LIFE SCIENCES

LIFE SCIENCE NEWSLETTER JULY 2015

Global logistic challenges – risks for life science companies

In the present era of globalisation, a product or service developed in one region can be distributed and used worldwide, transported over thousands of miles to different locations. This is especially the case with medicines and medical devices which are developed in advanced economies with access to cutting edge technology, manufactured in other regions with tax benefits and/or low cost resources and then distributed worldwide. Life Science companies are exposed to the various risks involved in the transfer of these goods from one region to another, such as a delay in reaching the end user, or the end product not meeting stringent regulatory/quality standards. Companies must therefore ensure they mitigate these distribution risks.

Life Science companies have to maintain effective distribution networks in order to avoid issues such as delays, theft or related losses to goods. A research by Forrester in 2010-11 estimated that a delay in delivery of USD 1 billion of stock by just one day can cost a manufacturer up to USD 2.74 million in sales.[1] Some key risks in the distribution and manufacturing process include:

1 Failure to comply with stringent regulations – the global operating environment is becoming stricter as regulatory authorities adopt more stringent patient safety policies.

Continued on page 2 ▶▶

FOREWORD

Welcome to our latest life science newsletter covering topical insurance and risk management issues in the industry.

In this issue we look at the logistics exposures faced by life science companies with comments from our cargo experts on how these can be mitigated. We also have our usual features including a clinical trials update, mergers and acquisitions news from across the sector and a look at regulatory and legal developments.

We are starting to plan our life science conference for May 2016 and will bring you updates as the dates and venue and confirmed.

I hope you find this publication useful, please let me know if there's any topics you would like to see covered in future issues.

James Bird
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JLT Specialty

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2 The presence of Counterfeit products – companies may be liable for the harmful effects of counterfeit products distributed in their markets and/or the cost of any resultant product recall.

3 Outsourcing risks – any outsourced manufacturing and R&D still requires strict quality controls to be met. They too come under the remit of regulatory authorities if standards are not met.

4 Delays in distribution and inadequate inventory levels – inappropriate inventory levels can lead to both a loss in sales and wastage if drugs go past their expiry date. An effective distribution network is needed to optimally manage demand and supply levels.

Mismanagement can lead to financial losses for the company plus undermine their reputation – which in some cases can lead to the withdrawal of products or business from certain markets. Examples of severe losses following the mismanagement of logistics include:

- In 2010, one of the biggest thefts from a pharma company occurred when drugs worth USD 75 million were stolen from Eli Lilly's warehouse. Similarly, in 2011, a full trailerfull of Pfizer's drugs containing 13,000 units was stolen from their Memphis distribution facility.
- In 2014, authorities in Beijing closed online pharmacies in 29 provinces and seized fake drugs and nine tonnes of raw materials worth USD 362.4 million.

IMPACT ON INSURANCE

With high values at stake, a failure in the logistics process means life science companies are at risk of losing stock and/or sales. Insurance available to cover risks in distribution includes:

1 **Business interruption** – losses arising from issues such as theft or fire which can lead to revenue loss or loss in value of product.

2 **Physical damage of goods** – covers any physical harm to the goods insurer. To cover any losses while distribution, companies tend to opt for fleet insurance and property in transit insurance which cover the assets as well as the goods which are in transit.

[1] Forrester research quoted by a study on Pharma Supply Chain Risk Management

Global logistic challenges – how our brokers can help

What kind of risks are involved in transit and supply chain for life science companies?

The movement of goods involves domestic and international transfers so risks can include procedural issues, encroachment, default in manufacturing etc. With safety and quality regulations becoming more stringent and increasing government involvement, the margin of error for companies is reducing every year. The quality assurance department can reject the supplies if they find any deviation from the agreed protocol, for instance a deviation from the temperature range in which the product has to be stored during transit. Additionally, risks such as the manufacturing of illegal copy and fake products can also lead to liabilities.

How often do you think such loss events take place and how severe is their impact?

Every week there are approximately 125 shipments from various parts of the world to clients. Whilst supply chain issues can be as low as two per year, the loss per event can be as high as USD 40–50 million. This makes it a low volume high stakes risk.

What factors determine the right product and cover to buy? And what factors determine the price of cover?

A company's risk retention appetite, country where the goods are shipped, the type of product, plus the mode of shipment, are some of the major factors that impact cover and pricing. For instance, companies manufacturing temperature sensitive products are more vulnerable to transit issues. The risk management team must understand all the processes and procedures and communicate these to insurers to get adequate coverage.

