Creston Health
Analyst & Investor Presentation
10th May 2011

"A Passion for Life"

CRESTON plc

Insight and communications for the 21st century

Our presentation

- The healthcare environment
- Opportunities for growth
- Cooney/Waters Group & the US opportunity
- Global networks
- Our work
- Closing remarks

The Healthcare Environment

Ben Davies & Catherine Warne
Joint Heads of Creston Health

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The confused waiter

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What affects our health?

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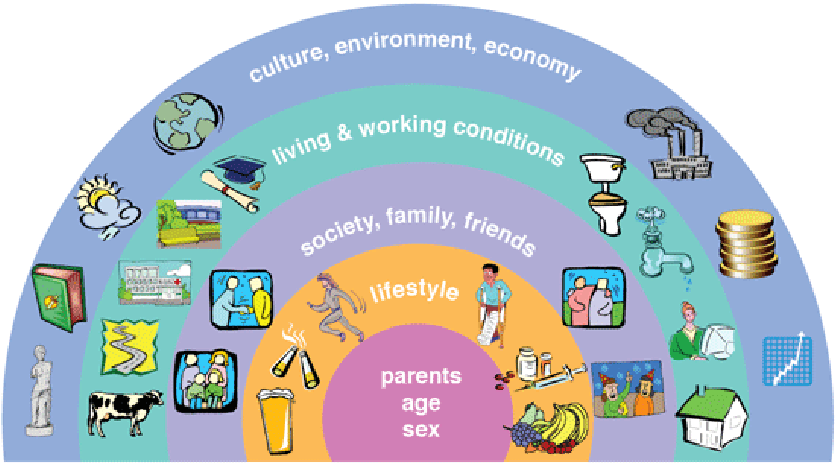

Healthcare professionals think one way

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Patients and consumers think differently

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The pharma world has changed

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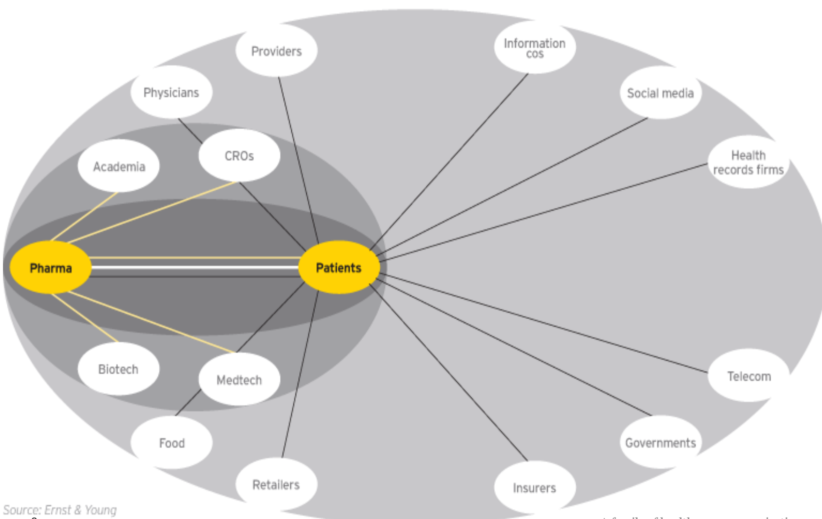

Source: Ernst & Young

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The DNA of healthcare communications

