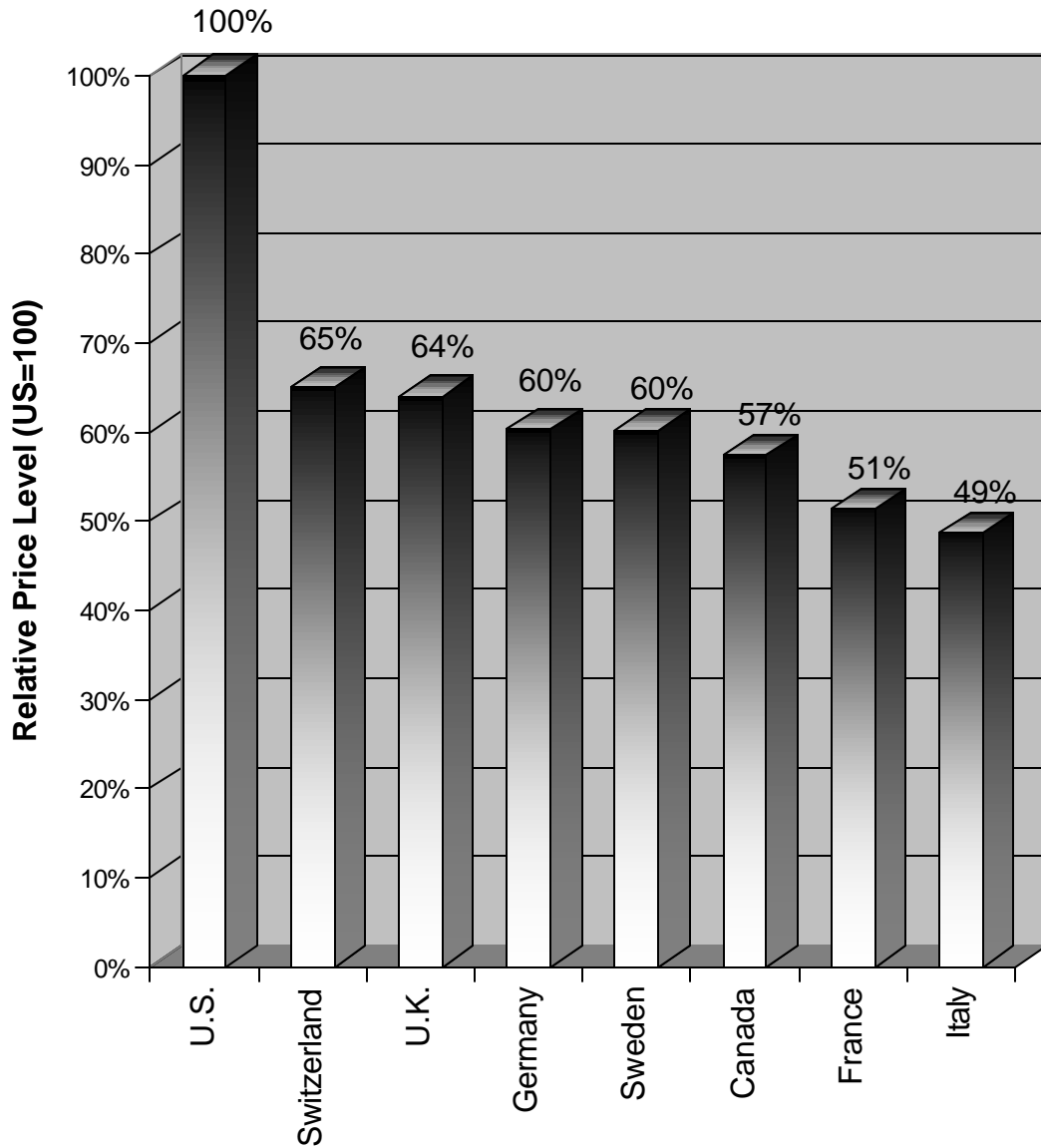
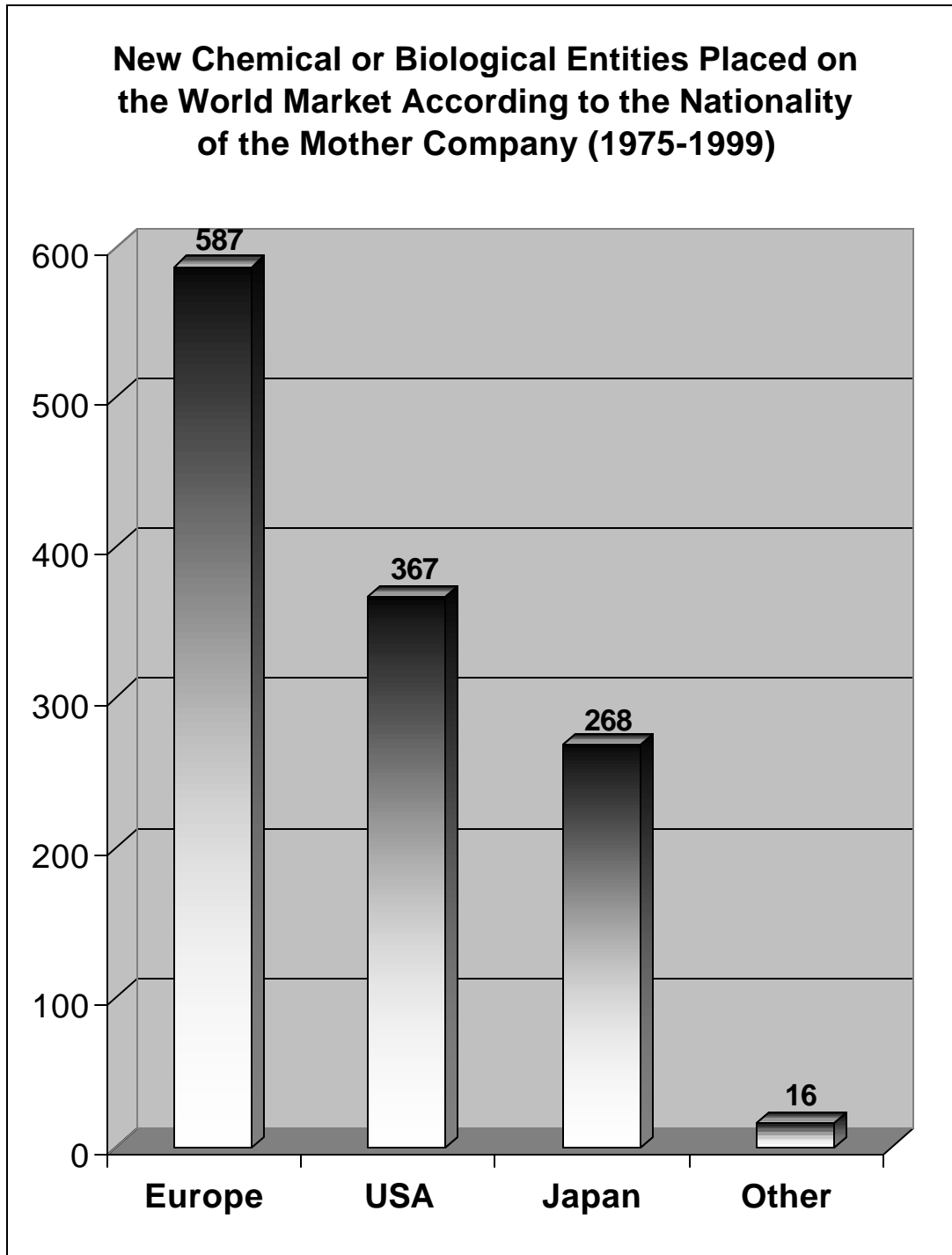




