

Pharma Report 2011

MM&M takes a look at the top 20 drug manufacturers and breaks down the sales data by company, prescription drugs and therapeutic class. We also track total promotional spend, professional detailing, DTC, e-promotional spend, journal ad spending, professional meetings and list some of the top products by global sales for each company

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CLIFF NOTES

Drug revenues barely kept pace last year, as other indicators like numbers of protected brands and reps have decreased, amid the overall trend of industry consolidation. With more products set to take the plunge over the patent cliff, analysts say margins are due to be tight for the foreseeable future. **Marc Iskowitz** and **Matthew Arnold** report

Total Rx medicine sales inched up 2.3% last year to \$307.4 billion, according to IMS Health, less than half the 2009 growth rate of 5.1%. Sales of branded drugs declined 0.7% to \$229 billion. The year's overall performance echoed the previous year's, hampered by a shortage of new products and an unprecedented level of patent expiries. The difference was that, even before some dominant products lost exclusivity, their sales began eroding.

"Expiries weren't any worse in 2010 than in 2009—a little bit but not a whole lot," says Michael Kleinrock, director, research development, IMS Health Institute for Healthcare Informatics. "What we're actually seeing is a base case US market growth in the 3-5% range. So in 2010, a relatively unprecedented group of 'pre-expiry' impacts on protected brands...created a slowdown in the market from that base case."

The volume of prescriptions for several brands that treat chronic conditions declined dramatically, as new therapy starts and switches for these brands were filled with generics more often than before. Overall dispensed prescription volume grew by just half the 2009 rate, 1.0% vs. 2.1%, and that, along with an abridged flu season, impacted revenue.

"There are a number of treatment areas where a lot of high-quality generics are available, and patients, providers and insurers were already weighing options more carefully," choosing those low-cost alternatives when available, notes Kleinrock.

With less revenue to support other areas, promotional spend took a dive. A 4.1% decrease was led by the biggest players.

"Top spenders Pfizer, Merck and GlaxoSmithKline supported their

brands with almost \$740 million less than they did in 2009," observes Melissa Leonhauser, strategic marketing director at SDI.

Spate of expiries

The trickle of patients leaving mature brands is set to become a wave, with a spate of patent expiries on blockbuster drugs worth \$25.4 billion this year and \$26.1 billion in 2012. Most of pharma gets a reprieve in 2013 before being deluged again in 2014 and 2015, when another \$36 billion in branded drugs falls prey to generics.

Newer brands can't keep pace. "We don't forecast a lot of new drugs coming on to offset revenue loss," says Les Funtleyder, healthcare strategist and portfolio manager at Miller Tabak + Co. "Because there's so much going generic, it would require a lot to offset that completely."

Case in point: Bristol-Myers Squibb's Yervoy (ipilimumab) for treating late-stage melanoma is launching this year, but in 2012 BMS is going to lose Plavix, a \$5-6 billion product. "Even with ipilimumab, which we think is a blockbuster, and a couple other blockbusters like dapagliflozin [diabetes] and apixiban [stroke/atrial fibrillation], that's still not enough to offset Plavix, at least in the year, maybe in a couple years," says Funtleyder.

The pipeline is, nevertheless, producing interesting and innovative products—21 last year in areas of unmet need like multiple sclerosis (Gilenya) and AFib/stroke (Pradaxa). Says Kleinrock: "The headwinds are this increasing generic share, so new products that come to market are in more competitive and essentially smaller market spaces and thus have less contribution to overall market growth."

PHOTO ON PREVIOUS PAGE: VEEER

TOP 20 PHARMA COMPANIES

* Denotes IMS Health data

** Denotes SDI Promotional Audits & Kantar Media data

Note: 2009 promotional totals for Pfizer, Merck and Roche include spending for Wyeth, Schering-Plough and Genentech product portfolios, respectively

1. Pfizer

	2010	2009
US Sales*	\$26.2 billion	\$27.8 billion
Journal ad spending**	\$36.1 million	\$35 million
Total promo spend**	\$2.4 billion	\$2.6 billion
Top products (global sales): Lipitor (\$10.7b), Enbrel (\$3.2b), Lyrica (\$3.0b), Prevnar/Prevnar 13 (\$2.4b), Celebrex (\$2.3b)		

Obesity is one of the few categories Pfizer doesn't play in, which is a shame, because once Ian Read's done with them, they may know a lot about slimming down. After an epic decade-plus-long M&A binge, Bill Steere and Jeff Kindler are out and new chief Read is talking about selling or spinning off as much as half the company's business, including the nutritionals, consumer health, animal health and established products divisions. The company has already unloaded its Capsugel manufacturing unit on KKR for \$2.4 billion. The plan is to get down to what Read calls "the innovative core." The problem, as its \$11 billion breadwinner Lipitor loses US patent protection, is that Pfizer hasn't been innovating enough to cover impending losses. Still, the biggest of big pharmas has some exciting drugs in its pipeline, including JAK-3 inhibitor tofacitinib for rheumatoid arthritis, blood thinner Eliquis, crizotinib for non small cell lung cancer and Streptococcus pneumoniae vaccine Prevnar-13v for adults.