How does JLT Specialty support its clients?

Our brokers understands their clients businesses and provide comprehensive coverage based on their needs. We deliver advanced, customised insurance policies which can provide full cover not only for damage, but also for fear of loss (suspected damage). E.g. If a stolen shipment is recovered, even after two days, it may be rejected due to a fear of potential damage, even if no actual damage has occurred. We can also provide insurance which covers losses not only due to external issues, but issues arising from customs & documentation, transportation and Good Manufacturing Process (GMP).

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Regulatory & legal update

China's Food and Drug Administration (FDA) and government work in tandem plan the strategic development of the life science sector and enhance its reach throughout the country.

- China, the second largest pharma market has sharply increased the registration fees for drugs and medical devices from 35,000 yuan to 624,000 yuan in 2013. This will affect general and admin expenses for companies but may speed up the registration process
- China is allowing subsidies and finance to be invested in new companies as it plans to increase the number of private hospitals. This will increase the ratio of number of beds available from 4.55 to 6 per 1,000 people by 2020.

India to witness a surge in investments in life science sector to improve drug quality, device innovation and manufacturing.

- By 2015 central drug standards control organisation will appoint 147 drug inspectors. Additionally, the government has allocated INR 900 cr to increase manpower. The moves have been made to ensure constant improvements in the safety and efficacy of the drugs supplied by India to over 200 countries.
- Additionally the Indian government will enforce price controls on medical devices under the Essential Commodities Act, which could reduce the price of stents by 50%. Critics feel that such a move could hamper the incoming foreign investments.
- India's USD 4 billion medical device industry, which has been highly dependent on imports, could be the next target for FDI by the government, with plans to develop two medical device industrial parks. This could be a major step to augment the country's nascent med tech sector and establish footprints as a global hub.

US FDA is cautiously watching new 'game changing' anti-cholesterol drugs

- The FDA is assessing anti-cholesterol drugs from Amgen Inc. and, Sanofi SA and partner Regeneron Pharmaceuticals, which are expected generate global sales of USD 10 billion per annum.
- However, concerns are being raised from health plans and drug-benefit managers who suspect that the price of these drugs could go as high as USD 1,000 per month, thus negatively affecting reimbursements.
- Additionally, in an attempt to speed up new drug and biological product submissions, the FDA will require all applications to be submitted in electronic format in the next two years. This will also help the FDA to store and mange the hundred to a thousand page applications.

TOP STORIES

1. **Indian government aims to scale up the life science sector by pumping investments towards research * development and device innovation & manufacturing:** Development of industrial parks, providing tax concessions and funding startups is on the cards. Also, price controls could be put in place which could lead to a decrease in medical device prices.

2. **Hawaii becomes the first U.S. state to increase legal smoking age to 21:** The law has been brought into effect to achieve a long term goal of tobacco free kids. This will also help the government to cut healthcare costs as tobacco use costs Hawaii USD 526 million in medical bills.

Merger & acquisitions news

Merger and acquisition (M&A) activity continues to grow in the life science sector, with June and July 2015 witnessing some big ticket merger and acquisition transactions focusing on both device and drug manufacturers.

Some of the major deals include:

- Edwards has expanded towards trans catheter mitral valve replacement market with the buyout of CardiAQ for USD 350 million, as the company expects in future all surgical valves will be replaced with trans catheter devices.
- Allergan has invested USD 250 million to purchase exclusive worldwide rights to two of Merck's migraine drugs. Depending upon the success of these drugs, the company will also be liable to pay royalties to Merck.
- Alexion closes Synageva acquisition for USD 8.4 billion, to expand its manufacturing facilities and develop drugs for fatal diseases.

Gene therapy has been a growing area in the M&A space, with the number of transactions increasing from 16 in 2013 to 36 in 2014, and their combined value increasing from USD 122.8 million to USD 4.9 billion:

- Pharma giant Biogen has recently inked a USD 1 billion partnership with AGTC to expand their gene therapy programs for rare eye diseases.

Conglomerates are focusing on companies in the diagnostics segment to diversify and improve their presence across geographies.

- Hill-Rom buys Welch Allyn for USD 2 billion to decrease dependence on sales of large and acute-care capital equipment, and diversify towards diagnostics and patient monitoring.
- LabCorp, in order to expand its clinical diagnostics market, has joined forces with Sysmex to develop blood-based molecular tests for cancer.
- Allergan is in the process of acquiring Kythera for nearly USD 2.1 billion. The latter manufactures an injection to reduce chin fat, and the deal will enhance Allergan's strength in aesthetics.