Comparison of U.S. and Foreign Drug Prices for All Patented Drugs in 1999



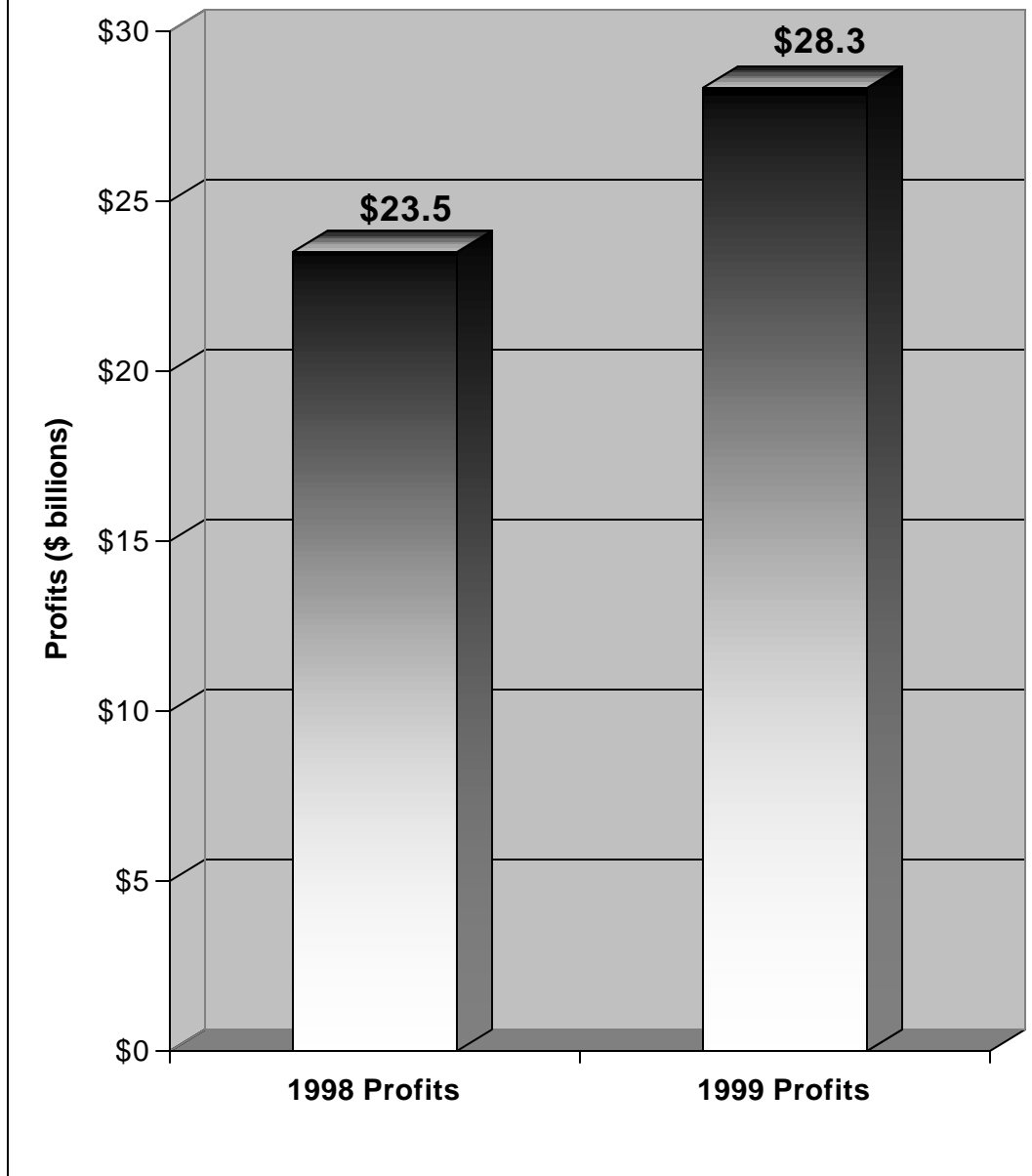
Source: Patented Medicine Prices Review Board of Canada, 1999 Annual Report. Percentages reflect relative price levels of drugs sold by drug manufacturers to wholesalers, hospitals and pharmacies.