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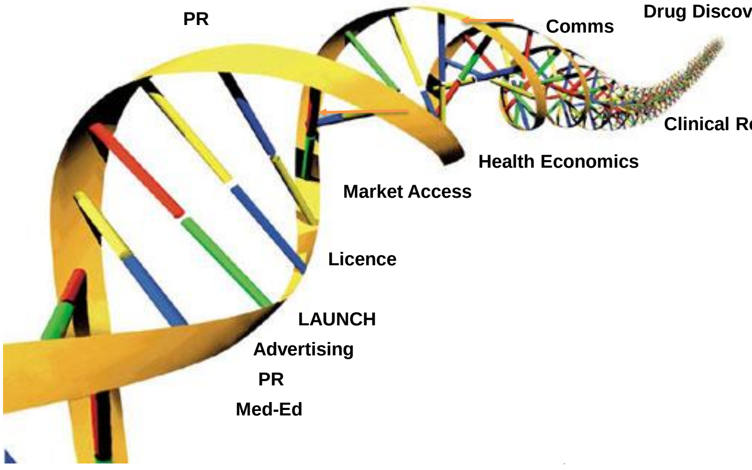

The environment

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- People are sick regardless of the economy
- NHS needs to plan for a real term reduction of at least 2.5-3% from 2011
  - Equivalent to cuts of £8-10bn over 3 years and up to £15bn over 5 years
  - Public spending from 2011 will experience the lowest growth rate since 1997 (0.7%)

5% of patients occupy 42% of NHS beds at any one time

many re-admitted 8 times a year

What does the Health and Social Care Bill 2011 propose?

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- Emphasis on constant improvement of clinical outcomes
- Abolition of primary care trusts (PCTs) and strategic health authorities (SHAs) with loss of almost 25,000 managers and administrators
- Decentralisation of decision-making power to a local level and increased local accountability
- Creation of GP-led consortia with £60-80bn of commissioning funds
- Creation of an NHS Commissioning Board
- Increased healthcare market competition based on an 'any willing/qualified provider' model
- Monitor to take on regulation of competitive market
- All NHS trusts to become foundation trusts by 2014
- A change in the role and name of the National Institute for Health and Clinical Excellence (NICE)
- Creation of health and wellbeing boards within local authorities
- More emphasis on public health and prevention
- Patients given greater access to detailed information on clinical outcomes

The NHS is focusing on five key issues

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- Quality
- Outcomes (not inputs)
- Health Improvement
  - Prevention
- Patient Experience
- Use of Resources
  - Productivity

The changing NHS offers us opportunity

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- Decentralisation means localisation
- GPs will have much more power
- NHS shortfall of £20 billion in funding has to be made up – affecting funding of medicines
- New Cancer Fund changes drug provision and decision processes
- NHS Management layer stripped out (but may reappear in GP-land)
- Move from targets to outcomes
- Medicines pricing based on 'value' – definition tbc….
- Increasing role of councils (health and wellbeing boards will sit in local councils – new audience)

Opportunities for Growth

Ben Davies

Joint Head, Creston Health

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Opportunities for growth

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Clinical Trial Communications

- Clients are looking for more opportunities to do pre-launch communications, working together the Creston health companies would brand clinical trials and provide communication packages to maximise their outreach pre- and post-launch
- By branding and communicating about a trial programme you can:
  - Increase clinician participation
  - Speed up patient recruitment
  - Gain endorsement and relationships with thought leaders pre-launch
  - Generate excitement and increase need vacuum
  - Provide a platform post-launch for product communications and recognition ensuring strong communications and branding
  - Position Creston health companies as ideal partners, pre-launch to patent expiry

...and growth

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Market Access

- Development of expertise in Market Access through start up or acquisition
  - Currently partnered with a number of providers

Digital

- Continuation of successful collaboration
- Recruitment of an expert from the pharma industry to lead joint working party between TMW and Creston Health companies

...and growth

Localisation

- New Head of Localisation appointed in a joint initiative between EMO and Red Door Communications:
  - To deliver a healthcare specific offering for the pharmaceutical industry that mirrors the new decentralisation / localisation policies
  - Utilise experience with COI smoking cessation and Tesco and create a new 'in-fill' company that sits between the two agencies
  - Create a whole new revenue stream that is bespoke for pharma but built on relevant experience

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We bring innovation and leading edge thinking to healthcare clients

