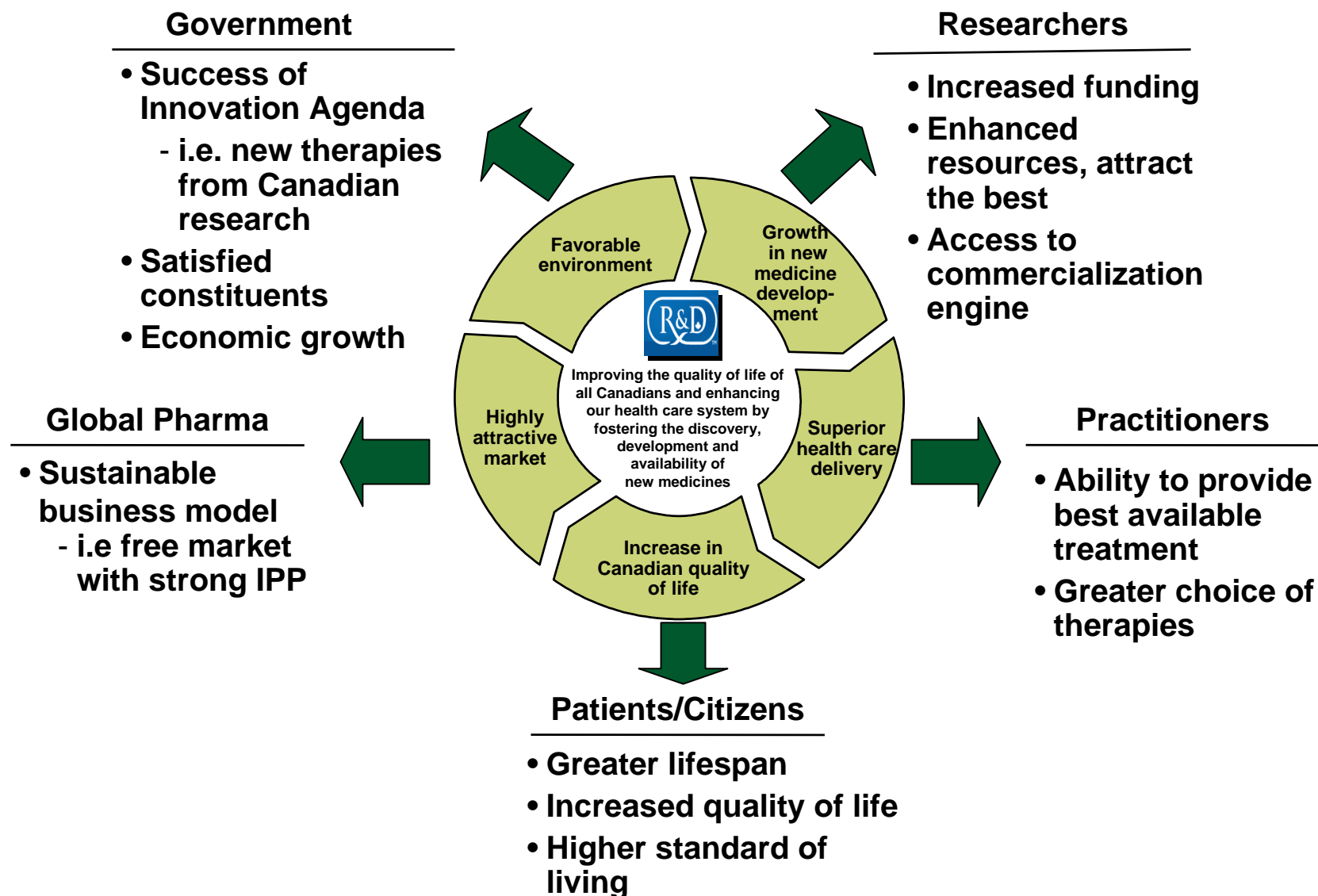


RX&D VISION OF BENEFIT TO ALL



Economic Value of Medicines

Medicines are Cost Savers

- **For each health care dollar spent in Canada, only 6.5 cents are invested in patented medicines**
- **Each Dollar invested in the search for new medicines saves seven dollars in health expenditures¹**

