

UNIDAD DIDÁCTICA 1 (UD 1). EL LENGUAJE ECONÓMICO-FINANCIERO

TAREA 3

FICHA DE LA TAREA.

TÍTULO: Comprensión de textos especializados del ámbito económico-financiero.

TEXTO 4: "Roche Group. Financial review 2007".



Lectura y comprensión

Lee el siguiente texto y completa las preguntas.

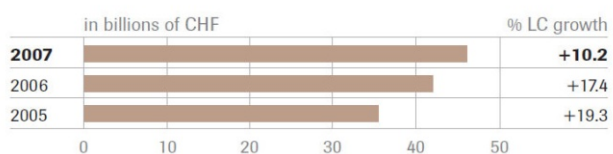
Roche Group

Financial Review

Operating results

Group operating results

Sales



Operating profit (before exceptional items)



The 2007 results show continuing strong operating performance both at a sales and an operating profit margin level, with the main impetus coming from the Pharmaceuticals Division.

Total sales grew by 10% in local currencies (10% in Swiss francs; 15% in US dollars) to 46.1 billion Swiss francs, with the Pharmaceuticals Division representing 80% of Group sales and the Diagnostics Division contributing 20%. The incremental sales increase of 4.1 billion Swiss francs was achieved through organic growth. Demand for the Group's oncology drugs Avastin, Herceptin, MabThera/Rituxan, Tarceva and Xeloda continued to be strong. Additional growth drivers in the Pharmaceuticals Division were the ophthalmology drug Lucentis, Bonviva/Boniva in metabolism/bone, CellCept in transplantation and Pegasys in virology. In the Diagnostics Division the growth areas were Professional Diagnostics, Diabetes Care and Applied Science.

The Group's operating profit increased by 22% in local currencies to 14.5 billion Swiss francs. The corresponding operating profit margin grew by 3.5 percentage points to 31.4%, driven by the increase in Pharmaceuticals of 3.8 percentage points, and by the 1.3 percentage point increase in Diagnostics. This margin growth was achieved at the same time as the Group continued to increase investments in launch and pre-launch activities and in particular in the strong development pipeline. The increase in the Diagnostics margin was driven by the sales growth, a release of accruals following the BioVeris acquisition and the positive effect of the absence in 2007 of intangible asset impairment charges.

The exchange rate impact on sales and operating profit growth as expressed in Swiss francs was moderate, with Swiss-franc sales growth being equal to local-currency growth, while Swiss-franc operating profit growth was around 1 percentage point higher. In 2007 the average exchange rate for the euro was 4% higher than in the comparative period while the US dollar was 4% lower, and the Japanese yen lost around 6%.

Group operating results for 2007

	Pharmaceuticals (mCHF)	Diagnostics (mCHF)	Corporate (mCHF)	Group (mCHF)
Sales	36,783	9,350	-	46,133
Operating profit	13,042	1,648	(222)	14,468
- margin, % of sales	35.5	17.6	-	31.4
EBITDA	14,706	2,580	(218)	17,068
- margin, % of sales	40.0	27.6	-	37.0

Group operating results – Development of results compared to 2006

	Pharmaceuticals	Diagnostics	Corporate	Group
Sales				
– % increase in local currencies	+11	+6	–	+10
Operating profit				
– % increase in local currencies	+22	+14	–7	+22
– margin: percentage point increase	+3.8	+1.3	–	+3.5
EBITDA				
– % increase in local currencies	+20	+2	–7	+17
– margin: percentage point increase	+3.5	–1.0	–	+2.7









Pharmaceuticals operating results

The Pharmaceuticals Division increased its sales by 11% in local currencies (10% in Swiss francs; 15% in US dollars) to 36.8 billion Swiss francs, approximately twice the global market growth rate. Operating profit was 13.0 billion Swiss francs, representing growth of 22% in local currencies, and the corresponding margin increased by 3.8 percentage points to 35.5%.

The increase in marketing costs was significantly less than the growth in sales due to continued productivity improvements. The increase reflects support costs for the growing oncology portfolio with broader indications particularly for Avastin, as well as investments for the launch of Bonviva/Boniva, Lucentis and Mircera and the re-launch of Tamiflu for seasonal use. The growth in research and development expenses exceeded the increase in sales driven by the significant investments in the strong pipeline reflecting the expanded portfolio and the large number of clinical trials.

For more information on the divisional business and its pipeline, see the Business Report (pages 12–28).

Pharmaceuticals Division results

	2007 (mCHF)	2006 (mCHF)	% change (CHF)		% change (local currencies)
Sales	36,783	33,294	+10		+11
Royalties and other operating income	2,057	1,209	+70		+76
Cost of sales	(9,502)	(9,032)	+5		+8
Marketing and distribution	(7,018)	(6,859)	+2		+3
Research and development	(7,598)	(6,590)	+15		+18
General and administration	(1,680)	(1,477)	+14		+17
Operating profit	13,042	10,545	+24		+22
– margin, % of sales	35.5	31.7	+3.8		
EBITDA	14,706	12,168	+21		+20
– margin, % of sales	40.0	36.5	+3.5		

Sales: Sales of the division's oncology portfolio grew by 20% in 2007 and now account for 50% of pharmaceutical sales. Excluding supportive care products, combined sales of cancer therapeutics rose 23%, increasing the Roche Group's share of the global market for cancer medicines to just under 30%. Other therapeutic areas also performed strongly, notably Metabolism/Bone and Inflammation/Autoimmune/Transplantation, two key pillars of growth for Roche.