Pharma companies are expected to increase focus on core operations and reduce their non-core operations. Divestitures include:

- German pharma company Bayer AG agreed to sell its diabetes care business to Panasonic Healthcare for USD 1.1 billion citing high competition and low pricing power in the sector.
- Sorrento has agreed to sell Igdrasol, Inc. (manufacturer of Cynviloq) to drug developer NantPharma for USD 1.3 billion as it looks to concentrate on strengthening its position in immunotherapy space.

TOP STORIES

1. **Alexion completes USD 8.4 billion buyout of Synageva:** Deal will enhance Alexion's manufacturing capabilities by adding three facilities from the acquired firm. Alexion will have eight treatments in clinical trials which includes Synageva's investigational enzyme-replacement therapy.
2. **Allergan has acquired Kythera Biopharma, the maker of a unique double chin reduction drug:** The USD 2.1 billion acquisition will focus on people who intend to reduce their double chin without going for a surgery.
3. **Hill Rom will add Welch Allyn's Diagnostics to their portfolio in a USD 2.05 billion deal:** The combined company will have revenues of USD 2.6 billion and a portfolio of diagnostics, sensing and patient monitoring technologies.

New product development

Philips and Teva jump-start Israeli med tech incubator

July 1, 2015, Fierce Medical Device

Royal Philips and Teva Pharmaceutical Industries are getting the ball rolling on their new med tech incubator in Israel, sinking funds into two start-ups and planning more investments in the months ahead. In January, Philips and Teva said they would funnel 100 million shekels (USD 26.5 million) over the next 8 years into early-stage med tech companies in Israel through a joint venture, dubbed Sanara Ventures.

A Chinese Ebola Drug Raises Hopes, and Rancor

June 12, 2015, advisen.com

After a nurse who contracted ebola in Sierra Leone was discharged Wednesday from a Rome hospital, a doctor there described the experimental treatments the patient had received as ''absolutely miraculous.'' They included MIL77, a product from China that was also given to a British Army nurse who recovered from ebola at a London hospital. It is a near copy of the most promising ebola therapy: a cocktail of antibodies known as ZMapp, the result of a collaboration between the U.S. and Canada.

FDA approves Wicab's device to help blind people 'see'

June 20, 2015, advisen.com

The FDA this week approved a medical device to help blind people process visual images around them with their tongues. The approval allows Wicab Inc. to market its BrainPort V100 in the U.S., after similar foreign approvals to sell it in Europe and Canada in 2013. The device helps blind people "see" by transmitting digital images from a small video camera mounted on dark glasses worn by the user to a 1-inch-square mouthpiece covered with 400 electrodes.

FDA grants fast track status for Forum's encenicline to treat cognitive impairment in schizophrenia

June 23, 2015, pharmaceutical-business-review

The US FDA has granted fast track designation to Forum Pharmaceuticals compound encenicline, developed to treat cognitive impairment in schizophrenia. The company completed patient enrolment in its pivotal Phase III COGNITIV SZ clinical trial program investigating the use of encenicline as a pro-cognitive therapy in patients with schizophrenia.

Takeda launches type 2 diabetes drug Zafatek in Japan

June 01, 2015, en-cphi.cn/news

Takeda Pharmaceutical Company has launched Zafatek, a once-weekly DPP-4 (dipeptidyl peptidase-IV) inhibitor, in Japan for the treatment of people with type 2 diabetes. The company said that the inhibition of DPP-4 increases insulin secretion depending on blood glucose concentration, thereby controlling blood glucose levels.

SomnoMed's Sleep Apnea Device Gains FDA 510(k) Clearance

June 26 , 2015, fdanews.com

SomnoMed has won FDA marketing clearance for its oral device SomnoDent with micro-recording technology for mild to moderate obstructive sleep apnea. The product is meant to be worn while sleeping and provides continuous open airway therapy by positioning the jaw slightly forward, which tightens the upper airway soft tissue and muscles. This helps prevent a collapse of the airway and reduces sleep apnea.

