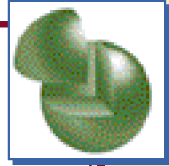
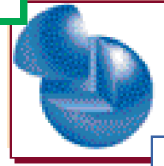
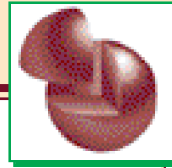


Topics and Trends in Canadian Pharmaceutical Marketing: Q1 Report, 2006



Privitization

- The recent movements by Quebec and Alberta will definitely change the landscape of healthcare delivery in Canada.
- Stay tuned to the overall effect on the distribution and payment for medications.

TPD Approval Wait Times

- Will continue to be abysmal, especially the biologics division.

Common Drug Review

- No means no, yes means maybe. The wait will be longer and non-listing/special listings will increase, as full listings will become rare.

Health Council of Canada

- Strategically, this group will take the lead in overall healthcare reform, so watch their website www.hcc-ccs.com
- Their key short-term mandate is the introduction of the Federal Catastrophic Drug Program in 2006, which will focus on handling deductibles.

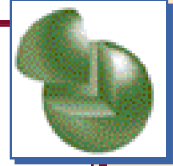
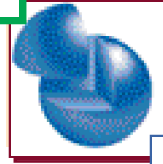
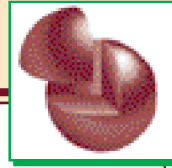
Price Increases

- The industry is going to continue to take PMPRB allowable increases until the provinces stop us.
- Quebec will probably start to accept small increases in October.
- The current regional pricing model will stay for a long time.

Patient Wait Time Reduction

- The Feds have pushed this to the provinces who have pushed it to the health-care deliverers (primarily doctors).
- A lot of noise with little substance until someone is finally responsible and accountable.

Not for sale or commercial distribution
Unauthorized use prohibited. Authorized users can download, display, view and print a single copy for personal use



Cross Border Pharmacy

- Overall, this phenomenon continues to decline due to counterfeit issues; however, this will become a public relations issue this fall in the US with Senatorial re-elections.
- The sales of Canadian products is estimated to be 30% less in 2006 vs. 2005.

Quebec Legislation

Bill 90/83 and current National Assembly Legislation will:

- Reduce generic prices (which will probably lead to a National reduction)
- Review industry promotion activity (includes samples and PAAB endorsement)
- Allow modest price increases
- Further regionalize healthcare delivery
- Allow more non-physician intervention in prescribing, particularly pharmacists.

Ontario

The Minister of Health will be presenting on April 13th, which will include changes to the ODB. This will have significant changes to brand and generic companies, as well as pharmacies.

Pharmacist Prescribing Influence

Quebec legislation combined with physician/pharmacist collaboration will increase their role in the selection of medications.

Long Term Care

This segment of pharmaceutical consumption is undergoing significant growth and changes and will develop into one of the key strategic channels of distribution.

Mergers/ Acquisitions

More will happen. If I knew who..., I would not have to work for a living! **CPM**

*For more information, contact Joe Knott, CEO, Pangaea Group of Companies at
(416)516-3524*

www.pangaea-consultants.com