2. Merck & Co.

	2010	2009
US sales*	\$18.8 billion	\$19.8 billion
Journal ad spending**	\$8.9 million	\$7.9 million
Total promo spend**	\$1.6 billion	\$1.9 billion
Top products (global sales): Singulair (\$5.0b), Remicade (\$2.7b), Januvia (\$2.4b), Zetia (\$2.3b), Cozaar/Hyzaar (\$2.1b)		

Merck could have used some of Pfizer's experience in doing big mergers. Coming out of its first year as a combined company, the firm pulled financial guidance through 2013, attributing it in part to a setback on pipeline drug vorapaxar, even though the blood thinner was not due to launch until late 2012. CEO Ken Frazier & Co. may need to up R&D spend with the firm losing best-seller Singulair to generics next year. Its most high-profile pipeline drug now appears to be hepatitis agent Victrelis, up for FDA review in May. Longer-term prospects include Cordaptive/Tredaptive and ancetrapib for lipid management, and odanacatib for osteoporosis. At press time, the firm had tied up one substantial loose end from the Schering-Plough deal, settling arbitration with J&J over Remicade.

3. AstraZeneca

	2010	2009
US sales*	\$18.3 billion	\$18.3 billion
Journal ad spending**	\$5.2 million	\$5.4 million
Total promo spend**	\$1.3 billion	\$1.4 billion
Top products (global sales): Crestor (\$5.6b), Nexium (\$4.9b), Seroquel IR/XR (\$5.3b), Symbicort (\$2.7b), Arimidex (\$1.5b)		

AstraZeneca is in the doghouse with analysts and investors at the moment, given its thin near-term prospects and big looming expirations like Seroquel, which loses US patent protection next year, and Crestor, set to see generic competition by 2016. But AZ has a healthier late-stage pipeline than many large pharmas. Brillinta, in particular, smells like a winner. The twice-daily oral antiplatelet has a July PDUFA date and Bernstein has forecast sales of \$750 million by 2015, though the drug has run into safety fears in France and questions about efficacy versus Plavix in the North American market. AstraZeneca's medullary thyroid cancer drug, Zactima, won FDA approval last month, though it's forecast to bring in less than a half-billion over the next four years, and has just filed an NDA for diabetes drug dapagliflozin, a co-market with BMS forecast to bring in \$400 million by 2015. Other phase III products with potential are TC-5214, for depression, and fostamatinib, for RA.

4. Novartis

	2010	2009
US sales*	\$15.7 billion	\$13.2 billion
Journal ad spending**	\$12.4 million	\$8.5 million
Total promo spend**	\$872 million	\$936 million
Top products (global sales): Diovan (\$6.1b), Gleevec/Glivec (\$4.3b), Lucentis (\$1.5b), Zometa (\$1.5b), Femara (\$1.4b)		

Novartis' US sales grew 19% last year thanks to recently launched products as well as strong growth in US retail generics and biosimilars. Recent launches have included Gilenya, the first oral disease-modifying drug for multiple sclerosis, and meningococcal disease vaccine Minveo. Generics unit Sandoz released a difficult-to-copy

version of injectable antithrombotic Lovenox. On the pipeline front, Novartis got a thumbs-up from FDA advisors in its bid to expand kidney cancer drug Afinitor into pancreatic cancer. Analysts say the Swiss firm's diversification and core R&D abilities should help see it through cliff years 2011, when breast cancer med Femara goes off patent; 2012, when its best-seller — Diovan — faces expiry; and 2015, when mega blockbuster Gleevec is set to lose exclusivity.

5. Eli Lilly & Co.

	2010	2009
US sales*	\$14.3 billion	\$13.2 billion
Journal ad spending**	\$16.7 million	\$13.2 million
Total promo spend**	\$1.2 billion	\$1.2 billion

Top products (global sales): Zyprexa (\$5.0b), Cymbalta (\$3.5b), Alimta (\$2.2b), Humalog (\$2.1b), Cialis (\$1.7b)

The patent for Gemzar, approved to treat various cancers, expired in November, and that's the tip of the iceberg for Lilly, which analysts say has one of the highest generic exposures. US sales rose 8%, but gross margins are due to decline when the same happens to Zyprexa (2011), Evista (2012), Cymbalta (2014) and Alimta (2016). Questions persist as to whether its late-stage pipeline can replace the generic losses. The company is spending more than most on R&D and inked a diabetes strategic partnership with Boehringer Ingelheim. At press time, long-acting diabetes drug Bydureon had received a positive opinion for approval in the EU, but it remains stalled at the FDA. Another diabetes drug, linagliptin, risks being a me-too by the time it reaches market. Alzheimer's disease drug solanezumab could be its biggest pipeline drug, but probability of success is low.

