

BioSuppliers Segment Analysis

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The table in the segment analysis for BioSuppliers on Page 77 in the July 2006 issue is incorrect. The corrected version of the table is given in this page.

The business revenues of Waters, Spinco Biotech, Shimadzu, GE Healthcare, and Wipro BioMed on page numbers 84, 86, 92, 98, and 104 respectively as mentioned in the revenue box of the respective profiles of the Top 20 companies, do not match with those in the Top 20 Suppliers Table on Page 77.

It may be clarified that the revenue boxes in the "Top 20 BioSuppliers" profiles are to highlight the life sciences revenues and not the total revenues.

The errors are regretted.

-Editor.

Clarification on Waters India

We need a proper explanation on the following related to the Industry survey covering the Top 20 BioSuppliers.

1. You have shown correctly in the Waters page our turnover as Rs 184.5 crore and rated us below two companies who are at Rs 172.44 crore and Rs 163 crore respectively.

2. We are unable to comprehend your table on Page 77 on the survey. How did you arrive at Rs 160 crore for 2004-05 performance?

Our management has taken objection for ambiguous use of facts in the industrial survey and wants a written clarification for the same at the earliest.

G Kochu Sankar, GM(Marketing) Waters (India), Bangalore

Editor Replies

It may be clarified that Waters India filled the detailed survey questionnaire that BioSpectrum had sent. The total turnover of Waters India was mentioned as Rs 184.5 crore (\$41 million) for FY 2005-06. This is the total turnover of the company. The ranking on Page 77 was based on the figure of Rs 160 crore, a BioSpectrum estimate as business to the life sciences sector. This figure was taken as an estimate as the company had clearly mentioned in the questionnaire that it does not report revenue split in terms of sales to biotech application, as it is difficult to track if the product was used for biological application or pure synthetic chemistry. Further, it had mentioned that 80 percent of its business could be classified under instruments.

BioSpectrum estimated the revenue of Rs 160 crore on the same parameters that were considered for other companies. Waters products are used by pharmaceutical, life science, biochemical, industrial, university, and government scientists in research and development, quality assurance, and other laboratories. They have mentioned that the prominent customers of Waters in India include major biotech and pharmaceutical companies and major testing centers. We assumed that a section of these testing centers would be outside the life sciences segment. The website of the company indicates the major industry areas that Waters caters to, and only some of them would fall under the life sciences category like pharmaceutical, proteomics, and life sciences.

While those industry areas not considered include forensics, environmental, food and beverage, nutraceutical, food safety, fine and specific chemicals and polymers.

Most of the companies under the BioSuppliers category have a combined life sciences and chemical analysis division and based on the total revenues of that division, certain discounting is done, which accounts for the sale of equipment for the chemical analysis. Based on the various industry segments to which Waters caters, the same has been done and we arrived at the figure of Rs 160 crore.

Since Waters has raised an objection, we shall once again revisit all the figures and produce the revised ranking table, if required, after taking the feedback from the rest of the players too, in our September issue. We have requested Waters to share more information on its business revenues too to help us arrive at the right figure.