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NONPRESCRIPTION DRUGS CANADA 2000

An in-depth look at Canada's CN$1.6 billion nonprescription drug industry. Profiles of major markets and OTC drug manufacturers include:

- Sales and market share of leading brands
- New product activity
- Competition
- Retail distribution
- Regulatory activity
- Advertising and promotional activity
- Five-year forecasts

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Kline & Company is pleased to announce the availability of *NONPRESCRIPTION DRUGS CANADA 2000*. This study provides an in-depth analysis of Canada's CN$1.6 billion self-medication industry. It follows past successful editions published by Kline & Company in 1990, 1992, 1994, and 1997. The study is designed to take a comprehensive look at Canada's six leading product classes, as shown below:

- Cough and cold preparations
- Digestive products
- Internal analgesics
- Miscellaneous products
- Nutritional products
- Topical products

REPORT OUTLINE

1. INTRODUCTION
   — Study overview

2. INDUSTRY ANALYSIS
   — Overall market and trends
   — Competitive market structure

3. PRODUCTS
   — Overview
   — Class summaries

   Each profile includes:
   — Category development
   — Product description
   — Historical sales
   — Physical volume
   — Retail value
   — Regulatory status
   — Competition
   — Private-label activity
   — Retail outlets
   — Promotion
   — Five-year outlook

4. MAJOR COMPANIES
   — Overview

   Each profile includes:
   — Company activities
   — Corporate sales and profits
   — Canadian operations
   — Nonprescription drugs
   — Five-year outlook

5. MARKET WATCH BULLETIN
   — New products
   — Company developments
   - Mergers and acquisitions, divestitures, joint ventures and licensing agreements, restructuring, company appointments, and other developments for 1999 and 2000

   — Regulatory update
   - Background/administrative structure
   - National standards of pharmacy practice
   - Rx-to-OTC switches
   - International trade
   - Advertising and promotion
   - Labeling and packaging standards
   - Pharmacare - national drug plan
   - Cost recovery system
   - Office of Natural Health Products
   - Patents
   - Pricing
   - Health Canada realignment
   - Other regulatory issues

APPENDIX
   — Pharmaceutical associations

REPORT DESCRIPTION AND FORMAT

The report provides data on market size, brand sales, market shares, distribution trends, advertising and promotional activity, historic growth, five-year sales forecasts, government regulations, and strategic analyses of product categories and major OTC companies in Canada. ***NONPRESCRIPTION DRUGS CANADA 2000*** is comprised of the following sections:

- **Industry Analysis**
- **Products**
- **Major Companies**
- **Market Watch Bulletin**
- **Appendix**

The Products section consists of analyses of 26 product categories, as detailed in Table 1. The Companies section profiles 15 major OTC manufacturers, as shown in Table 2. A summary of facts learned from the 1997 edition of ***NONPRESCRIPTION DRUGS CANADA*** is listed in Figure 1.

Kline & Company's professional staff has investigated the effects of market and regulatory changes on Canada's nonprescription drug industry. We combine historical information from our previous studies, together with new research, to assess the major trends that are driving this industry. The study provides timely information to assist you in making important business and marketing decisions.

BENEFITS TO SUBSCRIBERS

Subscribers to ***NONPRESCRIPTION DRUGS CANADA 2000*** can expect the following significant benefits to assist in their business planning:

- **Up-to-date sales and market share information, including five-year sales forecasts**
- **New product introductions in each product category**
- **In-depth analyses of 26 product categories**
- **Comprehensive profiles of 15 major OTC manufacturers**
- **Advertising and promotional activity by brand, category, and major company**
- **Regulatory impacts on the nonprescription drug market**
- **Private-label activity in each product category**
- **Retail distribution trends**
- **Impact of Rx drugs and natural health products**

METHODOLOGY

The data provided in this report is based on both primary interviews and secondary sources building on Kline & Company's existing database of Canadian market information. Nearly 100 interviews with company executives, provincial and national regulatory authorities, pharmaceutical trade associations, national drug wholesalers, retailers, and pharmacist organizations were conducted.

Additionally, secondary data is scanned and filed regularly, including trade journals, consumer publications, product and price literature, national and regional periodicals, government statistics, information from past Kline surveys, and public company information such as annual reports.

