

AN ACTION-DRIVEN CULTURE:

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How Aventis Pharma Intends to Move Forward

CPM talks with Jean-François Leprince, President, Aventis Pharma Inc., Canada, about mergers, corporate strategy and the future of the pharmaceutical industry.

Aventis Pharma was created in December 1999 through the merger of Hoechst Marion Roussel and Rhône-Poulenc Rorer. In the time since the merger, how has the company developed?

During our first year of operation, we made remarkable progress as a newly-focused company, both on a global and local level. From a Canadian perspective,



Jean-François Leprince
President, Aventis Pharma Inc., Canada

we integrated our former companies into Aventis at an incredibly fast pace, becoming the first country within the Aventis family to complete its integration process. In terms of financials, we achieved double-digit sales growth compared to 1999, thereby making a significant contribution to Aventis' success in North

America. By the end of 2000, we had completed a \$10-million expansion at our Laval site, increased our sales force, and were ranked among the top 10 pharmaceutical companies in Canada.

Why was the merger necessary?

The merger was necessary to increase our market presence in the U.S.—the world's largest market for pharmaceuticals. While both Hoechst and Rhône-Poulenc had a strong market presence in Europe, both companies were weaker than their competitors in the U.S. The merger has allowed us to become one of the major global players, a condition necessary to continue to fund our vast research and development initiatives.

How is Aventis now structured, both globally and in Canada?

Currently, Aventis consists of two major business sectors: Aventis Pharma, which comprises the prescription drugs, human vaccines and therapeutic proteins businesses, and Aventis Agriculture, operating in the areas of crop protection and production,

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Career Focus

During his 30 years in the pharmaceutical business, Jean-François Leprince has never once switched allegiance from one company to another. Consecutive rounds of industry consolidation, however, make him feel like a veteran of change.

I began my career with Dow France as a sales representative in 1971, just after graduating with a degree in chemical engineering. Six years later, I took on expanded responsibilities as regional marketing manager for Dow Europe. The chemical company's diversification into pharmaceuticals gave me an opportunity to switch gears in 1979, when I joined Dow's pharma subsidiary, Gruppo Lepetit, as general manager for the Benelux. The 1980s took me further afield, this time to Switzerland, where I held top managerial positions, first in Merrell Dow's Mideast-African operations and, later, in the company's European pharmaceutical business.

It was back to France in late 1989, to serve first as commercial director for Marion Merrell Dow France and soon afterwards as president, a position I held for four years.

Following the Hoechst acquisition of Marion Merrell Dow in 1995, I was appointed general manager of Cassenne-Marion Solymès, one of three operational units of Hoechst Marion Roussel in France. In 1998, I accepted my first North American assignment—president of Hoechst Marion Roussel in Canada—a position I held until 1999 when I became president of the new Aventis Pharma organization in Canada.

My experience in this series of corporate mergers has left me convinced that a newly forged company must do more than simply salvage what is best from its legacy companies. True, it must preserve a core ideology formed through a unique set of values, but it must also have the ability to manage continuity and change at the same time using a very ambitious goal as a unifying focal point. That is our mission at Aventis Pharma.



animal nutrition and animal health. With global corporate headquarters in Strasbourg, France, Aventis employs over 92,000 people in more than 100 countries and recorded net group sales of \$31 billion Cdn in 2000.

In Canada, Aventis has over 2,000 employees and operates under five distinct entities: Aventis Pharma, with its head office in Laval, Quebec; Aventis Pasteur, with its head office in Toronto, Ontario; Aventis Behring, based in Ottawa, Ontario; Aventis CropScience, with its head office in Regina, Saskatchewan; and, Aventis Animal Nutrition, with

offices in Ontario and Alberta. In November 2000, Aventis announced that it intends to focus on pharmaceuticals and plans to divest itself of its activities in crop science and animal nutrition. The animal health business will then become part of the core business of Aventis Pharma.

What are some of Aventis Pharma's biggest accomplishments to date?

Again, speaking from a Canadian perspective, we successfully launched four new products in 2000—

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Arava® to treat rheumatoid arthritis, Synercid® for life-threatening infections, Rilutek® for amyotrophic lateral sclerosis and, in collaboration with P&G, Actonel® for post-menopausal osteoporosis. This is quite an achievement in a year when we were dealing with the significant challenges associated with creating a new organization out of a mega-merger. In addition to this, we achieved phenomenal success with our anti-hypertensive drug, Altace® (ramipril) as a result of the very positive findings of the Canadian-led Heart Outcomes Prevention Evaluation (HOPE) study. The HOPE results showed that ramipril reduced the risk of cardiovascular death by 25%, non-fatal heart attacks by 20% and non-fatal stroke by 32%.

