market.

**Please give us an overview of Schering's current therapeutic focus.**

Our core human health franchises are grouped into:

- Primary Care, which includes all of our allergy and respiratory products;
- Specialty Care, comprised of infectious disease, anti-inflammatory, and oncology;
- Strategic Partnerships, for cardiovascular medicines; and
- Consumer Health Care, which markets familiar household brand names like Dr. Scholl's® and Coppertone®.

In addition, we also market a broad range of animal health products.

We are very excited about our latest advance in allergy treatment—Aerius®, which is effective for a full range of allergy symptoms, including nasal congestion. Aerius is now available as an over-the-counter medicine and initial consumer demand has been tremendous.

Our hepatitis C business continues to lead the Canadian market, with our focus on efficacy through individualized care for patients. We are introducing a new RediPen® device in Canada that will provide patients with the proven efficacy of Pegatron® in an easy-to-use pen. This device will have a positive impact on patient compliance by enabling simple and accurate dosing and eliminating the use of syringes.

Remicade®, one of the company's growth drivers, anchors our anti-inflammatory business. It is in a new class of drugs known as anti-tumour necrosis factor (anti-TNF) inhibitors and currently has two

*“The biggest challenge for our industry will be to ensure all companies obey the same ground rules... this is essential if we are to improve our public image and ensure a level competitive playing field.”*



From left to right: Liette Landry, Director, Oncology Business Unit; Bruno Mader, Vice-President, Remicade® Business Unit; Linda Zhou, President & General Manager; Curtis Bamber, Director, Virology Business Unit; Gary Thiessen, Vice-President, Primary Care Business Unit.



Remicade® is Schering Canada's flagship product, indicated for Crohn's disease and rheumatoid arthritis. In 2000, it was awarded the prestigious Prix Galien International Award.

approved indications in Canada:

- rheumatoid arthritis, and
- Crohn's disease, a serious gastrointestinal disorder.

Oncology continues to be a key therapeutic focus, with a number of important medicines providing a strong Schering Canada presence in the anticancer marketplace. Among our marketed products are:

- Temodal®, for certain types of brain tumours;
- Caelyx®, for treating advanced ovarian cancer patients in whom first-line therapy has failed, for treatment of metastatic breast cancer in patients at increased cardiac risk, and for treating AIDS-related Kaposi's sarcoma.

Another important component of our oncology portfolio, Intron A®, has been approved for several indications in Canada, including adjuvant treatment to surgery in patients with malignant melanoma.

In June 2003, we marked Schering Canada's entry in the cholesterol management market with the launch of Ezetrol®. Ezetrol is the first in a new class of cholesterol-lowering drugs. It inhibits the intestinal absorption of cholesterol and complements the activity of statins, the most widely prescribed treatment for high cholesterol. Ezetrol has presented an exceptional opportunity for Schering Canada.

## What are Schering's goals for the next few years, from a commercial viewpoint?

We want to continue growing our major promoted products and maximize opportunities in our core businesses, including allergy and respiratory, hepatitis, anti-inflammatory, oncology, and cardiovascular. We also want to maintain our high level of in-market performance. At Schering Canada, we talk about a tradition of being #1. We know that we can compete against larger pharmaceutical companies because of our development of talent in the organization, the value of our products to doctors and patients, and our intensely focused approach to our key markets and key customers.

During the first half of 2004, we simultaneously achieved two of our most important *Tradition #1* milestones. We led in both top-line sales and bottom-line profits among Schering-Plough's core countries and became the fastest growing Rx drug company in Canada. We also occupy No. 1 market share position for 15 of our promoted products. Our employees are enormously proud of these *Tradition #1* achievements, which have become a driving force for the entire company.

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## What has been Schering's role in the launch and marketing of Ezetrol with Merck Frosst?

Ezetrol was actually discovered by Schering-Plough scientists and is marketed and sold by Merck Frosst/Schering Pharmaceuticals (MFSP), which is part of a worldwide joint venture between the two companies. It is an alliance of equals. The partnership's management team includes employees from both companies and we co-promote equally. The product is packaged at Schering Canada's manufacturing plant in Pointe-Claire.

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## What new products will you introduce in the coming years?

The successful life cycle management of Remicade in Canada will continue with new, expanded labeling for current indications and new indications for various forms of inflammatory diseases.

In the coming months, we also look forward to launching Subutex®, a product used for treating opiate dependency.

The next major product of the Merck Frosst/Schering joint venture will be a single pill containing Ezetrol and Merck's statin, Zocor®. This combination product has just been launched in the U.S. under the trade name, Vytarin®.

Scientists at the Schering-Plough Research Institute have employed state-of-the-art molecular design tools to develop a next-generation compound to treat hepatitis C virus. The compound is a protease inhibitor that may be combined with current therapies to create the kind of multidrug cocktail that has proved to be so effective against HIV. The oral compound is in early clinical trials.

