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NOTHING SELLS LIKE BOLLYWOOD IN INDIA

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Here's a foreigner who bet on India 12 years back

His British Colleagues Were Bemused, But Tempest Saw Big Potential In Country

Noemie Bisserbe

MUMBAI



RAJESH KARANDE

THE Beau Rivage Hotel in Geneva is witness to history. The most tragic event may remain the assassination of Empress Elisabeth of Austria, who was stabbed in 1898 by anarchist Luigi Lucheni as she was leaving the hotel on her way to a lake steamer. After the First World War, the treaty of Czechoslovakia was also signed within its walls.

Though history may have been the last thing on their minds when Ranbaxy's Parvinder Singh met Brian Tempest here in 1995, the rendezvous on the quays of Geneva lakeside at the foot of the Mont Blanc ended up creating its own little piece of

history. Mr Singh was then vice-chairman and managing director of Ranbaxy while Mr Tempest was a top executive at Fisons.

Now 60, Mr Tempest will retire from Ranbaxy at the end of this month and move back to the UK, after spending eight years in India. "I don't know

where time has gone," he says with a smile. But he won't be giving up his apartment in Gurgaon.

"I feel at home in India," he says. During his time at the company, Ranbaxy's m-cap rose over five times and the company became a serious player in the global generics market.

"We met over a cup of tea, in a very Indian way... It was a defining moment," Mr Tempest

recalls the meeting with a smile. At that time, Mr Tempest had just returned from the US, where he worked with Fisons as a commercial operations director, after several years with British drug giant GlaxoSmithKline.

It's at Beau Rivage's famous five-storey lobby that Parvinder Singh sold his dream to Brian Tempest—the dream that his small drug-manufacturing firm could become a leading international pharmaceutical company, and that India could emerge as a significant force in the global generic drug industry.

SATURDAY SPECIAL

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Gold: ▼Rs.155 | Silver: ▼Rs.390 | Crude(Dubai): ▲0.29 | Nikkei: ▼22.01pts | Hang Seng: ▼180.81

History proved him right

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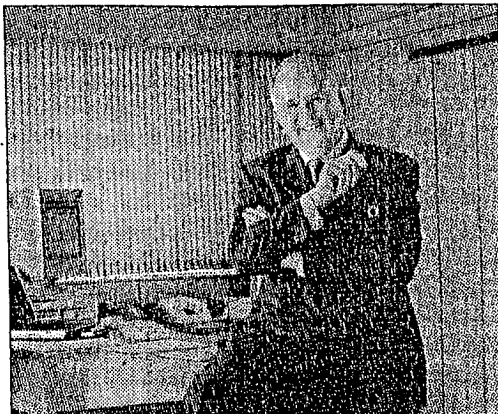
Mr Singh had heard about me through Daulet Singh, a director on the Ranbaxy board. At that time, 80% of the company's small revenues came from India, and it had just two subsidiaries in Thailand and Nigeria," says Mr Tempest.

In light of Mr Tempest's experience in the Far East with GlaxoSmithKline, Mr Singh offered him a position in Singapore. But Mr Tempest was just back from the US, and wanted to be home for some time. "So, Mr Singh offered me a job in London," he says. In 1995, Mr Tempest joined Ranbaxy Laboratories as regional director for Europe, and went on to become the face of the Indian generic industry in Europe and the US. "My colleagues in the UK were bemused by my choice," says Mr Tempest. "But I saw great potential in India, given its competitive advantages."

History proved him right. Over the last decade, India has flooded international markets with generic drugs. Ranbaxy now boasts revenues of over \$1.5 billion and derives a third of its revenues from the US, Europe and Asia each.

Between 1995 and 2005, exports sales became a major value creator for Indian pharma companies and the sector saw huge growth in earnings and price multiples, resulting in significant appreciation in market capitalisation. While Brand India started making global headlines with its IT industry, the domestic generic industry, with Ranbaxy and Dr Reddy's in the lead, made significant inroads into international markets, competing with generic drug giants like Teva or Novartis' generic arm Sandoz.

"I brought with me a strong network and experience in international markets, which helped me expand Ranbaxy's international operations," says Mr Tempest. In 2000, Mr Tempest notably engineered one of the first major acquisitions by any



Brain Tempest

Indian company in Europe, with the takeover of Bayer's generic business in Germany.

"Mr Tempest brought in a third dimension," says Chrysalis Capital MD Sanjiv Kaul, who spent 20 years at Ranbaxy and worked closely with Mr Tempest for several years. "He brought a great balance in terms of turnover. He is a great manager who believes in empowering people."

On July 4, 1999, Parvinder Singh passed away. The following day, the board elected Tejendra Khanna, former commerce secretary, as chairman and DS Brar was appointed chief executive officer and managing director for a period of five years. In September, Mr Tempest was promoted to the role of president and he left the UK to join the team in New Delhi. "I wanted to work with Mr Brar, and the new responsibilities I was given required for me to shift to India," says Mr Tempest.

Meanwhile, in 1998, Ranbaxy had become the first Indian company to launch a generic drug in the US, the world's largest pharmaceutical market. "Brian Tempest played a key role in the expansion

of our US operations," says Mr Kaul. In 2001, Ranbaxy's US sales crossed \$100 million, making Ranbaxy one of the fastest-growing companies in the US.

Ranbaxy rapidly ramped up its portfolio and adopted increasingly aggressive strategies in the US, challenging Big Pharma's patents, in a bid to introduce generic versions earlier in the market. "Ranbaxy today has one of the strongest product pipelines in the industry," Mr Tempest says with pride. "After Teva, Ranbaxy is the company that holds the highest number of Para IV filings with first to file status."

In December 2003, Mr Brar left the company and Mr Tempest took over as CEO and MD of Ranbaxy worldwide. The same month, Ranbaxy forayed into the French market with the acquisition of RPG (Aventis). Ranbaxy had now arrived as a \$1-billion company.

"Mr Tempest was the right person to take over after Mr Brar," says Mr Kaul. "He enjoyed a great degree of credibility and was not easily strayed by India's limitations." In 2005, Ranbaxy started operations in Canada and launched its first product in Japan through its joint venture with Nippon Chemiphar.

"My experience with GSK in Japan was a great help," says Mr Tempest. Finally, in 2006, Malvinder Singh took over as CEO and MD while Mr Tempest assumed the position of chief mentor and executive vice-chairman.

Today, as the global generic drug market reels under increasing pricing pressure and competition, the Indian generic drug industry may need to reinvent itself yet again. But this time, Ranbaxy will have to take up the challenge without Mr Tempest. For now, Mr Tempest is first heading to south of France, where he owns a villa in a small village in Tarn, near Toulouse, "la ville rose," away from the din and bustle of competitive business.

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