- Public Relations
- Medical Education
- Patient Education
- Internal Communications / Sales Force Education
- Advertising and Branding
- Global and European Core Campaigns
- Market Research and Consultancy
- Direct Marketing and Customer Relationship marketing
- Digital Innovation and Solutions

Cooney/Waters Group and the US Environment

Tim Bird

President and COO, Cooney/Waters Group

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New York-London presence – our ***NYLON*** thinking

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- US major global pharmaceutical headquarters to Pfizer, J&J, Lilly; East Coast hub of major players including Sanofi, Bayer, Takeda; many others have a physical presence
- UK second to US – AstraZeneca, GSK and Shire in and around London as European headquarters
- US is world's largest and most influential pharmaceutical market while UK is the acknowledged centre of excellence for Europe – the ***NYLON*** link is critical as global campaigns are driven from these two countries
- Major competitors, both networks and independents are located in those two markets - providing us with access to talent, pitch opportunities, growth opportunities

Cooney/Waters offers opportunity and benefits

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- Stronger competitive advantage
- Higher profile = increased lead generation and new business opportunities
- Ability to compete more effectively and efficiently for global campaigns
- Shared learnings = enhanced capabilities, broader and deeper expertise
- Good cultural and strategic fit with Creston as proven by successful collaborations

NYLON successes to date

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Seamless Integration	Business Expansion	Pipeline Development
• No client losses • No key staff losses • Increased profit	• Incremental client revenue • Expanded capabilities • RFP/RFI Opportunities	• Client Synergies • Global capabilities • Expanded service offerings

US environment – healthcare coverage overview

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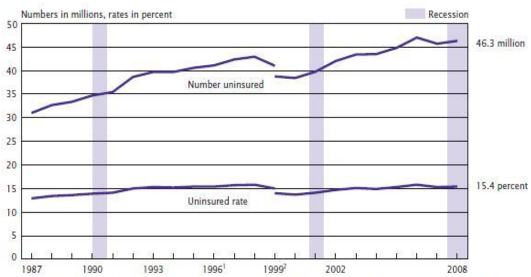
Ongoing increase in uninsured and healthcare costs driving reform

- Uninsured =
  50+ million and growing
- Government Plans
  - Medicare (Age 65+)
  - Medicaid (low income)
  - Federal /Military
- Private Plans
  - Employment-based
  - Direct Purchase

Figure 6.
Number Uninsured and Uninsured Rate: 1987 to 2008



[1] The data for 1996 through 2003 were revised using an approximation method for consistency with the revision to the 2004 and 2005 estimates.
[2] Implementation of Census 2000-based population controls occurred for the 2000 ASEC, which collected data for 1999. These estimates also reflect the results of follow-up verification questions, which were asked of people who responded "no" to all questions about specific types of health insurance coverage in order to verify whether they were actually uninsured. This change increased the number and percentage of people covered by health insurance, bringing the CPS more in line with estimates from other national surveys.

Notes: Respondents were not asked detailed health insurance questions before the 1988 CPS.
The data points are placed at the midpoints of the respective years.

Source: U.S. Census Bureau, Current Population Survey, 1988 to 2009 Annual Social and Economic Supplements.

US reform = better treatment and cost containment

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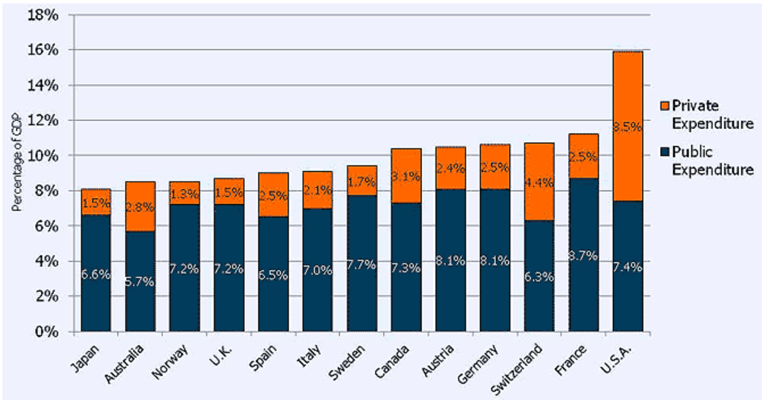
Public and Private Health Expenditures as a Percentage of GDP, U.S. and Selected Countries



