

Novartis to buy back \$5 billion in shares

Basel (Switzerland), Jan 25: Swiss drugmaker Novartis said on Wednesday it will buy back up to \$5 billion worth of shares over the next 12 months and may spin off the Alcon eye-care business as it navigates a tough year before an expected return to growth in 2018.

The shares rose, as analysts said the debt-financed buyback and the prospect of action being taken over Alcon's chronic underperformance made up for the message that 2017 would be another year of stagnation for sales. The Swiss drugmaker has been trying to whip Alcon back into shape after conceding it had lost its innovative edge, but flat fourth-quarter sales and a \$120 million operating loss has put the division's future under review again.

Novartis could sell Alcon, spin it off in an IPO or even keep it. "We've not ruled anything out, all options are on the table," chief executive Joe Jimenez said.

Novartis's gradual \$52-billion takeover of Alcon from Swiss foodmaker Nestle was completed in 2010 as part of previous CEO and chairman Daniel Vasella's empire-building.

On the outlook for the group, Jimenez said on Wednesday that Novartis would resume growth only in 2018 as it comes out from under its top-selling blood cancer drug Gleevec's patent expiration and as newer drugs including psoriasis medication Cosentyx take off.

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"Unfortunately, 2017 is going to look a lot like 2016," Jimenez said. "We expect the next growth phase of this company to begin toward the end of this year," he said, adding that growth was expected in each of the years 2018, 2019 and 2020.

Enbrel delay

The Novartis copy of Amgen's blockbuster psoriasis drug Enbrel will not go on sale before 2018 at the earliest because of the U.S. company's patent protection challenge, the Swiss drugmaker's head of generics told Reuters.

Though the US Food and Drug Administration has approved the biosimilar copy of Enbrel, called Erelzi, for rheumatoid arthritis, plaque psoriasis, ankylosing spondylitis and other diseases, Amgen is arguing in U.S. federal court that its \$4.7 billion a year drug has patent protection until 2029. *Reuters*