Medicines are an Economic Driver

- **Developing a new medicine requires an investment of \$845 M (US)**
- **Per capita, R & D in the health field has increased 90% in Canada since 1996²**

¹ Columbia University

² Statistics Canada, Science Statistics Service Bulletin, Volume 28, No. 8

Benefits of New Medicines

For Patients

- **Reduction in hospitalization rates in Canada by 41% over the past 25 years**
- **Reduction of 60% of heart attacks between 1979 and 1999**
- **Investments in pharmaceuticals increase life expectancy¹**

For Governments

- **The pharmaceutical industry injected \$5 billion into the Canadian economy in 2002**
- **The pharmaceutical industry employs close to 24,000 employees in Canada**

¹ Analysis Group, Université du Québec à Montréal

Health Expenditures in Canada

2003 Forecast

*Other Institutions: includes nursing homes and residential care facilities

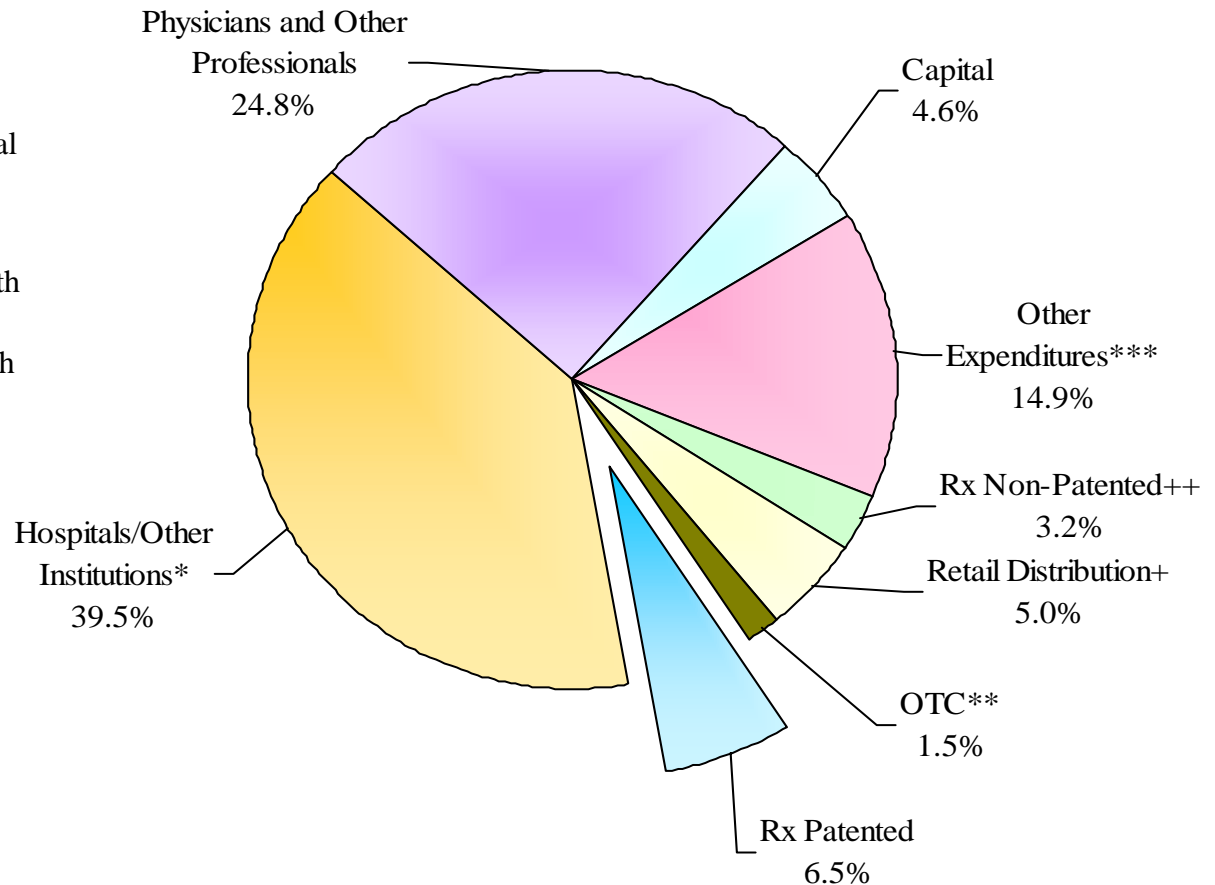
** Over-the-Counter (OTC): includes personal health products

***Other Expenditures: includes public health and administration, medical transportation, hearing aids & appliances, occupational health and voluntary health associations.