Source: European Federation of Pharmaceutical Industries and Associations, *The Pharmaceutical Industry in Figures*, 2000. A drug is defined as a new chemical or biological entity if it has never before been marketed regardless of dosage form. This measure more accurately reflects the number of new drugs approved in a country or region of the world.



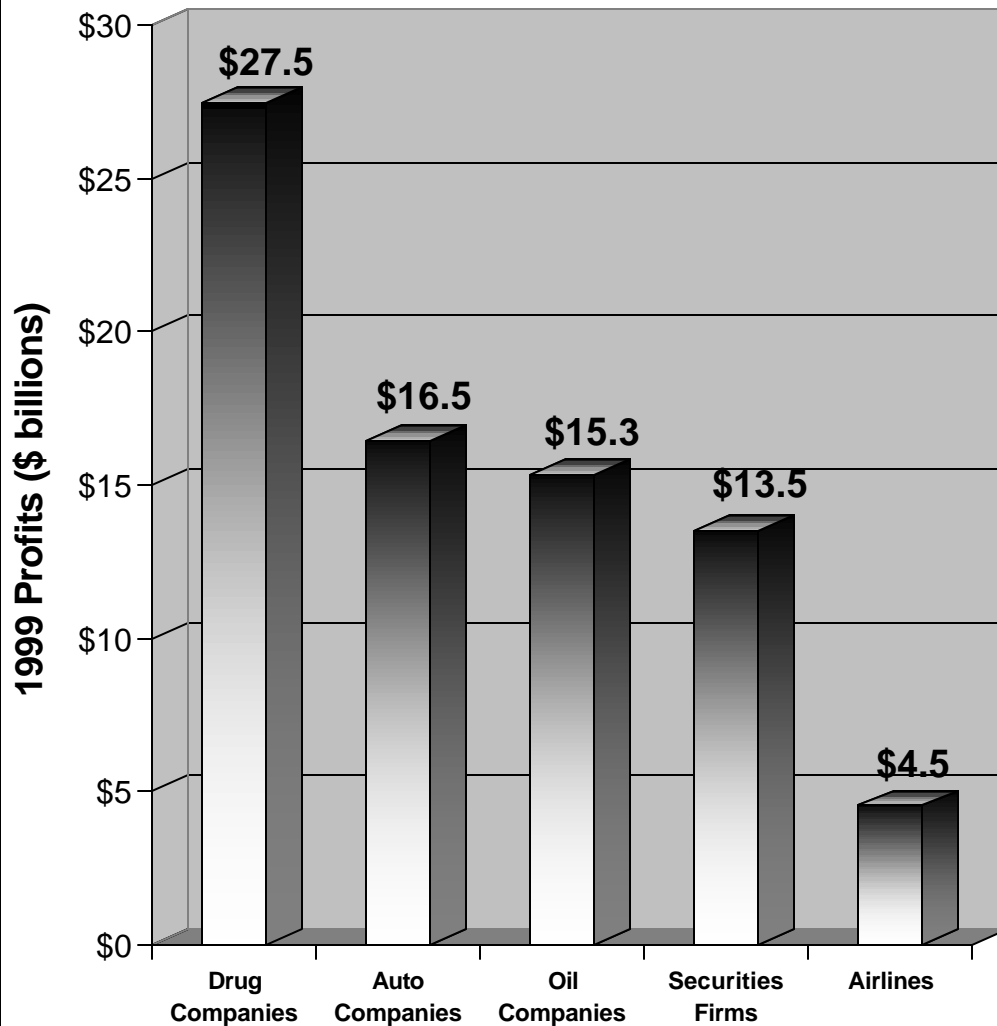
**Ten Most Profitable Drug Companies
Record \$4.8 Billion (20%) Increase in
Profits over 1998**



Source: *Fortune Magazine*, April 2000, Fortune 500 (www.fortune.com); 1999 Company Annual Reports.