Kaiser, 2011
Source: Organisation for Economic Co-operation and Development (2010), "OECD Health Data", *OECD Health Statistics* (database). doi: 10.1787/data-00350-en (Accessed on 14 February 2011).
Notes: Data from Australia and Japan are 2007 data. Figures for Belgium, Canada,

Health reform: an overview
Patient Protection and Affordable Care Act of 2010

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Coverage
- Insures 32 million uninsured
- Extends health insurance from 83% to 94% of Americans by 2019

Cost
- $938 billion, 2010 – 2019
- Second decade costs grow dramatically
- Creates three new government entities for administration

Financing
- Reimbursement reductions for Medicare providers
- Excise taxes on high-value health plans
- Expansion of Medicare tax to non-payroll income
- Pharma industry fees (rebates, discounts, taxes)

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Impact on our clients - pharmaceutical manufacturers

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Cost Containment	Stakeholder Change	Regulatory Pressures	Specialty Care Focus
Payers targeted as key decision makers	Erosion of physician, pharmacy and patient influence	Increased marketing restrictions	Growth of personalized therapies
Greater use of gatekeepers and treatment rationing	Restricted access to physicians	Complete disclosure requirements	Patent protection and market expansion for biologics

 Pharmaceutical Key Trends 2010, DMHC2599, March 2010

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US healthcare reform offers us opportunity

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Cost Containment	Stakeholder Change	Regulatory Pressures	Specialty Care Focus
Generate awareness of health economic, patient outcome and other important data	Amplify messages to reach key government and payor influencers	Deliver complete, clear information to patients, where they look and when they need it	Drive health education and advocacy programs on specific disease states

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Growth opportunity example: US Hispanic PR

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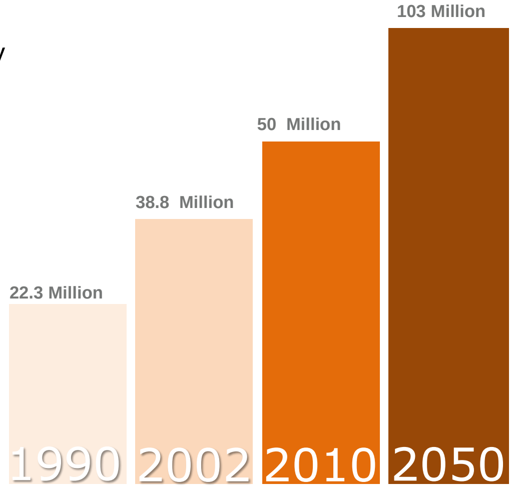
Hispanics: Largest Minority

Population growth has doubled from 1990

By the year 2050, one out of four Americans will be Latino



The Selig Center for Economic Growth, University of Georgia, 2007

A purchasing power of over $700 billion annually

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Hispanics largest minority in U.S., enjoying greater market influence
Population growth doubled from 1990
Comprise 15% of US population—one in every six Americans

Hispanics at greater risk for many treatable diseases
e.g., hypertension, cholesterol & diabetes

"General market" does not effectively reach growing Latino population. U.S. Hispanic market as is *not* homogeneous
Acculturation, language preferences and country of origin make for unique sub-groups within the segment

US consumer marketers adopting new strategies to reach Latinos…So are we!