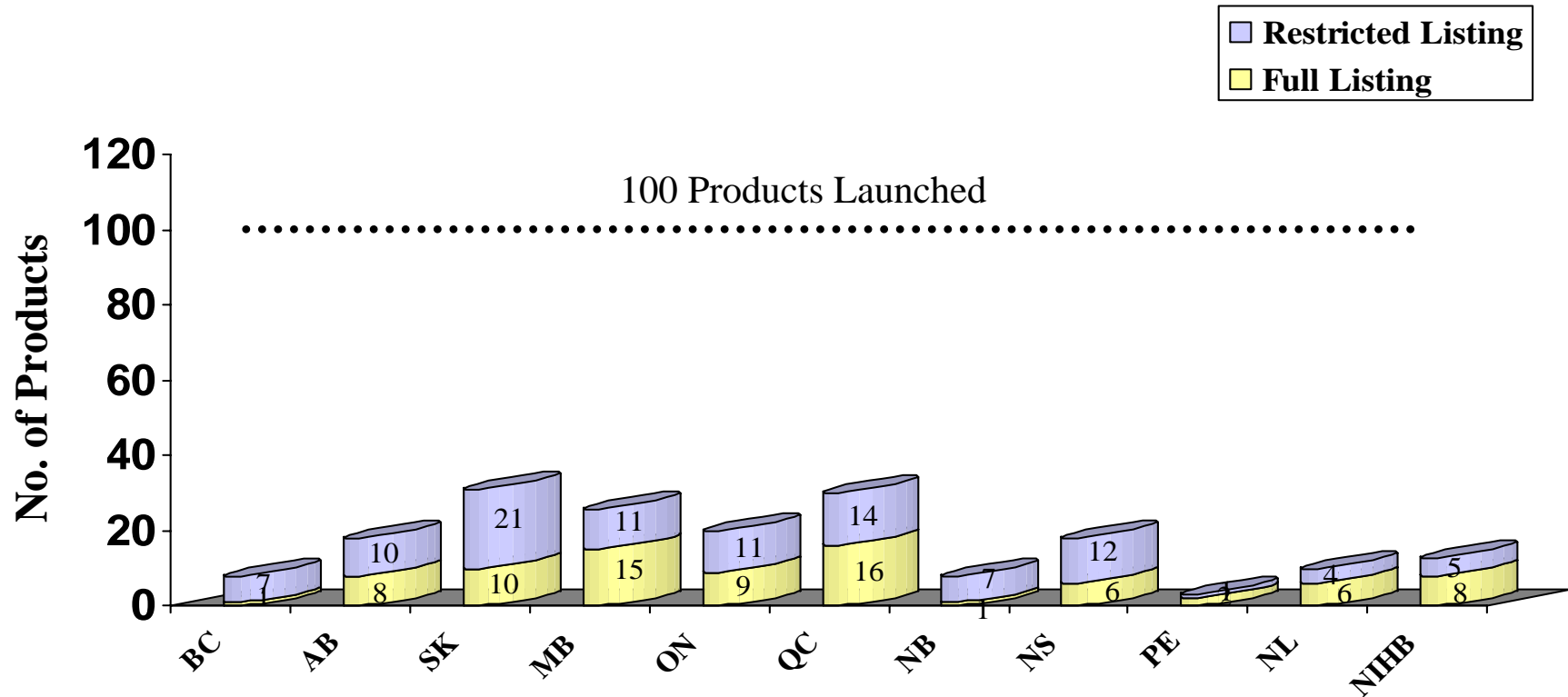
+Retail Distribution: includes pharmacy professional fees, mark-ups.

