

Therapeutic Categories Outlook

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Comprehensive Study

Analysts

Cowen Pharmaceutical Research Team
(617) 946-3923

Cowen Biotech Research Team
(646) 562-1000

Cowen Med Tech Research Team
(646) 562-1000

Conclusion: The \$600B worldwide pharmaceutical industry is positioned to deliver mid-single-digit growth supported by promising R&D pipelines. This comprehensive study forecasts trends in the major therapeutic drug categories through 2013. Each category is defined by therapeutic need, market size, growth outlook, major new compounds in development, and an assessment of individual company prospects. The companies predicted to lead in "Market Share", "Market Share Gain", "Market Share Loss", "Total Therapeutic Positions", and "Leading Therapeutic Positions" are detailed below.

Please see addendum
of this report for
important disclosures.

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Which Companies Will Lead Industry Through 2013?

Market Share	Market Share Gain	Market Share Loss	Total Therapeutic Positions	Leading Therapeutic Positions
GlaxoSmithKline	Wyeth	Johnson & Johnson	Novartis (13)	Eli Lilly (3)
Sanofi-Aventis	Schering-Plough	Merck	Pfizer (11)	GlaxoSmithKline (3)
Roche	Abbott	Sanofi-Aventis	Johnson & Johnson (9)	Schering-Plough (3)
Pfizer	Genentech	AstraZeneca	Merck (9)	Wyeth (3)
Johnson & Johnson		Eli Lilly		

GLOBAL PHARMACEUTICAL INDUSTRY VALUATION PERSPECTIVE

GLOBAL PHARMACEUTICAL INDUSTRY VALUATION PERFORMANCE										
	Ticker	Rating	09/22/08 Price	EPS		P/E Ratios				2007-13 CAGR
				Calendar Year		Absolute		Relative		
				2008E	2009E	2008	2009	2008	2009	
LARGE CAP - US										
Abbott Laboratories	ABT	1	\$59	\$3.24	\$3.69	18.1	15.9	143%	134%	+13%
AstraZeneca	AZN	2	47	4.80	4.85	9.7	9.6	77%	81%	+2%
Amgen	AMGN	1	58	4.40	4.65	13.1	12.4	103%	104%	+8%
Bristol-Myers Squibb	BMJ	2	20	1.60	1.75	12.7	11.6	100%	98%	+5%
Eli Lilly	LLY	1	46	3.95	4.20	11.6	10.9	92%	92%	+1%
Genentech	DNA	2	91	3.45	3.95	26.5	23.2	210%	195%	+13%
GlaxoSmithKline	GSK	2	45	4.16	4.32	10.8	10.4	86%	88%	+5%
Johnson & Johnson	JNJ	1	68	4.44	4.70	15.3	14.5	121%	122%	+9%
Merck	MRK	1	31	3.20	3.45	9.6	8.9	76%	75%	+4%
Novartis	NVS	1	54	3.75	4.10	14.4	13.1	114%	111%	+6%
Pfizer	PFE	2	18	2.35	2.55	7.7	7.1	61%	60%	+1%
Schering-Plough	SGP	2	18	1.60	1.75	11.3	10.4	90%	87%	+11%
Wyeth	WYE	2	38	3.50	3.70	10.7	10.1	85%	86%	+6%

