

CONSOLIDATED PAT FOR YEAR SURGES OVER FIVE FOLD

Ranbaxy Labs slips into losses in fourth quarter

fe Bureau
New Delhi, Feb 22

DRUG maker Ranbaxy Laboratories suffered losses in the fourth quarter of calendar year 2010 on a one-time provision for 'exceptional items'. While the company did not disclose details of the fourth quarter results, the quarterly losses would be somewhere close to Rs 98 crore compared with a profit of Rs 262 crore in the corresponding quarter in the previous year.

Company officials declined to give reasons for the losses incurred. Shares of Ranbaxy plunged 3.05% from its previous close to end at Rs 494.20 on the Bombay Stock Exchange on Tuesday. Analysts said a one-time goodwill impairment charge of around \$40 million could have contributed to the losses. The drugmaker said its consolidated profit after tax surged over five-fold times to Rs 1,496.8 crore for the year end-



THE QUARTERLY LOSS WOULD BE AROUND RS 98 CR COMPARED WITH A PROFIT OF RS 262 CRORE IN THE CORRESPONDING QUARTER IN THE PREVIOUS YEAR

ed December 31, 2010, on the back of robust sales growth across key geographies. "We have had a strong year attributable in large measure to the robust revenue growth in our key geographies and the realisations from our first-to-file (FTF) opportunities, in the US," Ranbaxy managing director Arun Sawhney said in a statement. The company had posted a profit after tax of Rs

296.5 crore in the previous fiscal, Ranbaxy Laboratories said in a statement. The company's total income increased to Rs 9,380.95 crore for the year ended December 31, 2010, compared to Rs 7,986.57 crore in the last year.

"Despite continued challenges in the US market, the company launched its FTF product, Donepezil Hydrochloride tablets 5mg and 10

mg with 180 days exclusivity in the fourth quarter of 2010. During 2011, the company expects to achieve base case sales of nearly Rs 8,400 crore," the company said.

Base case sales exclude revenue from the possibility of exclusive sales they could get for being the first to bring a generic drug to market.

Emerging markets accounted for 50% of sales during the year, while developed markets contributed 44%. The company's sales in North America stood at Rs 3,022.6 crore for the year.

In the US market, the company posted sales of Rs 2,744.8 crore for the year. Sawhney added, "On the cost side, we have gained from greater efficiencies in manufacturing." In 2010, more than fifty national level regulatory agency inspections were conducted successfully at Ranbaxy's various global manufacturing sites, the company said.

Industry