6. Roche

	2010	2009
US sales*	\$13.8 billion	\$14.2 billion
Journal ad spending**	\$8.1 million	\$8.7 million
Total promo spend**	\$197 million	\$240 million

Top products (global sales): Avastin (\$7.2b), MabThera/Rituxan (\$7.1b), Herceptin (\$6.1b), Pegasys (\$1.8b), Lucentis (\$1.5b)

US sales dipped 3% last year as Roche's main growth engine, its oncology portfolio, suddenly sputtered. First the FDA decided to remove bestseller Avastin's breast cancer indication from the US label, a decision the company is appealing. Avastin's US Q4 sales sank 10%, and Roche lowered its peak global sales forecast for the drug by 20% to \$7 billion. If biosimilar versions get approved, the Swiss firm's heavy presence in oncology could become a bigger liability. But the company's next crop of oncology agents looks promising, including pipeline drugs RG7204 for malignant melanoma, pertuzumab and T-DM1 for HER2+ breast cancer, and GA101 for non-Hodgkin's lymphoma.

7. Teva Pharmaceuticals

	2010	2009
US sales*	\$13.7 billion	\$12.1 billion
Journal ad spending**	\$2.4 million	\$3.6 million
Total promo spend**	\$202 million	\$185 million

Top products (global sales): Copaxone (\$3.3b), Azilect (\$318m)

Teva inked a consumer healthcare pact with Procter & Gamble

Fig 1: Top 20 Pharmaceutical Companies by US Sales '10

Rank	Company	2010 Total (Billions)	2009 Total (Billions)
1	Pfizer	\$26.2	\$27.8
2	Merck & Co.	\$18.8	\$19.8
3	AstraZeneca	\$18.3	\$18.3
4	Novartis	\$15.7	\$13.2
5	Eli Lilly & Co.	\$14.3	\$13.2
6	Roche	\$13.8	\$14.2
7	Teva Pharmaceuticals USA	\$13.7	\$12.1
8	GlaxoSmithKline	\$13.6	\$15.0
9	Johnson & Johnson	\$12.9	\$12.8
10	Amgen	\$12.7	\$12.5
11	Abbot Labs	\$10.8	\$10.6
12	Sanofi-Aventis	\$10.4	\$11.2
13	Bristol-Myers Squibb	\$9.7	\$9.0
14	Boehringer Ingelheim	\$6.4	\$7.6
15	Takeda	\$6.0	\$7.9
16	Forest Labs	\$4.7	\$4.4
17	Mylan Labs	\$4.7	\$3.9
18	Gilead Sciences	\$4.7	\$3.9
19	Otsuka America	\$4.6	\$4.0
20	Eisai Corp.	\$4.6	\$4.4
Total others		\$80.8	\$74.5
Total market		\$307.4	\$300.3

Source: IMS Health, National Sales Perspectives

Fig 2: Top 20 Prescription Drugs by US Spending '10

Rank	Product	Company	2010 Total (Billions)	2009 Total (Billions)
1	Lipitor	Pfizer	\$7.2	\$7.6
2	Nexium	AstraZeneca	\$6.3	\$6.3
3	Plavix	BMS/Sanofi-Aventis	\$6.1	\$5.6
4	Advair Diskus	GlaxoSmithKline	\$4.7	\$4.7
5	Abilify	Bristol-Myers Squibb	\$4.6	\$4.0
6	Seroquel	AstraZeneca	\$4.4	\$4.2
7	Singulair	Merck & Co.	\$4.1	\$3.7
8	Crestor	AstraZeneca	\$3.8	\$3.0
9	Actos	Takeda	\$3.5	\$3.4
10	Epogen	Amgen	\$3.3	\$3.2
11	Remicade	J&J/Merck	\$3.3	\$3.2
12	Enbrel	Pfizer	\$3.3	\$3.3
13	Cymbalta	Eli Lilly & Co.	\$3.2	\$2.8
14	Avastin	Roche	\$3.1	\$3.0
15	Oxycontin	Purdue	\$3.1	\$2.9
16	Neulasta	Amgen	\$3.0	\$3.0
17	Zyprexa	Eli Lilly & Co.	\$3.0	\$2.7
18	Humira	Abbott	\$2.9	\$2.5
19	Lexapro	Forest Labs	\$2.8	\$2.8
20	Rituxan	Roche	\$2.8	\$2.6
Total others			\$228.9	\$219.9
Total market			\$307.4	\$300.3

Source: IMS Health, National Sales Perspectives

that could offset a coming sales decline for MS drug Copaxone. The agreement consists of a JV uniting the two firms' consumer health businesses in all ex-North American markets. Teva will manufacture all of P&G's OTC products. The JV could increase total OTC sales by \$3 billion and could offset about 30% of the potential sales decline from brand and generic competition for Copaxone, according to an estimate from Collins Stewart analyst Louise Chen. Analysts say phase III results for MS drug laquinimod support potential front-line usage. Oh, and Teva's generics business is humming, too, with copies of Lovenox, Zyprexa and Lipitor on their way to market.

