

DRUG SALES

U.S.
Prescription
UpdateSALES JUMPED 8.3%
TO \$274.9 BILLION

Medicare Part D,
Generics, and New
Biotech Products
Expected to Fuel U.S.
Pharmaceutical Market
Growth of 6% to 9%
Through 2010

IMS Health reports that U.S. prescription drug sales grew 8.3% to \$274.9 billion in 2006, the third straight year of growth. The increase was fueled by the

Medicare Part D prescription benefit, the increased use of generics within new therapy classes, and the launch of new drugs targeted to specific diseases, such as cancer and diabetes.

In 2006, total U.S. dispensed prescription volume – the number of prescriptions dispensed to patients – grew at a 4.6% pace compared with 3.2% in 2005.

Looking ahead, IMS expects U.S. prescription sales growth to decline in 2007, but remain in the

range of 6% to 9% compounded annual growth through 2010 as the Medicare Part D benefit is annualized and more generic products enter the market, driving the cost of prescriptions lower.

GROWTH FACTORS:

MEDICARE — Prescriptions dispensed through Medicare Part D accounted for 17% of retail prescriptions by year end. Of the top 20 products dispensed by Medicare Part D prescription volume, 15 were unbranded generic drugs. By the end of 2006, use of unbranded and branded generics through Medicare

Part D accounted for 63% of all dispensed prescriptions.

GENERICS — In 2006, prescription volume of unbranded generics grew by 13%. Sales of unbranded generics grew by 22% in 2006, driven by sales of \$911 million for Teva's simvastatin, generic Zocor; \$902 million for Apotex's clopidogrel, generic Plavix; and \$480 million for Greenstone's sertraline, generic Zoloft. Other brands to lose

patent protection were Pravachol, Flonase, and Mobic.

PRODUCT INNOVATION — Biotech products remained a major growth engine in 2006, with sales increasing 20% to \$40.3 billion. Within this market, Amgen's Aranesp led the way, growing 42% to reach \$3.9 billion. Amgen's Enbrel rose 12% to \$3.1 billion, and Amgen's Neulasta climbed 28% to \$2.9 billion. Cancer therapies also had strong growth: Rituxan grew 18% to \$2.1 billion, Avastin rose 79% to \$1.7 billion, and Herceptin increased 66% to \$1.2 billion.

72% of respondents report using personalized content, while only 42% have made it a part of their marketing plans. 82% of marketers report using interactive tools personally, compared with 20% who offer these to customers. 71% of marketers now regard the Internet as a channel for providing information and services on demand, rather than the kind of awareness-generation typified by mass-media DTC advertising. 37% of those surveyed plan to increase spending on DTC campaigns, and 47% plan to increase spending to target healthcare professionals in 2007.

ONLINE UPDATE

Marketers May Be
Missing the Mark

A survey by Medical Broadcasting Company (MBC) and CBI Research found that pharmaceutical marketers often leave their own online behaviors at the office door, placing them at risk of missing online consumer and physician demand for their products.

The survey found a "relevance gap" between how most marketers in the pharmaceutical industry use the Internet in their own lives, versus how they market to consumers and healthcare practitioners. While most reported that they personally use social media, two-way communications, personalized content, and product comparison, fewer than half are offering those options to their customers.

"Our clients are now opening up their minds and budgets to these new, user-centric marketing tactics and the early results are encouraging," says Bruce Grant, senior VP of business strategy at MBC, who led the survey. "Clients who make use of the Internet to distribute information that is easy to find, easy to understand, easy to act on, and easy to share with others are driving new levels of engagement and trust with their audiences, both consumer and professional."

MILESTONES

Parexel
Celebrates
25th
Anniversary

Parexel International, a global bio/pharmaceutical services provider, is celebrating its 25th anniversary of providing

outsourced services to the pharmaceutical, biotechnology, and medical-device industries.

Over the last 25 years, Parexel has expanded its portfolio of services and global footprint through a combination of organic growth, alliances, and acquisitions, including the purchase of CROs in emerging geographies, to provide expanded capabilities for its clients' clinical development programs. Parexel operates in 56 locations throughout 43 countries and has more than 6,200 employees.

Parexel will celebrate its 25th year through several external and internal activities, including the ringing of the opening bell at the NASDAQ Stock Market on June 6, 2007.

Editor's Note: If your company, organization, or association is celebrating a major milestone please send your releases to feedback@pharmavoice.com.



SOURCE: IMS, NORWALK, CONN.

SOURCE: MEDICAL BROADCASTING COMPANY, PHILADELPHIA AND CBI RESEARCH INC., WOBURN, MASS.

SOURCE: PAREXEL, WALTHAM, MASS.



PUBLICATION PLANNING

WEAVING THE WEB OF EVIDENCE

A successful publication plan establishes a foundation of evidence on which all other medical and marketing communications initiatives are built.

