

P R E S S   R E L E A S E

## Biotechnology continues to drive the pharmaceuticals industry

*Sal. Oppenheim's 2nd international investor conference in Zurich*

Zurich/Cologne, 13 March 2003 – On 13 March, Sal. Oppenheim jr. & Cie. KGaA held its second international pharmaceuticals and biotechnology conference, entitled “Pharma meets the challenge” in Zurich. “Due to the current situation on financial markets, it is important that investors and companies have an opportunity for in-depth dialogue in order to exchange information and ideas, especially in high-growth areas such as the health-care sector, one of our bank's core investment banking sectors”, said Dieter Pfundt, personally liable partner of Sal. Oppenheim jr. & Cie. KGaA.

Heinz-Werner Meier, Member of the Management Board of Aventis S.A., gave a presentation in Zurich which not only provided those present with an insight into the company's forthcoming new products, but also hinted at the possibility that sales revenues from Aventis' key growth driver, Taxo-tere, could rise by another two billion euros. Dr. Erich Hunziker, Chief Financial Officer of F.Hoffmann-La Roche Ltd., explained that his company planned to position itself in the premium segment by introducing a range of new, innovative products, but that in doing so, its aim was not to come first in a pecking order determined solely by revenue volume.

The main thrust of the one-day conference was that the economic potential of those products due to be launched on the market in the near future will suffice to ensure, mid-single-digit growth rates at pharmaceutical and bio-

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technology companies. The companies stated a belief in their ability to find solutions to problems, with the regulatory authorities in particular, within a short period of time, so that there could even be a renewed rise, albeit a slight one, in the number of new products and therapies in the short term. As a result, though the growth prospects offered by the pharmaceutical and biotechnology industry remain far below the levels seen at the turn of the millennium, they continue to be substantially better than the outlook for the economy as a whole.

According to Dr. Wolfgang Sawazki, Head of Equity Research at Sal. Oppenheim, many large pharmaceuticals companies feel that, in an environment dominated by increasing state pressure on the healthcare system and more volatile exchange rates, they are faced with an inability to compensate for expiring patents with weak development pipelines. This is why the results of many companies are currently stagnating, or even deteriorating. In particular, Dr. Sawazki believes that investments in new biotechnology disciplines and the reorganisation of R&D processes by increasing pipeline productivity in terms of both quantity and quality will pay off in the medium term.

The companies present at the conference firmly rejected the idea of feeding size-hungry ambitions by way of mergers and acquisitions in the pharmaceuticals sector. On the other hand, targeted moves to alleviate strategic weaknesses, for example in sales, or the initiation and expansion of R&D collaborations, were seen as a proven way of making up for the sector's current shortcomings.

Peter Düllmann, Head of the Life Science research team at Sal. Oppenheim, counts Aventis and Altana amongst his particular sector favourites. This is due to their P/E ratio of around 14 (well below the historical average), their attractive portfolios and/or promising development pipeline. The smaller providers are expected to grow mainly by means of cooperation agreements and by gradually expanding their coverage of the value chain.

Actelion Ltd., Altana AG, Aventis S.A., Berna Biotech AG, F.Hoffmann-La Roche Ltd., Novartis AG, Novo Nordisk A/S, Sanochemia Pharmazeutika AG and Serono S.A. were all represented at the conference.

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