

## Sustaining Momentum in biopharma & research services, Biocon delivers 19 % growth

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The biosimilars portfolio saw a robust growth in H1FY14, driven by the growing demand for generic insulins from emerging markets. We continue to enhance our emerging market footprint to provide a wider access to affordable insulin therapy top diabetics worldwide. We have successfully completed the India Phase III trial for biosimilar trastuzumab and have filed for regulatory approval with the Indian authorities. The other programs in the biosimilar development portfolio continue to progress well, and we look forward to bringing them further along the clinical development pathway.

The branded formulations vertical grew at 9% YoY this quarter, vis-a-vis the industry growth of 3%. We have sustained challenges in the Indian Pharma market (IPM), which de-grew by 2% in September '13. Systemic hurdles led by the chaotic implementation of the recent NPPA guidelines and the trade disputes on margins have resulted in widespread de-stocking and reduced off take. The highlight for us in Q2 FY14 was the launch of Alzumab (Itolizumab), a 'First-in-class' novel biologic therapy for Psoriasis. With a differentiated mechanism of action, Alzumab offers a new treatment paradigm for Psoriasis patients with a less aggressive dosing regimen and longer treatment free period. The product has been rolled out across the nation, and we have seen encouraging feedback from dermatologists and patients alike.

Commenting on the results, Chairman and Managing Director, Kiran Mazumdar Shaw stated "Biocon has witnessed a strong performance in the first half of FY14 driven by an increased traction in emerging markets. Immune-suppressants and Insulin continue to drive growth. This is in part bolstered by capacity expansion of our insulin plant. Our biosimilar pipeline partnered with Mylan, continues to progress well and we anticipate Indian regulatory approval for our biosimilar Trastuzumab in the near future. The research services vertical has delivered a stellar set of numbers =, despite an exceptional forex loss in Q2 FY 14. The branded formulations business has grown ahead of the market but has been muted by business and regulatory challenges. We remain confident that growth will continue across all businesses"

The research services segment grew 25% YoY and 30% YoY at Constant Exchange Rate (CER) for H1 FY14 and Q2 FY14 respectively, with widespread growth across our service platforms. Commenting on this performance, Peter Bains, Director Syngene International, said "The strong performance of research services in H1FY14 reflects the underlying strength of our diversified service offerings, which span the discovery and development continuum.

This growth has been driven by a strong momentum in our manufacturing services platform along with a ramp up in our FTE contracts. Our continuous investments in capacities and capabilities have helped us enhance our end to end discovery, developments and manufacturing offerings, in line with our clients evolving requirements. We expect the current business momentum to continue supported by incremental investments, leading to a strong performance this fiscal."