

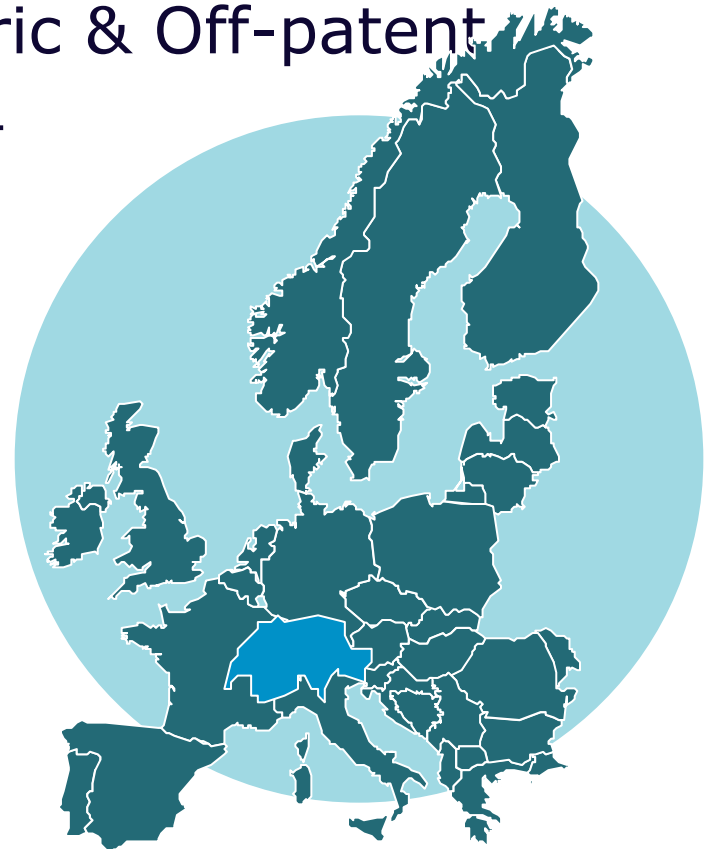
Swiss Reference Country Generic & Off-patent Original Price Comparison 2011

Media conference

20th January 2012

Per Troein, VP Strategic Partners

IMS HEALTH



Objective of the study:

- Assess the level of Swiss *off-patent original brand* ex-manufacturer prices vs. reference basket
- Assess the level of Swiss *generic* prices vs. the same international comparators
- Assess the level of *overall Swiss un-protected market prices* vs. the same international comparators

