

Generic medicines hit Novartis profits

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Swiss drugmaker Novartis on Tuesday posted a drop in first half profits amid fierce competition for generic medicines and pricing pressures but said it was set to reach annual targets.

January-June net core income dropped 5 percent to \$3.6 billion (3.1 billion euros), as overall first half sales dipped one percent to \$23.7 billion, despite a six percent rise in volume, the group said.

Those volumes were buoyed by two medicines deemed to have strong potential—heart [drug](#) Entresto and Cosentyx, a treatment for psoriasis.

Stiff competition for generic [medicine](#)—not least copy cat drugs for its blockbuster cancer drug Gleevec—has eaten away some 3 percent of current profit margins, while price pressures have accounted for another 2 percent.

For the outlook for the year as a whole Novartis reconfirmed its objectives in saying it expected global sales this year to hit similar levels to 2016.

In January, the group announced total sales of \$48.5 billion for 2016.

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