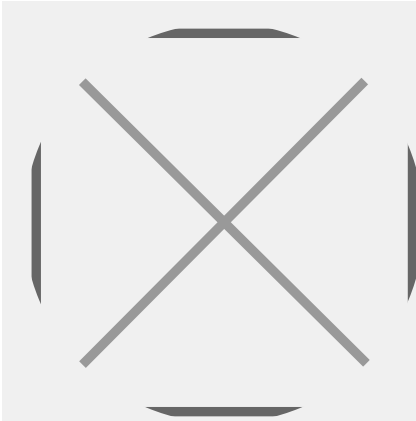


Interview with Cesar Rengifo, President, GSK Brazil



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You've made some bold moves in your career – from the head of vaccines in Latin America, followed by stints in Colombia, Puerto Rico, and finally Brazil. What brought you along that trajectory, and what have been some of the most important milestones since your arrival here in 2008?

I could give you a brilliant answer, but the reality is this: my wife is Brazilian! That made everything easier when it came to the Brazil move, and when GSK proposed it to me, it was a fantastic job and a fantastic fit. I had already worked in the regional office in Rio de Janeiro 10 years ago, and when I came to Brazil, the affiliate was in a period of turnaround, from a GSK that was historically very conservative towards a strategy moving much more clearly towards diversification. The idea was to not go with one big bet, but with several big bets, and around the time of my arrival GSK began to implement a restructuring towards growth.

Now, GSK has a new corporate strategy under a regional President who has a vision to be the leading, pioneering pharmaceuticals company in EMAP, bringing affordable, quality GSK medicines of value to more people who need them. And Brazil itself was a milestone for the corporation. We've been very proud of our 20+ years of close relationships with the government, and we are moving into a new era which will see GSK launching not only new, innovative products, but also branded generics, alongside improving productivity in different segments of the market. We're fortunate because we have more than doubled growth in the last three years, and in the last four years we have doubled the corporation.

What have been some of the signposts along the way? Before we arrived in Brazil, there was global headline news of the \$2.6 billion Synflorix deal on our radar, a very exciting

example of tech transfer and PPP.

As you mention, that deal is probably the most visible, but GSK has similar achievements in every area. When you have an agenda of diversification, you must take advantage of all the opportunities available in the market. We didn't start at \$2.6 billion right away – we started 20 years ago with technology transfer. The Brazilian government uses as a benchmark the Hib Vaccine transfer, which is already a reality. The Oswaldo Cruz Foundation (FioCruz) is capable to produce vaccines by themselves. GSK is among the few companies with a track record which can prove consistent win-win outcomes, and we build on the success of each new tech transfer. Following Synflorix, GSK has now moved further into R&D, and now corporate research on the Dengue vaccine is a co-development with FioCruz, and we remain very optimistic on that partnership. We are in the enviable position of having a headstart on other companies which may be trying to start partnerships from scratch.

GSK is always trying to follow the government agenda, and adapting the strategy toward what the Brazilian government needs and what we believe is the future, to work together to make good achievements in this direction.

The strategic intent of the government is quite sound. Politicians want to give more health care to the population, and they recognize the need to move faster and put money behind the decision, and that private industry must work side by side with the government to make it happen. Of course, GSK is always pushing innovation, but at the heart of all we do is driving access for patients to our medicines and vaccines. This has led to decisions like in antibiotics, where we decreased prices by 60% to open access to more patients. What we've found is that the volumes compensate, and now we're competing head to head with generics – and winning the battle with our brands. We've shown that if we make adequate moves in line with the government and the market we can win the battle, and our competitive standpoint is furthered in branded generics through our partnership with Dr. Reddy's. We have launched a lot of products in CNS, and we expect to be one of the big players in CNS in Brazil, leveraging not only our portfolio, but also the fantastic branded generics we have with Dr. Reddy's.

