

Embracing the



Above: The DTC for COPD drug Spiriva, launched after BI's best-selling product (below) won a new indication for COPD exacerbations, features images that illustrate what a flare-up feels like

Boehringer Ingelheim: 126 years old. Privately owned. German. Should be a fusty, conservative sort of company, content to play it safe and leave the innovation to its publicly traded peers, right? Falsch!

Boehringer, or BI, is more like the BMW of pharma, consistently showing up competitors with exciting products like Pradaxa (dabigatran) and some of the boldest, smartest advertising and promotion in the industry. BI hopes to launch six more products in the next two years. When most companies are slashing headcounts to pad share buybacks, BI is investing in a major US expansion, spending \$350 million to build out its R & D

infrastructure in its top market, representing 45% of global sales.

“The first thing that strikes you when you join BI is the long-term approach,” says Greg Behar, president and CEO. “Because it’s not driven by share price, the shareholders take a long-term view on strategy and the financial health of the company, and that really drives the culture.”

More than a fifth of revenues from sales go back into R&D, notes Behar, a native of Switzerland who joined Boehringer from Novartis three years ago. And BI, he says, maintains a cohesive culture across borders by nurturing its employees.

BI is a particularly polyglot company in an ever more global industry. Brits constitute a plurality of the



2011 PRODUCT SALES* (FIRST 9 MONTHS)

Spiriva
\$3.45B

Micardis
\$1.2B

Combivent
\$863.1M

Micardis HCT
\$606.3M

Mirapex/Sifrol
\$509.5M

Source: IMS Health
* Global

new terrain

firm's 42,000 employees, and besides Germany, Holland and the US are well represented. Japan is BI's second-biggest market after the US, followed by Germany.

The company invested upwards of \$350 million in its US operations this year, building, buying or upgrading facilities in five states.

A year ago, the firm inked a joint venture with Eli Lilly to collaborate on diabetes drugs, including BI's oral agents linagliptin (Tradjenta) and BI10773. In return, BI got a €300 million upfront payment and comarketing rights on Lilly's two basal insulin analogues, along with an option to co-develop and commercialize Lilly's anti-TGF-beta monoclonal antibody.

"We're not just dipping our toes in the water," says Behar. "We want to be an important player in diabetes and we want to be there for the long term." What made Lilly an appealing partner was their status as "the number one diabetes company among endocrinologists in the US," and the fact that BI "had already had several recent partnerships with them."

The partnership has already borne fruit—Tradjenta won FDA approval for treatment of Type 2 diabetes in May. EU approval followed in August.

The company's biggest recent approval, of Pradaxa for prevention of stroke and blood clots in patients with atrial fibrillation, came in October 2010. The drug—the first new drug in 50 years for that condition—marked a turning point not only for a company trying to get out ahead of a wave of patent expirations, but for an industry beset by safety scandals and weak pipelines. It said to the world that pharmaceutical innovation, producing life-saving treatments, was still possible.

Behar was in Barcelona at a major European cardiology society meet-

Far left: Greg Behar, BI pres./CEO; right: David Pass, VP, US pipeline marketing, and Kathleen Dowd, VP, respiratory marketing



Do you have an irregular heartbeat called **atrial fibrillation** not caused by a heart valve problem? And do you take warfarin, or Coumadin®, to reduce your stroke risk?

Here's why you should ask your doctor about **PRADAXA**.

- In a clinical trial, PRADAXA 150mg* reduced stroke risk 35% more than warfarin. Risk reduction was greatest when compared to patients on warfarin whose blood tests showed lower levels of control.
- Unlike warfarin, no regular blood tests.

PRADAXA is a prescription blood-thinning medicine used to reduce the risk of stroke and blood clots in people with atrial fibrillation not caused by a heart valve problem. With atrial fibrillation, part of the heart does not beat the way it should. This can cause blood clots to form, increasing your risk of a stroke. PRADAXA lowers the chance of blood clots forming in your body.

IMPORTANT SAFETY INFORMATION ABOUT PRADAXA
PRADAXA can cause bleeding which can be serious and sometimes lead to death. Don't take PRADAXA if you currently have abnormal bleeding or if you have ever had an allergic reaction to it. Your risk of bleeding with PRADAXA may be higher if you are 75 years old or older, have kidney problems, have stomach or intestinal bleeding that is recent or keeps coming back or you have a stomach ulcer, take other medicines that increase your risk of bleeding, like aspirin products, non-steroidal anti-inflammatory drugs (NSAIDs) and blood thinners.

Call your doctor or seek immediate medical care if you have any of the following signs or symptoms of bleedings: any unexpected, severe, or uncontrollable bleeding, or bleeding that lasts a long time, unusual or unexpected bruising, coughing up or vomiting blood, or vomit that looks like coffee grounds, pink or brown urine, red or black stools (dark like tar), unexplained pain, swelling, or joint pain, headaches and feeling dizzy or weak.

It is important to tell your doctor about all medicines, vitamins and supplements you take. Some of your other medicines may affect the way PRADAXA works.

Take PRADAXA exactly as prescribed by your doctor. Don't stop taking PRADAXA without talking to your doctor as your risk of stroke may increase.

Tell your doctor if you are planning to have any surgery, or medical or dental procedure, because you may have to stop taking PRADAXA for a short time. PRADAXA can cause indigestion, stomach upset or burning, and stomach pain.