++Rx Non-Patented: includes generic drugs

Source: CIHI National Health Expenditure Trends 1975 – 2003, PMPRB Annual Report 2002, Brogan Inc., Rx&D Files



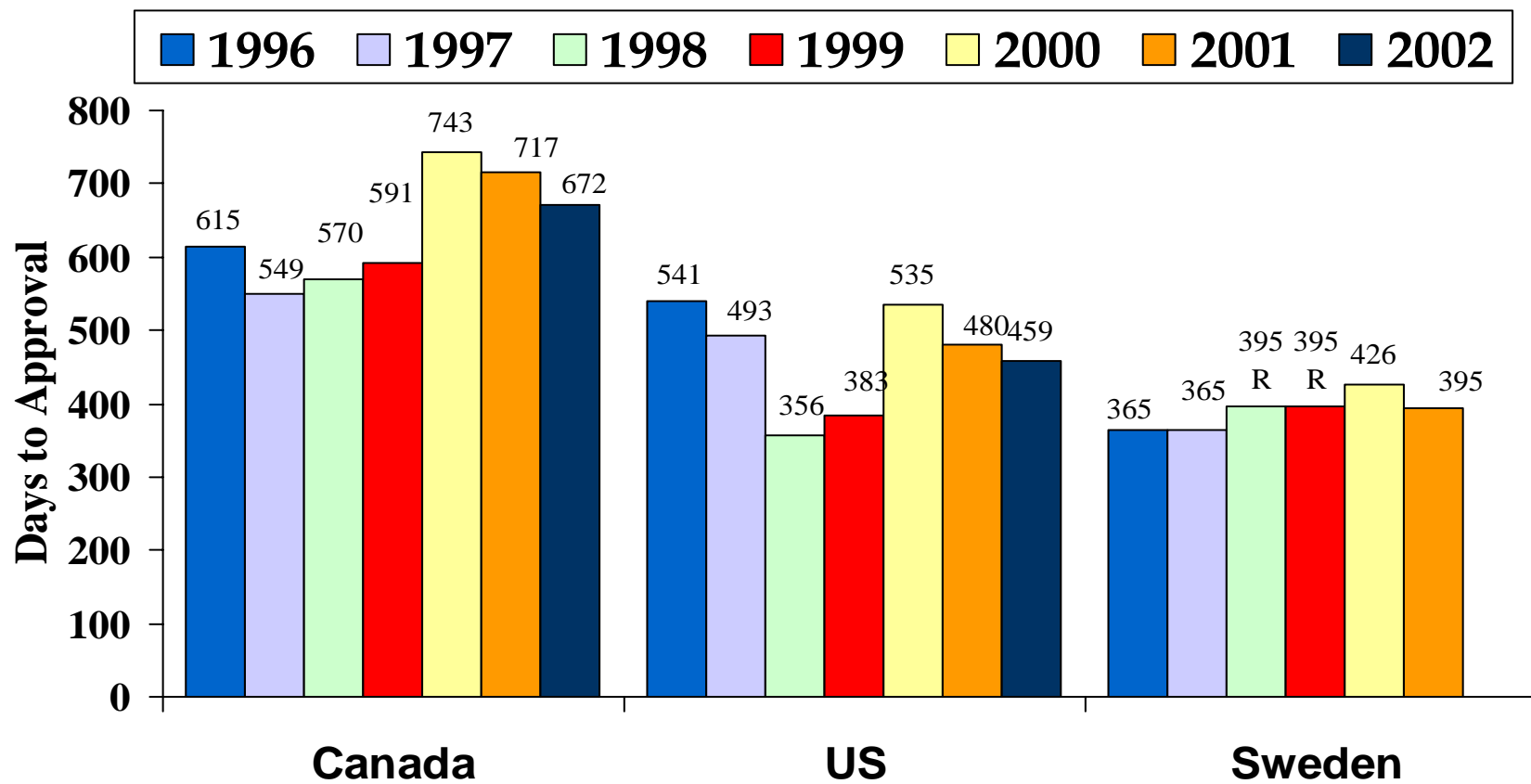
Provincial Listings of Innovative Medicines Launched September 1, 2002 to August 31, 2004



Note: These statistics are based on the introduction of 100 products.

