

RANBAXY DELIVERS CONTINUED GROWTH IN SALES AND PAT FOR Q3, 2010 SALES FOR THE QUARTER AT USD 406 MILLION (+13%), PAT AT 16.5% OF SALES

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The Board of Directors of Ranbaxy Laboratories Limited (RLL) at their meeting held today, took on record the unaudited results for the quarter ended September 30, 2010 ("Q3'10" or the "Quarter").

Key Financial Highlights

Financial Performance for the quarter ended September 30, 2010

- Consolidated sales were at USD 406 Mn (Rs. 18,872 Mn), a growth of 13% over Q3'09. [Q3'09: USD 356 Mn (Rs. 17,205 Mn)].
- Earnings before Interest, Tax, Depreciation & Amortization (EBITDA) was at USD 29 Mn (Rs. 1,386 Mn), a margin of 7% to sales. [Q3'09: USD 44 Mn (Rs. 2,133 Mn)].
- Profit after tax was USD 67 Mn (Rs. 3,128 Mn), a margin of 16.5%. [Q3'09: USD 24 Mn, (Rs. 1,166 Mn)].

Financial Performance for nine months ended September 30, 2010

- Consolidated sales were at USD 1,405 Mn (Rs 64,803 Mn), a growth of 32%.
- Earnings before Interest, Tax, Depreciation & Amortization (EBITDA) was at USD 349 Mn (Rs. 16,087 Mn), reflecting a margin of 25%.
- Profit after tax was at USD 349 Mn (Rs. 16,079 Mn), a margin of 25%.

Commenting on the business results for the Quarter, Mr. Arun Sawhney, Managing Director, Ranbaxy, said, "Our key markets continued to perform well attributable in large measure to balanced sales across geographies. This has also been aided by the favorable forex movement. As we move forward, our focus will be on bettering operational performance, maximizing synergies with Daiichi Sankyo and on seeking a speedy resolution to the challenges in the USA."

Key Highlights/Developments

- The Company's net margin improved during the Quarter in comparison to the corresponding quarter in the previous year. This was largely, on account of continuing sales of Valacyclovir, post exclusivity and good growth in most key markets. Valacyclovir was a First-to-File (FTF) product in the USA.
- Major markets/businesses including North America, India, Consumer Healthcare, Romania, CIS, and Latin America grew during the Quarter.

- Continuing to leverage the Hybrid Business Model being pursued by Ranbaxy and Daiichi Sankyo Co. Ltd., Japan (DS), the companies announced plans for Ranbaxy to market Tavanic® (Levofloxacin), in Romania and South Africa. Levofloxacin is a synthetic antibacterial agent originally discovered by DS.
- Globally, the Company made 37 filings and received 47 approvals for dosage forms during the Quarter.
- Ranbaxy is co-operating fully with the US FDA and the Department of Justice, for early and comprehensive resolution of all outstanding issues. The Company has put in place enhanced systems and processes in upgrading its manufacturing and R&D facilities. This makes the company pro-actively compliant for inspection by regulators.

Global Sales

- During the Quarter, emerging markets recorded sales of USD 238 Mn, a growth of 5%, and a contribution of 59%, to global sales. Sales in developed markets were at USD 145 Mn, a growth of 36%.
- North America region recorded sales of USD 105 Mn (Rs. 4,912 Mn) for the Quarter, an increase of over 70%. Growth was robust largely on account of Valacyclovir which continued to enjoy a healthy market share of ~36%, even after loss of exclusivity and better performance by most business segments.
- Europe recorded sales of USD 60 Mn (Rs. 2,769 Mn), a de-growth of 5% during the Quarter. In Romania, the growth momentum continued during the Quarter, and the Company posted a strong increase of 20% in revenue.
- India sales were at Rs. 4,930 Mn (USD 106 Mn), a growth of 18% over the corresponding previous quarter.
- The CIS region recorded sales of USD 26 Mn (Rs. 1,209 Mn), a growth of 11%.
- Africa achieved sales of USD 35 Mn (Rs. 1,644 Mn), a de-growth of 6% versus the corresponding previous quarter.
- The API business recorded sales of USD 23 Mn (Rs. 1,082 Mn), a de-growth of 12% vis-à-vis the corresponding previous quarter.
- Rest of the World sales were at USD 51 Mn (Rs.2,326 Mn), a de-growth of 12% on account of divestment of certain businesses in China and Japan last year. Growth, adjusted for divested businesses, was 2% for the Quarter.