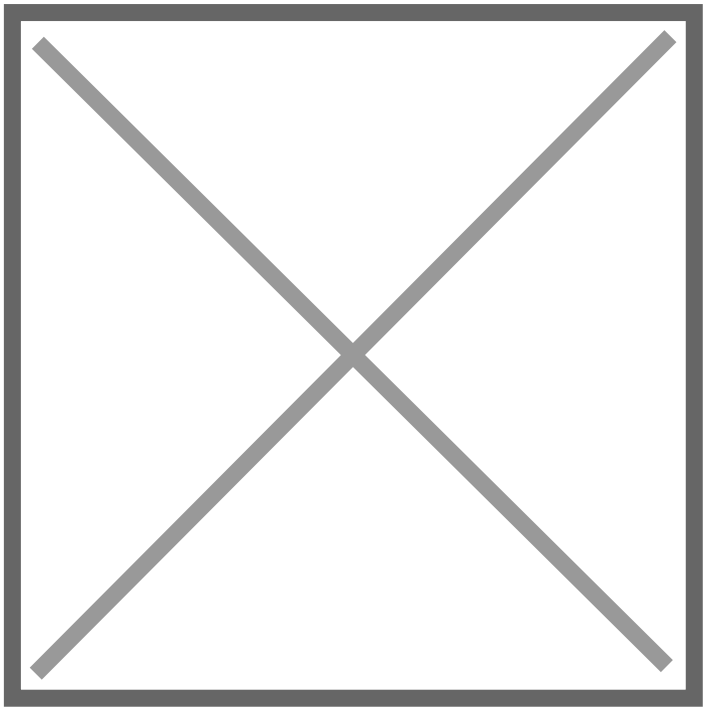
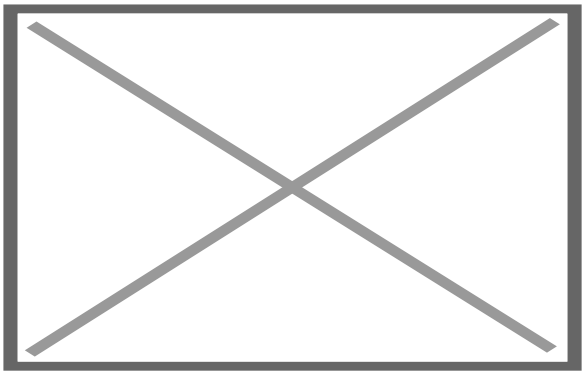
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Biopharma outperforms pharma market

04 February 2011 | News





The biopharma business of Biocon, a leading biotech company in India, posted a strong growth in revenues in Q3FY11 with the strong sales revenue from immunosuppressants, statins and branded formulation segments.

Ã¢â?¬Å?Commenting on the financial performance, Dr Kiran Mazumdar-Shaw, chairman and managing director of Biocon, says, Ã¢â?¬Å?Biocon has delivered the highest ever PAT this quarter and has crossed the $20 million (□100 crore) mark. The operating margin has also increased to 24 percent this quarter reflecting the improved quality of earnings. This marks an important growth milestone that enables us to invest in advancing our research programs and expands our manufacturing and marketing partnerships, which we believe, are catalysts to future growth.Ã¢â?¬?

Biocon noted that six verticals in branded formulations Ã¢â?¬â?? diabetology, oncotherapeutics, nephrology, cardiology, dermatology and comprehensive care Ã¢â?¬â?? have posted a combined year-on-year (YoY) growth of 32 percent. In diabetology, the response for Insugen 100 i.u. has been very encouraging. This launch will help the division increase its market share in the human insulin vials space. Overall, the insulin portfolio has grown by 40 percent last year.

Biocon launched a separate division called Immunotherapy Division in September 2010 with a vision to present a portfolio of unique, effective and affordable medicines predominantly for the treatment of immune-related dermatological disorders. The current portfolio at the division comprises of Tbis (Tacrolimus) and Picon (Pimecrolimus).

Syngene, an internationally-reputed contract research and manufacturing organization with multi-disciplinary skills in chemistry and biology services and a subsidiary of Biocon, has gained momentum in the current quarter with a 21 percent growth in topline and a three percent improvement in EBITDA margins; and increased traction in biologics and integrated research services are expected to drive growth in the year ahead.

