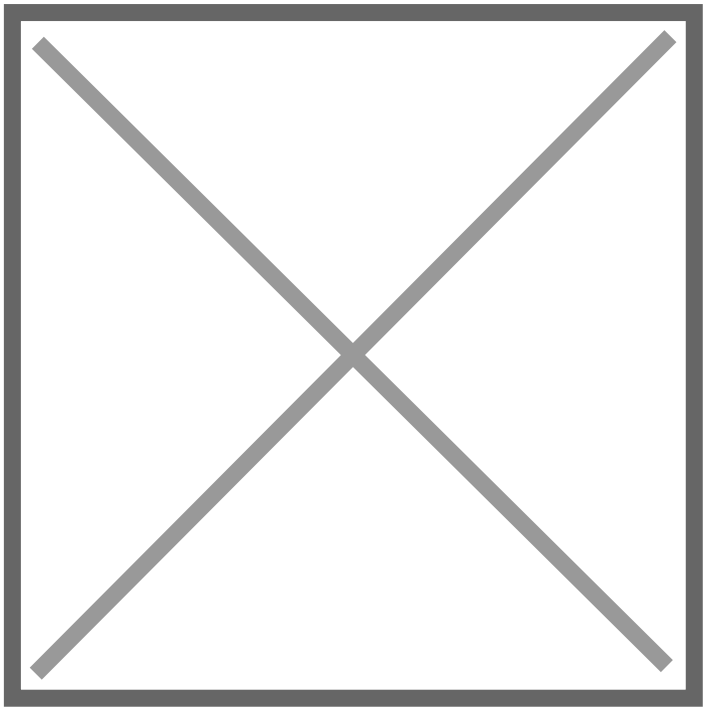
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15. Eli Lilly And Co. (India)

15 June 2005 | News

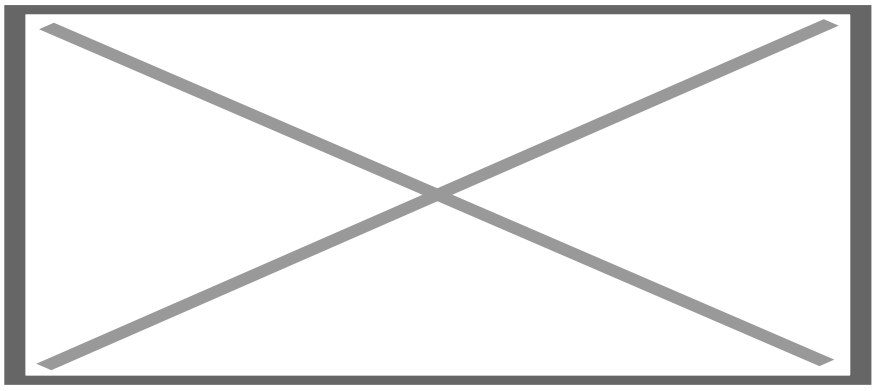


CEO: Rajiv Gulati

Insulin Big Shot

Lilly India had an overall 10 percent growth, while its biotech revenues increased marginally

It was not a good year for Eli Lilly's biotech business in 2004-05. And the insulin war appears to have taken a toll. Though, its overall turnover registered a 10 percent growth in 2004 as compared to that in 2003, its biotech business for the same stood at 68.38 crore, with a marginal 1.5 percent increase from the previous year's revenue of 67.46 crore. The reason attributed for this slight growth is the increased competition in the human insulin segment, which accounts for the major chunk of its sales revenue.



Due to the increased number of players in this segment the prices of the recombinant insulin have dropped sharply. In 2004 Lilly sold some 4,098,853 units of human insulin in the country and about 6000 units of Humatrope [Injection Somatropin-growth hormone] for growth hormone deficiency syndrome and Forteo [Injection Teriparatide] for severe osteoporosis.

Eli Lilly and Company (India), a subsidiary of the US pharmaceutical major Eli Lilly and Company, was set up as a 50:50 joint venture between Eli Lilly and the Indian partner Ranbaxy Laboratories. After its inception in 1993, the Indian operation achieved a quick break-even in 1996. In August 2001, Eli Lilly and Company acquired the 50 percent stake from Ranbaxy Laboratories to create a 100 percent Lilly subsidiary, Eli Lilly and Company (India) Pvt. Ltd.

Lilly India's growth curve has been steep; its revenues surged from a modest Rs 8 crore in 1994 to Rs 156 crore in 2004. During the current year the company plans to achieve a turnover of Rs 172 crore.

In India, it operates with a 550-member team. This team is spread across the country and provides products and services to medical practitioners and hospitals.

The indigenized rDNA human insulin, Huminsulin, which was earlier being imported in the fully finished form, is now being formulated at a Sun Pharmaceutical plant in Gujarat. In the area of diabetes management, in addition to Huminsulin, Lilly India has launched Humalog [Injection Insulin Lispro], fast acting insulin analog useful for diabetics with irregular or busy lifestyle; Humaject, a use-and-throw disposable insulin delivery device; HumaPen Ergo, a virtually painless way of injecting insulin; and Humacare, a complete customer service program launched in 2002 for diabetic patients.

Its other products include Xigris [Injection Drotrecogin Alfa], the only treatment available for the reduction of mortality in adult patients with severe sepsis; Gemcite [Injection Gemcitabine] for the treatment of non-small-cell lung, pancreatic, bladder and breast cancer; Distaclor [tablet cefaclor], a broad-spectrum antibiotic to treat tough infections; and ReoPro [Injection Abciximab], a supportive therapy used during interventional cardio vascular procedures. Now with India embracing the product patent regime, the company is planning to introduce some more products in the country in the near future.

The company is presently conducting approximately a dozen trials of its different products, which are in the various stages of development in India. Its annual investment in clinical research accounts for more than 8 percent of the sales turnover.

Commenting on the performance of the company in FY 2004, Rajiv Gulati, CEO, Lilly India, said, "Our double digit growth this year although less than our last year's growth is still formidable considering that we divested a couple of Lilly brands in 2004, brands that were not part of our focus therapeutic areas.... we are pleased that the government has finally okayed the product patent law making it a reality...although there are chinks in the Act that needs some more review, it is still a big step in the right direction..."