You are encouraged to report negative side effects of prescription drugs to the FDA. Visit www.fda.gov/medwatch or call 1-800-FDA-1088.

Please see more detailed Medication Guide on next page.

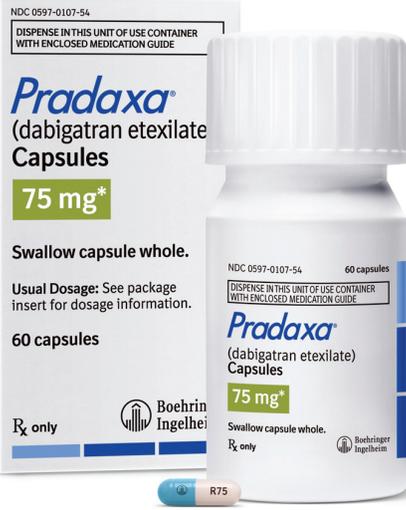
Reduce your risk of a stroke caused by a clot that starts in the heart.

Pradaxa
dabigatran etexilate
CAPSULE

Dr. Diana Frustalini
Cardiologist
New York, NY

Doctor Compromised

If you need help paying for your medication CARES can help, and for more information about PRADAXA call 1-877-PRADAXA or visit pradaxa.com



Far left: Consumer ads for Pradaxa take a white-coat approach, focusing on link between AFib and stroke. The oral blood-thinner was the first of a new class of drugs meant to replace warfarin.

2011 Media spend by brand
12 months ending Sept. 30, 2011

Brand	DTC spend	Journal spend	%Total media spend
Twynsta	--	\$146.8M	21%
Micardis	*	\$140.5M	20%
Pradaxa	\$60.1M	\$68.4M	18%
Spiriva	\$70.2M	\$23.1M	13%
Tradjenta	*	\$33.6M	5%
Buscopan	\$21.8M	\$4.1M	3%
Mucosolvan	\$17.5M	\$4.1M	3%
Dulcolax	\$20.6M	\$1.1M	3%
Bisolvon	\$16.9M	*	2%
Antistax	\$14.5M	\$2M	2%
Others	\$64.6M	\$11.8M	11%

Source: Cegedim Strategic Data
* Less than \$5K
Note: Totals are global and exclude non-branded spending such as corporate advertising and other advertising not mentioning a specific product. Amounts reflect full rate-card pricing.

ing when news of the 18,000-patient RELY trial, demonstrating Pradaxa's superiority to warfarin, broke in a presentation. Four thousand cardiologists leapt to their feet and applauded.

"It was just a fantastic emotional moment," says Behar.

The enthusiasm of doctors for the drug is shown in consumer ads, which feature white-coated physicians talking up Pradaxa for stroke prevention in patients with atrial fibrillation.

"We did extensive market research," says David Pass, who heads cardiovascular and metabolic marketing along with US pipeline marketing at BI. "We saw a lot of patients were concerned about the symptoms, but few were really concerned about the stroke risk, which really suggested for us, from a patient educational perspective, that we needed to focus on that link between AFib and stroke."

The company recently launched DTC for Spiriva, following a new indication for COPD exacerbations, featuring images of an elephant sitting on patients' chests, meant to illustrate what sufferers say they feel like.

"We looked at the category, and there are a lot of similarities—smiling grandmas hugging the grandchild," says VP respiratory marketing Kathleen Dowd. "We did a lot of testing to get to that true insight."

BI partnered with NASCAR and the Country Music Association for its DRIVE4COPD awareness campaign, which makes deft use of celebrity

2011 HIGHLIGHTS

■ Executed strong Pradaxa launch, netting Q1 '11 sales of \$285M and 5% of anticoag. market

■ Forged pact with Eli Lilly to jointly develop, sell Tradjenta and future diabetes drugs

■ Announced \$350M US expansion, including Conn. R&D hub, Ohio cancer med plant, Calif. lab

■ Bold social media and gaming initiatives make most of digital channels

■ Drive4COPD campaign hit milestone of screening 1M Americans for COPD risk

ambassadors through social media channels like Twitter and Facebook.

The company's comfort level with social media is a standout. When Facebook made pharma activate comments, raising fears of exposure to adverse-events reporting requirements, BI beefed up monitoring while many shuttered their pages. Health-Seeker, a Facebook game on which BI collaborated with the Diabetes Hands Foundation and the Joslin Diabetes Center, was an industry first.

In addition to solid pipelines in cardiovascular, respiratory (asthma, COPD, lung cancer and idiopathic pulmonary fibrosis) and diabetes (SGLT2 inhibitors), BI is pursuing candidates in oncology (angiogenesis inhibitors, CDK kinase inhibitors and signal transduction pathways) and a promising oral hepatitis C drug to compete with Vertex's Incivek and Merck's Victrelis, with another HCV treatment in Phase II. In respiratory, where BI is rooted, the firm launched Respimat SoftMist Inhaler, a delivery device 10 years in the making.

"If you look at the statistics for COPD, it's staggering and really sad," says Dowd, whose mother has the disease. "It's the fourth leading cause of death in the US. It kills more Americans than breast cancer and diabetes combined, and out of 24 million people that are symptomatic, only half are diagnosed. It's outrageous. As leaders in this marketplace, we need to change this paradigm." — *Matthew Arnold*