8. GlaxoSmithKline

	2010	2009
US sales*	\$13.6 billion	\$15 billion
Journal ad spending**	\$6.4 million	\$3.3 million
Total promo spend**	\$1.3 billion	\$1.5 billion

Top products (global sales): Seretide/Advair (\$8.3b), Pandemic vaccines (\$1.4b), Flovent (\$1.3b), Avodart (\$1b), Lovaza (\$868m)

GlaxoSmithKline's on a roll of late. GSK and HGS's Benlysta, expected to be a blockbuster, won FDA approval in March, becoming the first new drug approved for lupus in half a century. Then last month, GSK/Xenoport drug Horizant won approval for moderate-to-severe primary restless legs syndrome. On the downside, the company pulled its global commercialization efforts for Avodart, for prostate cancer risk reduction, in March. But waiting in the wings are Menhibrix and Nimenrix, a pair of meningitis vaccine formulations on which FDA issued a complete response letter in June, and Advair/Seretide follow on Relovair for asthma and COPD. It's one of two COPD treatments in a fairly bursting phase III pipeline.

9. Johnson & Johnson

	2010	2009
US sales*	\$12.9 billion	\$12.8 billion
Journal ad spending**	\$11.8 million	\$13.8 million
Total promo spend**	\$635 million	\$688 million

Top products (global sales): Remicade (\$4.6b), Procrit/Eporex (\$1.9b), Risperdal Consta (\$1.5b), Levaquin/Floxin (\$1.4), Concerta (\$1.3b)

The overriding story with J&J has been the ongoing troubles at its McNeil Consumer Healthcare unit in the US. This year J&J said it would split off the McNeil business and install new leadership as part of a major overhaul of the consumer division. This was prompted by recalls to the tune of \$900 million last year, including Tylenol, Motrin, Roloids and Benadryl. J&J's pharmaceuticals business was hit by genericization on brands Topamax, Duragesic and Risperdal. This year it will lose market exclusivity for Levaquin and Concerta. Its best pipeline prospects may be two co-developed products: rivaroxaban, an anti-coagulant for preventing strokes in atrial fibrillation patients, and telaprevir for hepatitis C.

10. Amgen

	2010	2009
US sales*	\$12.7 billion	\$12.5 billion
Journal ad spending**	\$4.6 million	\$3.9 million
Total promo spend**	\$149 million	\$74.3 million

Top products (global sales): Neulasta/Neupogen (\$4.8b), Enbrel (\$3.5b), Epopen (\$2.5b), Aranesp (\$2.4b), Sensipar/Mimpara (\$714m)

Fig 3: Top 20 Therapeutic Classes by US Spending '10

Rank	Categories	2010 Total (Billions)	2009 Total (Billions)
1	Oncologics	\$22.3	\$21.5
2	Respiratory Agents	\$19.3	\$18.1
3	Lipid Regulators*	\$18.8	\$18.6
4	Antidiabetics	\$16.9	\$15.0
5	Antipsychotics	\$16.1	\$14.7
6	Anti-Ulcerants	\$11.9	\$14.1
7	Antidepressants**	\$11.6	\$11.5
8	Autoimmune Diseases	\$10.6	\$9.7
9	HIV Antivirals	\$9.2	\$8.2
10	Angiotensin II	\$8.7	\$8.6
11	Narcotic Analgesics	\$8.4	\$8.0
12	ADHD	\$7.2	\$6.3
13	Platelet Aggregation Inhibitors	\$7.1	\$6.5
14	Erythropoietins	\$6.1	\$6.3
15	Multiple Sclerosis	\$5.7	\$4.9
16	Antiepileptics	\$5.6	\$6.9
17	Vaccines (pure, comb, other)	\$5.0	\$4.6
18	Hormonal Contraceptives	\$4.8	\$4.7
19	Anti-Alzheimer's	\$4.5	\$4.0
20	Immunostimulating Agents***	\$4.2	\$4.1
	Total others	\$102.4	\$107.9
	Total market	\$307.4	\$300.3

Source: IMS Health, National Sales Perspectives
 *Includes Merck's Vytorin, Zetia
 **Includes SSRI, SNRI products
 ***Excludes interferons