Methodology: Selection of active substances for indexes

Initial sample: 300 active substances



Screening and selection criteria

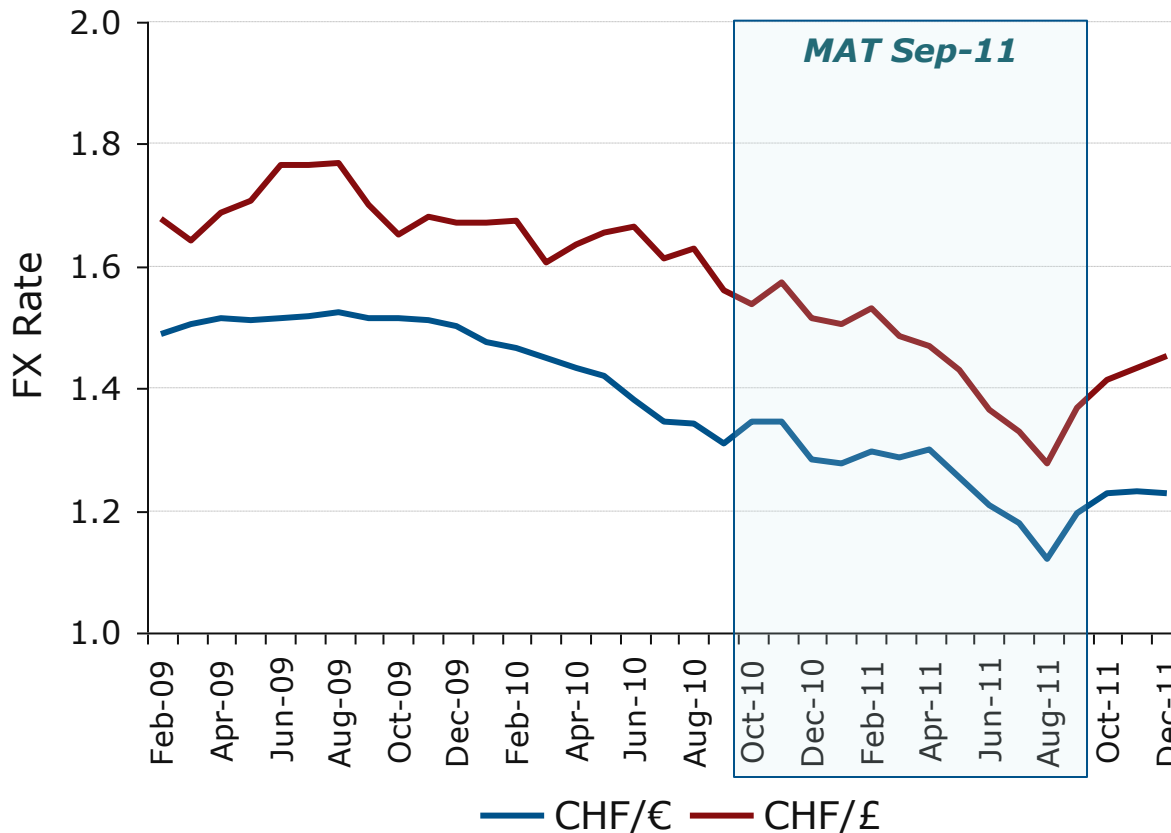


Final indexes: 217 active substances

- Top 300 non-protected, prescription bound molecules in Switzerland, sales as at MAT Sep-11 and prices as Sep-11, from IMS Pricing Insight database
- This selection produced total of 414 active substances as single and combinations in Switzerland and the six reference countries: AUT, DEU, DNK, FRA, NLD and GBR
- 92% of total non-protected Rx-bound market covered by value
- Excluded from index:
 - Non-Rx products, packs with no or negative (returns) sales in MAT Sep-11, incomplete strength, volume or pack information, missing price
 - Sales for paracetamol, ibuprofen and salicylic acid as single molecule were also excluded
 - Active substance by formulation (NFC12) not in Switzerland and/or less than of 4 reference countries (4/6) for original and no longer protected

