

For Immediate Release

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Ranbaxy Laboratories Ltd. Jan-Mar 2014 and FY14

Ranbaxy January- March 2014 Sales at Rs.24.4 Bn

Achieved sales guidance with Rs.130.4 Bn for the 15 months period ended March 2014

TOKYO, Japan (May 12, 2014) – Attached is the press release by Ranbaxy Laboratories Ltd., a subsidiary of Daiichi Sankyo Co., Ltd., which was issued on May 9, 2014.

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PRESS RELEASE

Ranbaxy January- March 2014 Sales at Rs.24.4Bn Achieved sales guidance with Rs.130.4Bn for the 15 months period ended March 2014 Growth registered in Base business sales and EBITDA

Gurgaon, India, May 09, 2014: The Board of Directors of Ranbaxy Laboratories Limited (RLL, NSE: RANBAXY, BSE: 500359), at its meeting held today, took on record the audited results for the Quarter and the 15 months period ended March 31, 2014 ("Jan- Mar 2014" and "FY 2014" respectively) under Indian GAAP.

Key Financial Highlights

Financial Performance for the quarter ended March 31, 2014 (Jan- Mar 2014)

- **Consolidated Sales** were Rs.24.4 Bn [Jan- Mar 2013: Sales Rs.24.1 Bn]. Sales grew in major markets of USA, India, West Europe and LATAM
- **Earnings before Interest, Tax, Depreciation & Amortization (EBITDA)** was Rs.1.5 Bn

The Company recorded a net profit before taxes of Rs.0.3 Bn after providing for inventory write-off and other costs of Rs.0.6 Bn. The Company also made a provision of Rs.0.7 Bn for impairment of goodwill in subsidiaries and diminution in the value of an investment in an associate. The Company recorded net foreign exchange gain of Rs.1.1 Bn

Financial Performance for the 15 months period ended March 31, 2014 (FY 2014)

- **Consolidated sales** were Rs.130.4 Bn. Base business sales was led by USA, India, LATAM and East Europe & CIS
- **Earnings before Interest, Tax, Depreciation & Amortization (EBITDA)** was Rs.9.7 Bn

Commenting on the business results for the Quarter, Mr. Arun Sawhney, CEO & Managing Director, Ranbaxy, said, "Despite multiple challenges, Ranbaxy met its sales guidance and continued to build on its strengths. At the same time we continue to work closely with the regulatory agencies to address their concerns."

Key Highlights/ Developments

Business and Financial

- Sun Pharmaceutical Industries Limited ("Sun Pharma") and Ranbaxy Laboratories Limited ("Ranbaxy") announced their intent to merge in an all- stock transaction at a ratio of 0.8 shares of Sun for each Ranbaxy share. The transaction is expected to represent a tax-free exchange to Ranbaxy shareholders
- The transaction will need various regulatory approvals as well as an approval by majority shareholders representing 75% in value of the shares present and voting at the shareholder meetings of each of Sun Pharma and Ranbaxy. Promoters of both Daiichi Sankyo and Sun Pharma, have irrevocably agreed to vote in favour of the transaction
- The Company achieved its sales guidance of Rs.130 Bn – Rs.135 Bn for the 15 months period ended March 2014 excluding contribution from First- To- Files (FTFs)

Growth % is calculated at constant forex, unless mentioned otherwise



- Base business sales for the 15 months period ending March 2014 continued to grow over the corresponding period. On an annualized basis, base business sales growth was >10% on actual forex
- Ranbaxy maintained its strong market share in Absorica™, isotretinoin NDA in the USA. As of March 28, 2014 Ranbaxy's market share was at ~22%
- Credit Analysis & Research Limited (CARE), revised the credit rating for long term debt instruments issued by the Company, from CARE AA+ (Double A Plus) to CARE AA (Double A). Long term Instruments with CARE AA rating are considered to have high degree of safety regarding timely payment of financial obligations and carry very low credit risk
- The Company has changed its accounting year from January-December (calendar year) to April-March (financial year). Thereby, the current accounting year is for a period of 15 months, i.e. January 2013-March 2014 and financials are not strictly comparable to the previous year, which was a 12 months period

Regulatory, Research & Development and Manufacturing

- The Toansa facility was issued a Form 483 containing certain observations in January 2014 and was subsequently included under certain provisions of the Consent Decree (CD) by USFDA. The remediation is progressing as per plan
- The Company received an administrative subpoena from the United States Attorney's Office for the District of New Jersey seeking information primarily relating to the company's Toansa API facility. Ranbaxy is cooperating with agency on this matter
- Mohali plant was placed under the cGMP provisions of the CD in September 2013. All commitments to date have been met and remediation is progressing per plan. Appropriate remedial measures are being undertaken
- The Company voluntarily suspended shipment of all products from the Toansa and Dewas API facilities to the international markets temporarily. This decision was taken as a precautionary measure and out of abundant caution to allow the Company to assess and review the processes and controls
- Ranbaxy and EPIRUS announced signing of licensing agreement for a bio-similar version of Infliximab used for the treatment of rheumatoid arthritis. The product will be introduced in India and other Emerging Markets. Currently, there is no bio-similar of Infliximab approved in India
- Received approval to market Ran™- Donepezil in Canada. Donepezil is indicated for the treatment of dementia in Alzheimer patients
- During the Quarter, 37 Abbreviated New Drug Application (ANDA) filings were made across the globe and approvals were received for 22 ANDA filings

Global Sales

- Consolidated sales for the Quarter were Rs.24.4 Bn as compared to Rs.24.1 Bn. For the 15 months period ended March 2014, sales were Rs.130.4 Bn
 - Branded and OTC category contributed Rs.13.2 Bn accounting for 54% of total sales during the Quarter. Generics including API category recorded Rs.11.2 Bn of sales for the Company during the Quarter
 - During the 15 months period ended March 2014, Branded and OTC category contributed Rs.64.0 Bn while Generics including API category recorded Rs.66.4 Bn
- **North America:** Sales for the Quarter were Rs.8.4 Bn, a growth of 13% over the corresponding quarter. The region recorded sales of Rs.42.0 Bn for the 15 months period ended March 2014, reflecting a strong base business growth over the corresponding period
 - In the USA sales for the Quarter were Rs.7.7 Bn, a growth of 19% over the corresponding quarter previous year. Sales were Rs.37.5 Bn for the 15 months period ended March 2014

Growth % is calculated at constant forex, unless mentioned otherwise



- **India:** In the domestic market, sales for the Quarter were Rs.5.5 Bn
 - OTC business (Consumer Healthcare) contributed Rs.0.8 BnSales for the 15 months period ended March 2014 were Rs.28.0 Bn. Of this, Consumer Healthcare sales contribution was Rs.5.1 Bn
- **East Europe & CIS:** The region recorded sales of Rs.3.8 Bn. Sales for the 15 months period ended March 2014 were Rs.20.0 Bn
- **West Europe:** Sales for the Quarter were Rs.2.5 Bn. Sales for the 15 months period ended March 2014 were Rs.10.8 Bn
- **Africa and Middle East:** Sales for the Quarter were Rs.2.0 Bn. Sales for the 15 months period ended March 2014 were Rs.13.0 Bn
- **Asia Pacific and LATAM** (including Sri Lanka): Sales for the Quarter were Rs.1.5 Bn. Sales for the 15 months period ended March 2014 were Rs.9.2 Bn
- **API business** and others contribute sales of Rs.0.6 Bn. Sales for the 15 months period ended March 2014 were Rs.7.5 Bn

Ranbaxy Laboratories Limited 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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