

For Immediate Release

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## **RANBAXY CROSSES \$2BN IN GLOBAL SALES**

### **Consolidates for next phase of growth**

Attached is the press release by Ranbaxy Laboratories Ltd., a subsidiary of Daiichi Sankyo Co., Ltd., which was issued on February 23, 2012.

**PRESS RELEASE**  
**RANBAXY CROSSES \$2 BN IN GLOBAL SALES**  
**Consolidates for next phase of growth**

Q4 2011 Sales Rs.37,433 Mn (\$736 Mn), EBITDA Rs.9,548 Mn (\$188Mn)  
CY 2011 Sales Rs.99,769 Mn (\$2,114 Mn), EBITDA Rs.18,299 Mn (\$381 Mn)

**Gurgaon, India, February 23, 2012** - 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 December 31, 2011.

**Key Financial Highlights**

**Consolidated Financial Performance for the Quarter ended December 31, 2011 (“Q4 11” or “Quarter”)**

- **Consolidated sales** were Rs.37,433 Mn (\$736 Mn) [Q4'10: Sales Rs.20,907 Mn (\$468 Mn)].
- **Earnings before Interest, Tax, Depreciation & Amortization (EBITDA)** was 25% of Sales at Rs.9,548 Mn (\$188 Mn) [Q4'10: EBITDA Rs. 2,302 Mn (\$53 Mn)].

The Consolidated Financial results took account of significant exceptional charges below the EBITDA line in the Quarter on account of (i) Provision: \$500 Mn in connection with the investigation by the U.S. Department of Justice, and, (ii) Forex: long term outstanding forex call options sold by the Company in earlier years and foreign currency loans marked to market as a matter of prudent accounting. Consequently net loss, after tax and minority interest, of Rs.29,828 Mn (\$586 Mn) was recorded for the Quarter, (iii) During the Quarter, the Company took an exceptional impact of Rs. 1,357 Mn towards impairment and inventory provisions.

**Consolidated Financial Performance for twelve months ended December 31, 2011 (“CY 2011”)**

- **Consolidated sales** were Rs.99,769 (\$2,114 Mn) [CY 2010: Sales Rs.85,507 Mn (\$1,868 Mn)] (Base business, excluding FTF grew over the corresponding period).
- **Earnings before Interest, Tax, Depreciation & Amortization (EBITDA)** was 18% of Sales at Rs.18,299 Mn (\$381 Mn) [CY 2010: EBITDA Rs.18,389 Mn (\$402 Mn)].

Revenue and profitability numbers for the year ended December 31, 2011 are not strictly comparable with the previous year, on account of varying impact of First to File contributions in both years; negative impact due to exceptional items related to provision in connection with the U.S. Department of Justice and Forex Marked to Market as a matter of prudent accounting against a backdrop of unprecedented volatility. Consequently, net loss after tax and minority interest, of Rs.28,997 Mn (\$568 Mn) was recorded for the Year.

**Commenting on the business results, Mr. Arun Sawhney, CEO & Managing Director, Ranbaxy, said,** “I am delighted to share with you that Ranbaxy is the first Pharma Company of Indian origin to have surpassed sales of \$2 Bn. We successfully launched our Atorvastatin, generic Lipitor® in the US. I am satisfied with the progress we are making in resolving the long standing issues with the US regulators. The settlement with the US FDA and provision for eventual penalties that the DOJ may levy, brings greater predictability to our business in the US, one of our largest markets.”

“During the year, we laid emphasis on strengthening our processes, focussing R&D efforts on our chosen therapies, working towards improving manufacturing efficiencies and costs, re-evaluating our brand marketing strategy and directing our energies at markets of greater importance.”

## **Key Highlights/Developments**

### **Business**

- In the US, Ranbaxy successfully launched Atorvastatin with 180 days exclusivity (Generic Lipitor®; Innovator: Pfizer) on Nov 30, 2011. The Company also capitalized on Caduet® as an authorized generic, AG (Atorvastatin + Amlodipine). Lipitor was the largest drug in the world with U.S. sales of \$7.9 Bn (IMS 2010). Market size of Caduet in the U.S. was \$339 Mn.
- Base business, excluding FTF, also registered growth over the corresponding period.
- Sales and EBITDA margins on base business, excluding exceptional items and MTM impact, continued to improve over the corresponding period.
- Recorded growth in most major markets/ businesses including North America, India, Africa and Active Pharmaceutical Ingredients (API) business.
- In India, Ranbaxy growth in the secondary market was 16%, above the 15% growth

rate recorded as a whole for the Indian Pharma market. Market share of the Company also improved to 4.69%, when compared with 4.65% (IMS SSA Audit Dec 2011).

