

RANBAXY ACHIEVES USD 1 BILLION REVENUE AND USD 282 MN PAT FOR H1'2010. AFTER RECORD Q1 SALES, Q2 GROWTH AT 22%

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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 June 30, 2010 (the "Quarter").

Key Financial Highlights

Financial Performance for the quarter ended June 30, 2010 (Q2'10)

- Consolidated sales were at USD 458 Mn (Rs 21,029 Mn), a growth of 22% over Q2'09. [Q2'09: USD 368 Mn (Rs. 17,953 Mn)].
- Earnings before Interest, Tax, Depreciation & Amortization (EBITDA) was at USD 90 Mn (Rs. 4,168 Mn), a margin of 20% to sales. [Q2'09: USD 11 Mn (Rs. 568 Mn)].
- Profit after tax was USD 72 Mn (Rs. 3,320 Mn), a margin of 16%. [Q2'09: USD 139 Mn, (Rs. 6,931 Mn)]. Operational PAT, i.e. PAT excluding forex and exceptional items was USD 100 Mn (Rs. 4,574 Mn). [Q2'09: USD 2 Mn (Rs. 93 Mn)].

Financial Performance for the half year ended June 30, 2010 (H1'10)

- Consolidated sales were at USD 999 Mn (Rs 45,931 Mn), a growth of 42% over H1'09. [H1'09: USD 682 Mn (Rs. 33,537 Mn)].
- Earnings before Interest, Tax, Depreciation & Amortization (EBITDA) was USD 313 Mn (Rs. 14,410 Mn), a margin of 31% to sales. [H1'09: USD 2 Mn (Rs. 106 Mn)].
- Profit after tax was USD 282 Mn (Rs. 12,951 Mn), a margin of 28%. [H1'09: loss of USD (14) Mn, (Rs. (679) Mn)]. Operational PAT, i.e. PAT excluding forex and exceptional items was USD 205 Mn (Rs. 9,442 Mn). [H1'09: USD (13) Mn (Rs. (639) Mn)].

Commenting on the business results for the Quarter, Mr. Atul Sobti, CEO and Managing Director, Ranbaxy, said, "The Company delivered another quarter of good growth as a result of our effort to maximize First-to-File opportunities in the USA, and a healthy operational performance led by key geographies. The transfer of New Drug Discovery Research assets to Daiichi Sankyo will provide a sharper focus to our R&D effort, in our core area of generics. This is in line with our commitment to optimize synergies through the Hybrid Business Model." Mr. Sobti further added, "I am proud to share that Ranbaxy has stepped into its 50th year of incorporation. I would like to take this opportunity to

thank all stakeholders for reposing their confidence, and being part of this enriching journey.”

Key Highlights/Developments

- The Company’s operating margins improved during the Quarter vis-à-vis corresponding previous quarter, on account of sales of First-to-File (FTF) products in the USA, and balanced growth across markets.
- Most markets/businesses grew during the Quarter with robust growth across some of the Company’s key markets/ businesses, including USA; Europe, led by Romania; CIS led by Russia, and India.
- To sharpen its focus on generics, the Company reached an agreement to transfer its New Drug Discovery Research assets, to Daiichi Sankyo India Pharma Pvt Ltd (DSIN).
- Ranbaxy launched Atorvastatin in Canada and South Africa. The launch in Canada, was under the Company’s global settlement with Pfizer®. In South Africa, Ranbaxy was the first to launch a generic version in the market.
- Valacyclovir, an FTF product in the USA, achieved a peak market share of 74% before the end of exclusivity during the Quarter.
- The Company introduced Daiichi Sankyo’s innovative anti-platelet drug Prasita™ (Prasugrel), in India. During the Quarter, Ranbaxy launched 31 new products in India, including 3 in-licensed products.
- The Company made 32 filings and received 35 approvals for dosage forms during the Quarter. For APIs, a total of 19 (15 APIs) filings were made, and 32 (15 APIs) approvals were received.
- The Company continues to co-operate with the US FDA and the Department of Justice, for early resolution of all outstanding issues. The Company’s facilities underwent inspections by other regulators, and Ranbaxy remains compliant for supply.
- During the Quarter, emerging markets recorded sales of USD 230 Mn, a growth of 6%, and contributed about 50% to global sales. Sales in developed markets amounted to USD 203 Mn, a growth of 63%.
- North America region recorded sales of USD 160 Mn (Rs. 7,376 Mn) for the Quarter, a growth of 100%. For H1’10, revenues amounted to USD 424 Mn (Rs. 19,482 Mn), a growth of 162% over the previous year, on the back of a successful launch of Valacyclovir.
- Europe recorded sales of USD 69 Mn (Rs. 3,195 Mn), a growth of 15% during the Quarter. For H1, sales were at USD 137 Mn (Rs. 6,295 Mn), up 13% from the previous year. In Romania, the growth momentum continued during the Quarter, and the Company posted a strong increase of 27%, in revenue, during Q2’10.
- India sales were at Rs. 4,487 Mn (USD 98 Mn), almost at the same level as previous corresponding quarter. Excluding tenders, sales grew by 11% during the same period. For H1’10, sales were at Rs. 8,375 Mn (USD 183 Mn). Continuing its healthy performance, the Consumer Healthcare business recorded a growth of 24% during H1’10 and attained No. 1 rank in its represented market during the Quarter.

- The CISregion recorded sales of USD 20 Mn (Rs. 927 Mn), a growth of 33%. For H1'10, sales were at USD 44 Mn (Rs. 2,024 Mn), up by 29% from previous year.
- The Africaregion achieved sales of USD 39 Mn (Rs. 1,774 Mn), a growth of 6% during the Quarter. For H1'10, sales were at USD 77 Mn (Rs. 3,544 Mn), up 16% from the previous year.
- The API business recorded sales of USD 26 Mn (Rs. 1,197 Mn), and USD 51 Mn (Rs. 2,362 Mn) for H1'10.
- Rest of the World sales were at USD 45 Mn (Rs. 2,072), a de-growth of 11%. For H1'10, sales were at USD 83 Mn (Rs. 3,849 Mn), a de-growth of 10%. This was largely on account of divestment of certain businesses in China and Japan. Growth, excluding divested businesses, was 8% for the Quarter.