	ESTIMATED U.S. MARKET FOR URINARY NCONTINENCE DRUGS*							
	2007	2008P	2009P	2010P	2011P	2012P	CGR	Comment
U.S. Population/Prescriptions (000's)								
Overactive Bladder Sufferers	22,163	22,827	23,512	24,218	24,944	25,692	+4%	- 18MM+ Americans with overactive bladder
% With Urge UI Symptoms	50%	50%	50%	50%	50%	50%		
Urge/Urge Predominant UI Sufferers	11,081	11,414	11,756	12,109	12,472	12,846	+4%	- Includes portion of patients with mixed UI
% Growth	+3%	+3%	+3%	+3%	+3%	+3%		
% UII Patients Seeking Treatment	47%	48%	48%	49%	49%	49%		
UII Patients Seeking Treatment	5,253	5,479	5,643	5,933	6,111	6,295	+5%	
Drug Therapy Market Share	72%	72%	72%	73%	73%	73%		- NAFC survey (100K members) showed 50%+
UII Patients Placed On Drug Tx	3,782	3,945	4,063	4,331	4,461	4,595	+5%	
Drug Therapy Retention Factor	43%	44%	44%	45%	45%	46%		- Newer products with lower side effects and longer duration improve compliance and retention
UII Patients Compliant With Tx	1,636	1,774	1,889	1,999	2,066	2,044		
% UII Patients Compliant With Tx	15%	16%	16%	17%	17%	16%		
Number of Scripts Filled/Year	17,313	18,838	20,069	21,279	22,004	22,181	+6%	- Products with lower side effects improving retention and pharmacotherapy usage
% Growth	+6%	+9%	+7%	+6%	+3%	+1%		
Detrol LA (PFE) Market Share								
Prescriptions (000's)	6,776	6,603	6,403	6,202	6,202	2,001		- Tolterodine; 1x daily
% Growth	-2%	-3%	-3%	-3%	+0%	-68%		- Competitive pressures due to new product launches in recent months
Price Therapy/Day	\$3.31	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50		
Price/Prescription	\$118.06	\$124.95	\$124.95	\$124.95	\$124.95	\$124.95		
Detrol LA Sales (\$MM)	\$800	\$825	\$800	\$775	\$775	\$250	+1%	- Less dry mouth, once-daily profile still keeps it a leader until 2012
Enablex (NVS) Market Share								
Prescriptions (000's)	1,539	1,576	1,626	1,675	1,724	1,773		- Rx share has seen little change in past 12 months
% Growth	+39%	+2%	+3%	+3%	+3%	+3%		
Price Therapy/Day	\$2.78	\$2.90	\$2.90	\$2.90	\$2.90	\$2.90		
Price/Prescription	\$97.47	\$101.50	\$101.50	\$101.50	\$101.50	\$101.50		
Enablex Sales (\$MM)	\$150	\$160	\$165	\$170	\$175	\$180	NA	
Ditropan XL (JNJ) Market Share								
Prescriptions (000's)	362	299	251	216	181	153		- Genericized in 2006
% Growth	-86%	-17%	-16%	-14%	-16%	-15%		
Price Therapy/Day	\$4.09	\$4.09	\$4.09	\$4.09	\$4.09	\$4.09		
Price/Prescription	\$143.6	\$143.6	\$143.6	\$143.6	\$143.6	\$143.6		
Ditropan XL Sales (\$MM)	\$52	\$43	\$36	\$31	\$26	\$22	+1%	
Detrol (PFE) Market Share								
Prescriptions (000's)	509	328	287	246	246	246		- Genericized
% Growth	-15%	-35%	-13%	-14%	+0%	+0%		
Price Therapy/Day	\$3.45	\$3.45	\$3.45	\$3.45	\$3.45	\$3.45		-
Price/Prescription	\$121.8	\$121.8	\$121.8	\$121.8	\$121.8	\$121.8		
Detrol Sales (\$MM)	\$62	\$40	\$35	\$30	\$30	\$30	-21%	
Oxytrol (WPI) Market Share								
Prescriptions (000's)	395	395	395	395	395	395		- Oxybutynin patch; improved side-effect profile
% Growth	-10%	+0%	+0%	+0%	+0%	+0%		- Marketed by Women's Health, GP Division & CSO
Price Therapy/Day	\$2.69	\$2.69	\$2.69	\$2.69	\$2.69	\$2.69		
Oxytrol Sales (\$MM)	\$35	\$35	\$35	\$35	\$35	\$35	NA	
Vesicare (YM-905) Market Share								
Prescriptions (000's)	2,065	2,529	2,697	2,824	2,950	3,034		- Launched in Q1:05
% Growth	+59%	+22%	+7%	+5%	+4%	+3%		- GlaxoSmithKline co-markets in U.S. with Astellas; strong launch
Price Therapy/Day	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39	\$3.39		
Vesicare Sales (\$MM)	\$245	\$300	\$320	\$335	\$350	\$360	NA	- 2007A based on IMS sales data
Sanctura/XR (Allergan) Market Share								
Prescriptions (000's)	429	858	1,716	2,360	2,574	3,003		- Approved 5/04; launched Q3:04
% Growth	+10%	+100%	+100%	+38%	+9%	+17%		- Allergan markets via acquisition of Esprit in 2007
Price Therapy/Day	\$3.33	\$3.33	\$3.33	\$3.33	\$3.33	\$3.33		
Sanctura Sales (\$MM)	\$50	\$100	\$200	\$275	\$300	\$350	NA	
Toviaz (PFE) Market Share								
Prescriptions (000's)			444	1,111	1,481	2,037		- Fesoterodine; overactive bladder; approvable; H2 08 in EU, early 2009
% Growth				+150%	+33%	+38%		- Improved side-effect profile compared to Detrol
Price Therapy/Day			\$4.50	\$4.50	\$4.50	\$4.50		
Toviaz Sales (\$MM)			\$60	\$150	\$200	\$275	NA	
Generic Oxybutynin Market Share								
Prescriptions (000's)	5,238	6,250	6,250	6,250	6,250	5,038		- Share decline with launch of new therapies
Oxybutynin Generics Sales (\$MM)	\$100	\$75	\$75	\$75	\$75	\$65		
Generic Detrol LA Market Share								
Prescriptions (000's)						4,500		- Share decline with launch of new therapies
Detrol LA Generics Sales (\$MM)						\$45		- Detrol LA generic expected 2012
Other Therapies Sales (\$MM)	\$0	\$0	\$0	\$0	\$0	\$0	-8%	- Other generics (flavoxate, etc.)
Total UII Drug Sales (\$MM)								
% Growth	-1%	+6%	+9%	+9%	+5%	-18%	+6%	- Improved treatments, better compliance (Market sales include generics)

Source: Cowen and Company estimates, IMS America.

* Patient population and scripts in 000's; sales in \$MM.

Addendum

STOCKS MENTIONED IN IMPORTANT DISCLOSURES

Ticker	Company Name
ABT	Abbott
AMGN	Amgen
AZN	AstraZeneca PLC (ADR)
BMJ	Bristol-Myers Squibb
DNA	Genentech
GSK	GlaxoSmithKline plc (ADR)
JNJ	Johnson & Johnson
LLY	Eli Lilly
MRK	Merck
NVS	Novartis (ADR)
PFE	Pfizer
SGP	Schering-Plough
WYE	Wyeth

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Cowen and Company, LLC. **New York** (646) 562-1000 **Boston** (617) 946-3700 **San Francisco** (415) 646-7200 **Chicago** (312) 516-4690 **Cleveland** (440) 331-3531 **Atlanta** (866) 544-7009 **Dallas** (214) 978-0107 **London (affiliate)** 44-207-071-7500 **Geneva (affiliate)** 41-22-707-6900

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