Important advances are also being achieved in other areas of anti-infective research. We have an antifungal which is currently in late-stage trials and will be used to treat a variety of serious invasive fungal infections.

Schering-Plough is also engaged in breakthrough work in the field of HIV infection with a CCR5 receptor antagonist. The compound, which is one of a new class of drugs known as entry inhibitors, is in Phase II clinical trials being conducted at medical centres here in Canada, as well as in the U.S. and Europe. Unlike existing HIV drugs that work inside the cell, the CCR5 receptor antagonist blocks HIV before the virus has a chance to enter the cell.



Left to right: Adam Olmstead, Product Manager, Aeries®, Rx; Ingrid Power, Product Manager, Aeries®, OTC; Drew Young, Marketing Director, Primary Care Business Unit

**Please discuss the challenges of marketing a product such as Remicade in the Canadian marketplace?**

*“I am an unapologetic proponent of the benefits of increasing investment in appropriate use of pharmaceuticals, as this is one of the most cost-effective ways of improving health care.”*

Remicade is our flagship product. In just three years on the Canadian market, it has changed the course of treating two debilitating diseases and brought life-changing benefits to patients.

Very early on, our Remicade team at Schering Canada recognized the need to develop new strategies and new thinking for a novel medicine. We decided to adopt a “market access marketing” approach, rather than simply relying on more typical strategies. That meant listening to our customers, understanding their needs and motivations, building relationships with patient stakeholder groups, and seeking opportunities for partnership with health authorities.

With Remicade, we learned how important it is to understand the profile or “DNA” of our brand and the implications for its interaction with the health-care system. Only this level of understanding enables you to translate such brand DNA into unique, sustainable advantages through innovative marketing programs and market access strategies.

For example, the most significant challenge to Remicade in Canada was its infusion mode of administration. We turned this into an advantage by creating an “infusion revolution”. We developed a nationwide infusion network in partnership with existing medical clinics and supported by dedicated professionals who work closely with physicians to ensure a seamless continuum of care. The Canadian model has been recognized as best practice throughout Schering’s global organization.

To assist patients with insurance coverage for Remicade, we implemented RemiCARE®. Together, these and other programs form our market access marketing approach.

Through our successful launch and differentiation strategies, the Remicade brand now encompasses not just a scientific breakthrough drug, but also a package of value-added services designed to enhance drug delivery, access, and patient compliance. What we are also seeing develop with Remicade is an evolving model of disease management through market access marketing.

Looking back, I am convinced that Remicade has, in many ways, become a benchmark for biologic therapies. Members of our team who have been with Remicade from Day 1 know better than anyone that there is still tremendous upside potential for this brand. We are expecting approval of new indications in Canada for chronic diseases such as ankylosing spondylitis and for maintenance treatment of fistulizing Crohn’s disease.

## How have the new Rx&D guidelines impacted your commercial activities?

Because we already have a Global Compliance and Business Practices Program that applies to every aspect of our operations, including business ethics, adopting the revised Code of Marketing Practices has not affected the way we conduct our business. The Code will require member companies of Rx&D to be more vigilant in planning CHE programs and organization of hospitality extended to health-care professionals. In my opinion, the biggest challenge for our industry will be to ensure that all companies obey these same ground rules. This is absolutely essential if we are to improve our public image and ensure a level competitive playing field.

## What are the major issues currently facing Schering and the Canadian pharmaceutical industry?

Over the past three years, Schering-Plough Corporation in the U.S. has experienced an unusual convergence of regulatory, legal, and marketing challenges that required us to undertake transformational change currently underway with new leadership, a five-stage Action Agenda, and a corporate mission to *Earn Trust, Every Day*. The New Schering-Plough is taking shape.

Within the highly politicized environment surrounding pharmaceuticals in Canada, the issue of most concern to me is the need to recognize medicines as the best value in health care. All too often, public debate about prescription drugs is focused on cost of drugs rather than cost of disease. We must continue demonstrating that medicines are the most cost-effective investments in health care and whose dividends include avoidance of more costly and invasive procedures and, most importantly, more productive citizens with a higher quality of life.

Remicade, among countless examples of drugs, has demonstrated its value by enabling patients to free themselves from dependence on disability insurance, return to work, pay taxes, and live normal and productive lives.

We also need to reverse the growing trend toward industry bashing. I am an unapologetic proponent of the benefits of increasing investment in appropriate use of pharmaceuticals, as this is one of the most cost-effective means of improving health care for all Canadians. I am also extremely proud to work in an industry that generates economic growth and jobs in Canada and benefits everyone in society through the development, manufacturing, and delivery of products that improve and save lives. **CPM**



Sabrina Marmouz, Laboratory Technician in quality control, working on an extraction assay in Schering Canada's FDA-certified manufacturing facility at its Pointe-Claire site. Over 400 employees work in manufacturing operations and quality assurance, producing 300 million tablets annually for domestic and international markets.