

**Interview: 15th Annual AIDS Conference:
Hank McKinnell, Pfizer CEO
July 13, 2004**

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MALE VOICE: Hank McKinnell from Pfizer, thanks for joining us. As far as I know you're the only drug company Chief here in Bangkok for the AIDS Conference. What drove you to come here to the conference?

HANK MCKINNEL: Well, I was in Barcelona, which is probably the first AIDS meeting that had a chairman, CEO of a pharmaceutical company present. I found it productive, useful. I listened and learned. And I'm here for really one reason, that I believe that just as we ask our parents and grandparents what they did in the Second World War, I think our children and our grandchildren will ask us what we did at the beginning of the AIDS outbreak. As Kofi Annan said last night, AIDS is different. It is the greatest threat to public health the world has ever seen and all of us who can do something to join this fight should do so.

MALE SPEAKER: And do you think, Pfizer by many accounts is the biggest drug maker on the planet. Does that give you a special responsibility in fighting the epidemic?

HANK MCKINNEL: I don't know that it gives us a special responsibility. I think the private sector needs to partner with the public sector and that goes well beyond pharmaceutical companies. We do have a bit of a unique role and that is the biggest pharmaceutical company. We do the most research. We have compounds coming forward in HIV/AIDS, non-nucleoside

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reverse transcriptase inhibitors that are effective against resistant organisms. And we are bringing forward the CCR 5 blockers, a whole new class of HIV/AIDS medicine, which the world certainly needs.

MALE SPEAKER: You say you are bringing forward new drugs. I think most people would say that this conference will probably not be known as one with major scientific breakthroughs. First, would you agree with that characterization? And do you, I know you'd like to make big breakthroughs, but is that realistic over the next couple of years?

HANK MCKINNELL: Oh, I think the 87 drugs in the pipeline now in development for HIV/AIDS include the CCR5 class of agents, a new class which we're very active in. The integrase inhibitors. I think there's exciting new technology on the horizon and the part of this conference that I think is just fascinating is there are patients now that are controlled and not progressing and that turns AIDS into a chronic illness. So I think if that line of research can be followed and we learn how to manage this disease as a chronic condition that will be a big step forward.

MALE SPEAKER: That leads, to the extent AIDS is a treatable, chronic condition it means fortunately we have many people staying alive for quite a bit longer, but it also means the need for a lot more money to treat those people. Do you

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think the amount of resources going into the fight against AIDS right now from the U.S. and from other countries is enough or is more needed?

HANK MCKINNELL: Well, it's enough at the present time because the absorptive capacity of these societies are insufficient to meet the need and there is a much greater need than the resources that are currently available. That's why we've started the Infectious Disease Institute in Kampala, Uganda, taking infective disease specialists from the United States as trainers to Africa. And our vision is that every year we will train 100 specialists in infectious disease, HIV/AIDS, malaria, and tuberculosis. And those 200 will return to their countries in Sub-Saharan Africa. Each will train 10. so the 200 train 2,000 and the 2,000 then care for, treat, educate millions and we do this every year. It's a great mission. The new building is being occupied this week and we've already graduated 170 graduates before the building is open.

MALE SPEAKER: So if one looks. I mean if the absorptive capacity problem is licked, or at least mitigated, that presumably will lead to a bigger resource need in the coming years.

HANK MCKINNELL: Well, it's not a zero sum game. A healthier Africa is a wealthier Africa. And if we combine support for infrastructure, investment in health, investment in education, freer trade, allow these countries to develop

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themselves out of poverty, I think we'll find that investments in health are good investments and ultimately pay back in faster economic growth.

MALE SPEAKER: A big piece of this conference is science, but it obviously involves politics as well. There was a treatment march yesterday, some protests today and activists are saying that intellectual property rights, opposition to fixed dose generic drugs are standing in the way of getting access to the 5 million plus people who need treatment. How would you respond to that?

HANK MCKINNELL: Well, intellectual property can be a barrier to access. In fact, in the areas we're talking about, Sub-Saharan Africa, there effectively are no patents, number one. Number two, the research based industry has agreed to make drugs available at everybody does a little differently, some are at cost, some are no profit. In our case, we make our drugs available free of charge so the medicine is available. What is needed is the political will, which is lacking in some countries and the medical infrastructure. So I think the activists need to move on. This was certainly a valid issue in Durbin. Durbin did wake up a lot of people. It was still an issue in Barcelona. I think at this point we're in a position where the medicine is available, the resources are available at least in the 15 PEPFAR countries. What we now is the political will and the experience in successful implementation. We're

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going into a new phase here.

MALE SPEAKER: What do you think the political challenges are or what's necessary to get that political will in place?

HANK MCKINNEL: Well, we know from experiments that have now been run in Uganda and Thailand, that with strong political leadership with a real focus on the needs of the community, with the involvement of the community particularly those living with the virus that success can be achieved by working together. We've demonstrated that in several countries now. We need to do it more broadly.

MALE SPEAKER: And what's your financial bottom line as a drug company when you look at the developing world? Is it to make only a little profit, to break even, or to not lose too much?

HANK MCKINNEL: Well, I have maybe a unique view of our role in all this. There was a point in time probably 30 years ago when people in my position would say our job is to maximize profit for our shareholders. That's still our job. But I've concluded that you can't really do that in a society that sees you as part of the problem. Because if they see you as part of the problem, they'll deal with you as a problem. I think we're much better off being recognized for what I know we are, part of the solution. And if we can work to do 3 things, to earn a good financial return which will induce our shareholders to

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continue funding our research and our operations, that's still important, but if we can insure access to our medicines to those who need it, and if we can demonstrate good corporate citizenship, I think that's the long term answer to ensuring an acceptable return to our shareholders.

MALE SPEAKER: And on a personal level, it can't be easy to step into a conference with 15,000 people, many of whom may be demonstrating against you or your company. What kind of personal feelings do you bring to that kind of situation?

HANK MCKINNELL: Well, number one, I think people demonstrating have a right to demonstrate. Clearly the demonstrations in Durbin accomplished an important objective. It made people aware of a problem and that the world had to do more about it. The demonstrations in the United States in the '80's woke up the FDA to the fact that they had to accelerate the approval of needed new medicines, that that was important. The demonstrators now have a right to demonstrate, but I think the balance here is quite different from Barcelona. The demonstrations I've seen made their point. They've lasted for a minute or two and then they've allowed the speaker to make the points they're making. So that exchange of dialogue, I think, is where we achieve real results.

MALE SPEAKER: Final question. We're now a couple days into the conference in Bangkok. At the end of this week what do you think needs to happen here in order for you to feel that it

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succeeded?

HANK MCKINNELL: Well, the outcome I would like to see is twofold. One is a greater understanding and agreement around the science being presented here on where the interesting avenues are. We have a large number of our own researchers here, both participating in meetings and listening to presentations. I hope they come back with some good ideas, good leads that we can follow. On the leadership track, which is the one I'm mostly involved in, I hope that we can achieve an understanding that while for decades local governments haven't accomplished very much against this problem, UN agencies haven't accomplished very much, private companies like Pfizer haven't accomplished very much. Together we can. If we can reach that understanding I think we will have accomplished something very important.

MALE SPEAKER: Well, best of luck Hank McKinnell. Thanks so much for joining us.

HANK MCKINNELL: Thank you.

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