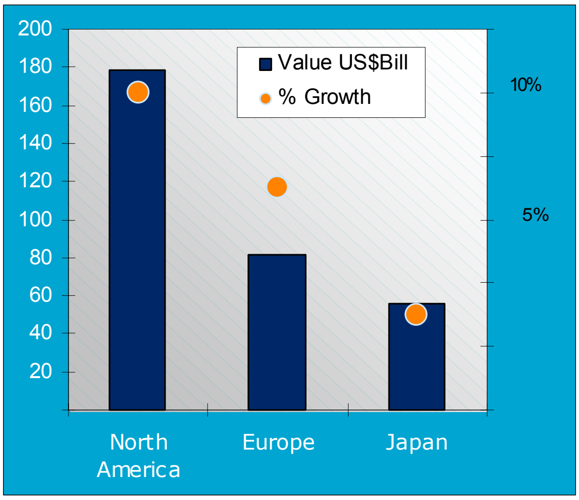
IMS Retail Drug Monitor

Tracking 13 Key Global Pharma Markets

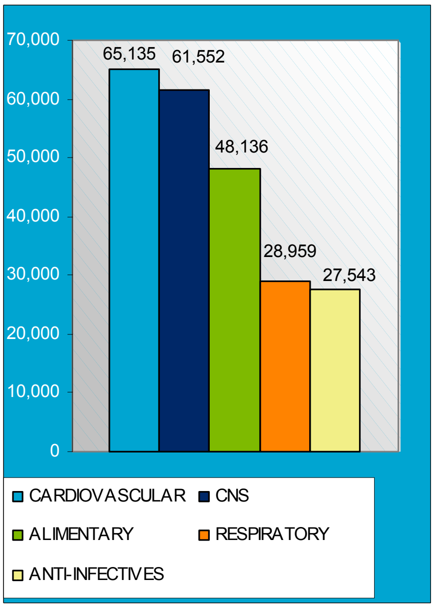
12 months to June 2004

Regional Sales Breakdown: $US Billions



Source: IMS Health

Therapy Sales Breakdown: $US Millions



Source: IMS Health

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IMS HEALTH, the global healthcare information company, today reported an 8% growth in drug sales through retail pharmacies in 13 key markets in the 12-month period from July 2003 through to June 2004, closing at US$332.9 billion.

IMS Retail Drug Monitor covers direct and indirect pharmacy channel purchases from wholesalers and manufacturers in 13 key countries. Sales figures are at ex-manufacturer prices and include all prescription and certain over-the-counter data. Figures include sales from the hospital sector in Japan and mail order in the USA.

- Retail pharmacy sales for these key markets had an 8% growth at constant exchange to June 2004, no change to our previous survey.
- Sales in the top five **European** markets showed a 7% constant exchange growth, a slight increase to last months survey.
- **North America** posted a 10% sales growth at $178 billion in sales in the 12 months to June. The Key therapy growth area for North America was the Central Nervous System group with a 23% growth which remained the same as our last survey results.
- **Japan's** overall growth at constant exchange was 3%, with a market worth $55.44 billion in the 12 months to June 2004.
- US dollar Growth in the three **Latin American Markets** remained the same as our last survey.
- By **therapeutic category** the biggest increase worldwide was the blood agents category with a sales growth at constant exchange of 15%.
- The **single largest therapeutic sub category** in dollar sales continues to be the C10, hypolipidemia, class selling $24.74 billion with a growth of 13% in the 12 months to June 2004. The second biggest group is the A2, anti-ulcerants, class at $21.51 billion and a 3% growth.
- The **best selling drug** for the 12 months ending June 2004 was still Lipitor, worth over $9.7 billion, with growth at 13%. Nexium has the largest growth at the top with 36%. The five top drugs are 1. Lipitor, 2. Zocor, 3. Norvasc, 4. Nexium, 5. Prevacid (Ogastro).
- The top 5 **corporations** in the year to June 2004 in order continued to be: 1: Pfizer, 2. GlaxoSmithKline, 3. Merck, 4. AstraZeneca, 5, Novartis.