Combined Profits of Nine Most Profitable Companies in Select Fortune 500 Industries, 1999

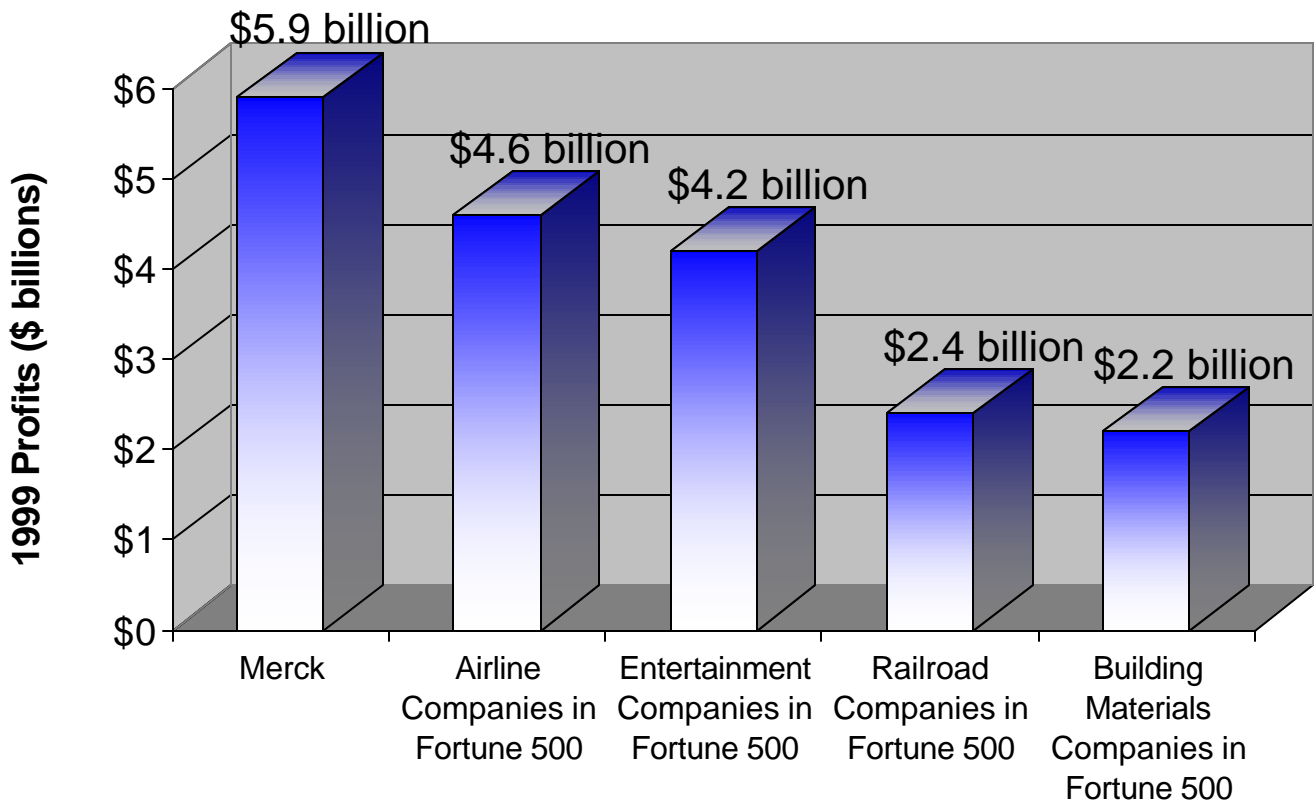


Source: *Fortune Magazine*, April 2000, Fortune 500 (www.fortune.com).

Note: Due to the different number of companies in the Fortune 500 from selected industries, industry totals include profits from the nine largest (or most profitable) companies in each industry.