There have been significant currency movements in the last 12 months

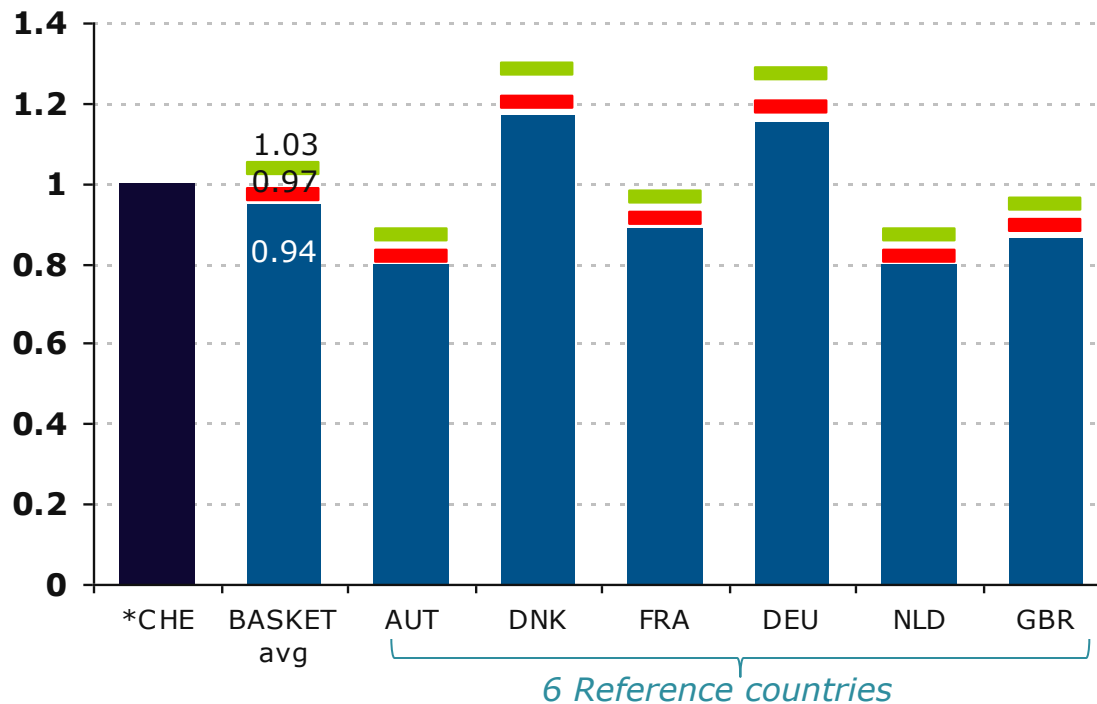
- Strengthening of the Swiss Franc (until intervention)
- Sterling and Euro disharmony



Three FX rate scenarios			
	CHF/€	CHF/£	CHF/DKK
1	1.26	1.45	16.87
2	1.30	1.51	17.40
3	1.40	1.61	18.80

Original products without patent are slightly more expensive than in the reference countries

