

Companies
moksha8, Pharmaceutical Company of the Emerging [Markets]

675 words
17 April 2008
Valor Econômico
Portuguese

Copyright (c) 2008 Valor Econômico S.A. All right reserved. Valor Econômico S.A prohibits reproduction of the contents of this article in any means of communication, electronic or printed, without written authorization. For further information, please contact our Commercial Department (+55-11-3767-1277) or Editorial Staff (+55-11-3767-1151).

The brand new pharmaceutical company **moksha8** has selected Brazil as its initial test field to become the first multinational pharmaceutical company directed exclusively towards emerging markets.

The company has entered into agreements with Pfizer and Roche to commercialize twenty patent-protected medications to the country's doctors. Their portfolio, which includes famous brands such as the antibiotic Bactrim, the antidepressant Zoloft, and the sedative Lexotan, is estimated to have sales of more than US\$ 80 million on the Brazilian market in 2007. In a second stage, the new pharmaceutical company intends to launch biotechnological medications by means of ongoing agreements with American and European companies, whose objective is to accelerate entry of their products into the country. Within five years, **moksha8** hopes to discover its own medications in partnership with other companies. If the strategy works, the laboratory will consider building its own factory, which will require an investment of up to US\$ 500 million.

"We have a unique view of how to focus on emerging economies, and we will act starting in Brazil", **moksha8's** CEO, Simba Gill, 41, told Valor. In addition to Brazil, the company is targeting China, Russia, India, Mexico, Korea, and others. The son of Indian parents, brought up in England, having lived in Dubai in his adolescence, Gill, a doctor in medicine, worked in major pharmaceutical companies like Germany's Boehringer, and was formerly CEO of U.S.-based Maxygen, a manufacturer of biotechnological products.

Simba Gill said his reason for targeting emerging markets was significantly growing sales. Major pharmaceutical companies tend to give little attention to the emerging markets and have simply ignored them up until now. Referring to Brazil, he said the country is giving positive signals and advancing in areas that are fundamental to the pharmaceutical business, including: a greatly improved quality regulatory agency, a vast network of medical centers and hospitals, international standards in intellectual property laws, and a sophisticated system of governmental purchases. "Brazil is making progress in this area", says Gill.

moksha8 is backed by American venture capital and private equity fund, the Texas Pacific Group (TPG), and Brazil's Votorantim New Business. "We will be partners wherever **moksha8** wants to develop in the rest of the world", declared the executive director of Votorantim New Business, Fernando Reinach. "The intention is to be a 'one stop shop' in the emerging markets for the other pharmaceutical companies in the United States and in Europe", he said. [Reinach] declined to reveal the number of shares Votorantim Nuevos Negocios held in **moksha8**.

To head the company in Latin America, **moksha8** has appointed Mario Grieco, formerly President of Bristol-Myers Squibb in Brazil. In Brazil **moksha8** is already made up of about 80 professionals, of which 70 are its sales force. The initial amount of their investment for this first stage was not disclosed. "We will be promoting our products with the country's doctors, a practice which is practically not being done any more", explained Grieco. "There are medications that have been on the market for more than 40-50 years. Yet during this period, there has been much further progress in knowledge [for the indications of these medications], that we will bring to Brazil's doctors", he said.

The first medications licensed by Roche and Pfizer to the new company consist of four therapeutic groups: central nervous system, anti-infectives, metabolism and cardiovascular. The brands continue to be owned by the original companies. **moksha8** will only perform exclusive commercialization of the

products in Brazil. Valor has learned that **moksha8** will be guaranteeing a minimum percentage of sales revenue to the owners of the brands. Any revenues greater than this percentage of income will be shared by moksha8 and its respective Big Pharma partner.

This business is considered a first from a global perspective, due to the wide range of medications licensed to third parties by the two major pharmaceutical companies. For these multinationals there is a clear tendency of continuous decline in the sales of their mature products, because of the competition of generic medications. The main focus of these multinationals has been innovative medications, protected by patents, and then launched first in the United States and in Europe.

Inspired from oriental philosophy, moksha means a state of self-knowledge and liberation. The number 8 is considered, in Asian countries such as China, a lucky number. moksha8's head quarters are based in Hong Kong.

2008 Factiva, Inc. All rights reserved