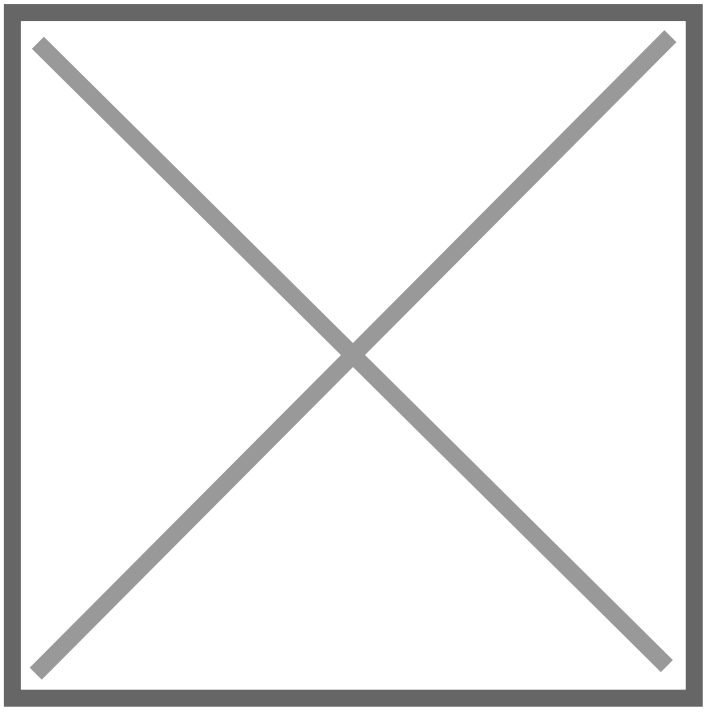


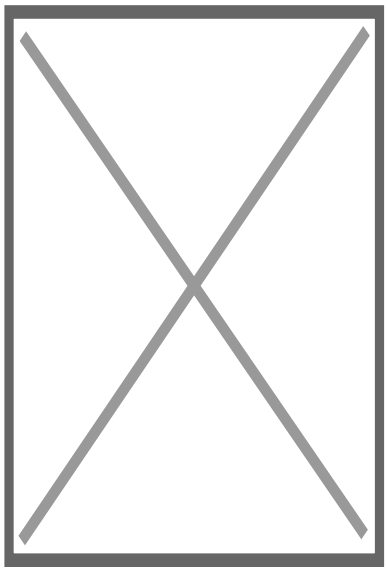
Ã¢â?¬Å?Omics and other life science applications are on our radarÃ¢â?¬?

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“Omics and other life science applications are on our radar”

—Sanjeev Dhar, country head, sales, LSCA division, Agilent Technologies



Agilent India is on a growth curve with its strengths in chromatography and mass spectrometry and is committed to serve the growing life sciences market.

What were the growth drivers for the company in FY 2008-09?

Life sciences has been one of the key growth areas for Agilent India. On the backdrop of the growing awareness and requirements of regulatory standpoint, both pharma and non-pharma segments have been the strong driving forces behind the company’s rapid growth. India, which is considered as a major outsourcing hub for pharma manufacturing, Contract Research and Manufacturing Services (CRAMS) and clinical research has provided several opportunities for the organization.

Agilent’s strong global presence and reliability as a top solution provider have encouraged Indian customers to partner with Agilent in their growth path. Industries such as food quality and exports, which are seeing growing regulatory control on their quality and pesticide contents; commercial testing labs, flavors and fragrances and government research labs are the other key areas where Agilent solutions made major inroads.

What are the segments that have contributed to the growth?

Pharma segment was a large contributor to the total revenue of the Life Sciences and Chemical Analysis (LSCA) business. Agilent Technologies is an established leader in compliance services, and has time and again helped customers to keep track of Food and Drug Administration (FDA) and other regulatory agency expectations and needs. CRO/CMO and generics/formulations are enhanced by foreign investments with generics market in India continuing to benefit from greater demand for low-cost generics in both mature and emerging markets.

Non-pharma contributes the next big share, out of which the major contributors were food testing, flavor and fragrances and commercial testing segments. Agilent started focusing its operations in the non-pharma industry segment from 2005 and since then, this segment has shown high exponential growth and holds tremendous potential for future.

Areas such as genomics, proteomics and metabolomics though relatively small, contributors have shown high double digit growths. The company's after-sales market portfolio for both service products and consumables also contributed largely as lab productivity, instrument uptime and analytical instrument qualification (AIQ) regulation have seen growing awareness among customers.