KEY COUNTRY DRUG PURCHASES - RETAIL PHARMACIES

IMS HEALTH - RETAIL DRUG MONITOR: 12 MONTHS TO JUNE 2004

	12 MONTHS JUNE 2004 US$ MILLIONS	12 MONTHS JUNE 2003 US$ MILLIONS	% GROWTH US$	% GROWTH *AT CONSTANT EXCHANGE**
SELECTED WORLD	332,914	293,316	14	8
NORTH AMERICA	178,185	161,314	10	10
U.S.A.	168,810	153,720	10	10
CANADA	9,376	7,594	23	10
EUROPE (leading 5)	81,734	67,769	21	7
GERMANY	23,852	19,898	20	5
FRANCE	20,010	16,559	21	6
ITALY	13,865	11,665	19	4
UNITED KINGDOM	14,410	11,943	21	10
SPAIN	9,599	7,705	25	10
JAPAN (*including Hospital)	55,448	49,638	12	3
LATIN AMERICA (leading 3)	12,671	10,923	16	21
MEXICO	6,279	6,078	3	11
BRAZIL	4,682	3,606	30	30
ARGENTINA	1,710	1,240	38	38
AUSTRALIA/NEW ZEALAND	4,876	3,671	33	9
THERAPEUTIC CATEGORY				
1 CARDIOVASCULAR	65,135	56,788	15	8
2 CENTRAL NERVOUS SYSTEM	61,552	52,190	18	14
3 ALIMENTARY/METABOLISM	48,136	43,501	11	6
4 RESPIRATORY	28,959	26,945	7	3
5 ANTI-INFECTIVES	27,543	25,212	9	4
6 MUSCULO-SKELETAL	21,377	17,901	19	14
7 GENITO-URINARY	18,018	16,514	9	5
8 CYTOSTATICS	15,915	13,565	17	11
9 DERMATOLOGICALS	9,885	9,044	9	4
10 BLOOD AGENTS	11,780	9,681	22	15
11 SENSORY ORGANS	6,734	5,919	14	8
12 DIAGNOSTIC AGENTS	6,088	5,277	15	9
13 HORMONES	5,345	4,588	16	11
14 MISCELLANEOUS	3,998	3,925	2	(3)
15 HOSPITAL SOLUTIONS	1,976	1,855	7	(2)
16 PARASITOLOGY	474	411	15	11

***Constant Exchange takes out the effect of fluctuating exchange rates**

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KEY COUNTRY DRUG PURCHASES - RETAIL PHARMACIES

IMS HEALTH - RETAIL DRUG MONITOR: 12 MONTHS TO JUNE 2004

	US		JAPAN		GERMANY		FRANCE		ITALY		UK	
	$M	+	$M	+	$M	+	$M	+	$M	+	$M	+
TOTAL	168,810	10	55,448	3	23,852	5	20,010	6	13,865	4	14,410	10
CARDIOVASCULAR	30,028	12	11,188	5	5,056	0	4,586	2	3,572	7	3,673	12
CENTRAL NERVOUS SYST	39,217	15	4,374	9	3,522	11	3,286	7	1,824	5	2,843	11
ALIMENTARY/MET.	23,730	6	8,137	2	3,712	5	2,915	4	1,980	4	2,115	6
ANTI-INFECTIVES	13,766	6	5,891	0	1,751	3	1,732	7	1,250	(1)	486	5
RESPIRATORY	15,340	2	3,696	(5)	1,796	2	1,746	5	1,155	2	1,662	7
MUSCULO-SKELETAL	11,049	18	3,577	4	1,281	13	1,178	8	847	7	876	21
GENITO-URINARY	10,424	4	1,204	6	1,313	2	1,131	(2)	844	4	721	1
CYTOSTATICS	6,624	9	4,448	7	1,745	14	910	48	568	4	446	11
DERMATOLOGICALS	4,645	5	1,336	1	687	(5)	571	(2)	434	3	504	4
BLOOD AGENTS	4,632	22	3,535	5	991	18	720	14	553	6	370	27
SENSORY ORGANS	2,883	11	1,659	0	367	7	415	8	309	5	241	9
DIAGNOSTIC AGENTS	2,354	8	2,023	9	628	6	318	11	256	15	233	12
HORMONES	2,458	19	1,119	0	491	6	339	6	204	(3)	154	8
MISCELLANEOUS	1,463	(14)	1,456	5	392	2	93	18	41	(2)	20	(13)
HOSPITAL SOLUTIONS	4	85	1,800	(3)	90	3	27	33	22	3	13	5
PARASITOLOGY	192	15	4	3	29	1	40	12	6	(5)	52	5