What makes you excited in all of this diversified approach at GSK? We know that a Brazilian gets a vaccine every four seconds, and there are exciting research projects with the National Cancer Institute, and social service outreach programs in Rio de Janeiro. Out of these and more, do you have a pet project?

Due to my history, of course vaccines are an area that is close to my heart. But when you start to see the portfolio we have, for instance, in oncology, it becomes obvious that everything GSK does can really help people. Our products help people do more, feel better and live longer, and when you see that you begin to be touched. I wouldn't say that I have a pet project; with an agenda of diversification, my passion is the patient.

When you see patients at the end of the line, oncology is one area where GSK allows people to have a great quality of life. It's fantastic, and although the competition is probably not too happy that we are launching with prices that allow people to have more access, we feel that's what we need to do in Brazil and we're moving in that direction.

In any decision, patients need to be the first stakeholder area analyzed, and this approach remains at the core of GSK. That's why I'm happy to see a product like Seretide for COPD, which at the end of the day allows patients to breathe, and clinical studies that show not only increases in quality of life, but quantity as well.

What differentiates the Brazilian affiliate from the others you have headed?

It's the decision to, as a corporation, invest and be aligned with the government. GSK invests very heavily in the commercial area, but we are very close to the country's needs and the future, and what is required by the population and the government. That's a key difference, and in Brazil, GSK maintains a very close dialogue with all the stakeholders.

Doesn't this tend to be the goal anywhere?

Yes, but in Brazil, GSK has the unique advantage of being especially close due to all the tech transfer, which leads the way to more strategic discussions. It makes both sides excited, and the interchange of ideas is richer. Of course all affiliates need to be close to the government – we have a common goal, and that's nothing new.

What is your vision for the future of GSK in Brazil?

Clearly we want to continue on the trajectory that we've had. Last year, in 2010, we saw a fantastic result with a couple of one-offs, like the H1N1 vaccination, which was a massive program. That's why I say the partnership with the government will only increase, and the government will continue to be the big player in the future. What I see is GSK walking the path of diversification while remaining close to the government, and I have no doubt that thanks to this strategy, and continued investments yielding organic and inorganic growth, we will be in the top 3 by 2016.

GSK in Brazil has maintained a steady 20% compound growth rate, and we will continue to do so. If you are in a country growing on the whole at 1-3%, and you can achieve 20% figures in your company, it's difficult not to be excited! If you are not excited in Brazil, you are probably dead.

You mention these professional motivators, but on the personal side, what keeps you motivated at the head of a 1,500 person organization?

The main factor is to work with a company that makes a difference in people's lives. We've done several internal audits that have shown when people are identified with the mission of the company, they really feel excited. Pharmaceuticals are different than other industries. You can work in oil, which is also great, very high-tech with the pre-salt, etc. But with pharmaceuticals, it is

not only changing people's lives, but changing people's lives in your family. My boys have taken GSK vaccines; when I have the flu I take GSK antibiotics, and my mother used to take Avandia. I know people around me who take Tykerb. It's the full range that's in people's lives. With this ubiquity of our products in Brazil, it's even easier to have all the people around the mission very committed.

In terms of the style, I am very tough with numbers and results, but I like to delegate and be close to the team. It's difficult with a large organization to be close to everybody, but as a manager the only rule I have is that you must trust the people you have, and I trust the team we have in Brazil 100%. It's really a very robust team. I'm sure several of my direct reports will soon be top managers in other countries or companies.

What's your final message to our international readers?

The Brazilian market will continue to grow, there's no doubt about that. Even if we see some fluctuation in the exchange rate, the inertia we have in the economy and the political commitment we have today offers a clear opportunity – however, it's a complex opportunity, and companies must be prepared for it. If you like emotions, Brazil is a good place to be, because you must be prepared for swings. But if you have commitment and a clear vision you will be successful – and GSK has that vision, whose full alignment with senior management in GSK will ensure we continue to be a key player in all the areas of the pharmaceutical market in Brazil.

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