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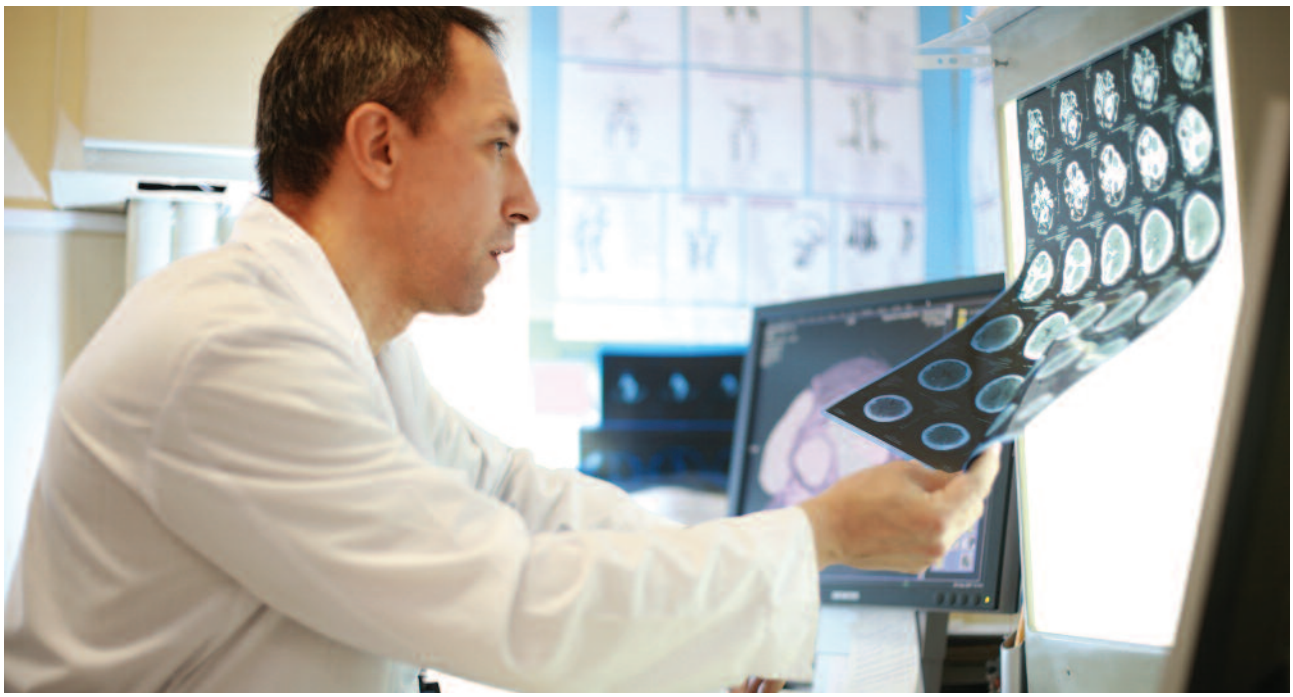
TOP STORIES

1. **Beijing Mabworks fuels hopes in the fight against the deadly disease Ebola:** Beijing Mabworks produced MIL77, a proto-type of ZMapp, a cocktail of antibodies which has helped people to recover from Ebola . However, this has led to patent infringement concerns posed by US officials and arguments regarding when the experimental Ebola therapies could be offered to patients.

2. **Ultrasound technology seems to have gained traction in recent months with companies about to launch their products across the globe:**

- Philips is in the process of launching 'Lumify ultrasound transducer' which connects to a smartphone and tablet and works with a supporting application.
- Super Sonic gained regulatory approvals to market their Aixplorer ultrasound scanning device in Japanese markets. Konica Minolta Medical Imaging will be the company's exclusive distribution partner.
- Carestream Health introduced their first ever ultrasound system which can be used for radiology diagnostic imaging. Device also offers ease of cleaning for pathogens.



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Advanced Cooling Therapy Snags FDA De Novo Clearance for Esophageal Cooling Device

June 25 , 2015, fdanews.com

Advanced Cooling Therapy's first product, the Esophageal Cooling Device, has secured FDA de novo clearance. The Chicago, Ill.-based device maker says the product is the only temperature modulation device on the market that uses the esophageal space to cool or warm patients. The device can be used in operating rooms, recovering rooms, emergency rooms or the ICU.

FDA approves St. Jude's brain implant for Parkinson's disease

June 12 , 2015 reuters.com

The U.S. Food and Drug Administration approved a brain implant from St. Jude Medical Inc. that helps reduce symptoms of Parkinson's disease and essential tremor, a neurological disorder that causes rhythmic shaking. The implant is the second device approved for the indication after Medtronic Plc's Activa Deep Brain Stimulation Therapy System.

