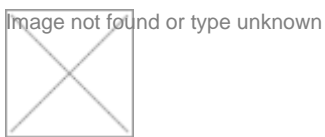


Shantha Biotechnics

15 June 2006 | News



Pioneering Spirit

The ride on Hep B continues.

Hyderabad-based Shantha Biotechnics had yet another impressive year. The company recorded 23.85 percent growth to register Rs 82.26 crore in biotech revenues. The bulk of its business came from sale of Hepatitis B vaccine. The Hepatitis B vaccines sales in 2005-06 stood at Rs 79.52 crore, up from the previous year's business of Rs 61.80 crore. It sold about 658 lakh PDS of Hepatitis B vaccine during the year. The sale of therapeutics including erythropoietin, interferon, streptokinase and growth factors stood at Rs 2.7 crore during FY 2005-06. The company had launched its erythropoietin, Shanpoietin, and streptokinase, Shankinase in 2004-05. It also launched some traded products in the oncology segment like Epirubicin injections.

A major reason for its growth has been increase in export orders and increase in the utilization of the facility. During FY06, its exports accounted for 87 percent of the total business, while the exports in 2004-05 accounted for 69 percent of its revenue and stood at Rs 46 crore. It mainly exports its Hepatitis B vaccines. It supplies these vaccines in international markets including Asia-Pacific, Africa, CIS and Latin America in addition to supplies to global organizations like UNICEF and PAHO. The company has built up a strong network of business partners in many key markets.

One of the major developments during year has been the launch of its four-in-one vaccine, Shantetra, in August 2005. This product was also jointly awarded the BioSpectrum Product of the Year 2005 in December. An indigenously developed and produced vaccine, it protects children against four life-threatening infections-Diphtheria, Tetanus, Pertussis and Hepatitis B and has to be given to children from six weeks of age onwards.

It set up a DPT plant in September 2004, investing Rs 34-35 crore on it. It can manufacture 215 million doses of DPT annually and 150 million doses of the combined vaccines. This vaccine has been competitively priced in the market at 30 percent less than the leading MNC brand. For a single dose presentation, it costs about Rs 80.

It will be coming out with the Hib quadravalent (DTP-Hib) and Hib pentavalent (DTP-Hepatitis B-Hib) by second half of 2006. Shantha is conducting phase III clinical trials of r-DTwPHb-Hib Pentavalent Combination Vaccine. Shantha Biotechnics received the green signal from the Genetic Engineering Approval Committee (GEAC) at its meeting held on November 23, 2005. Pentavalent Combination Vaccine is for paediatric use in immunization program. Pentavalent vaccine contains Diphtheria (D) and Tetanus toxoids (T) and the purified major surface antigen of the hepatitis B virus (HBV), Hib polysaccharide adsorbed on aluminum salts and mixed with inactivated whole cell pertussis (P). The Review Committee on Genetic manipulation (RCGM), which has examined the pre-clinical animal toxicity studies, noted that the product is found to be safe. It plans to come out with an anti- RHD and viral vaccine in 2007, and launch therapeutic monoclonals in 2008.

Shantha has a strong R&D focus. Out of the total staff strength of about 700, there are 115 employees working on the research side. It invested close to 10 percent of its revenues in R&D activities. Its R&D center is spread over an area of 40,000 sft and its R&D efforts are mainly focused on therapeutic products for oncology and on vaccines. Shantha also has a subsidiary, Shantha West Inc. in San Diego, USA, which is engaged in basic research in monoclonal antibodies for therapeutic applications in the oncology segment.