SUBSCRIBER PRIVILEGES

Subscribers to ***NONPRESCRIPTION DRUGS CANADA 2000*** have the option of receiving the report in online or hard copy versions. A subscription to the online version includes unlimited access to the report for the members of subscribing organizations via Kline's Web site, in addition to one hard copy of the report. Alternatively, subscribers may elect to receive hard copies only; the hard copy subscription includes three copies of the report. Additional copies in hard copy or CD-ROM format are available for a nominal fee. All subscribing companies, regardless of the report version selected, are also entitled to one day of consultation time, to be used once the completed study has been published. Please see the attached subscription agreement for pricing information.

Table 1

PRODUCT CATEGORIES

COUGH AND COLD PREPARATIONS
- Allergy relief products
- Cold medications
- Cough syrups
- Lozenges and drops
- Nasal decongestants
- Sinus remedies

DIGESTIVE PRODUCTS
- Antacids
- Antidiarrheals
- Laxatives
- Other digestive products

INTERNAL ANALGESICS

NUTRITIONAL PRODUCTS
- Diet aids
- Herbals
- Vitamins and minerals

TOPICAL PRODUCTS
- Acne aids
- Contact lens solutions
- Diaper rash products
- Eye care products
- Feminine yeast infection remedies
- First aid products
- Foot care products
- Hemorrhoidal preparations
- Topical analgesics

MISCELLANEOUS PRODUCTS
- Home diagnostic test kits
- Sleeping aids
- Smoking cessation aids

WHO SHOULD SUBSCRIBE?

Market research managers and analysts in order to have a handy, convenient reference of sales and market information organized in a concise format.

Marketing/product/brand managers to remain up-to-date on changes in your product category and to have the competitive advantage of knowing what tools and strategies other marketers are utilizing.

Table 2

MAJOR COMPANIES PROFILED

Abbott Laboratories
American Home Products
Aventis
Bausch & Lomb
Bayer Group
Carter-Wallace
Jamieson
Johnson & Johnson
Johnson & Johnson/Merck
Novartis
Pfizer (Warner-Lambert)
Procter & Gamble
Roche Holdings
Schering-Plough
SmithKline Beecham

Strategic planning/business development personnel so that you are aware of high-growth categories and other opportunities, and what changes in the regulatory environment may affect your business.

Executives in order to remain objective in comparing your business's progress to that of your competitors, and to gain insight into future opportunities that you may not have previously considered.

Licensing/acquisition analysts so you may identify potential high-growth areas and recognize under-developed products and businesses.

SCHEDULE

NONPRESCRIPTION DRUGS CANADA 2000 will be published in its entirety in July 2001. Each section will be made available online separately to subscribers upon its completion.

OUR QUALIFICATIONS

Kline & Company, established in 1959, is recognized around the world for its expertise in conducting market studies, business planning, strategic services, and acquisition analyses. Kline & Company has studied nonprescription drugs since 1964 and has published the syndicated study ***NONPRESCRIPTION DRUGS USA*** annually since 1969.

Headquartered in the United States, the firm has international affiliates in Europe, Japan, Mexico, and Australia. Of unique benefit to our clients are our global capabilities and expertise in such related industries as pharmaceuticals, cosmetic and toiletry raw materials, fine chemicals, and packaging. In addition, Kline uses a *multidisciplinary* approach to ensure that all knowledge, facts, and logic that can affect a project are integrated into and considered in the final outcome. This expertise allows us to identify potentially attractive opportunities and formulate sound strategies for our clients.

The Healthcare Practice has extensive experience in strategic consulting and marketing expertise in the following industries and functional areas as shown in Table 3.

In addition to Kline & Company's custom consulting work, the company has actively participated in numerous industry seminars and conferences on the nonprescription drug industry internationally and domestically.

Kline has also published many syndicated studies on related topics, including the following:

- NONPRESCRIPTION DRUGS USA (ANNUAL SERVICE)
- NONPRESCRIPTION DRUGS CANADA (1997, 1994, 1992, AND 1990)
- MARKETING OTC PHARMACEUTICALS WORLDWIDE
- MORE POWER FOR THE RX-TO-OTC SWITCH, EXPANDING THE MARKET THROUGH NEW CATEGORIES AND INDICATIONS
- HISTORY AND IMPACT OF THE RX-TO-OTC SWITCH
- OTCs IN MANAGED CARE: ISSUES AND OPPORTUNITIES
- FUNCTIONAL FOODS: A COMPETITIVE LANDSCAPE
- COMPETITOR COST STRUCTURES
- COSMETICS & TOILETRIES USA (ANNUAL SERVICE)

