



**bio**pharma  
the **next** generation

ning

the cancer continued to spread over the next several years. Then in January 2007 Jim entered a clinical trial for ipilimumab, an investigational compound being developed by Bristol-Myers Squibb and Medarex Inc. Since entering the trial, Jim appears to be doing well. "I'm grateful to Bristol-Myers Squibb and all the people who have worked on this," he says.



### Building bridges

All too often, patients worldwide face barriers to health care. And certain populations—particularly the urban and rural poor, women, racial and ethnic minorities and marginalized people—experience worse health outcomes compared with others.

*Reach Out and Read is a project sponsored by Bristol-Myers Squibb employees and the Bristol-Myers Squibb Foundation as part of SECURE THE FUTURE.*

The Bristol-Myers Squibb Foundation seeks to address these health disparities. The Foundation has targeted four diseases and regions. They are:

- HIV/AIDS in Africa, where the AIDS pandemic continues to spread.
- Hepatitis in Asia, where millions are chronically infected with hepatitis B.
- Cancer in Central and Eastern Europe, where greater access to cancer education, treatment, prevention and care is especially needed.
- Serious mental illness in the U.S., where underserved populations often need enhanced care and support.

The model for these programs is Bristol-Myers Squibb's initiative, *SECURE THE FUTURE*. This \$150 million program, established in 1999 to help confront HIV/AIDS in Africa, has clearly demonstrated that communities can reduce disparities by integrating clinic-based medical care with community-based health education and supportive care. As part of *SECURE THE FUTURE*, Bristol-Myers Squibb and Baylor College of Medicine have established five pediatric clinical centers and about 20 satellite clinics in Africa to treat HIV-positive children and their families.



**Mixed Sources**  
Product group from well-managed forests, controlled sources and recycled wood or fiber

Cert no. BV-COC-080101  
www.fsc.org  
© 1996 Forest Stewardship Council

© 2008 Bristol-Myers Squibb Company

All rights reserved.  
Designed, photographed and written by the Bristol-Myers Squibb Corporate and Business Communications Department.

for the future

**To Our Stockholders** I'm pleased to report that your company delivered strong financial results in 2007, with solid growth in both sales and earnings. In accordance with Generally Accepted Accounting Principles (GAAP), Bristol-Myers Squibb reported net fully diluted earnings per share (EPS) from continuing operations of 99 cents in 2007 compared with 73 cents in 2006. Total net sales from continuing operations in 2007 were \$19.3 billion compared with \$17.3 billion in 2006.

>>

# the next generation BioPharma company

**Our mandate is clear:  
find ways to increase  
revenue, expand profit  
margins and improve  
cash flows so we can  
boost shareholder value  
while also delivering a  
steady stream of innovative  
medicines to patients  
fighting serious diseases.**

The company also reported non-GAAP EPS from continuing operations of \$1.38 for the year. The non-GAAP EPS information is an indication of our operational performance and does not include specified income and expense items that affect the comparability of our results. If we include 10 cents of earnings from discontinued operations—our Medical Imaging business, which was sold in January 2008—our fully diluted non-GAAP EPS were \$1.48.

This figure is one cent higher than Wall Street consensus and also above the upper end of our final 2007 EPS guidance range, which we revised upward four times over the course of the year. It compares with our 2006 fully diluted non-GAAP EPS from continuing operations of \$1.01 (\$1.09 including discontinued operations).

Our solid growth is largely the result of the strong performance of our key pharmaceutical brands, including Plavix, Abilify, *Reyataz*, *Avapro/Avalide*, *Orencia*, *Sprycel*, *Erbix*, *Baraclade* and the *Sustiva* franchise, all of them addressing areas of significant medical need. In 2007 we added another important therapy to our growing arsenal of innovative anticancer treatments: *Ixempra*, for advanced breast cancer. *Ixempra* is off to a good start in the U.S., and we've filed for its approval in the European Union and Japan.

## Becoming a next-generation BioPharma company

Over the past year, the entire Management Council has spent a great deal of time looking at the business from top to bottom as part of a comprehensive review of the company's strategy, operations and prospects. Our mandate was clear: find ways to increase revenue, expand profit margins and improve cash flows so we can boost shareholder value while also delivering a steady stream of innovative medicines to patients fighting serious diseases—and do all this by being both competitive and compliant.

The review took place against a backdrop of numerous challenges to both our company and the pharmaceutical industry as a whole. The overall political and regulatory environment remains problematic for the entire industry, with fewer new drugs being approved and review times increasing in many instances. Pricing pressures are intensifying, as payors—especially governments—look for new ways to reduce health care expenditures. And lengthy and expensive patent challenges by generics companies—such as the one we faced recently with Plavix—are becoming the norm.

In addition, the industry is facing an unprecedented wave of patent expirations over the next few years that could impact its ability to invest in research and development (R&D) and deliver strong returns to investors. Fortunately for Bristol-Myers Squibb, our major exclusivity losses are behind us for the time being, although in the 2011-12 time frame in the U.S. we face expiration of the Plavix patent as well as the loss of Abilify—our two top products. This is why it's so important for us to prepare now for this eventuality.

In the course of our review of the business, several things became clear:

- First, we must make fundamental changes in the organization and operations of our company if we want to grow our business, increase shareholder value and become a dynamic biopharmaceutical leader for the future.
- Second, we need to make continuous productivity improvement a central tenet of our business and operations going forward to keep our R&D and new product engine fully stoked.
- And finally, we must concentrate even harder on delivering greater value to patients fighting serious diseases, which we can achieve by further refining our focus on innovation in our products as well as in the ways we provide our products to patients.

### Appreciating the little things

"It's been quite an ordeal," says Jean Rymon. That's an understatement.

Jean, 54, of Emmaus, Pennsylvania, was diagnosed with breast cancer in 1991 and treated with surgery and chemotherapy. She caught the cancer early, and following treatment she appeared cancer free. She and her husband continued with their lives and raised their two sons, now 24 and 21.

But even as the years passed, cancer was never far from Jean's mind. She knew it could recur. And in June 2000 it did, when her doctor detected metastases in her lymph nodes and bones. "Since then," she says, "it seems like I've been on every drug available." Although perhaps slowed, the cancer continued to spread, and it invaded her lungs. "It got pretty bad, and by the end of 2006 I didn't expect to survive." Jean was so weak she had to have help to get out of bed. And worse, she had run out of treatment options.

Then her doctor suggested she enter a clinical trial with *Ixempra* (ixabepilone). "When she told me about it, I was ready." Jean entered the trial in May 2007, and since then, she appears to be doing better. "I'm walking and eating better and I've got increased stamina. Also I'm cooking and helping with cleaning and the laundry. I never thought I'd appreciate doing those things, but now I do."

*Ixempra*, discovered and developed by Bristol-Myers Squibb researchers, was approved by the U.S. Food and Drug Administration in October 2007. In addition, the Marketing Authorization Application for *Ixempra* was submitted in September 2007 to the European Medicines Evaluation Agency, and the Japanese New Drug Application was submitted in December.

"I am so fortunate to have benefited from cancer research," Jean says. "I tell everyone I know, 'Put your money into cancer research!'" For her part, Jean has helped raise \$25,000 for breast cancer research.



Jean Rymon

fighting serious disease

# Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

## Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

## Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

## Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

## API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

## LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

## FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

## E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.