Amgen has come to resemble, in that way that old married couples do, its Enbrel partner Pfizer. A paunchy giant that's seen better days, Amgen has a store of aging blockbusters and a thin late-stage pipeline of candidates to replace their declining sales with. Fortunately, large molecule therapies tend to age better than chemical compounds, and while Vectibix has proved a disappointment, Amgen has one great hope in Prolia/XGEVA, which Jeffries forecasts to pull in nearly \$2 billion in 2013, and which recently got encouraging trials data on a hoped for line extension, for prevention of bone metastases in prostate cancer patients. Beyond that, it's acquisitions, new indications and phase III candidates for pancreatic cancer and ovarian cancer.

11. Abbott Labs

	2010	2009
US sales*	\$10.8 billion	\$10.6 billion
Journal ad spending**	\$2.6 million	\$2.5 million
Total promo spend**	\$695 million	\$697 million

Top products (global sales): Humira (\$6.5b), Trilipix/TriCor (\$1.6b), Kaletra (\$1.3b), Niaspan (\$927m), Lupron (\$748m)

Abbott Labs' US pharmaceuticals business is undergoing some hefty changes—1,500 layoffs and a merger with the international division. Pressure to trim costs came partly from the loss of patent protection for brands such as Depakote. Best-selling anti-inflammatory drug Humira surged 14% in the US to \$2.9 billion, and Abbott is studying additional indications. But its heart franchise has some

Fig 4: Total Promo Spend, DTC Spend, ePromotional Spend

Rank	Company	Total Promo Spend		2010 (Millions)	DTC % change vs 2009	ePromotional	
		2010 (Millions)	% change vs 2009			2010 (Millions)	% change vs 2009
1	Pfizer	\$2,412.17	-8.4%	\$941.22	-15.5%	\$77.24	33.8%
2	Merck & Co.	\$1,563.20	-18.3%	\$319.96	-30.1%	\$74.31	-10.3%
3	GlaxoSmithKline	\$1,334.95	-11.2%	\$334.44	7.9%	\$15.92	-9.2%
4	AstraZeneca	\$1,314.63	-0.1%	\$380.67	2.4%	\$19.68	-0.2%
5	Eli Lilly	\$1,247.76	7.7%	\$474.03	28.0%	\$13.13	3.4%
6	Novartis	\$871.53	-6.0%	\$71.84	-39.9%	\$22.95	-18.8%
7	Forest	\$758.31	-0.5%	N/A	-100.00%	\$6.95	-3.3%
8	Abbott Labs	\$694.61	-8.2%	\$150.50	-6.0%	\$5.35	-29.8%
9	Sanofi-Aventis	\$660.54	-27.5%	\$85.10	-52.2%	\$13.52	-31.1%
10	Johnson & Johnson	\$687.81	-7.5%	\$175.11	97.1%	\$25.27	-36.2%
11	Bristol-Myers Squibb	\$605.19	-7.3%	\$204.82	-25.9%	\$9.47	51.9%
12	Takeda	\$586.15	5.2%	\$94.09	>999	\$12.13	49.1%
13	Boehringer Ingelheim	\$412.66	-22.8%	\$85.55	-55.9%	\$6.05	-23.1%
14	Nestle SA	\$366.78	-2.9%	\$36.59	-53.6%	\$8.03	-21.5%
15	Novo Nordisk	\$355.96	60.0%	\$15.37	596.9%	\$14.73	193.4%
16	Daiichi-Sankyo	\$351.21	16.8%	\$0.29	15.8%	\$4.12	54.0%
17	Allergan	\$334.51	14.7%	\$166.68	21.7%	\$2.29	-10.3%
18	Shire	\$309.22	-5.3%	\$72.79	-14.5%	\$14.04	-44.6%
19	Dainippon Sumitomo Pharma	\$275.92	13.4%	\$89.15	61.7%	\$2.62	16.2%
20	Roche	\$256.62	-12.7%	\$81.57	-35.8%	\$6.00	39.9%

Source: SDI's Promotional Audits & Kantar Media (DTC data)

kinks. A government-run trial showed that TriCor, which is similar to TriLipix, failed to best a placebo at staving off heart attacks, strokes and deaths. Usage fell following release of the data.

12. Sanofi-Aventis

	2010	2009
US sales*	\$10.4 billion	\$11.2 billion
Journal ad spending**	\$17.1 million	\$4.5 million
Total promo spend**	\$661 million	\$916 million

Top products (global sales): Lantus (\$5.1b), Lovenox (\$4.1b), Taxotere (\$3.1b), Plavix (\$2.7b), Eloxatine (\$618m)

Sanofi-Aventis and Genzyme finally agreed to terms for a takeover, but will the deal bring value? The French drugmaker is set to acquire the Boston biotech for about \$20.1 billion, with possible additional payouts of a billion dollars or so. Sanofi-Aventis CEO Chris Viehbacher, facing an impending loss of Plavix to genericization next year, has hailed Genzyme's biologics-laden portfolio as providing a more durable revenue stream and increased exposure into rare diseases. His thinking might not pan out, notes Bernstein's Tim Anderson.

