

For Immediate Release

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Ranbaxy Laboratories Ltd. Q4 FY14 and YTD Dec 2013

Ranbaxy Q4 FY14 Sales Rs.28.6 Bn. YTD Dec 2013 Sales Rs.106.0 Bn

TOKYO, Japan (February 6, 2014) – Attached is the press release by Ranbaxy Laboratories Ltd., a subsidiary of Daiichi Sankyo Co., Ltd., which was issued on February 5, 2014.

PRESS RELEASE

Ranbaxy Q4 FY14 Sales Rs.28.6 Bn. YTD Dec 2013 Sales Rs.106.0 Bn

**Base business grows by 10%+ QoQ and on YTD basis
Robust growth in EBITDA during the quarter and on YTD basis**

Gurgaon, India/ Tokyo, Japan, February 05, 2014: The Board of Directors of Ranbaxy Laboratories Limited (RLL, NSE: RANBAXY, BSE: 500359), at its meeting held today, took on record the unaudited results for the Quarter and YTD ended December 31, 2013 ("Q4 FY14" and "YTD Dec'13" respectively) under Indian GAAP.

Key Financial Highlights

Financial Performance for the quarter ended December 31, 2013 (Q4 FY14)

- **Consolidated Sales** were Rs.28.6 Bn [Q4'12: Sales Rs.26.7 Bn].
- **Earnings before Interest, Tax, Depreciation & Amortization (EBITDA)** was Rs.2.7 Bn.

Margins strengthened in the quarter. Adjusted for Forex movements and non-routine charges, margin was >10%

The Company recorded a net loss before taxes of Rs.0.6 Bn after providing for stock write-off and other costs of Rs.2.6 Bn pursuant to the inclusion of the Toansa plant under certain provisions of the Consent Decree (CD) by USFDA. (Please refer to the section "Regulatory, Research & Development and Manufacturing" for further details)

Financial Performance for YTD ended December 31, 2013 (YTD Dec'13)

- **Consolidated sales** were Rs.106.0 Bn [YTD Dec'12: Sales Rs.122.5 Bn]. Base business sales growth was led by India, East Europe & CIS and USA
- **Earnings before Interest, Tax, Depreciation & Amortization (EBITDA)** was Rs.8.2 Bn. Base business margins improved over the corresponding period. Adjusted for Forex movements and non-routine charges, margin was > 10%

Commenting on the business results for the quarter, Mr. Arun Sawhney, CEO & Managing Director, Ranbaxy, said, "Ranbaxy has been strengthening its base business in key markets including India, Eastern Europe & CIS and the USA which has helped us recover our margins. We are facing some major regulatory challenges and are disappointed with the developments. I would like to assure all our stakeholders that we will do whatever is necessary to address all concerns of the USFDA and are committed to resolve them as early as possible."

Key Highlights/ Developments

Business

- Base business sales in Q4 FY14 continued to grow over the corresponding period
 - Sales grew in the major markets of USA, India and East Europe

- Ranbaxy maintains strong market share in Absorica™, isotretinoin NDA in the USA. As of December 27, 2013 Ranbaxy's market share was at 17.2%. The Company had earlier in Sep 2013 received a Paragraph IV Certification Notice of filing from Watson Laboratories of an ANDA to the USFDA for a generic version of Absorica™

Regulatory, Research & Development and Manufacturing

- The Toansa facility was issued a Form 483 containing certain observations in Jan 2014 and was subsequently included under certain provisions of the Consent Decree (CD) by USFDA. Subsequent to issuance of Form 483, the Company had voluntarily and proactively suspended shipments of API to the USA market from the facility out of abundant caution. Impact of the above-mentioned development was Rs.2.6 Bn on account of stock write-offs and other related costs that have been included below the EBITDA
- Remediation plan for Dewas and Paonta Sahib progresses in line with the Consent Decree
- Mohali plant was placed under the cGMP provisions of the CD in Sep 2013. All commitments to date have been met and remediation is progressing per plan
- Received Central Drugs Standard Control Organisation (CDSCO) approval to manufacture and market Synriam™ in India for the treatment of malaria caused by *Plasmodium vivax* parasite
- Received final approval from the USFDA to manufacture and market Felodipine Extended-Release tablets USP, 2.5 mg, 5 mg and 10 mg. Felodipine is indicated for the treatment of hypertension
- Received approval to market Ran™- Donepezil in Canada. Donepezil is indicated in the treatment of dementia in Alzheimer's patients
- The new entity established in Thailand started its operations during the quarter. Earlier in Jan 2013, Ranbaxy and Daiichi Sankyo had announced their intention to integrate their business operations in Thailand, to leverage and maximize the synergies under the Hybrid Business Model
- The Company completed 20 years of operations in Ukraine in Nov 2013
- Ranbaxy and EPIRUS announced signing of licensing agreement for BOW015, a biosimilar version of Infliximab used in the treatment of rheumatoid arthritis. The product will be introduced in India and other Emerging Markets. Currently, there is no biosimilar of Infliximab approved in India
- During the Quarter, 3 ANDAs were filed for the USA market

Global Sales

- Consolidated sales for the Quarter were Rs.28.6 Bn as compared to Rs.26.7 Bn, a growth of 7% during the quarter. The details are as follows:
 - Branded and OTC category contributed Rs.14.8 Bn accounting for 52% of total sales during the Quarter. Generics including API category recorded Rs.13.8 Bn of sales for the Company during the Quarter
- **North America:** Sales for the Quarter were Rs.10.2 Bn
 - In the USA sales for the Quarter were Rs.9.1 Bn
- **India:** In the domestic market, sales for the Quarter were Rs.5.8 Bn
 - OTC business (Consumer Healthcare) contributed Rs.1.2 Bn
- **East Europe & CIS:** The region recorded sales of Rs.4.6 Bn
- **West Europe:** Sales for the Quarter were Rs.2.3 Bn
- **Africa and Middle East:** Sales for the Quarter were Rs.2.6 Bn
- **Asia Pacific and LATAM** (including Sri Lanka): Sales for the Quarter were Rs.1.7 Bn

- **API business** and others had revenues of Rs.1.4 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