Pharmaceuticals Division – Sales by therapeutic area for 2007

Therapeutic area	Sales (mCHF)	% of sales	% change (local currencies)
Oncology	18,261	50	+20
Inflammation/Autoimmune/Transplantation	2,956	8	+11
Virology	5,002	8 ¹⁾ /13	-5 ¹⁾ /-8
Metabolism/Bone	2,818	8	+16
Renal anemia	1,520	4	-9
Others	6,226	17	+10
Total	36,783	100	+11

1) Excluding Tamiflu pandemic government and corporate sales.

In 2007 the division's top 20 products, representing 83% of the Pharmaceuticals portfolio, grew by 15%, with most products recording strong sales growth. The main sales growth of the Pharmaceuticals Division was driven by the following key products: Avastin, Herceptin, MabThera/Rituxan, Lucentis, Bonviva/Boniva, Tarceva, Xeloda, CellCept and Pegasys. Together, these products accounted for 60% of total sales and generated an additional 4.4 billion Swiss francs of sales revenue compared with 2006.

Only six of the top 20 products (Tamiflu, NeoRecormon/Epogin, Kytril, Xenical, Nutropin and Rocephin) recorded sales decreases. After peak pandemic stockpiling sales of 2.1 billion Swiss francs in 2006, the governmental and corporate uptake of Tamiflu slowed, as expected, with sales of 1.9 billion Swiss francs in 2007, down by 11%. The decrease in product sales for renal anemia was in particular due to significantly lower Epogin revenue in Japan, reflecting the ongoing impact of government-mandated price cuts and reimbursement changes. Following patent expiry of a competitor product in the United States, Kytril sales decreased by 12%. The decline of 4% in the 'Other products' category resulted primarily from generic erosion and reduced sales of Viracept following the recall announced on 6 June 2007.

Royalties and other operating income: The increase of 848 million Swiss francs, or 76% in local currencies, was mainly due to high out-licensing income. Royalty income increased by 213 million Swiss francs or 29% in local currencies, driven by income from Novartis (Lucentis), Amgen (Enbrel) and GSK (*alli*). There was an increase of 242 million Swiss francs in income from out-licensing orlistat OTC rights to GlaxoSmithKline (GSK). Genentech generated an additional 114 million Swiss francs of out-licensing income, including 80 million Swiss francs recorded as part of a new third-party collaboration agreement and 42 million Swiss francs milestone income relating to Lucentis for approval in the European Union and filing in Japan. At Chugai there were 58 million Swiss francs of additional third-party royalties and other operating income, including milestone income from the co-development and co-marketing agreement with Taisho on Bonviva. Gains on product divestments were also significantly higher compared to 2006 and include a gain of 62 million Swiss francs from the disposal of several cardiovascular products and a gain of 152 million Swiss francs from the first stage of the disposal of three products to Actavis as part of the continuous realignment of the product portfolio. Royalties and other operating income as percentage of sales increased by 2.0 percentage points to 5.6%.

Royalties and other operating income

	2007 (mCHF)	2006 (mCHF)	% change (local currencies)
Royalty income	1,076	863	+29
Income from out-licensing agreements	722	320	+134
Income from disposal of products and other	259	26	+908
Total	2,057	1,209	+76

Cost of sales: The increase of 8% in local currencies was below the increase in sales. There was a growth of 11% in royalty expenses on product sales, driven by the success of MabThera/Rituxan, Herceptin, Tarceva, CellCept, Lucentis and Avastin, partially off-set by lower expenses for Tamiflu, NeoRecormon and Viracept. Genentech's collaboration profit-sharing expenses with its partners Biogen Idec, Novartis and OSI increased to 1,297 million Swiss francs (2006: 1,260 million Swiss francs) due to increased sales of MabThera/Rituxan, Xolair and Tarceva, respectively. Additionally the gross profit share to GlaxoSmithKline, increased to 379 million Swiss francs (2006: 219 million Swiss francs) following increased Bonviva/Boniva sales. These factors were largely compensated for by manufacturing efficiencies and product mix effects, despite some 135 million Swiss francs of costs for the Viracept recall. Amortisation of intangible assets remained stable. As a percentage of sales, cost of sales decreased to 25.8% from 27.1% in 2006.

Cost of sales

	2007 (mCHF)	2006 (mCHF)	% change (local currencies)
Manufacturing cost of goods sold and period costs	(5,041)	(4,886)	+5
Royalty expenses	(2,089)	(1,941)	+11
Collaboration and profit-sharing agreements	(1,755)	(1,546)	+18
Amortisation of intangible assets	(614)	(619)	+1
Impairment of property, plant and equipment	(3)	(40)	-93
Impairment of intangible assets	-	-	-
Total	(9,502)	(9,032)	+8

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1. ¿Cuáles son los principales hitos financieros alcanzados en el ejercicio 2007 por el Grupo Roche?

2. ¿A qué hace referencia EBITDA? ¿Qué mide este indicador financiero?

3. ¿A qué hace referencia la unidad “intangible asset impairment”? ¿A qué tipo de activos se refiere? ¿Qué otro tipo de activos existen?

4. Explica los siguientes términos y expresiones que aparecen en el texto:

- Operating profit
- Operating profit margin
- Royalties
- Operating income
- Cost of sales
- Out-licensing agreements
- Amortisation of intangible assets