13. Bristol-Myers Squibb

	2010	2009
US sales*	\$9.7 billion	\$8.9 billion
Journal ad spending**	\$2.1 million	\$3.0 million
Total promo spend**	\$605 million	\$657.3 million

Top products (global sales): Plavix (\$6.7b), Abilify (\$2.6b), Reyataz (\$1.5b), Sustiva (\$1.4b), Avapro/Avalide (\$1.2b)

This year's approval of Yervoy (ipilimumab) for the treatment of late-stage melanoma was good news for BMS. Many analysts think the biologic has blockbuster potential. Even with Yervoy, and other potential blockbusters like dapagliflozin and apixaban in development, it won't be enough to offset sales erosion when Plavix gets stung by generic competition next year. BMS has an intriguing story, though: it has differentiated itself from many of its peers by getting smaller and becoming a "pure play" biopharmaceutical company. Nevertheless, other large patent expirations through 2015—such as Avapro, Abilify and Sustiva—and other expiries further downstream from those, make it a tough road.

14. Boehringer Ingelheim

	2010	2009
US sales*	\$6.4 billion	\$7.6 billion
Journal ad spending**	\$3.9 million	\$1.5 million
Total promo spend**	\$412 million	\$534 million

Top products (global sales): Spiriva (\$4.0b), Micardis (\$1.5b), Combivent (\$1.0b), Sifrol/Mirapex (\$967m), Ingelvac Circoflex (\$346m)

Boehringer Ingelheim has gotten socked of late by patent expirations, with Flomax and Mirapex losing US exclusivity and Lilly nixing a co-marketing deal on Cymbalta. But the privately-held company caught a break with the 2010 approval of Pradaxa, the first new drug for atrial fibrillation in a half-century, and sales of blockbusters Spiriva, Combivent and Micardis are still growing healthily. Boehringer boasts a solid Phase III pipeline, with oncology candidates BIBF 1120 and afatinib, along with therapies for hepatitis C and idiopathic pulmonary fibrosis, and recently inked a

Fig 5: Total Promo Spend, Professional Detailing Spend, Professional Meetings Spend, Journal Ad Spend

Rank	Company	Total Promo Spend		Detailing		Meetings		Journal	
		2010 (Millions)	% change vs 2009	2010 (Millions)	% change vs 2009	2010 (Millions)	% change vs 2009	2010 (Millions)	% change vs 2009
1	Pfizer	\$2,412.17	-8.4%	\$1,176.46	-3.4%	\$181.17	-13.1%	\$36.08	3.2%
2	Merck & Co.	\$1,563.20	-18.3%	\$939.54	-17.3%	\$220.52	-3.1%	\$8.88	12.6%
3	GlaxoSmithKline	\$1,334.95	-11.2%	\$804.49	-18.4%	\$173.67	-7.1%	\$6.42	96.0%
4	AstraZeneca	\$1,314.63	-0.1%	\$773.80	4.3%	\$135.25	-23.7%	\$5.22	-3.8%
5	Eli Lilly	\$1,247.76	7.7%	\$600.37	-4.1%	\$143.57	5.6%	\$16.66	26.4%
6	Novartis	\$871.53	-6.0%	\$631.91	2.8%	\$132.41	-15.0%	\$12.43	45.7%
7	Forest	\$758.31	-0.5%	\$598.08	5.5%	\$129.79	-15.6%	\$23.49	-13.3%
8	Abbott Labs	\$694.61	-8.2%	\$442.50	-9.2%	\$93.63	-4.7%	\$2.63	-21.9%
9	Sanofi-Aventis	\$660.54	-27.5%	\$459.83	-23.1%	\$85.01	-23.5%	\$17.10	277.2%
10	Johnson & Johnson	\$634.91	-7.5%	\$351.98	-20.2%	\$70.79	-31.2%	\$11.76	-14.8%
11	Bristol-Myers Squibb	\$605.19	-7.3%	\$320.53	3.4%	\$68.29	19.2%	\$2.09	-30.4%
12	Takeda	\$586.15	5.2%	\$405.69	-9.7%	\$68.25	-22.0%	\$5.99	-38.0%
13	Boehringer Ingelheim	\$412.66	-22.8%	\$282.29	-4.7%	\$34.92	0.3%	\$3.86	161.6%
14	Nestle SA	\$366.78	-2.9%	\$266.56	12.3%	\$50.78	10.4%	\$4.83	-5.1%
15	Novo Nordisk	\$355.96	60.0%	\$256.89	45.0%	\$56.78	91.9%	\$12.19	43.9%
16	Daiichi-Sankyo	\$351.21	16.8%	\$247.20	13.7%	\$98.28	25.1%	\$1.32	-28.1%
17	Allergan	\$334.51	14.7%	\$128.65	8.6%	\$33.97	10.9%	\$2.91	-4.0%
18	Shire	\$309.22	-5.3%	\$158.03	4.2%	\$61.36	3.1%	\$3.01	-40.0%
19	Dainippon Sumitomo Pharma	\$275.92	13.4%	\$161.12	0.1%	\$22.15	-10.9%	\$0.88	534.0%
20	Bayer	\$256.62	-12.7%	\$145.92	5.4%	\$19.96	-3.3%	\$3.18	-5.3%