Helix leads the new paradigm in publication planning by:

- Strategically analyzing the competitive marketplace
- Connecting data to key messages to support product positioning
- Implementing the plan with sensitivity to the current regulatory environment

Call us to help you weave the web of evidence to support your brand positioning.

PHRMA LEADERSHIP

Association
Fields 2007
Board

Kevin Sharer, CEO and president of Amgen, has been re-elected chairman of PhRMA.

Also elected were Merck CEO and President Richard Clark as chairman-elect and Astra-Zeneca CEO David Brennan as treasurer. In addition, Jeffrey Kindler, Pfizer chairman and CEO,

became a member of the board.

"Our industry is facing a number of challenges as well as opportunities in the year ahead," says Billy Tauzin, PhRMA president and CEO. "We plan to step up our efforts to inform and educate legislators on issues of critical importance to our companies and patients everywhere."

SOURCE: PHRMA, WASHINGTON, D.C.

THE SURVEY SAYS ...

Patient-Physician
Communications

InfoMedics has released the results of a survey that assesses manufacturers' and physicians' views on patient-physician communications.

The survey, conducted with PharmaVOICE in December 2006, shows the industry's recognition of the pivotal role effective communications play in improving compliance, which in turn leads to better treatment outcomes. Key leading indicators include:

- The biggest benefits of improved patient-physician communications involving a specific brand were perceived by the respondents to be improved treatment outcomes (87.5%) and increased medication adherence (73.6%).
- 74.6% of respondents say medication



noncompliance is an ongoing significant issue to be addressed in 2007.

- 67.7% rated their intent to address patient compliance issues in 2007 as extremely or very important, with the majority deeming "programs that encourage patients to discuss their treatment with their doctor" as the most effective initiatives.

SOURCE: INFOMEDICS INC., WOBURN, MASS.

TICKER WATCH — M&A ACTIVITY

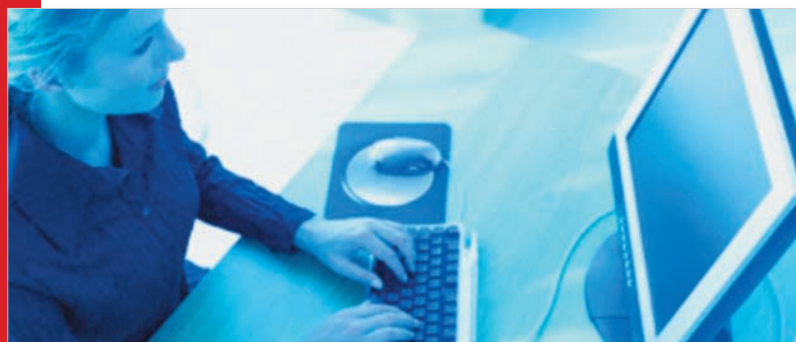
Schering-Plough to Buy Organon

Schering-Plough Corp. has agreed to buy Akzo Nobel NV's drug unit Organon BioSciences for €11 billion (\$14.4 billion). Schering-Plough said the purchase would boost earnings and lead to annual synergies of \$500 million within three years. It will finance the deal through a mix of cash, debt, and equity.

The acquisition is expected to help diversify Schering-Plough's business, which is currently dependent on cholesterol-fighting agents, and fill a gap in its late-stage pipeline by adding five drugs in Phase III.

Organon BioSciences provides a growing base of products and businesses with top-line sales of almost \$5 billion. The pharmaceutical business, Organon, had sales of \$3.4 billion in 2006.

SOURCE: SCHERING-PLOUGH, KENILWORTH, NJ



LOGGING ON AND PLUGGING IN

Upcoming WebSeminars

Log onto pharmavoice.com/weblinx to register for this session:

- **Clinical Performance Management: Innovations for a Rapidly Changing Landscape**
April 26, 2007, 1 p.m. - 2 p.m. EDT
Sponsored by Cognos

Archived WebSeminars

Log onto pharmavoice.com/weblinx to access these archived sessions, as well as others:

- **Leveraging Sales Analytics for Competitive Advantage**

Sponsored by Biltmore Technologies

- **The Pharmaceutical Brand Revolution: Optimizing Brand Power, From Before Launch to Beyond Expiry**

Sponsored by TNS Healthcare

Featured Podcasts

Please log onto pharmavoice.com/podcasts to access the following Podcast episodes, as well as others:

- **EDC and After**

Featured Thought Leaders: Dr. Stephen Rhys Thomas, Senior Partner, and John F. Murray, Senior Partner, Procera Partners

- **Global Branding, Not Blanding**

Featured Thought Leaders: Rob Rogers, Chief Creative Officer, Sudler & Hennessey, and Bruno Stucchi, Global Creative Director, Sudler & Hennessey, Milan, Italy

- **eClinical Integration**

Featured Thought Leader: Steve Kent, CEO, ClinPhone

SOURCE: PHARMAVOICE, TITUSVILLE, NJ