

## Genzyme 4Q Profit Soars

Manufacturing.net

CAMBRIDGE, Mass. (AP) -- Biotech drugmaker Genzyme Corp., which agreed Wednesday to sell itself to Sanofi-Aventis SA for more than \$20 billion in cash, reported a big jump in fourth-quarter net income due to strong revenue growth, lower costs and gains on divested businesses.

Genzyme said sales of its treatments for genetic diseases climbed as it recovered from manufacturing problems, including viral contamination and particles of trash in some of its drugs. Those problems had hurt its sales, constrained supplies, and ratcheted up costs in the fourth quarter of 2009.

The company said it is now producing enough of its drug Cerezyme to get full supplies to all currently treated patients. Supplies of its drug Fabrazyme reached 82 percent of demand in the fourth quarter. Cerezyme is the company's best-selling drug. It treats Gaucher disease, an enzyme disorder that can result in liver and neurological problems. Fabrazyme treats Fabry disease, an inherited disorder caused by the buildup of a particular type of fat in the body's cells. Fabrazyme is Genzyme's second best-selling product.

The company said its net income grew to \$471.9 million, or \$1.76 per share, for the last three months of the year. That's up sharply from \$23.2 million, or 9 cents per share, a year ago. Excluding acquisition costs, stock-based compensation expenses and \$400.9 million worth of income from discontinued operations, Genzyme would have earned 82 cents per share in the latest period, still up sharply from 29 cents in the prior-year period.

In the fourth quarter, Genzyme completed the sale of its genetics business, and in this quarter sold its diagnostics business and agreed to sell its pharmaceuticals business.

Revenue climbed 23 percent to \$1.15 billion from \$938.3 million.

The results missed the average estimates of analysts polled by FactSet, which had forecast an adjusted profit of 85 cents per share and \$1.16 billion in revenue.

Total revenue for the company's personalized genetic health business rose 45 percent to \$505.6 million. The U.S. launch of its Pompe disease treatment Lumizyme also boosted its sales. Pompe disease interferes with muscle development and can cause deadly respiratory problems.

Genzyme said its biosurgery revenue rose 9 percent to \$170.7 million because of greater sales of its osteoarthritis drugs Synvisc and Synvisc-One. Hematology and oncology revenue grew 6 percent to \$178.7 million, and renal and endocrinology revenue increased 12 percent to \$288.9 million.

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After months of on-and-off talks, French drugmaker Sanofi-Aventis is buying Genzyme for \$20.1 billion, or \$74 per share, in cash. Genzyme shareholders will also have the rights to receive additional cash payments if the company meets targets on production, sales and product approvals. The companies expect the sale to close during the second quarter.

Shares of Genzyme rose \$1.12 to \$75.42 in morning trading.

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