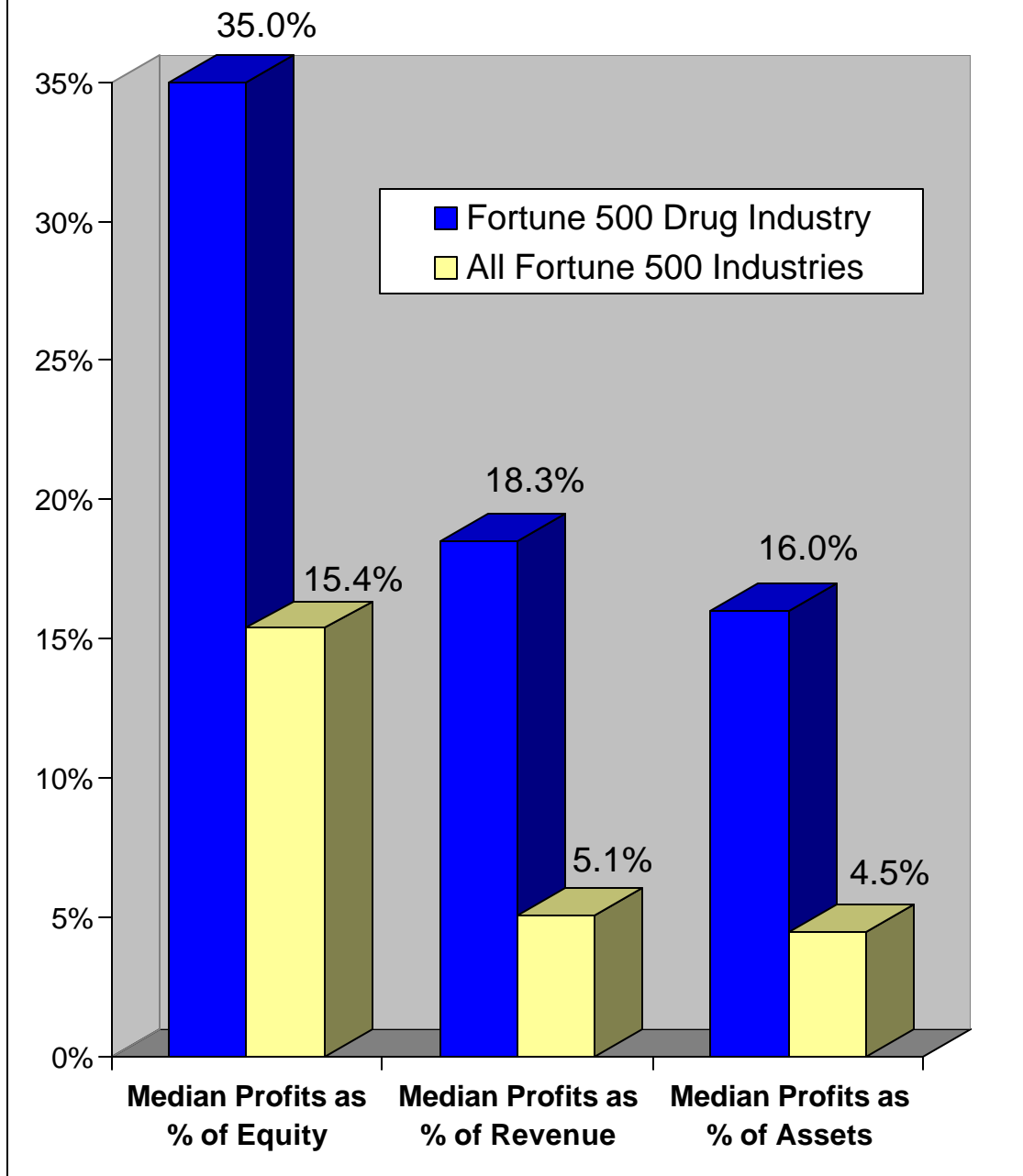


Comparison of Merck's 1999 Profits vs. Selected Fortune 500 Industries



Source: *Fortune* Magazine, April 2000, Fortune 500 (www.fortune.com).

Fortune 500 Drug Industry Ranks #1 in All Measures of Profitability, 1999



Source: *Fortune Magazine*, April 2000, Fortune 500 (www.fortune.com).



Profitability of Fortune 500 Drug Companies 1999 and 1998

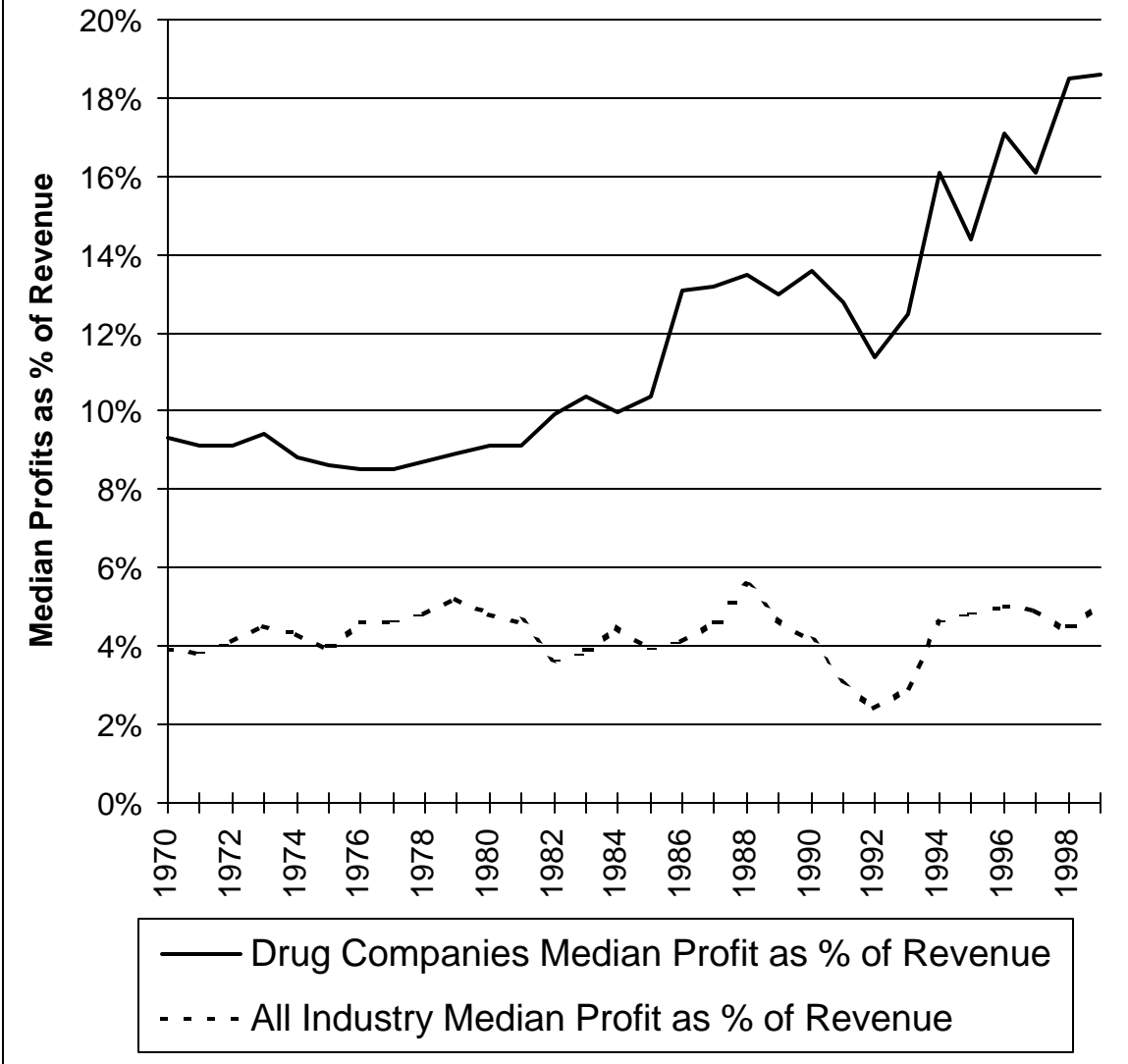
Rank	Company	1999 Revenues (millions \$)	% Change from '98	1999 Profits (millions \$)	% Change from '98	Profits as % of Revenue	Profits as % of Assets	Profits as % of Stockholders' Equity
1	Merck	\$32,714	22%	\$5,891	12%	18%	17%	44%
2	Johnson & Johnson	\$27,471	16%	\$4,167	36%	15%	14%	26%
3	Bristol-Myers Squibb	\$20,222	11%	\$4,167	33%	21%	24%	48%
4	Pfizer	\$16,204	10%	\$3,179	-5%	20%	15%	36%
5	American Home Products*	\$13,550	1%	-\$1,227	-150%	-9%	-5%	-20%
6	Abbott Laboratories	\$13,178	6%	\$2,446	5%	19%	17%	33%
7	Warner-Lambert	\$12,929	27%	\$1,733	38%	13%	15%	34%
8	Eli Lilly & Co	\$10,003	0%	\$2,721	30%	27%	21%	54%
9	Schering-Plough	\$9,176	14%	\$2,110	20%	23%	23%	41%
10	Pharmacia & Upjohn	\$7,253	7%	\$803	16%	11%	8%	14%
11	Amgen	\$3,340	23%	\$1,096	27%	33%	27%	36%
12	Allergan	\$1,406	11%	\$188	NA	13%	14%	30%
Total		\$167,446		\$27,274				
Median		\$13,054	11%	\$2,278	20%	18%	16%	35%

