

## "The size of the Indian market is quite important"

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Frank H. Laukien, president & CEO, Bruker Corporation

Headquartered in the US, with major facilities in Germany with worldwide sales and service centers, Bruker offers a whole range of mass spectrometry tools for use in pharmaceutical drug discovery and development, proteomics and biomarker discovery. The company has completed a decade of operations in India and is aggressively expanding its services, setting up facilities and entering into research collaborations with the scientific research institutions in the India region. Excerpts:

#### So what brings you here?

This is particularly to visit and listen to some of our key customers mainly the Indian Institute of Science (IISc). We are organizing a customer symposium and a mass spectrometry symposium here, both in mass spectrometry, and also strengthening our collaboration with IISc. IISc recently opened a new NMR centre and also some new X-ray equipment in collaboration with us. We are really in an extensive collaboration with Indian Institute of Science. We are also launching our new mass spectrometer, which we introduced at the American Society for Mass Spectrometry in June and in Europe proteomics meeting in August, in the Indian market.

Last but not the least we are strengthening our organization and operations. We are opening a new Bruker facility in Mumbai for x-ray, optics and infrared business. We are also strengthening our collaboration with our distributor Labmate Asia.

What are Bruker's product offerings in this region?

In India we have been involved more in NMR mass spectroscopy for over 30 years now. We have extensively expanded our x-ray business here. So that business has been growing very rapidly. The mass spectrometry business together with Labmate has also gone to the next level.

We are one of the two world leaders in proteomics mass spectrometry and recently announced some of those products for clinical research applications, microbiology, pathology and the small molecule applied market. Mass spectrometry is young but growing very rapidly.

#### How do you see the competition in this market?

We have distinguished ourselves with a higher degree of investments in R&D, not just re-engineering of products. We keep introducing new revolutionary techniques like the biogenic probes that are actively shielded or the magnets for NMR that created a big difference in the NMR field or the new Maxis, the new mass spectrometer which is really unprecedented as it enables you to do a high performance mass spectrometry which nobody has ever been able to do.

#### Where do you stand in the mass spectrometry business?

In the mass spectrometry market, we are a relatively a newcomer because most of the companies have been in this space for more than 40 years. We are a little over 15 years and one of the two leaders in the proteomics mass spectrometry. We are the worldwide leader in MALDI and TOF and MALDI-TOF mass spectrometry, not just in proteomics but also in genomics. We are one of the two leading companies in ion trap mass spectrometry.

We are also a market leader for 4A mass spectrometry, somewhat specialized niche for very complex mixtures both in proteomics and new fields like petroleomics for metabolic mixtures and the first instrument of that type has been installed at the IISc about three months ago. That is the first FTMS in India as far as I know. In the last few years we have been able to build a very strong customer support here in the research institutes, pharma, generic and CROs. We have very strong applications. We are offering not only service support but also high-level application support.

#### You have recently acquired a company. What is your strategy?

The SIS is the fifth product line. This is something that Bruker has not done before-the atomic force microscopy. SIS now called as Bruker Nano, had a very nice technology base with relatively modest sales but did not have the extensive international sales that Bruker had, so we combined them with Bruker and this immediately gave them a global availability to support and collaborate with customers. So through that acquisition we made the right access of the technology to the right group of customers. In future you may see this as the fifth division of Bruker.

Acquisitions are always exciting expansions of the market and also to bring technologies to those markets. We acquire only those technologies, which fit into our existing customers. We will keep our eyes open for similar possibilities in future.

#### How has the analytical instrument market transformed over the years?

Today, it is clear that the customers just don't want an analytical piece of instrumentation but a solution. About 10 years ago we gave them an instrument with basic software. Today, we don't stop there but give them a database and advanced software processing. So every company has expanded its product offerings. We now give them an analysis system. We give them data and an enhancer. So at the front end, with sample preparation, consumables, we tend to offer them a broader range and provide them more complete solutions than just the equipment. Also the market has become much more international today. If a pharma company in the US collaborates with a company here or China and looking for similar products that they are having in the US, you have to address those global collaborations, go more international and serve them in those regions as well. That is the reason why we are investing not only in India but many other regions for providing similar quality service everywhere when needed.

#### Are you planning for further expansion in India or the Asia Pacific region in life sciences?

That is one of the reasons why I am here in India. We are looking to further expand our collaboration with Labmate and customers here. We have quite a number of smaller offices here, and now combining them under one larger facility in Mumbai. Labmate has been a good partner so we are exploring a joint venture possibility with them. In X-ray and IR we have mostly gone direct and so expanded our subsidiary here, which was smaller earlier.

#### Will you be looking at creating a direct presence here in the coming years?

We are very pragmatic. If we have an excellent partner that invests in the high level operations and quality support and service support with the scientific expertise needed to address our customers then we will be very happy to go ahead in that. Today India is becoming a very important market for all.

#### What are some of the challenges that you faced in the country?

It takes time to establish a company in India when compared to Singapore, which is aggressive in terms of recruiting

companies or in permitting tax-free deals for ten years. However, to us it hasn't been an important issue. The size of the Indian market is quite important.

**How big is your life sciences business in terms of revenue?**

Our total business is more than \$1.1 billion and life sciences contributes more than 75 percent of this figure. In normal times, we typically aim to have a growth rate of more than 10 percent. However in some years we have grown 20 percent. Last year we grew 15 percent. Right now there is a lot of economic uncertainty but that hasn't affected our industry so much. Life sciences is not immune to it but little shielded. But it will certainly affect us and our customers to a certain extent. We are certainly assuming a slower growth in 2009. Years 2005 and 2007 were extremely good years for our sector. When the market today is growing at the rate of 7 to 8 percent we expect to grow at 10 to 15 percent because we are bringing new products, technologies and entering new market segments.

Jahanara Parveen