

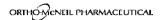
Omnicare

1600 RiverCenter II 100 East RiverCenter Boulevard Covington, Ky. 41011

Coordinating RESOURCES







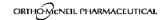
Executive Summary

- Omnicare is the largest independent Provider of professional pharmacy and related services for long term care initiatives such as nursing homes, retirement centers, and other institutional facilities.
- Omnicare services 635,000 nursing homes beds or 32% of the total nursing home beds in America.
- Omnicare operates in 43 states and services 8,800 skilled nursing facilities.
- Omnicare represents the fifth largest Contract Research Organization in the world.
- Omnicare's CRO's provides comprehensive clinical research services for the pharmaceutical, biotechnology and medical device industries in 23 countries worldwide.

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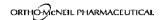
Charter Statement

• Johnson & Johnson provides pharmaceuticals to Omnicare that enhance patient quality of life within the long-term care marketplace.

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Situation Appraisal

Customer Business Situation

- Omnicare is the largest pharmacy provider in country servicing over 635,000 nursing home residents in 43 states.
- Omnicare drives pharmaceutical initiatives at six individual regional areas, by Regional Clinical Directors.
- Omnicare is currently facing dramatic state Medicaid reimbursements cuts throughout the country.
- Assisted living facilities accounted for roughly 20% of Omnicare's total population.
- Omnicare currently purchases 130 million dollars of Johnson & Johnson pharmaceuticals.

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Situation Appraisal

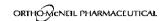
Customer Business Situation

- Prospective Payment System has produced pricing pressures, overall census weakness, decline in Medicare census, and market decline in acuity/utilization.
- Annualized revenues of over 2 Billion dollars. Strong balance sheet. Positive earnings and cash flow generator.
- Omnicare philosophy "Increase pharmaceutical use, decrease medical costs"
- Omnicare operates specific health-management programs under the "Review" program. (Alzheimer's, Behavior Management, and Pain Management). Generated over 11,000 new prescriptions for antipsychotics.

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Situation Appraisal

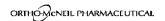
Customer Business Situation

- Omnicare Senior Health Outcome offers corporations value added services for retirement population (GTE)
- Mergers and head reductions have trimmed operating units to 138 and employment to 1819.
- Value drivers for 2001:
 Expand core distribution business
 Leverage core business through development of clinical and information services

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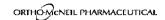


- Omnicare's goal is to optimize drug therapy for the elderly, making it appropriate, affordable and available regardless of setting. Further development and expansion of its clinical services is a significant element of Omnicare's value creation strategy.
- The contract research business allows omnicare to play a major role in creating value for both pharmaceutical companies and the geriatric population
- Omnicare believes that providing services today, is different than what is was five years ago, and that they will emerge as a stronger company than before.

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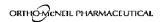
Key Players

- Joel Gemunder, President, Omnicare, Inc.
- Tim Bien, Senior Vice President of Purchasing and Professional Services, Omnicare, Inc.
- Gary Erwin, President, Senior Health Outcomes, Omnicare, Inc.
- Dan Maloney, Vice President of Purchasing, Omnicare, Inc.
- Mark Lehman, Director of Clinical Services, Omnicare, Inc.
- Lise Welford, Associate Directr of Clinical Services, Omnicare, Inc.

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• Purchase Trends 2000

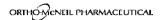
Risperdal	75 M	54%
Duragesic	18.2M	53%
Levaquin	14.3M	63%
Procrit	13 M	90%
Ultram	4.7 M	47%

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	SALES	
	1999	2000
1st Quarter	11.8M	33.0M
2nd Quarter	12.6M	30.3M
3rd Quarter	15.2M	34.3M
4th Quarter	18.7M	34.3M
Total	58.3M	127.7M







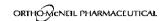
Customer's View of Our Competition

How Customer Sees (Scale from 1:Worst to 10:Best)	Competition	J & J Pharmaceutical Companies
Level of business relationship	6	8
Understanding of customer's business situation	7	8
Product fit to customer's needs	6	8
Positioning in customer's organization	8	10
Product/Service reputation	7	8
Prices	5	5
Helpfulness to customer	6	7
Total	45	52

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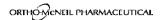


- Omnicare has had tremendous financial pressures based on operating under the Prospective Payment System and state Medicaid reimbursement cuts.
- Omnicare has been able to demonstrate an ability to drive market share on performance based initiatives.
- J&J is the largest supplier of pharmaceuticals to Omnicare, purchasing close to 120 million dollars in products.

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Team Evaluation of the Account (Scale from 1:Worst to 10:Best)	Score
Its sales trend (2 – 3 years out) (In their own market)	10
Its growth vs. our strengths	9
How coachable its people are	6
How much we enjoy working with the account	7
Showcase/referral source for us	10
Recent trends of others	8
How much it helps us (Give & take or all take, no give)	8
Total	58

Compare this team evaluation to that of the customer's view of us and our competition

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Situation Appraisal Summary

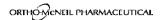
Strengths

- Omnicare is the largest pharmacy provider in the United States.
- Omnicare purchases more pharmaceuticals from J&J than any other pharmaceutical company.
- Omnicare can move market share through P.S.T. I. programs.
- Omnicare has one the industry's premier formularies with the "Geriatric Guidelines" produced annually.

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Situation Appraisal Summary

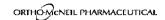
Opportunities

- Risperdal "Re-Ignition" Program
- Propoxphene Initiative (Ultram)
- Alzheimeirs Initiative (Reminyl)
- PPI Initiative (Aciphex)
- ESRD Program (Procrit)
- Pain Management Program.

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Situation Appraisal Summary

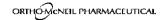
Trends

- Prospective Payment System has state Medicaid reimbursement
 Cuts depleted stock value and made making a profit in the pharmacy provider arena difficult.
- Demographics of an aging population with higher drug utilization position Omnicare well for the future.
- Outsourcing of clinical research produces another revenue stream and positions Omnicare well for geriatric specific studies.
- Reductions in headcount and merging of sites continue to save dollars. (18 month program saves 46 million dollars)

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• Charter Statement

 Johnson & Johnson supplies high quality products and services and jointly created clinical business programs that aid Omnicare in meeting corporate goals and objectives.

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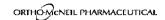


- Drive Risperdal market share to 62% by re-energizing Risperdal Initiative. Programs to include MRDD/Schizophrenia pilot program and re-ignition of Behavior Management program.
- Initiate and successfully launch Reminyl in AD market.
- Establish relationships with Omnicare's CRO and repository for prospective and retrospective studies.
- Synergize efforts in working toward state Medicaid reimbursement issues.

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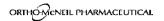


- Three Best Goals
 - 1 Synergize efforts on disease-state management programs, particularly Risperdal, Reminyl, and Levaquin.
 - 2 Educational programs at "grass-roots" level.
 - 3 Improve relationships with Corporate and Regional sites.

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- Single Best Opportunity
 - Risperdal "Re-Ignition" program..

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