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Pfizer, Strides broaden generics pact to cover six more markets

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The Indian generics juggernaut rolls on.

The world's top pharma company Pfizer and Bangalore-based Strides Arcolab have expanded their January licensing and supply pact and will now cover six more advanced markets for 38 generic drugs.

Strides will also make and supply five niche injectables to Pfizer for sale in the US, Strides said in a release on Friday.

The financial terms of the deal were not disclosed. A senior Strides official said the products had a global market value of \$18 billion.

Strides will licence and supply these generic drugs – copies of post-patent drugs – to Pfizer for sale in the European Union, Canada, Australia, New Zealand, Japan, and South Korea. This is in addition to the earlier pact for the US. By the second pact, it will provide five niche non-oncology sterile injectables to Pfizer for the US market. The latest agreements extend this to 45 products for countries across the globe from the earlier 40 only to the US.

The first of the products would be commercialised in late 2010 or early 2011. Pfizer's Established Products Business Unit would market the finished dosage form products, a release said on Friday. The EPBU started operating a US injectables team a year back.

Since the January pact, Strides is the sole owner of Onco Laboratories Ltd and Onco Therapies Ltd, which it acquired from South African partner Aspen.

The Strides executive said, “We are not revising the guidance given in February of 35-37 per cent top line growth and 20-25 per cent for EBITDA.”

The Strides stock closed Rs 3 lower at Rs 340 on the NSE.

For Strides, the deal adds Japan, New Zealand and Korea as indirect markets. As for the US pharma giant known for its drug discoveries, the generics play is said to be all about offsetting the revenue loss when its blockbuster \$10-billion-a-year Lipitor goes off patent next year. Lipitor is a cholesterol reducing pill.

Pfizer has struck similar deals, including the one with Aurobindo Pharma of Hyderabad, in March 2009 to source 75 generics and 12 injectables. It plans to generate \$1 billion a year by 2013 through such generic sales.