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Table 3

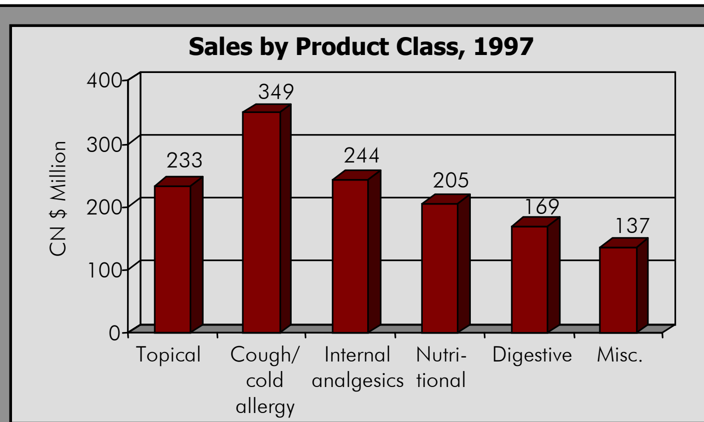
HEALTHCARE PRACTICE EXPERTISE

Industries	Functional expertise
OTC drugs	Acquisitions and divestitures
Agribusiness	Competitive intelligence
Biotechnology	Conjoint analysis
Diagnostics	Image analysis
Health and beauty aids	Industry/category/brand analysis
Managed care	Manufacturing economics
Medical devices	Perceptual research
Rx pharmaceuticals	Profitability/financial analyses
	R&D benchmarking
	Rx-to-OTC switch research
	Strategic planning and business development
	Technology assessment

Figure 1
NONPRESCRIPTION DRUGS CANADA 1997 FACT SHEET

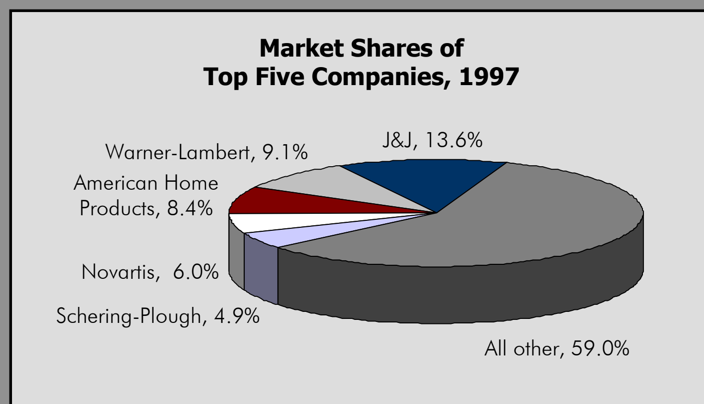
The Market

Canadian sales of nonprescription drugs to retail outlets are estimated at $1.5 billion in 1997. The five leading product categories—internal analgesics, vitamins/mineral supplements, cold medications, home diagnostic test kits, and antacids/upset stomach remedies—account for about 47% of total market sales.



Companies

The top five companies account for 41% of Canadian sales. American Home Products, Schering-Plough, Novartis, and Warner-Lambert are the major cough/cold/allergy companies; approximately half of Johnson & Johnson's sales are in internal analgesics, making it the dominant company in that category; and, Schering-Plough is the leader in topical products.



Trends

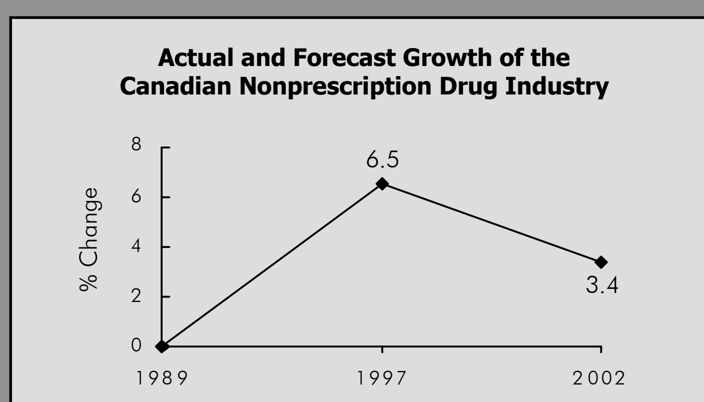
Prescription-to-over-the-counter (Rx-to-OTC) switches have already impacted the consumption of allergy relief products and internal analgesics. Future switches are predicted for anti-ulcer drugs and a number of fungicidal preparations.

Trends Impacting Consumption

- Rx-to-OTC switches
- Private-label product growth
- Alternative medicine usage
- Aging population

Future outlook

Sales will reach $1.6 million in 2002, an increase of 3.4% per year from 1997. Eleven categories are expected to outpace the average growth during the next five years.



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