Original products index*: CHE=1

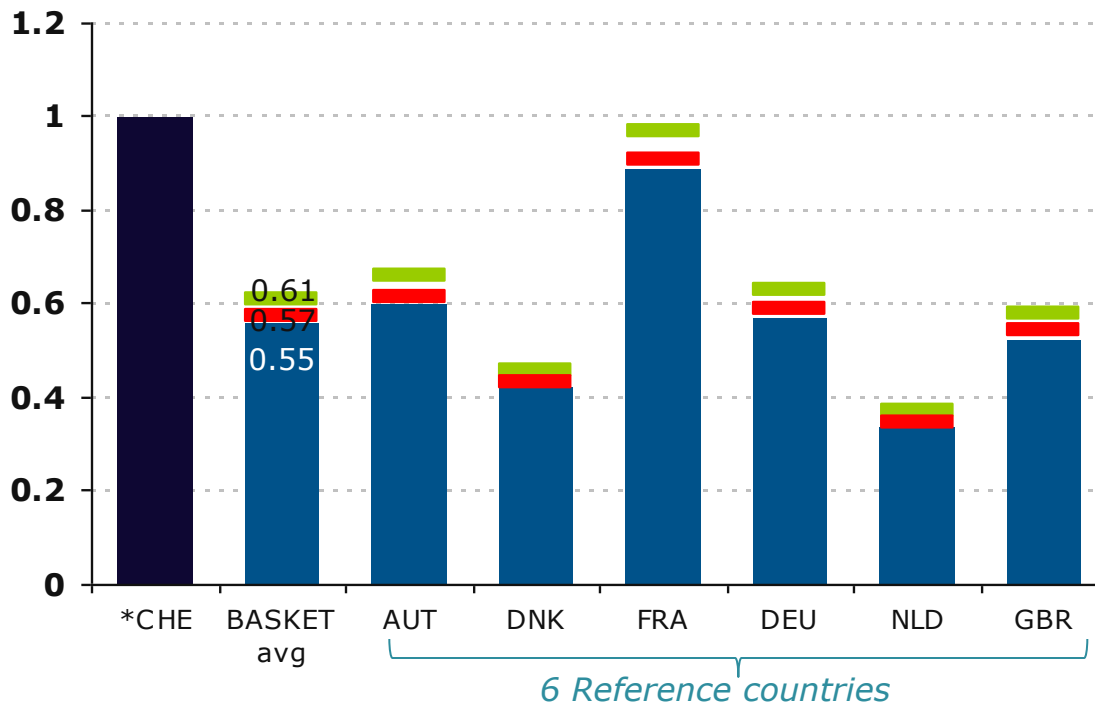


Three FX rate scenarios			
	CHF/€	CHF/£	CHF/DKK
1	1.26	1.45	16.87
2	1.30	1.51	17.40
3	1.40	1.61	18.80

NOTE: Analysis based on MAT/09/2011 volumes and prices at Sept 2011; prices do not include discounts or rebates to pharmacists or payers
 SOURCE: IMS Pricing Insights, Swiss National Bank for Fx rates

Generic prices have remained relatively higher than reference markets

Generic products index*: CHE=1

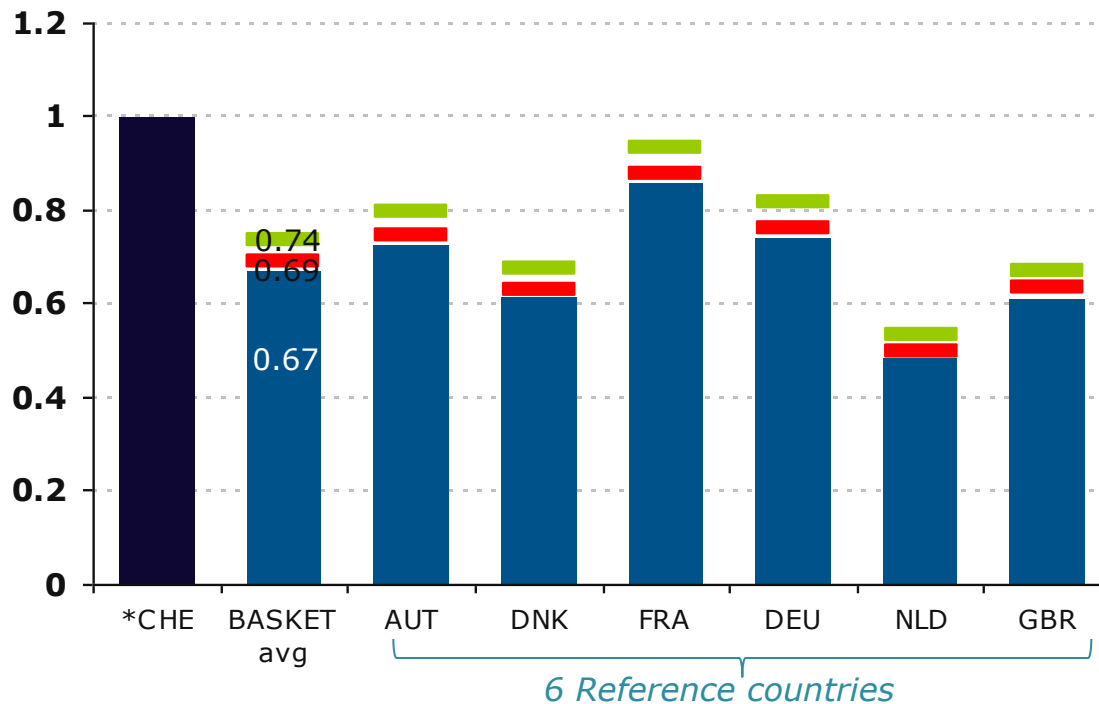


Three FX rate scenarios			
	CHF/€	CHF/£	CHF/DKK
1	1.26	1.45	16.87
2	1.30	1.51	17.40
3	1.40	1.61	18.80