	CANADA		SPAIN		BRAZIL		MEXICO		ARGENTINA		AUST./NZ	
	$M	+	$M	+	$M	+	$M	+	$M	+	$M	+
TOTAL	9,376	10	9,599	10	4,682	30	6,279	11	1,710	38	4,876	9
CARDIOVASCULAR	2,294	9	2,131	5	621	31	541	12	274	36	1,170	12
CENTRAL NERVOUS SYST	1,864	12	1,957	13	704	34	768	13	310	36	883	10
ALIMENTARY/MET.	1,370	9	1,202	6	789	29	1,161	10	286	40	739	10
ANTI-INFECTIVES	499	9	540	3	311	26	927	4	155	36	235	(3)
RESPIRATORY	681	9	994	14	476	31	759	18	134	35	521	10
MUSCULO-SKELETAL	637	13	561	16	379	30	534	11	137	46	321	13
GENITO-URINARY	461	5	595	12	548	31	462	13	117	34	197	4
CYTOSTATICS	455	19	446	13	25	(18)	52	23	7	(42)	189	12
DERMATOLOGICALS	323	3	325	10	380	28	360	5	99	46	221	7
BLOOD AGENTS	243	23	369	14	83	42	115	11	41	46	129	25
SENSORY ORGANS	161	8	237	13	145	29	152	12	53	41	113	10
DIAGNOSTIC AGENTS	204	10	2	(14)	6	34	9	8	20	93	35	(6)
HORMONES	74	6	214	3	110	33	117	10	42	31	24	11
MISCELLANEOUS	92	(3)	18	46	52	18	265	13	28	45	78	(4)
HOSPITAL SOLUTIONS	2	(18)	3	1	3	6	10	1	1	50	2	6
PARASITOLOGY	17	16	6	27	51	18	49	2	8	34	19	6

+: Growth is at Constant Exchange

KEY COUNTRY DRUG PURCHASES - RETAIL PHARMACIES

IMS HEALTH - RETAIL DRUG MONITOR: 12 MONTHS TO JUNE 2004

	NORTH AMERICA			EUROPE TOP FIVE			JAPAN		
	$M	**%**	**+**	**$M**	**%**	**+**	**$M**	**%**	**+**
CARDIOVASCULAR	32,322	18	11	19,018	23	5	11,188	20	5
CENTRAL NERVOUS SYSTEM	41,081	23	15	13,433	16	10	4,374	8	9
ALIMENTARY/METABOLISM	25,100	14	6	11,924	15	5	8,137	15	2
ANTI-INFECTIVES	14,265	8	6	5,759	7	3	5,891	11	0
RESPIRATORY	16,021	9	2	7,352	9	5	3,696	7	(5)
MUSCULO-SKELETAL	11,686	7	18	4,743	6	12	3,577	7	4
GENITO-URINARY	10,885	6	4	4,605	6	2	1,204	2	6
CYTOSTATICS	7,079	4	9	4,115	5	18	4,448	8	7
DERMATOLOGICALS	4,967	3	5	2,522	3	1	1,336	2	1
BLOOD AGENTS	4,875	3	22	3,003	4	15	3,535	6	5
SENSORY ORGANS	3,044	2	11	1,569	2	8	1,659	3	0
DIAGNOSTIC AGENTS	2,558	1	8	1,437	2	10	2,023	4	9
HORMONES	2,531	1	19	1,402	2	5	1,119	2	0
MISCELLANEOUS	1,556	1	(14)	565	1	4	1,456	3	5
HOSPITAL SOLUTIONS	6	0	33	155	0	7	1,800	3	(3)
PARASITOLOGY	209	0	15	133	0	7	4	0	3

+: Growth is at Constant Exchange

Sales figures in these tables cover direct and indirect pharmaceutical channel purchases (pharmacies plus hospital in Japan and mail order in the USA) from pharmaceutical wholesalers and manufacturers in 13 key global markets. Figures include prescription and certain over-the-counter data, and represent manufacturer prices. These countries account for over two thirds of the world market.