Source: IMS Health, Provincial Reimbursement Advisor (November 2004).

International Comparison Drug Approval Times



Source: Rx&D, FDA, Parexel, SAPI.

New Drug Development Process

□ Preclinical Development □ Clinical Development

□ Regulatory Approval ■ Effective Patent Term



Patent
Year 0

3 - 4

8

10*

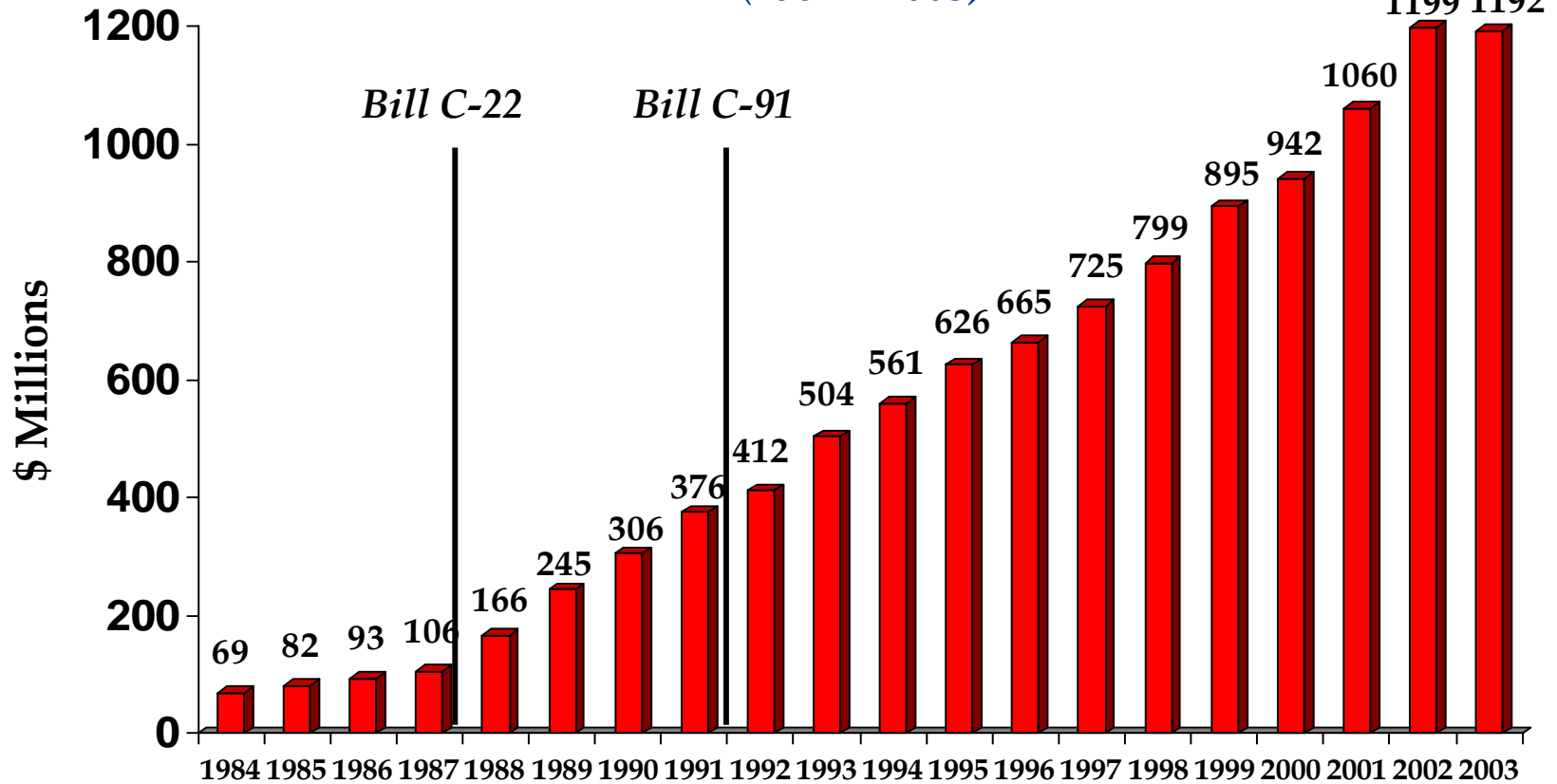
20

* Average year for market entry, individual products can vary.

