

RANBAXY

Trusted medicines. Healthier lives

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Press Release

Ranbaxy returns sales growth of 55% in Q2 2012 with stronger profitability; receives approval for multiple value added, differentiated products

Q2 CY 2012 Sales Rs. 31,741 Mn (\$588 Mn), Operating EBITDA, excluding exceptional Forex: Rs. 5,113 Mn (\$95 Mn). Sales growth of 55% in Rupee terms
H1 CY 2012 Sales Rs. 68,695 Mn (\$1,322 Mn), Operating EBITDA, excluding exceptional Forex: Rs. 15,075 Mn (\$293 Mn). Growth of 64% in Rupee terms.

Gurgaon, India/ Johannesburg, South Africa, August 9, 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 and Half year ended June 30, 2012 (the "Q2'12" and "H1'12" respectively) under Indian GAAP.

Key Financial Highlights

Financial Performance for the quarter ended June 30, 2012 (Q2'12)

Revenue and profitability numbers for Quarter 2, 2011 and 2012 and for Half Year ("H1'12") ended June 30, 2012 are of varying FTF contributions to the overall results.

- **Consolidated sales** were Rs. 31,741 Mn (\$588 Mn) [Q2'11: Sales at Rs. 20,537 Mn (\$459 Mn)].

Growth of ~55% over the corresponding quarter on Indian Rupee (INR) terms.

- **Operating Earnings before Interest, Tax, Depreciation & Amortization (EBITDA)**, excluding exceptional forex impact was 16% of Sales at Rs. 5,113 Mn (\$95 Mn) [Q2'11: EBITDA Rs. 2,110 Mn (\$47 Mn)].

Financial Performance for the half year ended June 30, 2012 (H1'12)

- **Consolidated sales** were Rs. 68,695 Mn (\$1,322 Mn) [H1'11: Rs. 41,948 Sales Mn (\$932 Mn)] Business growth ~64% over corresponding quarter on INR terms
- **Operating Earnings before Interest, Tax, Depreciation & Amortization (EBITDA)**, excluding exceptional forex impact was 22% of Sales at Rs. 15,075 Mn (\$293 Mn) [H1'11: EBITDA Rs. 6,239 Mn (\$139 Mn)]

Commenting on the business results for the quarter, Mr. Arun Sawhney, CEO & Managing Director, Ranbaxy, said, "Sales and profitability grew in the Quarter with overall improvement across major regions, aided further by exclusivity sales in some of the key markets. We capitalized on our product focus approach with the successful monetization of the Atorvastatin and Atorvastatin + Amlodipine opportunities. The launch Synriam™, the first new drug from India was one of the high points of the quarter. The strategy to build long term, differentiated value drivers



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was rewarded with two NDA approvals in the dermatological space in the USA.”

Key Highlights/Developments

Business

- Sales and profitability improved over the corresponding period.
 - Sales grew in major markets including USA, India, East Europe & CIS, West Europe and Africa over Q2 2011, on constant forex rates.
- USA sales were robust helped by strong base business and exclusivity sales.
 - Exclusivity of Atorvastatin and Atorvastatin+Amlodipine ended during the quarter.
 - Ranbaxy attained peak market share of over 50% on both products during the exclusivity period. The Company has maintained strong market share and leadership, even after the entry of multiple generic players post exclusivity.
- India sales growth was 13% in INR terms. Sales grew faster than the segment growth in which the Company participates.
- During the quarter, Ranbaxy launched the first new drug from India, Synriam™ for the treatment of Plasmodium falciparum malaria, in adults.
- Expanding on the Hybrid business model with Daiichi Sankyo (DS), Ranbaxy will introduce Sevikar™, a fixed dose combination of Olmesartan Medoxomil and Amlodipine Pesylate in Romania.

Financial

- The depreciation of the INR against the US\$, though favourable to Ranbaxy's export business had an adverse impact on the Company mainly on account of application of the accounting standards to Marking to Market the entire derivatives and foreign currency denominated loans outstanding. There was a net charge of \$160 Mn (Rs.8,759 Mn) on the P&L on account of the forex items.

Regulatory, Research & Development

- Ranbaxy fortified its dermatology portfolio with two approvals from the U.S. Food and Drug Administration (FDA):
 - Absorica™ a novel, patented brand formulation of the acne medication isotretinoin, developed by Cipher, for the treatment of severe recalcitrant nodular acne. The Company expects to launch the product in the USA market by the end of 2012.
 - Ximino™ a novel, patented brand formulation for the treatment of moderate to severe non-nodular acne.
- During the Quarter, 9 regulatory agencies from across the globe including World Health Organization, European Union, Nigeria, Brazil etc., inspected Ranbaxy's API and Dosage Form (DF) facilities, in multiple locations across the world, including India.
- The Company made 51 Dosage Form (DF) filings and received 33 approvals. For APIs, Ranbaxy made 36 Drug Master File (DMF) submissions during the quarter.

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- Progress on the implementation of the Consent Decree has been per plan.
- The Mohali-SEZ manufacturing facility supply of Atorvastatin tablets to the USA expanded further during the quarter. US FDA approval was received in April 2012.

Global Sales

Consolidated sales for the Quarter were \$588 Mn (Rs. 31,741 Mn) as compared to \$459 Mn (Rs. 20,537 Mn) in the corresponding quarter, of the previous year. Emerging markets contributed \$231 Mn, accounting for 39% of total sales. Developed markets recorded \$328 Mn of sales and contributed 56% to total sales for the Company. API and others accounted for the rest of the revenue for the Quarter.

- **North America:** Sales for the quarter were \$272 Mn (Rs. 14,711 Mn), a growth of 140% over Q2 2011, aided by strong base business and FTF sales. USA sales were \$255 Mn (Rs. 13,771 Mn) in Q2 2012.
- **India and Sri Lanka:** Sales for the Quarter were Rs. 5,540 Mn (\$ 103 Mn), growth of 13%, on INR basis over Q2 2011.
- **Europe & CIS:** Sales for the quarter were \$102 Mn (Rs. 5,525 Mn), a growth of 19%, on constant forex basis over Q2 2011. Romania sales were \$21 Mn (Rs. 1,117 Mn), affected by additional “claw-back” charge impact taken during the Quarter. CIS sales were \$25 Mn (Rs. 1,354 Mn), growth of 28% on constant forex basis over Q2 2011.
- **APAC, ME, Africa, LATAM and API:** Sales for the quarter were \$112 Mn (Rs. 6,048 Mn). Emerging market sales were impacted adversely in US Dollar terms due to the strengthening of the \$ against such currencies.

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. For more information, please visit www.ranbaxy.com.



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