

MERCK FROSST

Longevity & Credibility

Talking with André Marcheterre, President, Merck Frosst Canada

From left to right: Gisèle Nakhlé, Health Science Services,
André Marcheterre, President of Merck Frosst,
Guylaine Fecteau, Manager, Customer Focused Logistics,
and Dr. Gary O'Neill, Director, Biochemistry

Please outline your career path that led to your appointment as President of Merck Frosst?

Soon after graduating from the University of Ottawa with a Bachelor's degree in Administration, I joined Merck Frosst in 1977 as a professional sales representative. I subsequently held positions in Marketing, Sales and Government Affairs. In 1995, I was promoted within the U.S. Human Health Division of our parent company, Merck & Co., Inc. where I was Vice-President, Mid-Atlantic Region Business Group. I came back to Canada in my current position in December 1996. I have since had the privilege of leading Merck Frosst Canada, one of the country's leading research-based pharmaceutical companies with approximately 1,900 employees across the country.

What changes do you foresee in the way pharmaceutical companies communicate with physicians in Canada in the future?

My vision for the future of communications between pharmaceutical companies and health professionals is deeply rooted in evidence-based medicine. I believe that our role will evolve towards the development, implementation and communication of educational and pharmacoeconomic disease management programs to position innovative pharmaceuticals as effective in providing the best care for the most people at the best cost. Our strategy is to close the care gap caused by four impediments to optimal care: poor policy, poor diagnosis, poor prescribing and poor compliance. We will contribute to this by establishing multi-disciplinary partnerships with key health-care stake-



André Marcheterre,
President of Merck Frosst

holders, including physicians, governments and academia, to improve health outcomes and demonstrate the value of medicines for patients.

Do you believe that direct-to-consumer advertising will become a viable entity in Canada? Will it differ from the U.S. approach and how?

Unlike the situation in the United States, current legislation governing direct-to-consumer advertising (DTCA) of brand name prescription medicines in Canada permits pharmaceutical companies to mention the following in their ads: name of the product, its price and quantity. Pharmaceutical companies may also

conduct disease-awareness campaigns under current legislation.

At Merck Frosst we believe that patients should have access to information related to all facets of health. The goal of advertising prescription medicines would be to raise awareness of effective therapies and improve the overall health by helping Canadians recognize early symptoms and informing them about potential treatment options. Direct-to-consumer advertising would help address a serious public health problem: the under-diagnosis and under-treatment of disease. We support a regulated approach to direct-to-consumer pharmaceutical advertising where the following guidelines would be applied:

- All DTCA advertising would be pre-screened and approved by an appropriate independent review agency qualified and experienced in reviewing pharmaceutical advertising to ensure that information is balanced, accurate and comprehensive,
- Patients would be encouraged to discuss a health problem with their health-care providers prior to asking for a medication,



- Patients be informed of alternate, third-party information sources (*i.e.*, appropriate disease associations or health-care provider groups) for general information about the condition and other available treatment options,
- Comparisons between different medicines be forbidden, as would any advertising of price, to ensure information is balanced and focused on the medication's benefits and risks,
- No DTCA advertising be permitted until six months after a new product's approval, to ensure that health-care providers receive the necessary information first.

What role does Rx&D play in maintaining proper business ethics of its member companies? Will this role change in the future and how do you see it evolving?

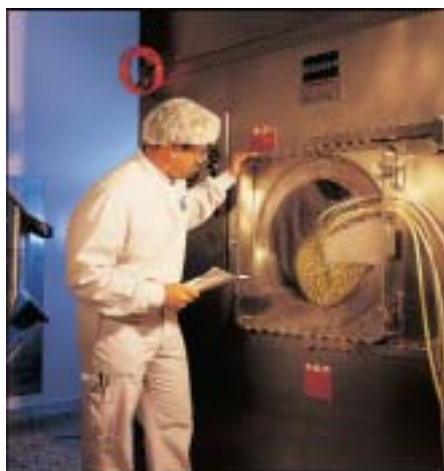
New Products Merck Expects to launch

- **INVANZ™:** a new long-acting parenteral carbapenem antibiotic.

- **ARCOXIA™:** a new, highly selective coxib.

- **ZETIA™:** a new cholesterol absorption inhibitor (in partnership with Schering Plough Pharmaceuticals.)

The role of Rx&D in ensuring that the industry upholds the highest standards of ethics is extremely important. The Code of Marketing Practices developed by Rx&D is a public affirmation by Rx&D members to adhere to ethical principles in the marketing of medicines. All member companies must comply to the spirit and letter of this code. In this era of exploding health-care costs, it is critical for our industry to understand that the only sustainable way to ensure that Canadian patients have access to our innovative pharmaceutical products is for our companies to use evidence-based medicine and responsible marketing practices.



Medicines Merck plans to file or introduce by 2006

- **KRP-297**: for the treatment of diabetes and diabetic dyslipidemia.
- **Substance P Antagonist, MK-869**: for depression and for acute and delayed chemotherapy-induced nausea and vomiting (CINV).
- **Human Papillomavirus Vaccine (HPV)**: to prevent HPV infection which leads to the development of cervical cancer.
- **Rotavirus vaccine**: for the prevention of infant diarrhea and dehydration caused by rotavirus.
- **Phosphodiesterase-4 Inhibitor**: for the treatment of asthma and chronic obstructive pulmonary disease (COPD).
- **GABA-A $\alpha 2/\alpha 3$ Angonist**: for the treatment of anxiety.
- **HIV Integrase Inhibitor**: a novel way to treat HIV/AIDS infection.
- **HIV vaccine**: to treat HIV/AIDS infection.

In embracing the spirit of ethical values, Merck Frosst has developed its own Code of Conduct for Customer-Related Activities to ensure that employees constantly demonstrate high ethical standards of practice.

Do you foresee further mergers in Canada and will Merck be part of such mergers?

The President and C.E.O. of Merck & Co., Ray Gilmartin, has gone on record on numerous occasions to the effect that Merck is not looking for a merger. Our strategy for growth is focused on internal research and strategic alliances. As for the rest of the industry, all I can say is that we have seen a lot of consolidation lately and it is obvious that mergers are the preferred growth strategy of some of our competitors. CPM