

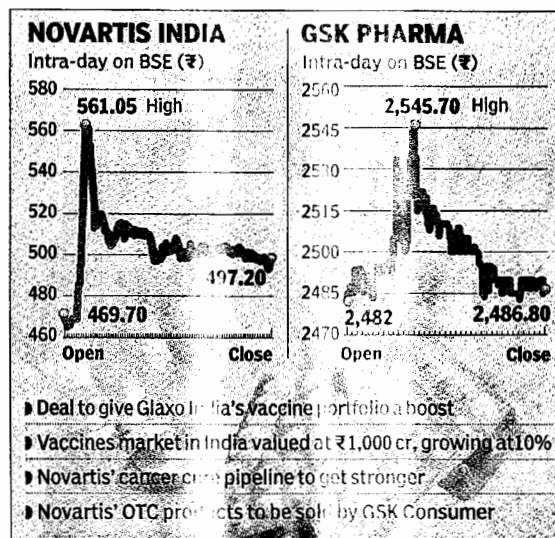
# GSK swaps oncology for vaccines with Novartis

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

fe Bureau  
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**G**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 drug-maker. 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-



ment is very small at ₹149.6 crore in FY14, according to AIOCD-AWACS data. Novartis India's vaccines portfolio registered 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 will grow faster 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 are rising, 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 sciences at KPMG, adding that although low-value products, vaccines were a high-volume business.

■ Continued on Page 2

■ Novartis to buy Glaxo cancer drugs, sell animal-health business, Page 12

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