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GSK swaps encology for vaccines with Novartis

GSK Plc will sell oncology for \$16 bn, buy the vaccines piece for \$7 bn.

fe Bureau Mumbai, April 22

LAXOSMITHKLINE Plc, the fifth largest company by revenue globally, said on its website on Tuesday it will sell its oncology business to Novartis; in a simultaneous transaction the Swiss drug major will shed its vaccines portfolio - except flu vaccines — to the British drugmaker. The net transaction value will be \$9 billion --while GSK will sell the oncology business for about \$16 billion, it will buy the vaccines arm for \$7.05 billion, which includes milestone payments.

The move is expected to give the vaccines portfolio of GlaxoSmithkline Pharma, the Indian subsidiary of the British multinational, a boost. Currently, this seg-

NOVARTIS INDIA Intra-day on BSE (₹)	GSK PHARMA Intra-day on BSE (₹)
580	2545 2,545.70 High
540	25:10
520	2515
500 - 19 7.20	2500 - 19
480 - 469.70	2495 2,482 2,486.80
460 Copen Close	Open Close
Deal to give Glaxo Ir Ha's vac	cine portfolio a b oost
Vaccines market in India val	ued at ₹1,000 cr, growing at10%
Novartis' cancer com pipelir	ie to get stronger
• Novartis' OTC products to b	e sole by GSK Consumer

ment is very small at ₹149.6 crore in FY14, according to AIOCD-AWACS data. Novartis India's vaccings portfolioregistered sales of ₹81.1 crore in FY14. The vaccines market in India is valued at a little over ₹1,000 crore currently, but is tipped to grow at around 10% annually. EY India partner Murali

Nair believes that in the long

run, the vaccines segment willgrowfaster than the overall pharma market. "Right now the vaccines segment should be growing at least as fast as the overall market, at 10-12%, perhaps. However, given that awareness levels' arerising, the use of vaccines to prevent diseases will go up," Nair told *FE*.

"Glaxo already has a strong vaccines portfolio in India. It caters to a different market, not the national immunisation programmes and this segment is also growing fast," said Utkarsh Palnitkar, head of life sclences at KPMG, adding that although low-value products, vaccines were a highvolume business. **■ Continued on Page 2**

Novartis to buy Glaxo cancer drugs, sell animal-

health business, Page 12

company. / one A