These figures are taken from the monthly pharmaceutical audit conducted by IMS Health, the leading provider of healthcare information worldwide and cover the 12 month period from **July 2003 through to June 2004**. Sales for Argentina and Brazil are presented in US dollars only. The decision for the conversion to US dollars was due to excessive inflation and subsequent devaluations leading to both local currency and exchange rates exceeding the field sizes available for them on IMS databases.

- The selected regions are broken out by country.
- Each area is also shown in terms of broad therapeutic category.
- All sales values are shown in millions of dollars at prevailing exchange rates.
- In order to remove the effects of fluctuating exchange rates, growth rates are calculated net of exchange, in other words, growth figures are shown at local currency level or constant exchange except for the majority of the Latin America countries exclusive of Mexico, Chile, Colombia and Peru.
- In Argentina and Brazil sales are recorded in US dollars **in Mexico – local currency**.
- The unique system in Japan reduces the importance of the pharmacy in the distribution chain - sales reported include hospital data. In other countries sales monitored are limited to retail pharmacy only and do not include hospital data. In the USA our survey includes sales through mail order channels.

Operating in more than 100 countries, IMS Health is the world's leading provider of information solutions to the pharmaceutical and healthcare industries. With $1.4 billion in 2003 revenue and 50 years of industry experience, IMS Health offers leading-edge business intelligence products and services that are integral to clients' day-to-day operations. These include marketing effectiveness solutions for prescription and over-the-counter pharmaceutical products; sales optimisation solutions to increase pharmaceutical sales force productivity; and consulting and customised services that turn information into actionable insights.

NEWS: NEW IMS CUSTOMER PORTAL, COMING SOON!

A new *imshealth.com* secure Customer Portal will be available in September offering an easy-to-use, customizable interface to our clients' online IMS product portfolio.

The new portal will also provide a one-stop-shop for product support, customer service and exclusive news and insights for our international client community, offering extensive search facilities to save time and effort.

Please note, this will affect all IMS customers who access services via imshealth.com as new security will be required, for further details please contact the **IMS Service Centre on +44 (0)20 7393 5888.**

IMS Retail Drug Monitor

Hot Topics

Commenting on the key stories **August 13th 2004**

Key trends in P&R – 2004 and beyond

Senior pricing and reimbursement executives gathered at Cambridge University for the annual P&R conference hosted by IMS Health subsidiary Cambridge Pharma Consultancy, timed to coincide with the publication of Cambridge's *Pricing & Reimbursement Review 2003*.

Ron Baynes, Cambridge Executive VP and co-author of the report, introduced the headline findings: "We believe that 2003 will be viewed as a landmark year from a cost-containment and P&R point of view. We have experienced some major events that will have lasting effects on the pharma industry." In particular, Baynes identified six key trends that set the agenda for 2004 and beyond:

- Pipelines: new product launches were at their lowest level for many years, making it even more important to extract the maximum value from each launched product through, for example, optimal price levels, rapid market access and minimal prescribing restrictions
- EU enlargement: responsible pricing helped to minimise the threat of price referencing and parallel trade from new member states
- Parallel trade: growth slowed for the first time in several years in Europe
- Canadian cross-border activity: re-importation continued to attract high interest but remained a small component of US sales in absolute terms
- Medicare reform: new legislation opened up the beginnings of a new market
- Reference pricing in Germany: expansion underlined the importance of product differentiation to gain future price premia

Further insight is available on: http://www.ims-global.com/insight/news_story/0407/news_story_040720.htm

Any use of this should be sourced to IMS Health, IMS Retail Drug Monitor.