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Profiles - Biocon

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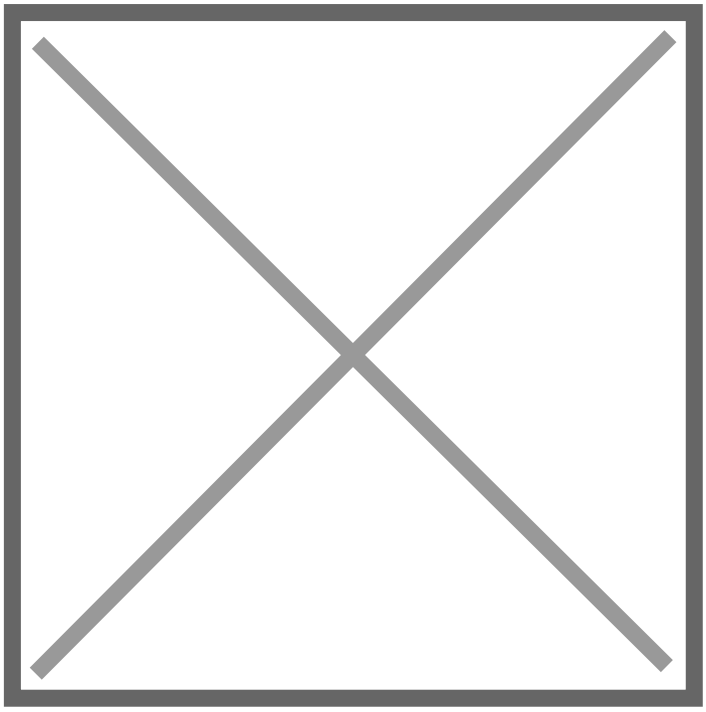

CMD: Kiran Mazumdar Shaw

Bioconkiranmazumdarshaw

Carving a niche

From unveiling of Asia's largest integrated R&D center to the dissolution of a major deal with Pfizer, it has been an eventful year for Biocon

In FY 2011-12, Biocon became the fastest growing insulin company in India with a growth rate of 53 percent in that segment. Biocon's insulin revenues from value added services stood at ₹16 crore during the year. With an overall fourth position in the insulin market, Biocon is now looking to garner a bigger piece of the pie by entering into the device segment with the launch of Insupen.

The biggest development for Biocon during the year was the conclusion of its exclusive $350 million commercialization deal with Pfizer in March. This deal had enabled Pfizer to commercialize Biocon's insulin products such as recombinant human insulin, Glargine, and Lispro. When they amicably decided to part ways, Biocon had already received approximately $200 million partly via an upfront payment and partly paid as an escrow account. However, it had to forgo the additional $150 million that it set to receive for meeting regulatory milestones. The company has stated that it will continue to develop the program for global registrations as planned, utilizing the retained payments received from Pfizer.

Moving forward, Biocon hopes to ink licensing and marketing deals especially in the rest-of-the-world markets for its insulin products.

Biocon remains one of the few companies that continues to invest up to 10 percent of their revenues into research and development (R&D). Some of the projects in the R&D pipeline at Biocon are now entering advanced stages. The most prominent one being Itolizumab, a novel molecule used for the treatment of psoriasis. The 52 week phase III clinical study, which involved 223 patients, was recently concluded. Biocon hopes to enter into a licensing agreement by 2013 for Itolizumab.

Similarly on the biosimilar front, the partnership with Mylan signed a few years ago is progressing smoothly. Herceptin, a breast cancer drug is now entering phase III clinical trials for emerging markets and phase I trial for the EU market.

The global trials for biosimilar human insulin are to conclude shortly whereas the global phase I trials for Glargine are now close to completion. The biosimilar versions of Lispro and Aspart are also due to enter

clinical trials.

Additionally clinical trials for BVX-20, a biobetter monoclonal antibody will also be initiated.

Taking forward the global development of the oral insulin project seems to be on the agenda too, with Biocon stating that the company is in advanced stages of discussion for a partnership. The phase III clinical trials had displayed a high placebo effect, because of which IN-105 did not meet its primary end point. Senior members have stated that a partnership at this stage is not going to be an exact out-licensing one, but rather more of a back-end licensing deal.

An important milestone for Biocon early this year has been the inauguration of the Biocon Research Center at Biocon Park in Bangalore. This recent addition makes the Biocon Park one of the largest research facilities in Asia with over 3000 researchers working in one campus spread across 200,000 sq ft.

Spreading its reach overseas as well, Biocon held a project commencement ceremony for its facility in Bio-XCell Park in Malaysia in late 2011. Biocon plans to invest approximately $161 million making it the largest investment in biotechnology healthcare sector in Malaysia. The facility is poised to focus on research and later in biopharmaceutical manufacturing.

With a diversified biosimilar pipeline and plans to forge more partnerships in the coming months, Biocon is all set to strengthen its position as an emerging global biopharma company.

Key Achievements	Performance highlights	Key strategy initiatives	Future plans
• Launched Insupen, a reusable insulin delivery device. • Inaugurated the $25 million Biocon Research Center at Biocon Park. • Announced $161 million facility in Malaysia in late 2011.	• Became the fastest growing Insulin company in India. • Emerging markets now account for over 50% of Biocon's business as compared to just 35% until a few years ago. • Registers 13% growth. • Biosimilars under development for the Biocon-Mylan alliance are worth $33 billion.	• Called off $350 million commercialization deal with Pfizer. Will now focus on forging regional partnerships for marketing of insulin products. • Focus on biosimilar portfolio for incremental returns.	• Look for regional partners in rest of the world markets for insulin products. • Sustain higher revenue growth across verticals with high performance, focus and prioritize R&D programs.