

## Teva to acquire ratiopharm

Teva announced 18 March 2010 that it entered into an agreement to acquire ratiopharm, Germany's second largest generics producer and the sixth largest generic drug company worldwide, in a deal valued at Euros 3.6 billion. Teva CEO Mr Shlomo Yanai noted that ratiopharm will provide the company with a platform "in key European markets, most notably in Germany, as well as ... France, Italy and Spain," and "is perfectly aligned," with its strategy in the region.

Teva forecast that the combined companies would have generated revenues of Euros 12 billion in 2009, up from its own sales of Euros 10.3 billion. The deal is anticipated to lead to cost savings of at least Euros 300 million within three years.

Commenting, Analyst Mr Gilad Sarig said that "it's a very good fit for Teva, and the market will view it positively. Teva would have liked to get it for less, but it had competitors." Pfizer, who reportedly presented a takeover bid to ratiopharm earlier this month, was not interested in offering over Euros 3 billion.  
[www.tevapharm.com](http://www.tevapharm.com)

## Rosiglitazone: favourable comment associated with links to the pharmaceutical industry

According to the results of a study published free in the BMJ 19 March 2009, the majority of researchers who expressed a favourable view on the risk of heart attack with GlaxoSmithKline's Avandia (rosiglitazone) had financial links to the pharmaceutical industry. The authors say that the findings show the need for "changes in disclosure procedures in order for the scientific record to be trusted."

The study aimed to explore a possible link between authors' financial conflicts of interest and their position on the association of rosiglitazone with increased risk of myocardial infarction in patients with diabetes. In 2007, rosiglitazone's European prescribing information was tightened by the CHMP and the drug is currently under FDA review. Ninety-four per cent (29/31) of the authors who offered favourable views about the safety of rosiglitazone had financial conflicts of interest with pharmaceutical companies in general, 87% (27/31) with rosiglitazone manufacturers, and 65% (20/31) with pioglitazone manufacturers, compared with those authors expressing unfavourable views: 28% (18/65), 20% (13/65), and 22% (14/65) respectively.  
BMJ. 2010;340:c1344.

## Diversification key to pharma success

Top pharmaceutical and biotech companies will face a major decline in sales growth up to 2014, according to a new report by *Pharmaceutical Company Outlook to 2014*. The analysis suggests that prescription revenue will rise at a compound annual growth rate of 1.2% up to 2014, compared to a historical growth rate of 10.5% over 2002–08. Patent expiry and generic competition are blamed for this sharp decline.

However, companies that have been able to diversify into biologicals, niche products and generics will still enjoy positive growth. Roche, for example, is expected to benefit from its early move into the monoclonal antibody market due to the sector's high growth. Midsized companies Gilead, Actelion and Celgene are also expected to achieve double-digit revenue growth, due to their strategy of targeting niche indications and areas of high unmet need. In addition, companies such as Novartis that have developed their own generic presence will benefit from the growth in this market.

Other companies will weather the storm through mergers and acquisitions. Pfizer-Wyeth and Merck Schering-Plough will become the first and second biggest pharma companies by 2014.

## 'Pharmerging' markets set to grow significantly

An IMS Health study suggests that high-growth pharmaceutical markets, such as Brazil, China, India and Russia, will account for 48% of market growth in 2013, compared to 37% in 2009. The review identifies 10 new 'pharmerging' countries, up from seven countries labelled in 2006, which are forecast to grow significantly during the period. China will account for over Euros 29.6 billion in additional annual sales by 2013, which is comparable to the increase predicted for the US during the same period. Next year, drug sales in China will be higher than those in France and Germany, with the country becoming the world's third largest pharmaceutical market behind the US and Japan, the report notes.

Next emerging healthcare consumers are Brazil, India and Russia, while a third level includes 13 countries such as Argentina, Mexico, Poland, Turkey and Venezuela. IMS states that expanded healthcare access and funding have contributed to the ongoing market realignment. Conversely, growth in traditional markets has slowed due to patent expiry, generic substitution plus a lack of funding for the biotechnology industry, the report says.

Currently, the 15 largest pharmaceutical companies together derive under 10% of their sales from emerging markets, IMS notes.  
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