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 SOURCE: IMS Pricing Insights, Swiss National Bank for Fx rates

For the combined unprotected market, overall Swiss prices remain higher than those in the reference countries

Combined total unprotected index*: CHE=1

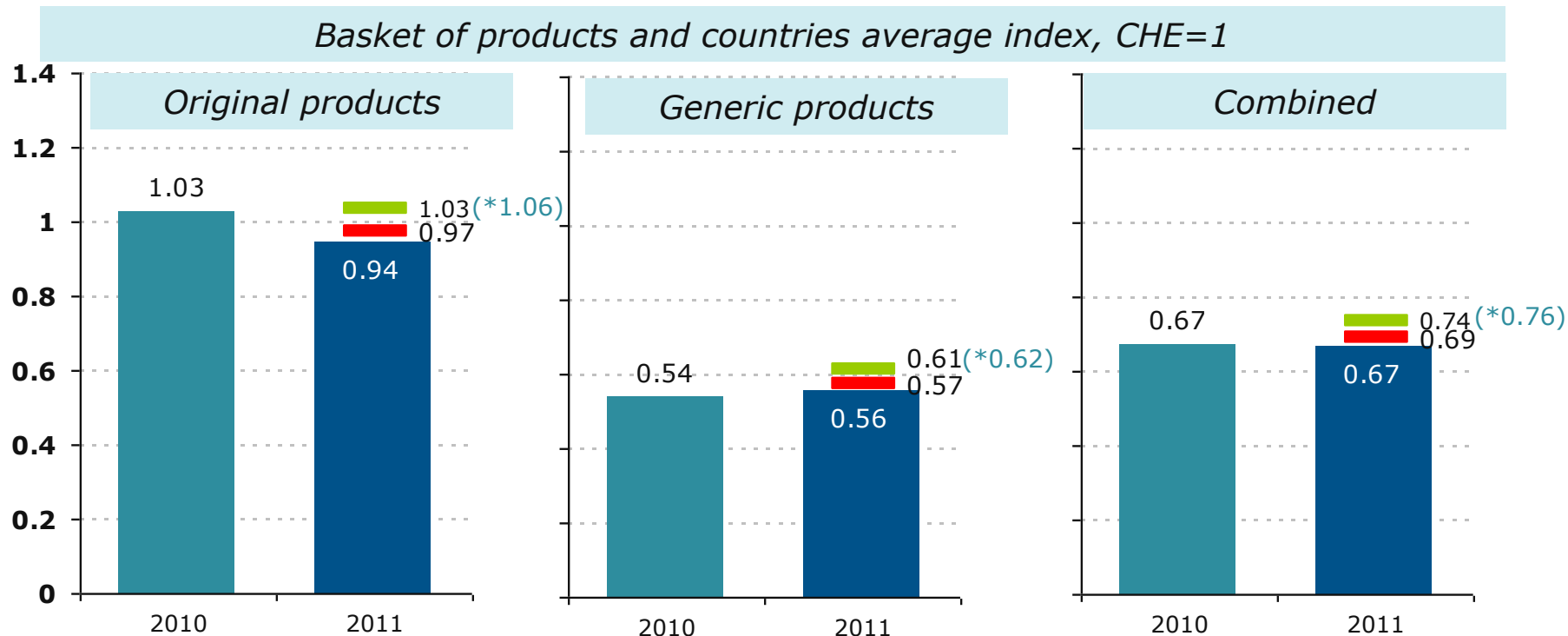


Three FX rate scenarios			
	CHF/€	CHF/£	CHF/DKK
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SOURCE: IMS Pricing Insights, Swiss National Bank for Fx rates

The average index remained the same for original products from 2010 to 2011, but some variation for generics

2011 FX rate scenarios			
	CHF/€	CHF/£	CHF/DK K
1	1.26	1.45	16.87
2	1.30	1.51	17.40
3	1.40	1.61	18.80
(* x) 2010	1.44	1.65	19.38



NOTE: Analysis based on MAT/09/2011 volumes and prices at Sept 2011; prices do not include discounts or rebates to pharmacists or payers

SOURCE: IMS Pricing Insights, Swiss National Bank for FX rates. The numbers shown in brackets corresponds to running the 2011 model with the 8 FX rates which were used in 2010 study.

