

# CHAIRMAN'S MESSAGE

*Dear Shareholders,*

On behalf of Fresenius Kabi Oncology Limited, I extend my warm greetings to all of you. It is indeed a pleasure to present the Company's annual report for a very eventful period, marked by growth, achievement and profitability.

It was a year when the Company delivered on its vision in a big way, harnessing its strengths in oncology and moving in the desired direction to introduce our key products in the major markets of the EU and the US. These efforts were complemented by Fresenius Kabi AG's strong worldwide support, resulting in smooth market entries enabling us to set our course for the future.

The Company has done significantly well as compared to the previous period by focusing on organic growth through sales consolidation and market penetration in established as well as emerging markets. Further, it was most heartening that in spite of stiff market challenges, such as competitive intensity and formidable entry barriers; our foray into the regulated markets has been as planned, thereby giving us the chance to consolidate our gains.

Our oncology business strategy is fuelled by our vision "to be a world leader in oncology generics" and driven by Fresenius Kabi AG's global expertise in injectable therapies. Further, dedicated teams in our value chain are a key

advantage as they play a pivotal role, through their support and synergy, to maintain focus and move ahead. Approval of our Baddi-based formulation unit by USFDA is yet another major milestone we crossed in our endeavor to sustain this momentum.

#### Some major highlights of the year are:

- Impressive overall sales growth of 58% over the previous year
- International business accounted for 85% of the total revenues, growing at the rate of 92%
- High double digit growth rates for both Formulation and API businesses
- Slow down in domestic formulation business as compared to the previous year due to fluctuations in tender orders, corrective actions taken in channel management and modernization of product mix.
- Substantial growth of 212% in profit before tax and 204% in profit after tax, primarily due to sales achieved in international markets

I had assured you last year that the underlying performance of your Company in the previous period was quite healthy even though the profits were affected



“ THE COMPANY IS CURRENTLY FOCUSED ON THE NEXT WAVE OF REGISTRATIONS AND PRODUCT LAUNCHES FOR EUROPEAN MARKETS, EXPLORING ALTERNATIVE TECHNOLOGIES FOR PROVIDING AN EDGE TO ITS PORTFOLIO STRATEGY, ENTERING INTO MAJOR FAST GROWING MARKETS AND EMBARKING ON NEW INITIATIVES TO DRIVE DOMESTIC BUSINESS. ”

by some one-time items. The remarkable profitability of this year corroborates that the Company is well set on a profitable growth path.

I would like to emphasize that this phenomenon is just the beginning of many good things to come. The Company is currently focused on the next wave of registrations and product launches for European markets, exploring alternative technologies for providing an edge to its portfolio strategy, entering into major fast growing markets and embarking on new initiatives to drive domestic business. These activities are expected to contribute immensely to our overall revenue and market share objectives.

In order to fulfil our market share ambitions, our plant capacities need to be expanded and this is yet another task which will be pursued persistently. The Company will use its internally generated resources for this purpose.

Lastly, I am sure that with your good wishes and support, Fresenius Kabi Oncology Limited would repeat its successes and achieve newer heights of growth and profitability in the years to come.

**Rakesh Bhargava**

*Chairman*

