

Pfizer sales fall 48 percent in second quarter on tough competition

**By Elizabeth Lopatto
Bloomberg News**

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NEW YORK: Pfizer, the largest drug maker in the world, said Wednesday that second-quarter earnings fell 48 percent as competition reduced revenue from the top-selling cholesterol pill Lipitor.

Net income declined to \$1.27 billion, or 18 cents a share, the company said. Revenue from Lipitor, the biggest-selling drug in the world, fell 13 percent.

Total sales fell 5.6 percent to \$11.1 billion, missing the average analyst estimate of \$11.5 billion. To offset sales declines from the loss of patent protection on some of Pfizer's biggest products, the chief executive, Jeffrey Kindler, has cut jobs and closed factories in his first year at the helm.

"They are losing drugs at a much faster rate than they can replace them," said Jeffrey Kraws, an analyst with Crystal Research Associates in New York. "Lipitor is a big disappointment. If you take a look at Lipitor for the quarter, we expected it to be down 2 percent."

Pfizer shares declined \$1.08, or 4.16 percent, to \$24.88 in afternoon trading in New York. The stock gained 16 percent in the 12 months before Wednesday, compared with an 18 percent gain in the 14-member Standard & Poor's 500 Pharmaceutical Index.

U.S. revenue from Lipitor fell 25 percent, more than offsetting a 5 percent increase abroad, Pfizer said. The company projected a decline of as much as 5 percent in Lipitor revenue this year compared with 2006. The company said it would promote added uses and bolster its marketing campaign. The product accounted for \$12.9 billion in sales last year, more than twice as much as the second-ranked drug, a GlaxoSmithKline asthma medication that is sold as Seretide and Advair.

Abbott Laboratories, the third-largest U.S. drug maker, said Wednesday that earnings rose 62 percent on a surge in revenue from its top-selling anti-inflammatory medication, Humira, as well as from medicines for HIV, cholesterol and migraines.

Second-quarter net income climbed to \$988 million, or 63 cents a share, from \$612 million, or 40 cents, a year earlier, said the company, based in Illinois. Profit excluding certain expenses beat analysts' estimates by 1 cent.

Revenue rose 15.8 percent to \$6.37 billion, led by a 50 percent rise in sales of Humira, which was approved for three new uses in the past year.



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