

Sanofi earnings soar on lower restructuring costs (Update)

6 February 2014



Sanofi CEO Christopher A. Viehbacher, left, and President of Sanofi's Global Research and Development, Dr. Elias Zerhouni pose for photographers as they arrive for Sanofi's annual results in Paris, Thursday, Feb. 6, 2014. The French drug maker said Thursday its earnings soared in the fourth quarter as lower restructuring costs offset a hefty charge related to one of its key multiple sclerosis treatments. (AP Photo/Michel Euler)

French drug maker Sanofi said Thursday its earnings soared in the fourth quarter as lower restructuring costs offset a hefty charge related to one of its key multiple sclerosis treatments.

Paris-based Sanofi reported net profit of 1.06 billion euros (\$1.4 billion) in the fourth quarter, up from 388 million euros a year earlier. Last year's profit was hammered by over 800 million euros worth of restructuring costs.

Sanofi said it took a 612-million-euro charge in the quarter to account for the U.S. Food and Drug Administration's December ruling that multiple sclerosis treatment Lemtrada is not ready for approval for the American market. Sanofi said it will miss a targeted March date for U.S. approval of

the drug.

Earnings by Sanofi's preferred measure of profits—what it calls business earnings per share at constant exchange rates—fell 9.8 percent last year. The company forecast growth by this measure of between four and seven percent this year, "barring major unforeseen adverse events."

Sanofi wants to market Lemtrada as a treatment for relapsing multiple sclerosis, a disease in which the immune system attacks healthy nerves. It can cause pain, numbness, slurred speech, impaired vision, muscle weakness and neurological problems.

The drug was approved by the European Medicines Agency for use in the EU last year, and has also been approved in Canada and Australia. The FDA said Sanofi and its Genzyme subsidiary had not submitted sufficient evidence to show the benefits of Lemtrada.

Sanofi said that Genzyme is preparing its appeal to the agency.

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APA citation: Sanofi earns soar on lower restructuring costs (Update) (2014, February 6) retrieved 17 June 2019 from <https://medicalxpress.com/news/2014-02-sanofi-soar.html>

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