What are the revenue grossing products of Agilent?

Agilent's core strength is its chromatography business wherein its industry benchmarked 1200 series HPLC and 7890 GC, are big revenue grossers in both regulated pharma and non-pharma segment. Addressing the trend of "Fast LCs", Agilent's Rapid Resolution LC (RRLC) is a big success in the pharma segment, which enables the switching between standard and rapid resolution Liquid chromatography (LC). It provides the customers with flexibility and high level of reliability, reproducibility, speed and accuracy in either mode of operation.

Agilent's mass spectrometry (LCMS, GCMS and ICPMS) products also saw a big jump in revenue with the industry moving from impurity profiling for drug discovery and development to more of a mass based quantification.

With the instrumentation needs growing, products such as Lab Informatics wherein Agilent today has a wide portfolio of solutions like enterprise content management, Open LAB and Electronic Lab Notebook, which have also showed a high double digit growth rate.

In line with the high growth seen in instrument hardware sales, consumables have also seen a strong growth and hold a big opportunity for Agilent. Last year Agilent introduced its new 1120 Compact LC looking at the vast potential that is available in the mid range market segment wherein the need was for reliable instruments at a lower cost. The product since its launch in November 2007 has received a positive and overwhelming customer feedback from both pharma and non-pharma segments.

What are the trends in the LC market in the last few years and how has Agilent addressed those needs?

Last two years have seen an immense pressure on the pharma companies to speed up their drug innovation cycle and get the drug as fast as possible to the market. Also with the growing overhead costs in the pharma and the generics industries, they need to strengthen the outputs from the laboratories by means of more sample analysis per day per instrument. This has resulted into many of the pharma players deciding to buy fast LCs. While most Pharma companies bought fast LCs, few others converted their existing hardwares by modifying them to fast LCs. Agilent was fast to react to such customer needs and introduced kits for 1100 series LC. This gave the customers an added advantage of better asset utilization and hence a preference over the other solutions. Gradually Agilent launched its 1200 series Rapid Resolution LC which has been a big success due to the very fact that the product was developed keeping customer's interest and needs in mind.

Another growth area for LC business during the past years is the mid range market segment which has been steadily growing every year. Customers in this segment are very price conscious and wish to buy products that have a controlled maintenance cost. After understanding the customer needs Agilent introduced its 1120 Compact LC last year. Also as the customers in these segments cannot afford to buy multiple LCs every year, they prefer to trade in their old products for the new technology and this is one area where we are very successful.

What will be the future of LC and mass spectrometry (MS) market?

As mentioned earlier, industry-acceptance to faster LCs will grow in the coming years. The hardware cost would also increase per instrument and hence customers would prefer to buy instruments that deliver fast LC performance and also give them added advantage and flexibility. With growing lab infrastructure, customers show concern about the instrument maintenance cost; hence softwares or services that would help customers achieve this without an outside support would have a better preference. For MS opportunities in India, the big wave has started to build up. Today you see several customers using the advantages an MS has to offer by means of sensitivity as an additional detector to their existing LC, gas chromatography (GC) or capillary electrophoresis (CE) hardware for their regular applications.

The clinical research market in India is already on a boom stage and will continue for at least the next five years. LC-QQQ has a great usage and preference in this industry. Vendors are trying to improve the sensitivity levels of their MS hardware which in a way will help the customers to do their jobs better. LCMS and GCMS are gaining preference in the food industry. The other industry segment where MS is seeing a growing opportunity is the "Omics" area. In the future you would see more and more customers moving to adapt high end MS-MS applications. With regulatory bodies now focusing on heavy metals testing in samples, ICP-MS is seeing larger acceptance in both pharma and non-pharma customers. Although the import license process is much tedious and time consuming, the customers are getting the real benefit.

What are the new products that will be introduced in the Indian market?

Agilent would focus on high end MS instruments and continue to refresh its core product line of LC and GC. Today, even though a late entrant, Agilent is considered as a preferred vendor by many pharma and non-pharma customers for their basic as well as high end MS needs. Last year, Agilent launched several new high end mass analyzers like 7000A GC-MS/MS, 6460 QQQ and 6530 Q-TOF, which offer the “best in industry” performance and address the needs of customer in several application areas. The products that fulfill the needs of customers in “Omics” and other life science applications are also on our radar.

Shalini Gupta