

# RANBAXY SALES GREW OVER 55% WITH IMPROVEMENT IN BASE BUSINESS PROFITABILITY

[May 09, 2012:](#)

**The Board of Directors of Ranbaxy Laboratories Limited (RLL, NSE: RANBAXY, BSE: 500359), at their meeting held today, took on record the unaudited results for the Quarter ended March 31, 2012 (the “Q1’12”) under Indian GAAP.**

**Gurgaon, India, May 09, 2012**

The Board of Directors of Ranbaxy Laboratories Limited (RLL, NSE: RANBAXY, BSE: 500359), at their meeting held today, took on record the unaudited results for the Quarter ended March 31, 2012 (the “Q1’12”) under Indian GAAP.

## **Key Financial Highlights**

Financial Performance for the quarter ended March 31, 2012 (Q1 ’12)

- Consolidated sales were ₹37,002 Mn (\$736 Mn) [Q1’11: Sales ₹21,453 Mn (\$474 Mn)] (A growth of 55% over the corresponding quarter).
- Earnings before Interest, Tax, Depreciation & Amortization (EBITDA) was 27% of Sales at ₹10,152 Mn (\$202 Mn) [Q1’11: EBITDA ₹4,261 Mn (\$94 Mn)].
- Profit After Tax (PAT) of ₹12,468 Mn (\$248 Mn) [Q1’11: ₹3,044 Mn (\$67 Mn)]

Commenting on the business results for the Quarter, Mr. Arun Sawhney, CEO & Managing Director, Ranbaxy, said, “The focus on key products and markets, while maintaining emphasis on further strengthening quality and compliance standards has had a positive impact on the performance of Ranbaxy during the Quarter. The Company is working towards creating a sustainable, profitable, growing business in the long run with differentiated, branded generics business at its base.

An important development has been the resumption of exports to the USA from our Indian facility.

Efforts to improve the effectiveness and efficiency of resource deployment continues, which is expected to result in further improving our base business in the coming quarters.

## **Key Highlights/Developments**

Business and Financial

- Ranbaxy continued its robust sales, aided by further improvement in base business sales and strong sales contribution from exclusivities.

- Improvement in Sales and Profitability on base business continued in the Quarter.
- Recorded growth on most major markets including North America, Western Europe, Asia Pacific and Active Pharmaceutical Ingredients business (API).
- India region primary sales growth was over 10% in Rupee terms. Consumer Healthcare (CHC), Ranbaxy's OTC division, continued its robust sales performance with primary sales growth of over 20%.
- USA base business continued to be strong. Robust sales of products under exclusivity; viz Atorvastatin and Amlodipine+Atorvastatin in the quarter.
- Consolidated on product and market focus further, with the launch of Atorvastatin as the first generic in multiple markets including West Europe and Australia.
- RanTM- Rosuvastatin tablets, first generics to be launched in Canada through an agreement with the innovator.
- As a further step in the Hybrid Business Model, Daiichi Sankyo Co. Limited (DS) and Ranbaxy worked together to promote only Atorvastatin in Germany.
- The Indian Rupee strengthened against the US\$ in the Quarter. This led to reversal of \$87 Mn (₹ ~4,396 Mn) of the marked to market losses on derivative options outstanding and foreign currency loans. The impact has been accounted for below the EBITDA line.

#### Regulatory, Research & Development and Manufacturing

- Ranbaxy launched India's first new drug, Synriam<sup>TM</sup> on World Malaria day, April 25, 2012, for the treatment of Plasmodium falciparum malaria, in adults.
- During the Quarter, 10 regulatory agencies from across the globe including the USFDA, World Health Organization, European Union, African regulatory authorities, inspected Ranbaxy's API and Dosage Form (DF) facilities, in India and various locations across the world.
- The Company made 53 Dosage Form (DF) filings and received 20 approvals. For APIs, Ranbaxy made 13 DMF submissions during the Quarter.
- In January 2012, Ranbaxy announced court approval of the Consent Decree (CD) filed with the US Food and Drug Administration (FDA). The CD is expected to address legacy issues and bring greater predictability to the Company's business in the USA.
- Ranbaxy established a new manufacturing base in Morocco, paving the way for a direct business presence in North Africa.

The Company's Mohali manufacturing facility began supply of Atorvastatin tablets to the US market after receiving approval from the US FDA in April 2012.

#### Global Sales

Consolidated sales for the Quarter were \$736 Mn (₹37,002 Mn) as compared to \$474 Mn (₹21,453 Mn) in the corresponding quarter, of the previous year. Emerging markets contributed \$232 Mn, accounting for ~32% of total sales. Developed markets recorded

\$470 Mn of sales and contributed 64% to total sales for the Company. API and others accounted for the remaining revenue of \$34 Mn for the Quarter.

North America: Sales for the Quarter was \$416 Mn ( ₹20,934 Mn) [Q1 2011 sales \$170 Mn ( ₹7,691 Mn)]. USA had healthy base business sales and continued sale of 2 exclusivities viz Atorvastatin and Amlodipine+Atorvastatin.

India including CHC and Sri Lanka: Sales for the Quarter was ₹5,002 Mn (\$99 Mn) [Q1 2011 sales ₹4,422 Mn (\$98 Mn)]. India business primary sales growth was 10%+ in Rupee terms, impacted by stronger Rupee in the Quarter.

Europe & CIS: Sales for the Quarter was \$101 Mn ( ₹5,075 Mn) [Q1 2011 sales \$ 101 Mn ( ₹4,552 Mn)]. Some of the sales growth is impacted by the weaker Euro against the \$. Launched Atorvastatin in multiple markets in the region.

APAC, ME, Africa, LATAM and API: Sales for the Quarter was \$119 Mn ( ₹5,992 Mn) [Q1 2011 sales \$106 Mn ( ₹4,787 Mn)].

### **About Ranbaxy Laboratories Limited**

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 43 countries and manufacturing operations in 8 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.