

The sales figures just reviewed are in current dollars. If expressed in constant dollars, you would note a significant decrease in dollar volume for the sale of all prescription anorectic products.

PURCHASES BY RETAIL PHARMACIES: 1971 COMPARED TO 1975

	1971		1975	
	Amount	Percent	Amount	Percent
Total pharmacy purchases.....	\$78,636,000		\$83,247,000	
Amphetamine anorectics.....	46,670,000	59.0	23,237,000	27.0
(Pennwalt sales).....	(8,394,000)	19.0	(6,761,000)	29.0
Nonamphetamine anorectics.....	31,966,000	41.0	60,010,000	73.0
(Pennwalt sales).....	(3,244,000)	10.0	(11,920,000)	20.0
Total Pennwalt anorectic sales.....	11,638,000	14.8	18,681,000	22.4
Total anorectic sales of:				
(1) Other 2 major manufacturers.....	34,213,000		28,381,000	
(2) Pennwalt.....	11,638,000		18,681,000	
(3) All other.....	32,785,000		36,185,000	
Total pharmacy purchases.....	78,636,000		83,247,000	

ALLEGED ABUSE OF PENNWALT'S ANTI-OBESITY PRODUCTS

The IMS analysis of the relevant data on individual prescription size, for the most recent complete calendar year, 1975, shows that:

Average number of capsules per physician's prescription:	Capsules
Ionamin	31.1
Biphetamine	33.5

We believe it appropriate to conclude that the average obese patient therefore receives a prescription for enough Biphetamine or Ionamin capsules to provide one-per-day treatment up to a maximum of but 4 to 5 weeks, for short-term support. We therefore continue to believe that the IMS analysis demonstrates that pharmacies and the medical profession are providing a necessary service and that the patients are not afforded, by that process, the opportunity for any meaningful abuse. Thus, regardless of anecdotes relating to the alleged high volume of capsules per prescription, in actuality the prescription data reported by IMS is consistent with judicious prescription by the medical profession.

We should also note that Pennwalt regularly compares its actual factory shipments of both amphetamine—Biphetamine—and phentermine—Ionamin—containing products with IMS audits of drugstore purchases. In addition, our actual factory shipments and the drugstore purchases can be correlated with the quantity of either Biphetamine or Ionamin prescribed and dispensed, as shown by the IMS National Prescription Audit for the same period. Pennwalt regularly undertakes such analyses and remains satisfied that its products are prescribed within legitimate medical channels.

In short, our products are moving through the distribution chain in a proper fashion.

Pennwalt is not aware of any significant illegal use of its antiobesity products. During the period January 1, 1972, to the present time, we have received from the DEA and other enforcement agencies but nine reports of alleged diversion from all sources—five for Biphetamine and four for Ionamin. When claims of either attempted or actual illegal use or diversion have been brought to our attention, Pennwalt has