Sanofi earnings slashed in first quarter

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(AP)—French drug maker Sanofi said Thursday its net profit was slashed in the first quarter from a year earlier as falling sales and patent losses on key drugs combined to hammer earnings.

Sanofi's net profit was €1 billion ($1.3 billion) in the January-March quarter, down 45 percent from €1.8 billion a year earlier.

Revenue from Plavix, which had been the world's second best-selling drug until its U.S. patent expired last May, slid 5 percent. That, along with generic competition that cut sales of blood pressure drugs Avapro and Aprovel by 20.8 percent, dragged down total company sales by 5.3 percent.

Sanofi warned that core earnings per share could fall up to 5 percent this year, after a 12.8 percent drop in 2012. It warned also that growth would not return until the second half of 2013.

"As expected the loss of exclusivitiy of Plavix, Avapro and Eloxatin in the course of 2012 in the U.S. had a negative impact on Q1 results," CEO Christopher Viehbacher said in a statement.

The €1.22 per share was well below the €1.33 average forecast of analysts polled by FactSet.

Sanofi's weak earnings came as other pharmaceutical giants also delivered gloomy first quarter reports. Pfizer Inc. fell short of Wall Street expectations and lowered its profit and sales forecasts for the year this week, while last week Bristol-Myers Squibb Co. posted a 45 percent drop in first-quarter profit on plunging sales from increased generic competition.

Sanofi played up strong performances in its diabetes, vaccines and biotechnology company Genzyme, but that was more than offset by a €553 million in lost sales from heightened generic competition for drugs Eloxatin, Lovenox, Plavix and Aprovel.

Sales in Western Europe and the United States, markets that account for over half of Sanofi's total sales, fell by about 10 percent in the first quarter.