Cyberonics' AspireSR Generator Snags FDA Approval

June 03 , 2015, fdanews.com

Cyberonics' AspireSR generator for VNS therapy has won FDA approval, the company says the device is the first of its kind, capable of administering responsive stimulation to heart rate increases that are associated with seizures in epileptic patients. Seizures are often unpredictable and can be life-threatening.

Carestream Health's Ultrasound Systems Secure FDA 510(k) Clearance

June 03 , 2015, fdanews.com

Carestream Health announced Tuesday that its Touch Prime ultrasound system and Touch Prime XE ultrasound system are available for order in the U.S., following receipt of FDA 510(k) clearance. The systems have been indicated for radiology diagnostic imaging. The products are the company's first ultrasound systems and feature a sealed panel to enable easy cleaning for pathogens. The company plans a European launch following pending CE Mark approval.

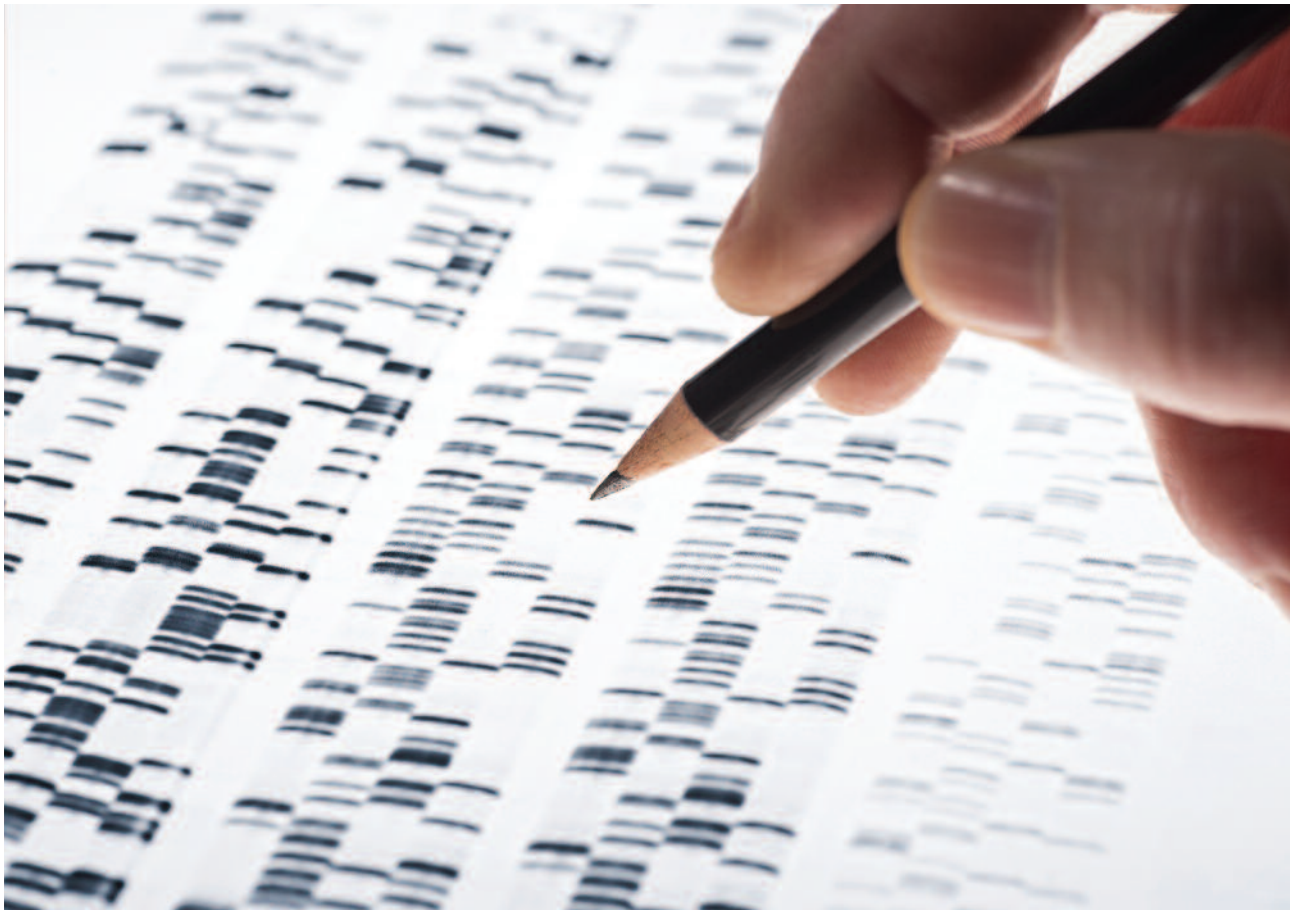
Researchers design fully implantable artificial pancreas with novel algorithm

July 06 , 2015, fierce medical device

Tightly and automatically matching the release of hormones such as insulin to control blood sugar levels for Type 1 diabetics is the Holy Grail in the development of an artificial pancreas. Now researchers may have come one step closer with a fully implantable insulin delivery and glucose sensing system that is guided by a novel algorithm.

