

RANBAXY'S BASE BUSINESS ACROSS GEOGRAPHIES CONTINUES TO DELIVER STRONG RESULTS

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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 and Half year ended June 30, 2011 (the "Q2'11" and "H1'11" respectively) under Indian GAAP.

Key Financial Highlights

Financial Performance for the quarter ended June 30, 2011 (Q2'11)

Revenue and profitability numbers for Quarter 2, 2010 and 2011 and for Half Year ("H1'11") ended June 30, 2011 are not strictly comparable, because of the varying FTF contributions to the overall results.

- **Consolidated net sales** were \$461 Mn (₹20,593 Mn) [Q2'10: Sales \$456 Mn (₹20,953 Mn)] (Base business growth ~18% over the corresponding quarter)
- **Earnings before Interest, Tax, Depreciation & Amortization (EBITDA)** was 10% of Sales at \$48 Mn (₹2,135 Mn) [Q2'10: EBITDA \$91 Mn (₹4,168 Mn)].
- **Profit After Tax (PAT) was \$54 Mn (₹2,432 Mn)** [Q2'10: \$71 Mn, (₹3,257 Mn)]

Financial Performance for the half year ended June 30, 2011 (H1'11)

- **Consolidated net sales** were \$935 Mn (₹42,056 Mn) [H1'10: Sales \$996 Mn (₹45,791 Mn)] (Base business growth ~16% over the corresponding period)
- **Earnings before Interest, Tax, Depreciation & Amortization (EBITDA)** was 15% of Sales at \$143 Mn (₹6,419 Mn) [H1'10: EBITDA \$313 Mn (₹14,410 Mn)]
- **Profit After Tax (PAT) was \$122 Mn (₹5,476 Mn)** [H1'10: \$280 Mn, (₹12,863 Mn)]

Commenting on the business results for the quarter, Mr. Arun Sawhney, Managing Director, Ranbaxy, said "We have consciously worked towards strengthening our base business on the one hand and successfully delivering on multiple first to file opportunities on the other."

Key Highlights/Developments

Business

- The Company's base sales, i.e. sales without accounting for exclusivities have continued to strengthen.

- Improved top line performance in the Quarter has been driven by India, Europe, Romania, Asia Pacific, CIS, Africa and Active Pharmaceutical Ingredients business (API).
- Project Viraat, Ranbaxy's initiative for the India market has gained ground with a growth rate 18% as compared to 15% for the Indian Pharma market (IMS YTD June 2011). Market share of the Company also improved to 4.79% (IMS SSA Audit YTD June 2011), when compared with 4.63% (IMS SSA Audit YTD June 2010).
- The USA base business continued to be robust. During the Quarter, exclusivity on Donepezil, a First-to-File product launched in Q4'10 came to an end.
- Synergy projects with Daiichi Sankyo Co. Limited (DS) during the Quarter included exploratory work on multiple front-end, manufacturing and cost reduction projects.
- In relation to a competitor's petition to block Ranbaxy's generic Lipitor (Atorvastatin), a decision was rendered by the US District Court in the favor of the United States Food and Drug Authority (USFDA) & Ranbaxy.
- Ranbaxy launched Olanzapine Tablets, the generic version of Zyprexa, on Day-1 in Spain. Zyprexa is the innovator product of Eli Lilly with a market size of \$ 210 Mn (Source: Spain 2010 IMS Data).

Regulatory, Research & Development

- Ranbaxy continued to co-operate with the USFDA and the Department of Justice for a comprehensive solution to its regulatory issues. Negotiations with the regulators are progressing well.
- During the Quarter, 10 regulatory agencies from across the globe including USFDA, World Health Organization, European Union etc., inspected Ranbaxy's API and Dosage Form (DF) facilities, in multiple locations across the world, including India.
- Ranbaxy has filed an Abbreviated New Drug Application (ANDA) with the USFDA seeking approval to market Oxycodone Hydrochloride Extended-Release tablets in the 30, 40, 60 and 80 mg strengths.
- For DF, the Company made 38 filings and received 26 approvals. For APIs, a total of 33 DMF submissions were made during the quarter.

Global Sales

Consolidated sales for the Quarter were \$461 Mn (₹20,593 Mn) as compared to \$456 Mn (₹ 20,953 Mn) in the corresponding quarter, of the previous year. Emerging markets contributed \$261 Mn, accounting for 57% of total sales. Developed markets recorded \$157 Mn of sales and contributed 34% to total sales for the Company. API and others accounted for the rest of the revenue for the Quarter.

- **North America:** Sales in the region were \$112 Mn (₹4,977 Mn) aided by FTF sales, in Q2'11. USA recorded total sales of \$95 Mn (₹ 4,229 Mn) in the Quarter; base business sales also continued to be healthy.

- **Europe:** The region recorded sales of \$79 Mn (₹3,557 Mn), a growth of 15% year on year. Romania, with sales of \$30 Mn was a key driver.
- **India:** In the domestic market, sales were ₹4,822 Mn (\$ 108 Mn), a growth of 11%. Of this, Sales in the Consumer Healthcare business stood at ₹759 Mn (\$17 Mn).
- **Asia Pacific:** The region recorded sales of \$23 Mn (₹1,039 Mn), a growth of 24%, on account of higher sales in most of the markets.
- **CIS:** The region registered sales of \$21 Mn (₹949 Mn), a growth of 5% over the corresponding quarter.
- **Africa:** Sales in the region were \$51 Mn (₹2,296 Mn), a growth of 33% helped by Tender sales contribution. Sales in LATAM were \$17 Mn. (₹761 Mn).
- **Active Pharmaceutical Ingredients (API)** business had strong sales of \$40 Mn as compared to previous year aided by sales of Esomeprazole API to AstraZeneca.

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.