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Ranbaxy Laboratories Limited



**FINANCIAL RESULTS:
April – June 2012 (Q2)
YTD June 30, 2012 (H1)**

**ARUN SAWHNEY
CEO & MD**

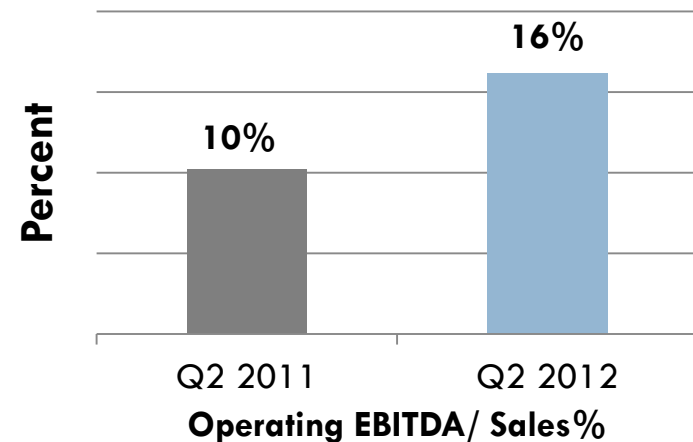
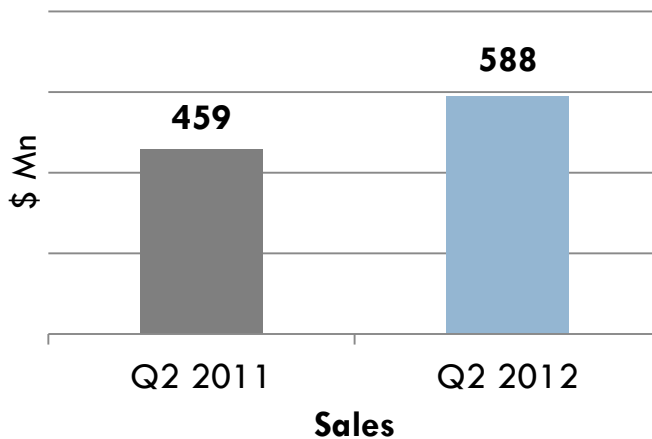
Safe Harbor

Except for the historical information contained herein, statements in this presentation and the subsequent discussions, which include words or phrases such as “will”, “aim”, “will likely result”, “would”, “believe”, “may”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “likely”, “project”, “should”, “potential”, “will pursue” and similar expressions or variations of such expressions may constitute “forward-looking statements”. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, our provisioning policies, technological changes, investment and business income, cash flow projections, our exposure to market risks as well as other risks. Ranbaxy does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

Key Achievements for Quarter 2, 2012

Financial

- Sales grew 37% over corresponding quarter
 - Aided by strong FTF exclusivity monetization
- EBITDA margins improved
 - Aided by sales growth and continued focus on cost optimization



Key Achievements for Quarter 2, 2012

Business

Launched Synriam™, received US FDA approval for Absorica™

- Emerging market sales \$231 Mn
 - 41% of DF sales
- Developed market sales \$328 Mn
 - 59% of DF sales

