



## PHARMACEUTICALS EXPORT PROMOTION COUNCIL

(Set up by Ministry of Commerce, Govt. of India)

COPY

Date : 24-05-2010

News / Story reproduced with thanks:- **Financial Express**

### INTERVIEW: KIRAN MAJUMDAR SHAW

US health Bill is unlikely to impact India directly

Shreya Roy

Posted: Monday, May 24, 2010 at 2128 hrs IST

Updated: Monday, May 24, 2010 at 2128 hrs IST

Direct link to the News/Story:-

<http://www.financialexpress.com/news/us-health-bill-is-unlikely-to-impact-india-directly/622667/2>

*With a compounded annual growth rate in excess of 25%, India's \$4-billion biotech sector, ranked amongst the top 5 globally, has been witnessing an increasing level of international acceptance, feels Kiran Mazumdar-Shaw, chairman and managing director, Biocon. In an interview with FE's Shreya Roy, Mazumdar-Shaw talks about the industry, her growth plans for Biocon and about the likely effect of the impending American healthcare system reforms on the company. Excerpts:*

There is a perception that the biotech sector has underperformed and not delivered in line with expectations. How do you see the industry shaping up and what is the level of international acceptance of Indian R&D? I am unable to comment on perceptions. The Indian biotech sector has delivered a CAGR of more than 25% and has attained a size of \$4 billion. We already account for the world's largest vaccine production capacity, a global scale insulin and antibodies manufacturing capability, a growing contract research outsourcing (CRO) and discovery research services sector, the leading producer of Bt Cotton and one of the largest suppliers of Bt Cotton seeds. Also we are now recognised as being amongst the top 5 biotech destinations globally. The level of international acceptance of R&D coming out of India is increasingly high.

#### **Would extension in data exclusivity period for biosimilars impact you?**

Whilst a 12 year exclusivity is not ideal for those who are addressing a biosimilar market opportunity in the US, emerging markets offer a large opportunity in the meantime, followed by Europe and eventually the US. Additionally, since the biosimilar opportunity in the US will happen post 2015, many of the biosimilars that we are developing would have crossed the 12 year exclusivity period.

#### **What is the growth expected for Biocon and the industry, with regard to contract manufacturing, if the US health Bill gets passed?**

Biocon is focused on high value contract manufacturing opportunities and not on low margin, commoditised contract manufacturing involving generics, which is what most drug manufacturers in India are pursuing. Hence, the US Health Bill will not impact us directly. However, having said that, most US pharma and biotech companies are looking at lower cost bio-manufacturing destinations, where Biocon can be a key player.

#### **Will you be looking at strategic partnerships and acquisitions in 2010?**

Acquisitions that are of strategic importance to Biocon will always be on our radar.

**Are you planning on expanding capacity?**

Yes. We will be expanding our R&D and key manufacturing capacities particularly our cell culture capacity.

**How do you see your German subsidiary AxiCorp contributing to your growth plans going forward?**

AxiCorp will be a top line contributor for the Biocon Group until Insulins are registered in Europe which will then increase margins. Hence until FY13, we expect AxiCorp to continue to grow as a top line, low margin business.

**Do you have any plans of tweaking the company's business model to get higher returns?**

I think we have a very well balanced business model. We always adapt to changing market dynamics but I don't think we will tweak the fundamental model.

**Can you give us an update on MoU with Malaysia's Biotechnology Corporation?**

We are in talks with Biotech Corp to manufacture biopharmaceutical products and formulations within Malaysia.

**What is the status of your oral insulin?**

It is in the last stages of completing a pivotal 'Proof of Concept' Phase III Clinical Trial in India for early stage Type II diabetics as an add on therapy to Metformin....