

PRESS RELEASE

Ranbaxy surpass 2012 guidance; Crosses Rs.120 Bn in Global sales

Q4 CY 2012 Sales Rs.26,708 Mn

CY 2012 Sales Rs.123 Bn, EBITDA Rs.18,227 Mn

EBITDA margin 15%. Sales growth of 23% in Rupee terms

Gurgaon, India, February 26, 2013: The Board of Directors of Ranbaxy Laboratories Limited (RLL, NSE: RANBAXY, BSE: 500359), at their meeting held today, took on record the audited results for the Quarter and Year ended Dec 31, 2012 ("Q4'12" and "CY'12" respectively) under Indian GAAP.

Key Financial Highlights

Financial Performance for the quarter ended Dec 31, 2012 (Q4'12)

- **Consolidated sales** were Rs.26,708 Mn [Q4'11: Sales Rs.37,520]. While absolute sales declined over the corresponding quarter as Q4'11 sales included a large contribution from exclusivities, on a like-to-like basis sales registered double digit growth.
- **Earnings before Interest, Tax, Depreciation & Amortization (EBITDA)** without considering exceptional items, was Rs.528 Mn. **Net Profit** was a loss of Rs.4,924 Mn.
- Profitability for Q4'12 was primarily impacted by the voluntary recall which impacted the quarter by Rs.1,860 Mn and mark to market (MTM) loss of Rs.2,619 Mn on long term derivative contracts and foreign currency loans owing to a weaker rupee.

Financial Performance for the Year ended Dec 31, 2012 (CY'12)

- **Consolidated sales** were Rs.122,529 Mn [CY 11: Sales Rs.99,700 Mn] Sales growth of 23% in rupee terms over the corresponding year.
- **EBITDA** without considering exceptional items was 15% of Sales at Rs.18,227 Mn [CY 11: EBITDA Rs.16,040 Mn].
- **Profit After Tax (PAT)** was Rs.9,228 Mn [CY 11: Loss of Rs.28,998 Mn]
- PAT for CY'12 was 8% of sales after incorporating one time charges of Rs.1,860 Mn and Rs.1,652 Mn on account of recall and forex MTM mentioned earlier. Base business profitability, excluding forex gains and one-time gains/ losses improved over the previous year.

Commenting on the business results for the quarter, Mr. Arun Sawhney, CEO & Managing Director, Ranbaxy, said,

"2012 was a mixed year for us. While we delivered our strongest ever sales performance monetizing our major key product opportunities, we also faced challenges, primarily the recall of atorvastatin in the US market at the end of the year. We took a proactive action to voluntarily recall atorvastatin from the US market in the best interest of patients. We have since taken several Corrective and Preventive Actions (CAPA) and commenced shipment of the API to our formulation facility in the US."

Adding further, Mr. Arun Sawhney said, "We have made good progress on the Consent Decree honouring all our commitments till date. We continue to remain confident of monetizing our large

ANDAs. In line with our focus on differentiated products and branded strategy for the developed markets, the Company launched Absorica®, as an NDA in the dermatological segment in USA. We have taken significant steps which will position Ranbaxy to emerge stronger with a competitive edge, in the rapidly changing business climate.”

Key Highlights/Developments

Business

- Base business sales in Q4'12 and CY'12 improved by double digits over the corresponding period.
 - Sales grew in major emerging markets of India, Africa and East Europe & CIS over Q4'11. For CY'12, sales improved in all major emerging and developed markets.
- Ranbaxy capitalized on product opportunities. Significant among them were:
 - Launch of India's first new drug, Synriam™, for the treatment of Plasmodium falciparum malaria, in adults. Synriam™ featured amongst the top new product launches in the Indian Pharmaceuticals Market (IPM).
 - Launch of pioglitazone hydrochloride in the US as an authorised generic (AG) (Actos®; Innovator: Takeda; Brand sales: \$2.7 Bn in USA). Ranbaxy gained over 30% market share.
 - Leadership in Atorvastatin + Amlodipine (Caduet® AG) post exclusivity maintained.
 - Launch of Absorica™, the isotretinoin NDA in Nov 2012; market share gain for the branded product has been promising.
 - Launch of cevimeline hydrochloride 30 mg. capsules as an authorised generic in the USA market under the brand name Evoxac®.
- India sales growth at 12% was faster than IPM sales growth.
- Under the Hybrid Business Model, Ranbaxy and Daiichi Sankyo Co. Limited (DS) further strengthened collaboration with the integration of their businesses in Thailand.

