

Novartis says swine flu vaccine boosts profit

January 26 2010

Swiss pharmaceutical group Novartis posted on Tuesday an 8.0-percent jump in core annual net profit for 2009, saying that business had been boosted by sales of swine flu vaccine.

The Basel-based company also announced that Daniel Vasella would hand over the chief executive's post to Joe Jimenez, the head of the pharmaceuticals division, a job Vasella had combined with the chairmanship for 11 years.

Vasella, reporting core net profit for last year of 10.3 billion dollars (7.3 billion euros), said: "[Novartis](#) delivered an excellent performance in 2009 driven by strong underlying growth across our entire healthcare portfolio."

The Swiss giant's [swine flu vaccine](#), launched alongside rival vaccine makers last year in response to the pandemic alert and state-led [mass vaccination](#) campaigns, helped overall net sales grow by seven percent to 44.3 billion, the company said.

"Vaccines and Diagnostics achieved exceptionally high sales by rapidly developing and delivering influenza A (H1N1) [pandemic](#) vaccines to address the public health threat," the company said.

Novartis said it expected to "maintain momentum" in 2010 with a strong array of newly launched drugs, and helped on by the 40-billion-dollar acquisition of dominant eye care group Alcon from Nestle this month.

"Over the past 12 months, we sustained our lead in approvals for new products, achieving more than 30 major new product approvals in the US, Europe and Japan," Vasella said.

"The planned acquisition of Alcon will propel Novartis to the global leadership position in eye-care and create a new growth platform," he added.

The core annual net profit of 10.3 billion dollars compared with profit of 9.5 billion dollars in 2008.

Excluding exceptional items, full-year profit reached 8.4 billion francs, an increase of four percent over the equivalent figure the previous year.

Analysts polled by financial agency AWP had forecast a net profit of 8.6 billion dollars.

Core operating income was up 11 percent to 11.4 billion dollars, Novartis said.

Operating income in the vaccines division more than doubled to 719 million dollars, an increase of 133 percent over 2008, while sales grew 38 percent.

Operating income in the group's core business and biggest earner, pharmaceuticals, grew by 10 percent to 9.07 billion dollars in 2009 on sales growth of eight percent.

Novartis said that Vasella, who became chief executive 14 years ago, would relinquish the post to Jimenez on February 1, under a transition process it began in 2008.

Vasella will continue as chairman of the group, focusing on strategy, it

added.

(c) 2010 AFP

Citation: Novartis says swine flu vaccine boosts profit (2010, January 26) retrieved 10 April 2024 from <https://medicalxpress.com/news/2010-01-novartis-swine-flu-vaccine-boosts.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.