The device is intended to be implanted in the intraperitoneal, or abdominal cavity. In computer testing of it, researchers found that 78% of the time the system was able to maintain a tight glycemic range of 80–140 mg/dL, with no time spent in hypoglycemia.

New product development (continued)



Google takes deeper dive into med tech with health-tracking wristband

June 23 , 2015, fierce medical device

Google has not wasted any time since launching its life sciences division group a couple of years ago, sinking funds into medical technology projects to expand its reach in wearable health. The product, which is being developed through the company's Google X research unit, measures pulse, heart rhythm and skin temperature and gauges environmental information like light exposure and noise levels, giving doctors and researchers minute-by-minute data on patients' physical states.

GlaxoSmithKline budgets $95M to launch a 'living genome' drug research institute

June 17 , 2015, fierce biotech

Following up on earlier research initiatives related to genetics and drug development, the struggling GlaxoSmithKline is committing more than $95 million in cash and added resources over the next 5 years to launch a new non-profit institute in Seattle that will explore the "living genome" for new insights into the ways that cells function in search of a new generation of drugs to put into the clinic.

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Touch Bionics has launched its i-limb quantum, the first upper limb prosthesis that can change grips with a small gesture.

◀◀ *Continued from page 8*

Philips readies launch of smart device-based ultrasound device, app

June 24 , 2015, fierce medical device

Royal Philips is getting ready to take a step on this front – later this year it will launch in the U.S. its Lumify ultrasound transducer that plugs in to smartphones and tablets and works with an accompanying subscription-based app. Philips refocused on its combined consumer and medical technology groups last year, which it dubbed "HealthTech," and is in the process of divesting most of its lighting assets to fund this transition.

Lumify is already FDA-cleared and is being unveiled at this week's Social Media and Critical Care conference in Chicago. Philips expects the smart device plug-in ultrasound transducer will be particularly useful in emergency departments and urgent care centres.

U.K. NHS spinout Touch Bionics launches smarter, faster, stronger prosthetic hand

June 23 , 2015, fierce medical device

Touch Bionics has launched its i-limb quantum, the first upper limb prosthesis that can change grips with a small gesture. The i-limb quantum improves upon earlier iterations of myoelectric prosthetic hands by being up to 30% faster when it comes to digit speed with up to 30% more power available for use as needed. The device was unveiled at the International Society for Prosthetics and Orthotics World Congress in Lyon, France.

GE Healthcare launches radiation dose tracking system for its CT systems

June 17 , 2015, fierce medical device

The concern that cumulative radiation exposure over a lifetime of healthcare-related imaging could boost the risk of cancer is addressed in the latest launch from GE Healthcare. It has rolled out DoseWatch Explore to track practice-level radiation dose data from its computed tomography (CT) systems. The cloud-based management software tracks, analyses and reports this data to help practices improve patient radiation dose levels during CT scans. It enables doctors to conduct a new level of analysis.

Novartis launches navigation app for visually disabled on Apple Watch

July 02 , 2015, fierce medical device

Novartis launched its ViaOpta navigation app for the visually impaired on the Apple Watch, making it the first app of its kind to run on a smartwatch. It's also available on Android Wear.

The app provides voice guidance and vibrations to inform users of landmarks and intersections. In addition, the Big Pharma company says the app can tell users their location, and caretakers can access it too.

Clinical trials

Immunovaccine, Incyte to evaluate new immunotherapy combination to treat platinum-sensitive ovarian cancer

June 26 , 2015, pharmaceutical-business-review.com/

Immunovaccine has entered into a non-exclusive clinical trial collaboration with Incyte to evaluate the combination of DPX-Survivac and epacadostat in patients with platinum-sensitive ovarian cancer. DPX-Survivac is Immunovaccine's new T cell activating immunotherapy, while epacadostat is Incyte's investigational oral indoleamine 2,3-dioxygenase 1 inhibitor. Under the deal, both the firms will co-fund and conduct a Phase IB trial to evaluate the safety, tolerability and efficacy of the new combination in platinum-sensitive ovarian cancer patients who are at high risk of recurrence.