Regulatory, Research & Development and Manufacturing

- During Q4'12, 15 regulatory agency inspections from the US FDA, EU Countries/ EMEA, Germany, South Africa and India were conducted at Ranbaxy's global manufacturing sites.
- In January 2012, Ranbaxy announced court approval of the Consent Decree (CD) filed with the US Food and Drug Administration (FDA); progress on the implementation of the Consent Decree has been per plan.
- Ranbaxy received approval to set up a Greenfield manufacturing facility by the Government of Malaysia which will significantly enhance the existing manufacturing capacity and help catering the ASEAN region. Earlier during the year, the Company established a new manufacturing base in Morocco, paving the way for a direct business presence in North Africa.

Global Sales

- Consolidated sales for the Quarter were Rs.26,708 Mn as compared to Rs.37,520 Mn in the corresponding quarter. Sales in Q4'11 were stronger as they had a large contribution from exclusivity sales. On like-to-like basis sales grew in double digits over the corresponding quarter.

Consolidated sales in 2012 were Rs.122,529 Mn as compared to Rs.99,700 Mn in the corresponding year, reflecting a growth of 23% in rupee terms.

Emerging markets contributed Rs.13,628 Mn accounting for ~51% of total sales during the quarter and 41% during the year. Developed markets recorded Rs.10,938 Mn of sales and contributed 41% to total sales for the Company during the quarter and 53% during the year. API and others accounted for the rest of the revenue.

- **North America:** Sales for the Quarter were Rs.8,510 Mn. The region recorded sales of Rs.53,336 Mn for the year, a growth of 28% aided by strong exclusivity sales of Atorvastatin and Amlodipine + Atorvastatin, and post exclusivity sales of these molecules.
 - In USA sales for the quarter were Rs.7,371 Mn and for the year were Rs.49,677 Mn, a growth of 31% over the corresponding period.
- **India (including Sri Lanka and CHC):** In the home market, sales for the Quarter were Rs.5,418 Mn, up 12% from the corresponding quarter. The IPM slowed down to ~9% growth levels during the Quarter and 11% for the year.
 - OTC business (Consumer Healthcare) contributed Rs.1,013 Mn.

Sales for the year were Rs.21,661 Mn, a growth of 12% for the year. Of this, Consumer Healthcare sales contribution was Rs.3,733 Mn.

- **East Europe & CIS:** The region recorded sales of Rs.3,830 Mn, a growth of 17% over the corresponding quarter.

Annual sales were Rs.13,374 Mn, a growth of 8% for the year.

- **West Europe:** Sales for the Quarter were Rs.2,209 Mn, in line with Q4 2011. Sales for the year were Rs.9,509 Mn, a growth of 21% aided by key product launch during the year.
- **Africa:** Sales for the Quarter were Rs.2,656 Mn, growth of 4%. Sales for the year were Rs.9,428 Mn, in line with corresponding year.
- **Asia Pacific (including Middle East):** Sales for the Quarter were Rs.1,354 Mn. Annual sales were Rs.5,715 Mn, a growth of 6% over the corresponding year.
- Sales in **LATAM** were Rs.591 Mn for the quarter and Rs.2,201 Mn for the year.
- **API business** and others had revenues of Rs.2,142 Mn during the quarter and Rs.7,305 Mn for the year.

Outlook for 2013: The Company expects to achieve sales of over Rs. 120 Bn in 2013, while also growing its base business by over 10%.

Note: All sales growth numbers calculated on constant currency, i.e. excluding currency volatility, unless mentioned otherwise

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 150 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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