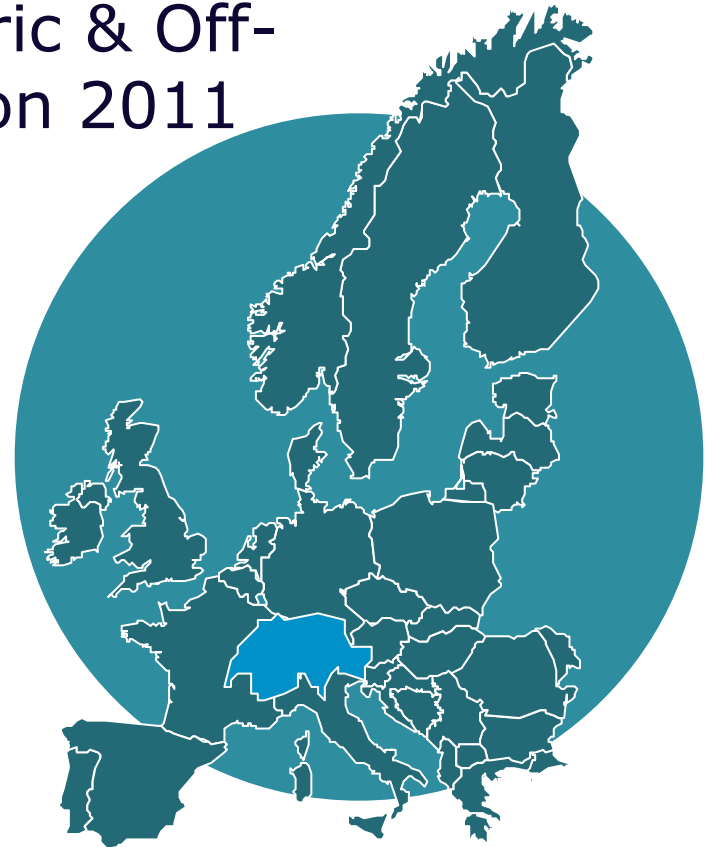
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Data measure and source

- The six reference countries were as following: Austria (retail), Denmark (combined retail and hospital), France (retail), Germany (retail, sell-in), Netherlands (retail) and UK (retail)
- Analysis based on MAT/09/2011 volumes and prices at Sept 2011; prices do not include discounts or rebates to pharmacists or payers
- All prices at ex-manufacturers level
- Data source: IMS Pricing Insights

Index summary:

Three FX rate scenarios			
	CHF/€	CHF/£	CHF/DKK
1	1.26	1.45	16.87
2	1.30	1.51	17.40
3	1.40	1.61	18.80

	Original			Generic			Combined		
	FX3	FX2	FX1	FX3	FX2	FX1	FX3	FX2	FX1
CHE	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
BASKET avg	1.03	0.97	0.94	0.61	0.57	0.55	0.74	0.69	0.67
AUT	0.87	0.82	0.79	0.66	0.61	0.60	0.79	0.74	0.72
DNK	1.28	1.20	1.17	0.46	0.43	0.42	0.67	0.63	0.61
FRA	0.96	0.91	0.88	0.97	0.91	0.88	0.93	0.88	0.85
DEU	1.27	1.19	1.15	0.63	0.58	0.57	0.82	0.76	0.74
NLD	0.87	0.82	0.79	0.37	0.35	0.34	0.53	0.50	0.48
GBR	0.95	0.89	0.86	0.58	0.54	0.52	0.67	0.63	0.61