Source: *Fortune Magazine*, April 2000, Fortune 500 (www.fortune.com).

* American Home Products recorded a litigation charge of \$4.8 billion in the third quarter of 1999 to provide for the expected payments to a nationwide, class action settlement brought against AHP regarding the use of the antiobesity products Redux and Pondimin.



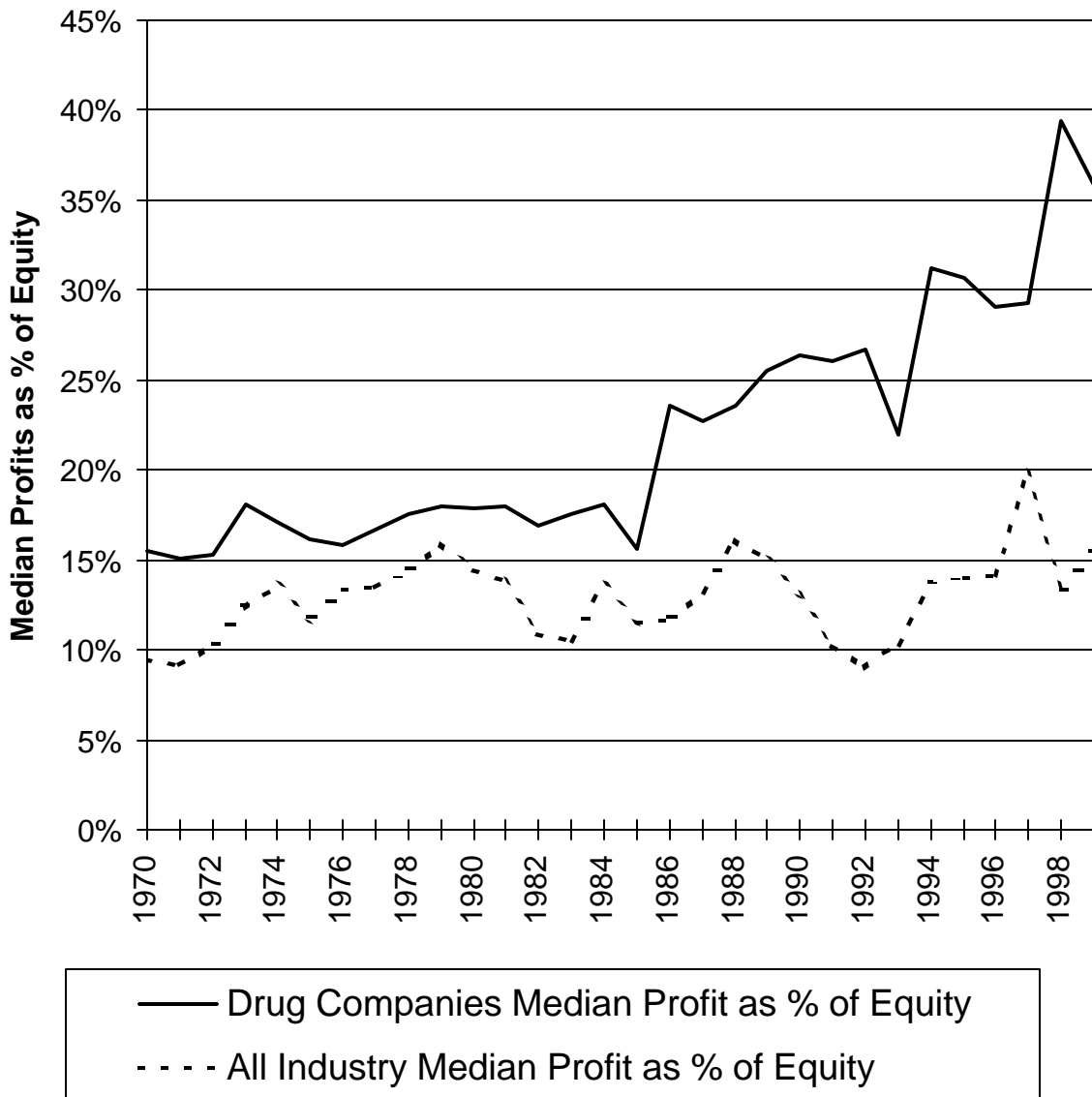
Profitability of Fortune 500 Drug Industry and All Fortune 500 Industries, Profits as a % of Revenue (1970 - 1999)



