

RANBAXY DELIVERS QUARTERLY SALES OF OVER USD 500 MN FOR THE FIRST TIME RECORDS PROFIT AFTER TAX OF USD 210 MN

[May 11, 2010:](#)

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, 2010.

Key Financial Highlights

Financial Performance for the quarter ended March 31, 2010 (Q1'10)

- Consolidated net sales were at USD 542 Mn (Rs 24,902 Mn), a growth of 65% (at constant forex) over Q1'09 [Q1'09: USD 313 Mn (Rs. 15,584 Mn)]. Earnings before Interest, Tax, Depreciation & Amortization (EBITDA) was 55% of Sales at USD 298 Mn (Rs.13,711 Mn) [Q1'09: Loss of USD 201 Mn (Rs. 10,010 Mn)].
- Operational EBITDA, excluding forex translations, was 42% of Sales against break even in Q1'09.
- Profit After Tax (PAT) was USD 210 Mn (Rs. 9,631 Mn) [Q1'09: Loss of USD 153 Mn, (Rs. 7,610 Mn)].
- However, Operational PAT, excluding forex translations, was USD 143 Mn (Rs. 6,571 Mn), as against loss of USD 5 Mn (Rs. (262) Mn) in Q1'09.

Commenting on the business results for the quarter, Mr. Atul Sobti, CEO and Managing Director, Ranbaxy, said, "Solid growth in key geographies, along with optimal delivery value from First-to-File opportunities in the USA, ensured that we achieved yet another quarter of strong operational performance. We also launched Project Viraat, a comprehensive program aimed at India leadership, in January."

Key Highlights/Developments

- The trend of improvement in the Company's operating margins continued during the Quarter. The improvement was on account of robust growth in key markets, monetization of First-to-File (FTF) opportunities in the USA, and a continued focus on costs.
- In the USA, Valacyclovir, an FTF product launched in Q4'09, has achieved a market share of over 60%. The Company also launched an authorised generic of Oxycodone ER tablets, during the Quarter.
- During the Quarter, the Company entered the Vaccines arena, with the acquisition of product rights and a manufacturing facility from Biovel Lifesciences, based in Bangalore. Along with Ranbaxy's earlier entry into Biologics, this new space provides a high potential future growth area for the Company.

- The Company settled a patent litigation with Takeda Pharmaceutical Company Limited, which will enable Ranbaxy to launch its generic version of Pioglitazone Hydrochloride (Actos®) in the USA, in August 2012, or earlier under certain circumstances.
- Project Viraat rolled out in India, with an aim to attain leadership position in the Indian pharmaceutical market.
- Several synergy projects with Daiichi Sankyo Co. Limited (DS) are under various stages of execution. In Japan, DS announced the establishment of a new company, Daiichi Sankyo Espha Co. Ltd. (DSECL) to market generic drugs. Ranbaxy will have the opportunity to develop, manufacture and supply products to DSECL, for the Japanese market.
- The Company continues to co-operate with the US FDA and the Department of Justice, for early resolution of all outstanding issues. Various inspections were conducted by other regulators from across the world, and Ranbaxy remains compliant for supply. During the quarter, as already reported, the Company's US subsidiary, Ranbaxy Pharmaceuticals Inc., conducted a voluntary recall of two specific batches of a product. While Ranbaxy tested the batches in question and found them to be within specification, based on a limited number of complaints, the Company decided to recall the batches as a matter of caution, given its commitment to the health and safety of patients.
- During the Quarter, the Company made 43 filings and received 45 approvals for dosage forms. For APIs, a total of 34 filings were made, and 33 approvals were received.

Global Sales

Consolidated sales in the Quarter were USD 542 Mn (Rs. 24,902 Mn), 65% growth over Q1'09. Sales in emerging markets were USD 212 Mn, a growth of 15%, and contributed 39% to sales. Developed markets recorded sales of USD 304 Mn, a growth of 145%, primarily on account of FTF revenues in USA.

- **North America:** Sales in the region were USD 264 Mn (Rs. 12,106 Mn), a growth of 222%. USA recorded sales of USD 251 Mn (Rs. 11,515 Mn), exhibiting buoyant growth of 266%, primarily driven by FTF sales.
- **Europe:** The region recorded sales of USD 67 Mn (Rs. 3,100 Mn), a growth of 10%. Sales in Romania showed a recovery during the Quarter, and grew by 14%.
- **India:** The domestic pharmaceuticals business recorded sales of Rs. 3,452 Mn (USD 75 Mn), a growth of 6% in INR terms. Excluding a large government tender in Q1'09, the growth was 15%. Sales in the Consumer Healthcare business were at Rs. 436 Mn (USD 10 Mn), a growth of 50%. Revital is now the 6th largest product in the Indian Pharmaceutical Market (MAT Feb'10). Ranbaxy continued to be the 2nd largest Company with 4.9% market share (MAT Feb'10) in the Indian pharmaceutical market.

- **Asia Pacific:** The region recorded sales of USD 14 Mn (Rs. 662 Mn), a de-growth of 38%, primarily due to divestment of certain businesses in Vietnam and China in the previous financial year.
- **CIS:** Sales in the region recovered well to USD 24 Mn (Rs. 1,097 Mn), a growth of 26%.
- **Africa:** The region recorded sales of USD 39 Mn (Rs. 1,770 Mn), a growth of 30%.
- **Latin America:** The region achieved sales of USD 19 Mn (Rs. 895 Mn), a growth of 40%.
- **Active Pharmaceutical Ingredients** business recorded sales of USD 25 Mn (Rs. 1,165 Mn), a growth of 11%.

Sales growth % are calculated at constant exchange rate over Q1'09, unless specified otherwise.