Drivers and resistors for Global sales growth of prescription products from the top 50 pharmaceutical companies, 2010-2015

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Key growth resistors, 2010 -15	Key growth drivers, 2010 -15
Expiry products -$108bn*	Newly-launched drugs +$89bn*
Small molecules -$12bn*	Monoclonal antibodies +$25bn*
Acquired drugs -$0.4bn*	Co-developed drugs +$13bn*
US market -$24bn*	Rest of the world +$26bn*
CNS -$9bn*	Oncology +$21bn*
Oral drugs -$24bn*	Injectable drugs +$43bn*
Blockbuster drugs -$25bn*	Drugs generating $501–$750m per year +$25bn*

Our Targets

* = difference in annual sales between 2010 and 2015
CNS = central nervous system

Source: Datamonitor, PharmaVitea Explorer, February 2011

Our path forward:
Driving growth – PR & medical communications

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- **Organic Growth** → Existing client expansion
- **New Clients** → ***NYLON*** International
- **New Project Engagements** → Hispanic offering; ROCK NYC

Global Networks

Tim Bird

President and COO, Cooney/Waters Group

Ben Davies

Joint Head, Creston Health

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Global PR network through Red Door Communications and Cooney/Waters

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The Health collective Network

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Our multi-national PR clients

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astellas
Leading Light for Life

ucb

Bausch & Lomb

ETHICON ENDO-SURGERY
a Johnson & Johnson company

Daiichi-Sankyo

Boehringer Ingelheim

Nucleotron
Improving patient care

Therakos

The Coca-Cola Company

ViiV Healthcare

smith&nephew

Abbott Nutrition

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Indigenus – a new 'multilocal' agency model

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*"There's a **new vision** of what it takes to be a global agency player taking shape today, and it's a far cry from the 100-office goliaths birthed during the ad business' Jurassic Age".*

-- Advertising Age, June 15, 2009

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Indigenus - our vision

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- To be the #1 independent healthcare creative agency in every market we serve and transform the client-preferred global network model by combining the strength of a multinational and the agility and creativity of an entrepreneurial partnership

Indigenus – global coverage

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- 'Boots on the ground' in key strategic markets
- Global 'transcreation' centre ensures 100% coverage by translating and adapting campaigns for smaller markets

Indigenus – shared global clients

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INDIGENUS Commitment to Innovation in Global Healthcare Branding				
EXTAVIA interferon beta-1b	XEOMIN Botulinum neurotoxin type A Free from complexing proteins	GILENYA (fingolimod)	Abraxane (nanoparticle albumin-bound paclitaxel)	Apixaban
Novartis	Merz	Novartis	Celgene	BMS, Pfizer
Launched 2009	Re-launched 2009	Launched 2010	In market	Phase III

Indigenus – key developments over the last year

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- Welcomed new associate partners
  - Mexico, India, Sweden and Japan now recruited
  - Strong partners identified in Brazil and Argentina
  - Key markets remaining are China & Russia
- Finalised LLC agreement, operational and financial structure
  - Global Business Manager recruited & local Account Directors nominated
  - Established Finance & Ops, Marketing & Business Development, Innovation and Partner/Client Relations Committees
  - Finalised 2011 business plan (identifying CSFs for next year)
  - Establish key customer target call list & newbiz plan
- Strengthened and expanded global client relationships
  - Novartis
  - Celgene
  - BMS/Pfizer
  - GSK

Indigenus – 'taste the local in your global'

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Creston Top 20 Health clients - worldwide

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Top 20	Client
1	Sanofi Pasteur
2	National Foundation for Infectious Diseases (NFID)
3	UCB
4	GSK
5	Astellas
6	AstraZeneca
7	Purdue Pharma
8	Takeda
9	Merck
10	Nucletron
11	Daiichi Sankyo
12	Johnson & Johnson
13	National Meningitis Association (NMA)
14	Smith & Nephew
15	Boehringer Ingelheim
16	British Coffee Association
17	Abbot Nutritional
18	Bausch & Lomb
19	ViiV
20	Kowa

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