Impact of Policy Change

Research-Based Pharmaceutical Industry – R&D Investment

(1984 – 2003)

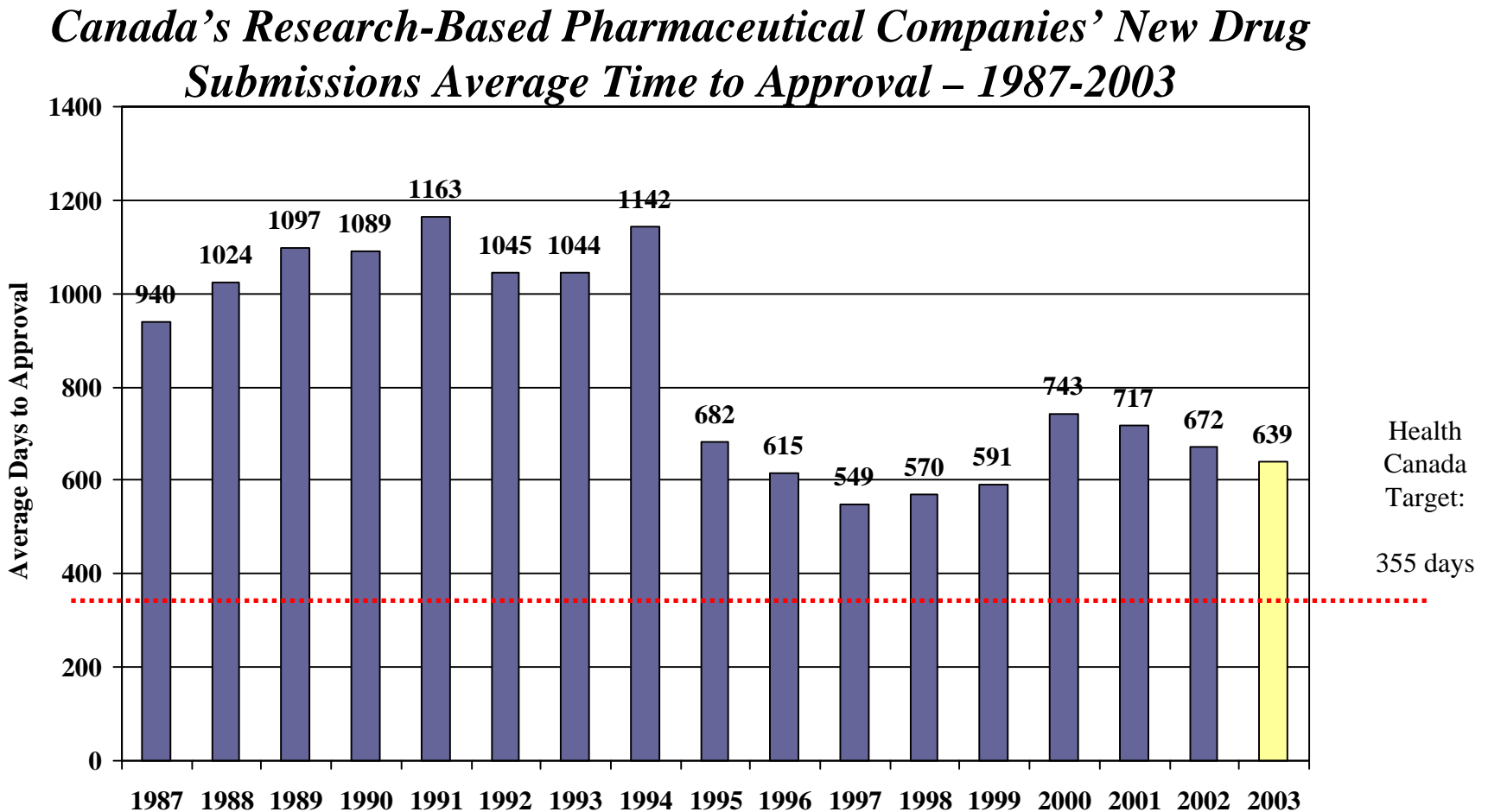


1984 – 1987 Rx&D Annual Statistical Survey compiled by Deloitte and Touche
1988 – 2003 as reported by the Patented Medicine Prices Review Board