BeiGene Announces IND Approval for BGB-3111, a Bruton Tyrosine Kinase Inhibitor

June 19 , 2015, globenewswire.com

BeiGene Ltd., an innovative oncology company focused on developing targeted and immune-oncology therapeutics got the approval from the United States Food and Drug Administration (FDA) for the clinical development of BGB-3111, a proprietary Bruton tyrosine kinase (BTK) inhibitor for the treatment of B-cell malignancies. BGB-3111 is an investigational, oral, highly selective and potent inhibitor of BTK, a critical component of B-cell receptor signalling that plays an important role in B-cell malignancies.

Genticel receives FDA clearance of IND application for US Phase 1 clinical trial of GTL001

June 17 , 2015, europeanpharmaceuticalreview.com

The US Food and Drug Administration (FDA) has cleared Genticel's Investigational New Drug (IND) application to conduct in the US a Phase 1 clinical study of GTL001 in patients infected with HPV 16 and/or 18, the two HPV types responsible for 70% of cervical cancer cases. Diane M. Harper, MD, MPH, MS, will lead the US phase 1 study of GTL001 as principal investigator.

Mainstay Medical gets US approval to begin Reactiv8 trial

June 9 , 2015, orthospinenews.com

Irish-listed firm Mainstay Medical has received approval from the Food and Drug Administration (FDA) in the US to begin a clinical trial of its implantable neurostimulation system aimed at treating chronic low back pain. The system, Reactiv8, helps restore control to the muscles that stabilise the lumbar spine.

The trial will evaluate the safety and efficacy of ReActiv8 in treating adults suffering with chronic low back pain who have had no previous back surgery. It will be conducted at up to 40 clinical trial sites, with 128 randomised subjects implanted with ReActiv8.

The Vaccine for Type-1 Diabetes Is Moving Forward

June 07 , 2015, time.com

A promising vaccine that has the potential to reverse the symptoms of type I diabetes—an autoimmune disease often diagnosed in childhood—is heading on to a phase II trial, which will test the vaccine on humans with the chronic disease.

The vaccine, called bacillus Calmette-Guérin (BCG) has succeed in reversing type 1 diabetes in a trial among mice and in a phase I trial in 103 humans. The vaccine may be able to improve the disease in people who have small but detectable levels of insulin coming from their pancreas.

Newly FDA-cleared device treats sleep apnea, tracks patient compliance

June 29, 2015, fierce medical device

The inconvenience of sleep apnea devices makes patient compliance tough to achieve, particularly over the long term. But now a new oral device to treat mild and moderate sleep apnea incorporates a wireless microrecorder to track and transmit patient usage. The device, SomnoDent, is expected to help level the playing field for usage tracking between CPAP machines and oral devices.

Novo Nordisk's new GLP-1 diabetes drug hits goal in trial

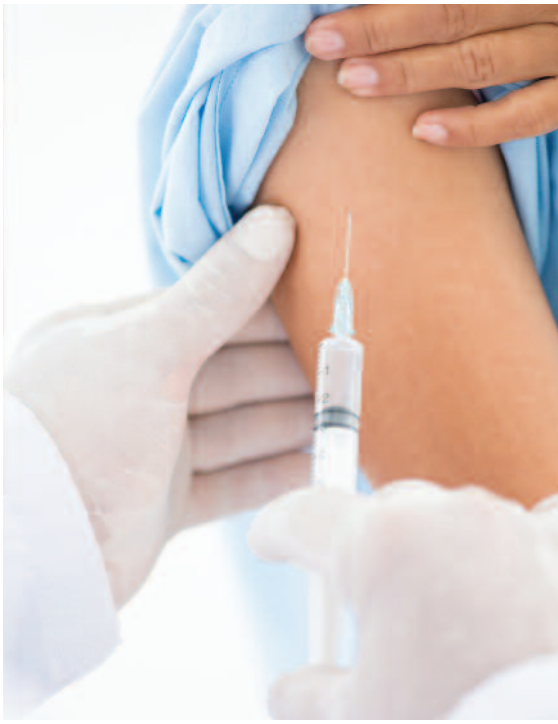
July 10, 2015, Reuters

Denmark's Novo Nordisk said on Friday its new once-weekly diabetes drug semaglutide worked successfully in a late-stage clinical trial, boosting hopes for a medicine seen as critical to maintaining the firm's lead in the field. In the Phase IIIa trial, patients with a baseline HbA1c reading of 8.1 percent injected with 0.5 mg and 1.0 mg of semaglutide showed improvements of 1.5 percent and 1.6 percent, respectively, compared with no change in those on placebo. HbA1c is a commonly used measure to identify average blood sugar concentration.