These findings were so compelling that the results were released on the Internet two months before being officially published in the January 2000 issue of the *New England Journal of Medicine*. In the past 12 months, Altace sales have grown by 150% and the product is now the leading drug in its class in Canada in terms of both new and total prescriptions.

How does Aventis Pharma communicate with its partners in the health-care industry?

We use many of the same vehicles as other pharmaceutical companies. For instance, one-on-one relationships between our sales force and physicians are still our number one means of reaching this important target audience. The many CHE (continuing health education) programs in place to better serve the needs of health-care professionals complement these. Of course, the impact of technology on our lives has not gone by unnoticed. We are now dedicated to electronic communications, such as the

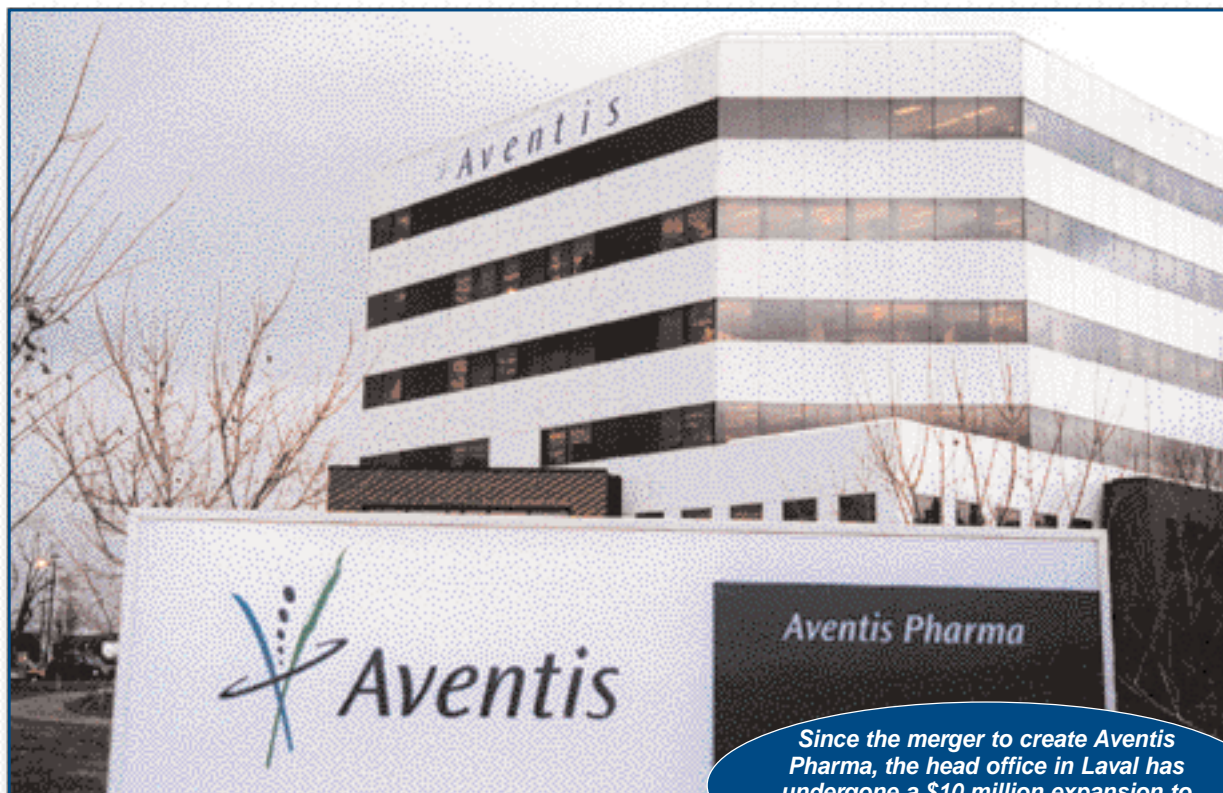


Altace has become the flagship product for Aventis Pharma, overtaking all other angiotensin converting enzyme (ACE) inhibitors to become the most prescribed product in its class in Canada.

Internet, as an important means of future communication with our primary stakeholders. This is an important mandate from a global perspective and Aventis Pharma is committed to establishing a clear e-business strategy that will place us among the leaders in e-business.

In addition to all this, we have another vehicle, unique to Aventis Pharma, that allows us to partner with the private health-care industry and promote constructive dialogue on the Canadian health-care system. This is *The Aventis Health-care Survey*, now in its fourth year and conducted on our behalf by Ipsos-Reid. Through a nationwide poll of Canadians with a group benefit plan, the survey gives employees a voice, and equips plan sponsors and managers with a diagnostic tool that helps them design cost-effective plans that meet employee needs and concerns. Feedback from our private health-care stakeholders indicates a high degree of satisfaction in the role we play in helping them make more informed decisions on group health-care benefits.