Intellectual Property Protection

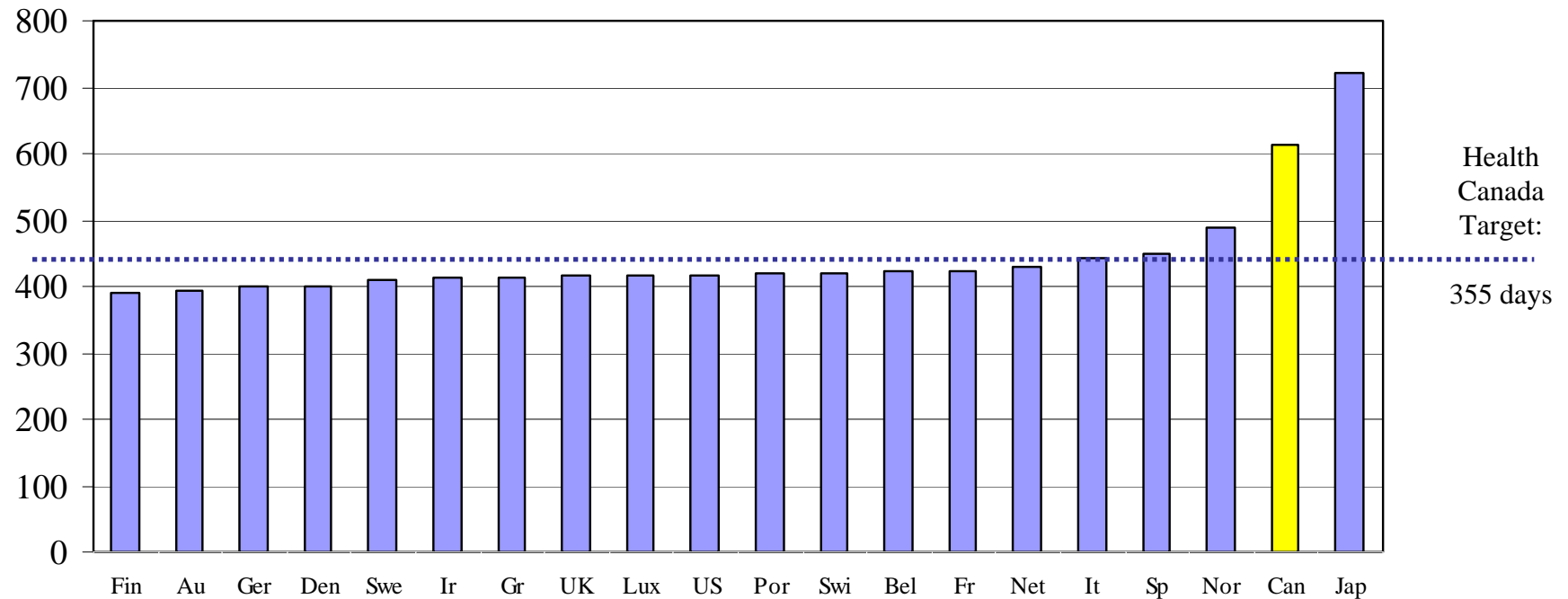
	CDA	US	EU
20 Year Patent Term	✓	✓	✓
Interlocutory Injunctions	No	✓	✓
Linkage Regulations	✓	✓	No
Data Protection	No	✓	✓
Patent Term Restoration	No	✓	✓

Drug Approval Times



Drug Approval Times

Average Time for New Drug Approvals 1997-2001



Source: "G-10 Indicators", compiled by ABPI 2003; Rx&D 2002