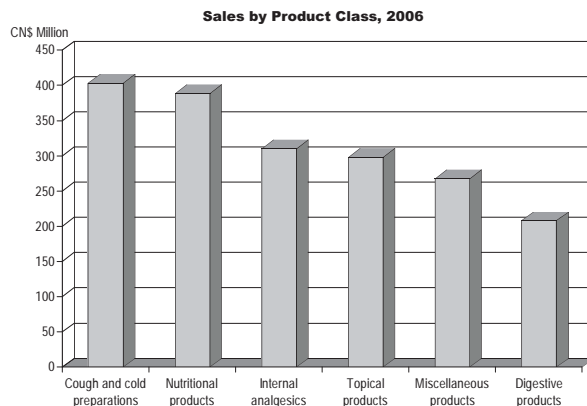


# Nonprescription Drugs Canada

## 2006 Fact Sheet

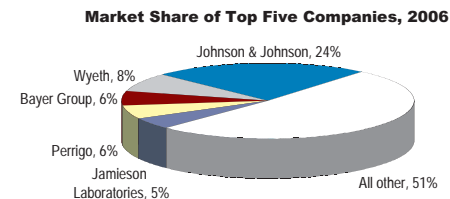
### The Market

The Canadian nonprescription drugs industry remains consolidated and mature and experiences modest growth overall in 2006. Since 2002, the industry has exhibited slow and steady growth. The total market size is estimated at CN\$1,875.7 million in 2006, up 2.9% from CN\$1,823.2 million in 2005. The market has grown an average of 3.0% annually since 2001.



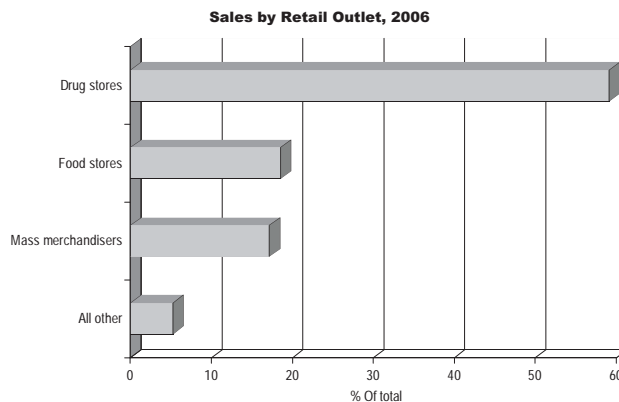
### Companies

Sales of the top 14 companies' products account for 69.6% of the industry. With the acquisition of Pfizer's Consumer Healthcare business, Johnson & Johnson essentially eliminates a competitor and now controls nearly one-quarter of the entire Canadian OTC market.



### Retail channels

While drug stores continue to sell the majority of OTC products in Canada, food stores, mass merchandisers, and other outlets have been gaining share of sales at the expense of drug stores over the past few years. Mass merchandisers such as Wal-Mart and warehouse clubs such as Costco continue to expand their share of OTC sales in Canada in 2006.



### Future Outlook

Overall, the Canadian market for OTCs is expected to grow 3.5% per year from CN\$1,876 million in 2006 to reach CN\$2,225 million in 2011. Home diagnostics, smoking cessation aids, and eye care products are expected to experience growth rates higher than the industry average through 2011. Rx-to-OTC switches will likely drive even higher growth rates for the OTC market in Canada over the next five years.