Source: SDF's Promotional Audits & Kantar Media (DTC data)

deal with Lilly to develop and co-promote a portfolio of prospective diabetes products, including Boehringer's linagliptin and BI10773 as well as several Lilly products.

15. Takeda Pharmaceuticals

	2010	2009
US sales*	\$6.0 billion	\$7.9 billion
Journal ad spending**	\$6.0 million	\$9.7 million
Total promo spend**	\$586 million	\$560 million

Top products (global sales): Actos, Bopress, Lansoprazole, Leuprorelin, Velcade (full-year 2010 sales figures unavailable at press time)

Takeda will see its top-selling product, the 12-year-old diabetes pill Actos, give ground to generic competition next year. Teva, Mylan, Watson and Ranbaxy have been authorized to sell licensed copies starting in August 2012. Takeda's taken some steps to rejuvenate the pipeline, securing FDA approval this year for hypertension treatment Edarbi. The firm also in-licensed potential diet drug Contrave, which was surprisingly rejected by FDA in January when the agency asked for another trial to test for CV risk. Contrave data presented in April showed patients maintained normal blood pressure patterns.

16. Forest Laboratories

	2010	2009
US sales*	\$4.7 billion	\$4.4 billion
Journal ad spending**	\$23.5 million	\$27.1 million
Total promo spend**	\$758 million	\$762 million

Top products (global sales): Lexapro, Namenda, Bystolic, Savella (full-year 2010 sales figures unavailable at press time)

Three new product launches—antibiotic Teflaro, antidepressant Viibryd and respiratory drug Daliresp—should drive growth for Forest in the years following Lexapro's impending patent expiry. Analyst Louise Chen of Collins Stewart says each of the three new drugs could rake in \$500 million to \$1 billion in sales. Moreover, the firm is expected to file two late-stage products with the FDA this year, aclidinium for COPD and linaclotide for chronic constipation/irritable bowel syndrome, followed by two more in 2012, cariprazine for schizophrenia/bipolar mania and F2695 for major depressive disorder.

17. Mylan Labs

	2010	2009
US sales*	\$4.7 billion	\$3.9 billion
Journal ad spending**	\$3.2 million	\$3.4 million
Total promo spend**	\$32 million	\$29 million

Top products (global sales): CNS (\$1.2b), Cardiovascular (\$967m), Anti-infective (\$783), Gastrointestinal (\$248), Endocrine and metabolic (\$433m)

Like that of Teva, No. 3 global generics maker Mylan's mere presence on this list says a lot about the pharmaceutical market. The Pittsburgh firm's stock was recently upgraded by Standard & Poor's and Moody's, which praised "new product launches, a strong global generics footprint and good vertical integration." Mylan has been building out its business with acquisitions of late, snapping up Merck KGaA's generics and Dey specialty units a few years back and, in September, injectable pharma Bioniche Pharma. Mylan saw revenue growth of 8% in 2010, with total revenues of \$5.45 billion and projected "significant top line expansion" for 2011.

Fig. 6: Estimated US Patent Expirations through 2015

Brand	Company	Indication	Expiry
Lipitor	Pfizer	cholesterol	2011
Advair Diskus	GlaxoSmithKline	asthma	2011
Zyprexa	Eli Lilly & Co.	schizophrenia	2011
Levaquin	Johnson & Johnson	infection	2011
Xalatan	Pfizer	glaucoma	2011
Plavix	BMS/Sanofi-Aventis	stroke	2012
Seroquel	AstraZeneca	bipolar	2012
Singular	Merck	asthma	2012
Actos	Takeda	diabetes	2012
Lexapro	Forest Labs	depression	2012
Diovan	Novartis	hypertension	2012
Evista	Eli Lilly & Co.	osteoporosis	2012
Oxycontin	Purdue Pharma	pain	2013
Nexium	AstraZeneca	reflux	2014
Cymbalta	Eli Lilly & Co.	depression	2014
Celebrex	Pfizer	pain	2014
Copaxone	Teva Pharma	MS	2014
Abilify	Bristol-Myers Squibb	bipolar	2015
Namenda	Forest Labs	Alzheimer's	2015
Renagel	Genzyme	CKD	2015
Provigil	Cephalon	sleep	2015