Commenting on the business outlook, Mr Peter Bains, who has taken interim charge of Syngene after the retirement of Dr Goutam Das in December 2010, says, Ã¢â?¬Å?The rationale for external R&D is no longer related to or restricted to cost, but it is also about value-added services that enhance the success of drug development programs. Full-time equivalents (FTEs) have made way for preferred suppliers of integrated offerings that are now replaced by strategic development partnerships. I believe Syngene and Clinigene are in a unique position to offer integrated, end-to-end drug discovery and development services both for small molecules and biologics.Ã¢â?¬?

Similarly, Panacea Biotec, India's progressive research-based health management company involved in research, manufacturing and marketing of branded pharmaceutical formulations, vaccines and natural products grew by 25 percent in the quarter ended December 31, 2010. The vaccine segment grew by 29 percent with a net turnover of $ 46.19 million (212 crore) as compared to $35.80 million (164 crore) during the corresponding period of previous fiscal.

'Syngene and Clinigene are in a unique position to offer integrated, end-to-end drug discovery and development services both for small molecules and biologics'

The pharmaceutical formulations segment grew by 12 percent with a net turnover of $15.46 million (71 crore) as compared to $13.76 million (63 crore) during the corresponding period of previous fiscal, supported by 80 percent growth in the export of pharmaceutical formulations in this quarter. The increase in turnover resulted in substantial growth of 236 percent in its PBT during the quarter under review. Panacea Biotec also reported significant growth of 484 percent in its PAT during the quarter under review.

Dr Rajesh Jain, joint managing director, Panacea Biotec, says, Ã¢â?¬Å?Panacea Biotec continues to register significant and sustainable growth during the quarter ended December 31, 2010, both in terms of revenues and profits as expected. This sustained performance is an outcome of constant focus each employee at Panacea Biotec is giving on creating value for our stakeholders. Their commitment to processes and building a team of committed people with Encouraging, Accelerating, Supporting and Expanding (EASE) formula would ensure consistent performance in years to come.

The growth for Panacea Biotec can be attributed to widening of its product portfolio during the quarter under consideration. The company launched new products namely Lenomust capsules 5mg, 10mg & 25mg (multiple myloma for blood cancer) under its OncoTrust SBU; Renhold tablets (protein for dialysis patients) under its Nephrology SBU; Exeroz 5mg & 10mg tablets (for reduction of cholesterol) under its Diacar Alpha SBU; and Fiberfos powder 90gm and Gush powder 90gm (both for constipation) under its SBUs Growcare and Procare, respectively.

On an average, the growth of biopharmacetical companies was 20 percent higher than the pharmaceutical companies during the Q3FY11. Dr Reddy's Laboratories, a global Indian pharma company, has registered 10 percent growth in Q3FY11. On the contrary, Sun Pharma, an integrated, specialty pharmaceutical company witnessed a strong growth in Q3 with its net sales/ income from operations at $ 348.58 million (16.01 billion), growing 57 percent over Q3FY10. This is on account of its newly acquired entity, Taro's revenue being included this quarter.

Consolidated revenues of Dr Reddy's Laboratories, which has developed and launched Reditux (rituximab) - the world's first generic monoclonal antibody were at $424 million (1,900 crore) in Q3 FY11 versus $386 million (1,730 crore) in Q3FY10 with year-on-year growth of 10 percent. During the quarter, the company launched 42 new generic products, filed 21 new product registrations and filed nine Drug Master Files (DMFs) globally.

The company has entered into two settlement agreements with AstraZeneca in US related to the ANDA filed for the generic versions of AstraZeneca's Nexium (esomeprazole) and Accolate (zafirlukast). Under the terms of the esomeprazole agreement, AstraZeneca has granted Dr Reddy's a license, subject to regulatory approval, to launch a generic version of esomeprazole delayed-release capsules on May 27, 2014, or earlier in certain circumstances. The terms of this agreement have not been disclosed.

Commenting on the financial performance of Sun Pharmaceutical Industries, Mr Dilip Shanghvi, chairman and managing director, Sun Pharmaceutical, says, Ã¢â?¬Å?Overall performance across most markets continues to be in line with our expectations. Medium to long-term priorities remain focused on building a stronger presence in our key as well as emerging markets.Ã¢â?¬?

Ã¢â?¬Å?Towards this we continue to invest in enriching our product pipelines for each of the business segments, work towards gaining market share in key products and therapy areas as well as enhance our capability to meet the exacting regulatory standards across the world. Improving Taro's long-term sustainability and growth potential is in progress, even as we continue to evaluate other strategic opportunities,Ã¢â?¬? he concludes.

Narayan Kulkarni in Bangalore