Source: Public Citizen update of Stephen W. Schondelmeyer calculation, *Competition and Pricing Issues in the Pharmaceutical Market*, PRIME Institute, University of Minnesota based on data found in *Fortune Magazine*, 1958 to 1999; *Fortune Magazine*, April 2000, Fortune 500 (www.fortune.com).



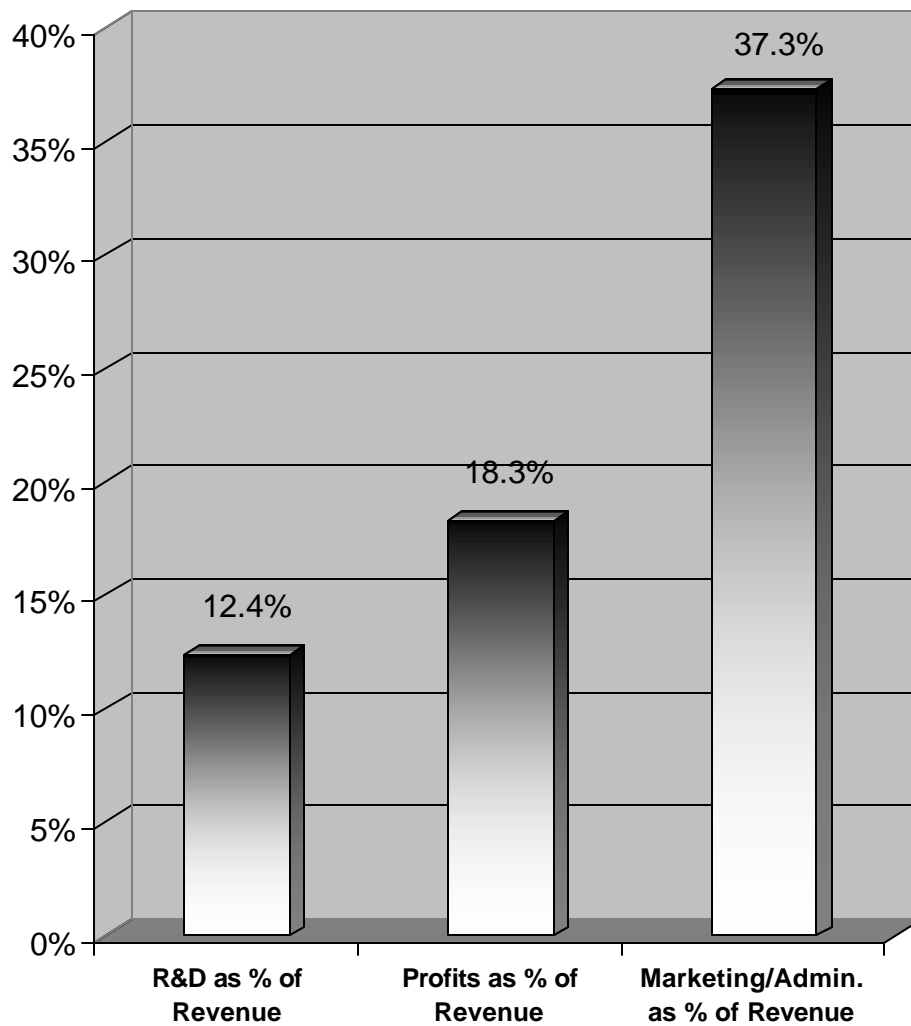
Profitability of Fortune 500 Drug Industry and All Fortune 500 Industries, Profits as a % of Equity (1970 - 1999)



Source: Public Citizen update of Stephen W. Schondelmeyer calculation, *Competition and Pricing Issues in the Pharmaceutical Market*, PRIME Institute, University of Minnesota based on data found in *Fortune Magazine*, 1958 to 1999; *Fortune Magazine*, April 2000, Fortune 500 (www.fortune.com).