Boehringer plans new filings for Giotrif in lung cancer

July 07, 2015, pmlive.com

Boehringer Ingelheim is in the process of drawing up regulatory filings for its Giotrif product in squamous cell carcinoma of the lung (SCC) after reporting positive phase III data. The German pharma company reports that Giotrif (afatinib)



was more effective than Roche's Tarceva (erlotinib) in extending the lives of previously treated SCC patients in the study, which has just been published in The Lancet Oncology. Giotrif and Tarceva both target the epidermal growth factor receptor (EGFR) tyrosine kinase pathway and the LUX-Lung 8 trial is the largest comparative study ever conducted in this drug class, according to Boehringer.

TOP STORIES

1. **FDA cleared IND application of US phase 1 clinical trail of Genticel's, GTL001 New Drug application**

   - The trial will develop insight about the tolerability of GTL001 by testing sample patients, and if successful, can target the 93 million women patients infected with HPV 16 &/or 18 which currently do not have developed high grade lesions or cervical cancer.

2. **Vaccine for curing type 1 diabetes is on the cards as trials enter next stage:**

   - Bacillus Calmette Guerin vaccination to reverse the effects of type 1 diabetes often diagnosed in childhood is currently under trial and has shown positive results.
   - The vaccine may be able to check insulin levels in people who have low but detectable levels of this disease.

JLT Specialty Limited provides insurance broking, risk management and claims consulting services to large and international companies. Our success comes from focusing on sectors where we know we can make the greatest difference – using insight, intelligence and imagination to provide expert advice and robust – often unique – solutions. We build partner teams to work side-by-side with you, our network and the market to deliver responses which are carefully considered from all angles.

For more than a decade we have been the leading liability broker for larger life science companies, working with the majority of the leading players in the sector, from pharmaceutical and agricultural to chemical and research institutes.

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Company news

Pharma companies are ramping up their production capacities to exploit the current surge in demand for their products

Companies such as Novo Nordisk, Medicagos, Green Cross, AstraZeneca and Alexion are heavily investing and developing new facilities for drug manufacturing and packaging operations:

- Biogen is in the process of building USD 1 billion manufacturing plant to increase production of their top selling drugs for diseases such as Alzheimer's and Multiple Sclerosis. The company will also add close to 400 jobs in the process.
- Green Cross Biotherapeutics will invest USD 255 million to construct a new facility to produce five tons of injectable antibodies per year.
- J&J is planning to reopen its Philadelphia facility which had been shut down due to series of recalls. J&J expects higher demand for the products which had been recalled and plans to increase production.

Additionally, companies such as AstraZeneca, Juno Therapeutics have been collaborating with Dr Reddy's and Editas respectively, to develop their R&D functions and expand their geographical presence.

Bayer AG is investing heavily to maintain its dominant position in drug discovery

- Bayer will invest USD 4.5 billion (EUR 4 billon) in R&D in 2015 as the company looks to grow organically and develop its pipeline. Over half of the spending will be focused on developing their new blood thinner Xarelto.
- Bayer Healthcare also launched a five year collaboration with John Hopkins to jointly develop new therapies targeting retinal diseases.

Sanofi is in the process of revamping their operations. CEO Olivier Brandicourt has plans to diversify into five discrete operations from the current worldwide entity

- The company is also considering the appointment of chief officers for their three new units as the company plans to diversify into five standalone segments.
- The company also has plans to develop 18 new drugs in the next five years.
- The company plans to increase revenue from their diversified portfolio to up to USD 38 billion by 2020.

TOP STORIES

1. **Sanofi plans to ramp up sales to USD 38 billion by 2020:** Company's CEO has laid out plans to restructure their operations and carve 5 units out of the current global entity and also appoint chief officers for the newly formed divisions.
2. **AstraZeneca is planning to extend reach in India and enters into a distribution contract with Dr. Reddy's** to distribute Astra's diabetes drugs Riax and Riax M.
3. **Bayer AG plans to increase its investment in R&D:** The company will spend close to USD 4.5 billion in order to keep the momentum in its drug discovery and maintain its lead position.