- USA base business continued to be strong.
- Ranbaxy redeemed the \$440 Mn Foreign Currency Convertible Bonds, on the due date.
- Ranbaxy and Daiichi Sankyo Co. Limited (DS) further strengthened the Hybrid Business model. While Ranbaxy will take DS innovator products to market in countries such as Italy, Singapore and Malaysia; DS will gain from Ranbaxy's expertise in Mexico. Taking forward their commitment to society, both companies joined hands on new social contribution projects encompassing India, Cameroon and Tanzania.

### **Regulatory, Research & Development**

- Ranbaxy signed a Consent Decree (CD) agreement with the U.S. FDA which was approved by District Court of Maryland on Jan 26, 2012.
- A provision of \$500 Mn has been made to settle any liabilities, in connection with the investigation of the Department of Justice (DOJ).
- Received permission from the Central Drugs Standard Control Organization (CDSO) to manufacture and market an anti-malaria molecule for treatment of P. Falciparum malaria. This marks the beginning of successful drug development in India with Ranbaxy leading the way
- During the Quarter, 10 regulatory agencies from across the globe including the USFDA, World Health Organization, European Union, Korea, Malaysia etc., inspected Ranbaxy's API and Dosage Form (DF) facilities, in various locations across the world, including India. For the year, 42 inspections were conducted by 18 different regulatory inspection agencies.
- During the year, the Company made 231 Dosage Form (DF) filings and received 180 new approvals. For APIs, Ranbaxy made 160 DMF submissions during the year.

### **Global Sales**

Consolidated sales during the Quarter recorded growth of 57% at Rs.37,433 Mn (\$736 Mn).

Consolidated sales in 2011 were Rs.99,769 Mn (\$2,114 Mn) as compared to Rs.85,507 Mn (\$1,868 Mn) in the corresponding year, reflecting a growth of 13%. Sales in Emerging markets were \$1,003 Mn while Developed markets aided by FTFs had sales of \$966 Mn for the year. API and others accounted for the rest of the revenue.

· **North America:** Sales during the Quarter grew by over 230% to Rs.19,666 Mn (\$407 Mn ) aided by monetization of first to file exclusivities.

The region recorded sales of Rs.38,064 Mn (\$791 Mn) for the year, a growth of 18%. In the USA sales for the year were Rs.34,772 Mn (\$720 Mn), a growth of 27%.

· **India:** During the Quarter sales were Rs.4,818 Mn (\$95 Mn). Ranbaxy's performance has been impacted due to slowdown in the market, especially in Acute therapies, including Anti Infectives in the second half of 2011.

Indian Pharma business recorded sales of Rs.19,513 Mn (\$412 Mn), a growth of 7% for the year. Of this, Consumer Healthcare or the OTC business recorded sales of Rs.3,110 Mn (\$67 Mn), a growth of over 20% for the year.

In the India market, Ranbaxy is working on consolidating its branded presence both in Acute and Chronic segments.

· **Europe:** Sales for the Quarter were at par with those of the corresponding quarter at Rs.3,807 Mn (\$75 Mn). Growth came from the Emerging markets of South & Central Europe.

The region recorded sales of Rs.13,866 Mn (\$297 Mn) for the year, a growth of 11%.

· **CIS:** During the Quarter sales were Rs.1,439 Mn (\$28 Mn), 9% de-growth over the corresponding quarter. The region recorded sales of Rs.5,031 Mn (\$108 Mn), 6% growth for the year.

· **Africa:** During the Quarter sales grew by 18% to Rs. 2,477 Mn (\$49 Mn). Sales in the region were Rs.8,825 Mn (\$189 Mn), which reflect a growth of 23% for the year, aided by tender sales in the region.

· **Asia Pacific** (including Middle East and Sri Lanka): Sales during the Quarter were Rs.1,444 Mn (\$28 Mn), a marginal de-growth over the corresponding quarter.

The region recorded sales of Rs.5,027 Mn (\$108 Mn), a growth of 8% for the year.

Sales in LATAM were Rs.656 Mn. (\$13 Mn) for the Quarter, a de-growth of almost 1/3rd over the corresponding quarter. Sales for the year were Rs.2,826 Mn (\$61 Mn).

· **Active Pharmaceutical Ingredients** (API) and others revenues grew 8% to Rs.2,182 Mn (\$43 Mn) during the Quarter.

API and others grew by 26% to record revenues of Rs.6,774 Mn (\$144 Mn) for the year.

**Outlook:** For 2012, the Company expects to achieve base case sales of \$2.2 Bn not taking into account any upside from FTF exclusivity launched during the year.

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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. For more information, please visit [www.ranbaxy.com](http://www.ranbaxy.com)

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