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Since the merger to create Aventis Pharma, the head office in Laval has undergone a \$10 million expansion to accommodate the increase in staff and distribution needs.

The completion of the Human Genome Project has opened many doors for the pharmaceutical industry. How will Aventis Pharma use this new information?

The mapping of the human genome has created a paradigm shift in R&D within the pharmaceutical industry. The race is now on to zero in on the molecular causes of disease, meaning that genetic characterization of patient populations is becoming an integral part of drug discovery and development.

It is to acknowledge the tremendous importance of this shift that Aventis Pharma sponsored the Feb. 15 issue of the renowned scientific journal *Nature*, with its special section on the results of the Human Genome Project. By supporting this historic issue and its 150 pages of research, analysis and comment, Aventis is underscoring its commitment to applying genomics to innovative drug discovery in the future.

An important first step in this regard was taken in the summer of 2000 when Aventis Pharma formed an alliance with the biotech firm, Millennium Pharmaceuticals, Inc. of Cambridge, Massachusetts, to work together in an equal partnership in the entire drug discovery, development and commercialization process to deliver personalized medicine in the therapeutic area of inflammation.

What new products can we expect to see over the next few years?

The diabetes field will be a key area of focus for Aventis Pharma in Canada in the coming years. Within the next few months, we will be launching Amaryl[®], an oral once-a-day treatment for Type 2 diabetes. This product is already one of Aventis Pharma's top 10 products on a global basis, with the

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U.S. representing the product's largest market. The launch of Amaryl will set the stage for the upcoming launch of Lantus®, a long-acting, once-daily basal insulin to treat Type 1 and Type 2 diabetes. To add to this arsenal, we are eagerly anticipating the future launch of an inhalable insulin for the treatment of Type 1 and Type 2 diabetes, a co-development initiative with Pfizer.

While our emphasis on diabetes is being renewed, Aventis Pharma, through its legacy companies Hoechst and Rhône-Poulenc, has a long and successful history in the treatment of this disease. In fact, the commercial manufacture of insulin to lower blood glucose levels first began in the Connaught Laboratories in Toronto in the early 1920s, after the process of pancreatic extraction from animals was discovered by Nobel Prize winner Frederick Banting and his colleagues. And in the 1980s, Diabeta, now a genericized product, was not only one of Hoechst Canada's top-selling products but also one of the most prescribed products in Canada.

Of course, our future goes beyond products for the treatment of diabetes. In the area of anti-infectives, we will, this year, be launching an oral therapy for the treatment of a wide range of upper and lower respiratory tract infections followed, in the near future, by a novel gene-activated human erythropoietin to treat anemia in patients with chronic renal failure.

Does Aventis Pharma contribute to the communities in which it operates?

Absolutely. We believe in being a good and responsible corporate citizen. Our donations policy is posted on our Canadian Web site at www.aventispharma.ca for the benefit of those who wish to familiarize themselves with our criteria for giving.

After the merger to create Aventis Pharma, we decided to focus on two main areas for contributions—research and education. While the lion's share of our donations budget is dedicated to these areas, we also actively support the arts, such as the Centaur Theatre and the Montreal Symphony Orchestra, and various fund-raising charities such as United Way/Centraide.

New to our activities this year is the sponsorship of HOPE House, founded in Vancouver in 1980 by a group of cancer survivors to provide support and encouragement for people living with cancer. In the same vein, we will be local sponsors in Toronto, Montreal and Vancouver in the "Run for the Cure" event which raises close to \$10 million nationwide to support the research/education efforts of the Canadian Breast Cancer Foundation. In the area of youth education, we have been staunch supporters of the ACT Foundation's mission to teach CPR to high school students and we have recently joined our sister company, Aventis Pasteur, in support of the Aventis Biotech Challenge. The success of this program, whose primary objective is to encourage our youth to pursue studies and careers in biotechnology, was recognized in 1999 when it won the Michael Smith Award for Science Promotion. This award was named in honor of the late Dr. Michael Smith of Vancouver, a Nobel Prize winner who was a well-known supporter of science education.

What does the future hold for Aventis Pharma?

As a newly-formed company, we've had a solid first year performance where we exceeded our goals. That has set the foundation for 2001 and, I must admit, the bar has been raised pretty high. Aventis Pharma is now growing faster than any of the top 10 pharmaceutical companies in Canada, and our intention is to keep that momentum going into the future. On a global scale, we are now among the top six pharmaceutical companies, while our R&D spending puts us in the top three. Our strategy going forward is based on an execution-oriented culture that hinges on speed, cross-functional collaboration and customer focus. We believe that, within our organization, we have the necessary talent and dedication to deliver on that strategy. CPM