Source: IMS Health, MIDAS, Market Segmentation

Fig. 7: New Drug Approvals 2010

Brand	Company	Indication	Approval
Actemra	Genentech	RA	Jan. 8
Ampyra	Acorda Therapeutics	MS	Jan. 22
Victoza	Novo Nordisk	Diabetes	Jan. 25
Xiaflex	Auxilium	Dupuytren's cont.	Feb. 2
Vpriv	Shire	Gaucher's dis.	Feb. 26
Carbaglu	Orphan Europe	Hyperammonemia	Mar. 18
Asclera	Merz	Spider veins	Mar. 30
Natazia	Bayer	Contraception	May. 6
Lumizyme	Genzyme	Pompe's disease	May. 24
Prolia	Amgen	Osteoporosis	June. 1
Jevtana	Sanofi-Aventis	Prostate cancer	June. 17
Lastacaft	Vistakon	Conjunctivitis	July. 28
Xeomin	Merz	Cervical dystonia	July. 30
Ella	Watson	Contraception	Aug. 13
Krystexxa	Savient	Gout	Sept. 14
Gilenya	Novartis	MS	Sept. 21
Pradaxa	Boehringer Ingelheim	Stroke	Oct. 10
Latuda	Sunovion	Schizophrenia	Oct. 28
Teflaro	Forest	cSSSIs	Oct. 29
Egrifta	EMD Serono	HIV lipodystrophy	Nov. 10
Halaven	Eisai	Breast cancer	Nov. 15

* NMEs and new biologics approved by FDA's Center for Drug Evaluation and Research (CDER)

18. Gilead Sciences

	2010	2009
US sales*	\$4.7 billion	\$3.9 billion
Journal ad spending**	\$1.9 million	\$3.6 million
Total promo spend**	\$66.8 million	\$40.8 million

Top products (global sales): Atripla (\$2.9b), Truvada (\$2.6b), Viread (\$732m), Hepsera (\$201m), Emtriva (\$28m)

Gilead moved up two spots on the Top-20 list, thanks to strong sales in its virology franchise. HIV pills Atripla posted roughly 20% sales growth, and Truvada 6% growth, off healthy bases. The company hopes to enhance its portfolio of marketed HIV drugs with a fixed-dose HIV combination pill containing Truvada and Tibotec's TMC278. FDA issued a "refuse to file" notice, prompting Gilead to reapply with added information, and the company is eyeing a launch later this year. Gilead's "Quad pill" is by far its most important pipeline product. Whether it pans out will depend on results from two phase III studies evaluating the single-tablet fixed-dose regimen against Atripla and Truvada.

19. Otsuka America

	2010	2009
US sales*	\$4.6 billion	\$4.0 billion
Journal ad spending**	\$3.5 million	\$2.0 million
Total promo spend**	\$33.3 million	\$18 million

Top products (global sales): Abilify (\$2.6b)

Otsuka received \$217 million in total upfront licensing and mile-

stone payments under its Abilify revenue-sharing accord with Bristol-Myers Squibb. Otsuka also received a \$400-million fee from BMS in connection with an extension of their pact until April 2015, when Abilify will lose US patent protection. The extension changed the economics of their agreement so that Otsuka is now booking a bit more of the US revenue from Abilify, but still less than half. From 2013 until 2015, the firms will likely split revenues from the lucrative US market. Things have gone well enough that the partners have struck a similar deal on oncology drugs Sprycel and Ixempra covering the US, Japan and EU.

20. Eisai

	2009	2008
US sales*	\$4.6 billion	\$4.4 billion
Journal ad spending**	\$9.5 million	\$1.2 million
Total promo spend**	\$62.1 million	\$62.7 million

Top products (as of FY 2009): Aricept (\$3.7b), AcipHex/Pariet (\$1.7b), Oncology-related products (\$942m)

Eisai recently announced deep cuts to its US operations following the loss of top-seller Aricept. The Japanese firm said in March that it would eliminate 600 US jobs—a fifth of its workforce here—as part of its shift in focus to women's oncology. The company is launching Halaven, for metastatic breast cancer, and has two more late-stage products in the pipeline for women's oncology—farletuzumab, for ovarian cancer, and lenvatinib, for thyroid cancer. Aricept, which hauled in \$3.9 billion in global revenue for the fiscal year ending in March 2010, lost US patent protection in November, and the firm projects flat revenues through March 2016.