

# RANBAXY CONTINUES TO IMPROVE PERFORMANCE ACROSS DEVELOPED AND EMERGING MARKETS

[May 10, 2011:](#)

The Board of Directors of Ranbaxy Laboratories Limited (RLL), at their meeting held today, took on record the unaudited results for the quarter ended March 31, 2011.

## Key Financial Highlights

### Financial Performance for the quarter ended March 31, 2011 (Q1'11)

Ranbaxy's base business Sales, EBITDA and PAT continued to improve and were higher than the corresponding quarter. Revenue and profitability numbers for Q1, 2010 and 2011 are not strictly comparable, because of the varying FTF contributions to the overall results.

- **Consolidated net sales** were \$474 Mn ( ₹21,468 Mn) [Q1'10: Sales \$541 Mn ( ₹24,847 Mn)]
- **Earnings before Interest, Tax, Depreciation & Amortization (EBITDA)** was 20% of Sales at \$95 Mn ( ₹4,284 Mn) [Q1'10: EBITDA \$214 Mn ( ₹9,839 Mn)]
- **Profit After Tax (PAT) was \$67 Mn ( ₹3,044 Mn)** [Q1'10: \$209 Mn, ( ₹9,606 Mn)]
- **Foreign exchange fluctuation impact in the quarter was insignificant**

**Commenting on the business results for the quarter, Mr. Arun Sawhney, Managing Director, Ranbaxy, said,** "We have started the year on a positive note and I am pleased with the sustained performance of key geographies as they continued to deliver superior sales. Leadership initiatives such as Viraat, in India, and a change in business models in some geographies, have also provided further impetus."

## Key Highlights/Developments

- The Company delivered strong operating margins during the quarter. This was largely on account of better performance in India, the USA, Romania and Africa.
- Project Viraat is progressing as per plan. Ranbaxy grew faster than the Indian Pharmaceutical Market (IPM). The Company improved its market share to 4.78%, as compared to 4.63% in Q1'10. (IMS SSA Audit for the period Jan-Mar 2011).
- Performance in the USA was aided by growth in the base business and continued sales of Donepezil, a First-to-File product launched in Q4'10.
- Ranbaxy redeemed the \$440 Mn Foreign Currency Convertible Bonds, on the due date.
- Synergy projects with Daiichi Sankyo Co. Limited (DS) during the quarter included the marketing of 4 DS products, in Singapore, including Cravit®

(levofloxacin). Both companies continue to work on multiple other manufacturing and cost reduction projects.

- The Company continues to co-operate with the US Food & Drug Administration and the Department of Justice for a comprehensive solution to address its regulatory issues.
- During the quarter, over 10 regulatory agencies from across the globe, inspected and approved Ranbaxy's API and Dosage Form (DF) facilities, in multiple locations.
- For DF, the Company made 54 filings and received 29 approvals. For APIs, a total of 57 filings were made, and 31 approvals were received during the quarter.

## Global Sales

Consolidated sales for the quarter were \$474 Mn ( ₹21,468 Mn) as compared to \$541 Mn ( ₹24,847 Mn) in the corresponding quarter, previous year. Emerging markets contributed \$237 Mn in sales, a growth of 12%. Developed markets recorded sales of \$212 Mn.

- **North America:** Sales in the region were \$170 Mn ( ₹7,691 Mn) primarily due to higher contribution of FTF sales, in Q1'10. USA recorded sales of \$155 Mn ( ₹7,018 Mn) in the Quarter.
- **Europe:** The region recorded sales of \$74 Mn ( ₹3,365Mn), a growth of 10%. Romania, with sales of \$27 Mn was a key driver.
- **India:** In the home market, sales were ₹4,357 Mn (\$ 96 Mn), a growth of 14% in INR terms. Of this, Sales in the Consumer Healthcare business stood at ₹590 Mn (\$13 Mn), a growth of 35%.
- **Asia Pacific:** The region recorded sales of \$17 Mn ( ₹763 Mn), a growth of 17%, on account of higher sales in some smaller markets.
- **CIS:** The region registered sales of \$26 Mn ( ₹1,187 Mn), a growth of 10% over the corresponding quarter.
- **Africa:** Sales in the region were \$45 Mn ( ₹2,018 Mn), a growth of 16%. Sales in LATAM were \$16 Mn. ( ₹720 Mn).
- **Active Pharmaceutical Ingredients** business had sales of \$25 Mn ( ₹1,148 Mn).

Ranbaxy Laboratories Limited, India's largest pharmaceutical company, is an integrated, research based, international pharmaceutical company producing a wide range of quality, affordable generic medicines, trusted by healthcare professionals and patients across geographies. Ranbaxy's continued focus on R&D has resulted in several approvals, in developed and emerging markets many of which incorporate proprietary Novel Drug Delivery Systems (NDDS) and technologies, developed at its own labs. The company has further strengthened its focus on generics research and is increasingly working on more complex and specialty areas. Ranbaxy serves its customers in over 125 countries and has an expanding international portfolio of affiliates, joint ventures and alliances, ground operations in 46 countries and manufacturing operations in 7 countries. Ranbaxy is a member of the Daiichi Sankyo

Group. Through strategic in-licensing opportunities and its hybrid business model with Daiichi Sankyo, a leading global pharma innovator headquartered in Tokyo, Japan, Ranbaxy is introducing many innovator products in markets around the world, where it has a strong presence. This is in line with the company's commitment to increase penetration and improve access to medicines, across the globe.