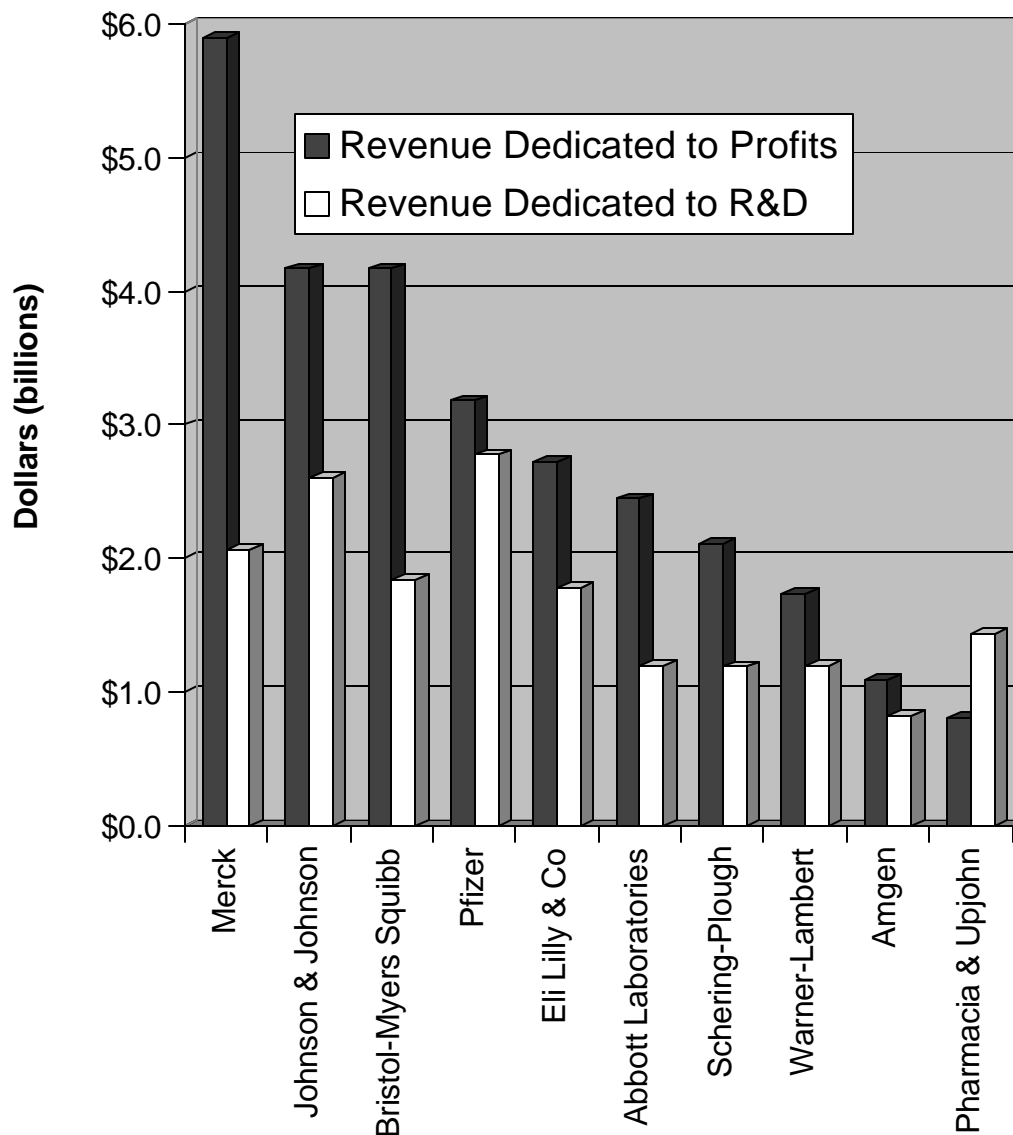
**Figure 6: Fortune 500 Drug Companies
Comparison of 1999 Revenue Dedicated to R&D,
Profits, and Marketing/Administration**



Source: *Fortune Magazine*, April 2000, Fortune 500 (www.fortune.com).



Revenue Dedicated to Profits vs. Research and Development by Top Drug Companies, 1999



Source: *Fortune Magazine*, April 2000, Fortune 500 (www.fortune.com); 1999 Company Annual Reports.



Fortune 500 Drug Companies - Comparison of 1999 Revenue Dedicated to Profits, R&D, and Marketing/Administration

Rank	Company	Revenues (millions \$)	Profits (millions \$)	Profits as % of Revenue	R&D (millions \$)	R&D as % of Revenue	Marketing & Admin. (millions \$)	Marketing/Admin. as % of Revenue
1	Merck	\$32,714	\$5,891	18.0%	\$2,068	6.3%	\$5,200	15.9%
2	Johnson & Johnson	\$27,471	\$4,167	15.2%	\$2,600	9.5%	\$10,503	38.2%
3	Bristol-Myers Squibb	\$20,222	\$4,167	20.6%	\$1,843	9.1%	\$4,578	22.6%
4	Pfizer	\$16,204	\$3,179	19.6%	\$2,776	17.1%	\$6,351	39.2%
5	American Home Products*	\$13,550	-\$1,227	-9.1%	\$1,740	12.8%	\$5,040	37.2%
6	Abbott Laboratories	\$13,178	\$2,446	18.6%	\$1,194	9.1%	\$2,857	21.7%
7	Warner-Lambert	\$12,929	\$1,733	13.4%	\$1,259	9.7%	\$5,959	46.1%
8	Eli Lilly & Co	\$10,003	\$2,721	27.2%	\$1,784	17.8%	\$2,758	27.6%
9	Schering-Plough	\$9,176	\$2,110	23.0%	\$1,191	13.0%	\$3,434	37.4%
10	Pharmacia & Upjohn	\$7,253	\$803	11.1%	\$1,434	19.8%	\$2,800	38.6%
11	Amgen	\$3,340	\$1,096	32.8%	\$823	24.6%	\$654	19.6%
12	Allergan	\$1,406	\$188	13.0%	\$168	11.9%	\$588	41.8%
Total		\$167,446	\$27,274		\$18,880		\$50,722	
Median		\$13,054	\$2,278	18.3%	\$1,587	12.4%	\$4,006	37.3%

Source: *Fortune Magazine*, April 2000, Fortune 500 (www.fortune.com); 1999 Company Annual Reports.

* American Home Products recorded a litigation charge of \$4.8 billion in the third quarter of 1999 to provide for the expected payments in a nationwide, class action settlement brought against AHP regarding the use of the antiobesity products Redux and Pondimin.