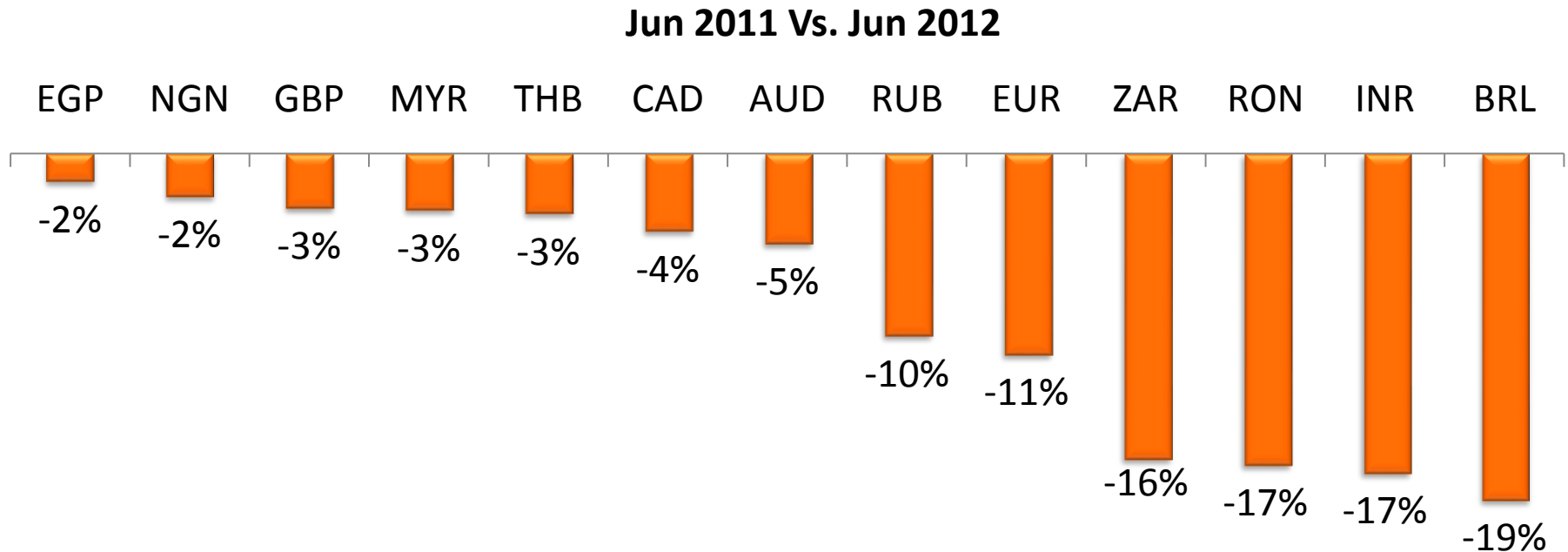
Emerging market base business contributes to ~3/5th of total base business sales

- EMs adversely impacted by \$ strengthening. Consistent performance on local currency

- India:
 - Performance in represented segment better than market growth rate

- USA:
 - Strong base business sales
 - Atorvastatin exclusivity ended in the Quarter
- West Europe:
 - Focused approach led to sales growth

\$ appreciated against most currencies Vs. previous year



- \$ appreciated against most currencies vs. previous year
- Performance in \$ terms seems weaker compared to actual business performance in local currency
- For like to like performance, growth calculated at Constant Forex (i.e. same as previous period Forex rate)

Functional Performance

Manufacturing

- Sale of Atorvastatin to the USA from Mohali SEZ expanded further
- Mohali SEZ has begun to receive multiple regulatory approvals from US, EU and other international regulatory bodies

Research & Development

- Differentiated, value added product focus
 - 2 approvals for dermatology received from the US FDA

Hybrid Business Model

Synergy with Daiichi Sankyo

- Front end:
 - Ranbaxy to market Sevikar[®](a fixed dose combination of Olmesartan Medoxomil and Amlodipine Besylate tablet) in Romania
 - Ranbaxy and Daiichi Sankyo joined hands to work together in Venezuela. DS will replace the local distributor to promote Ranbaxy products in the country
- Back end etc.:
 - Multiple opportunities pursued in development & manufacturing, including intermediates for APIs
- Ongoing:
 - R&D collaborations continue for addressing various markets and cost efficiencies through supply chain

Other Areas

Regulatory

- Consent Decree: progress per plan
- Regulatory inspections by 9 country level authorities

Derivatives Position

- Exposure down to ~\$1.39 Bn in Q2 2012 from ~1.50 Bn in Q1 2012. Maturity: ~\$40 Mn/Month

Debt

- Total Debt \$726 Mn (\$815 Mn in Q1); Cash & Bank Bal \$829 Mn → Net Cash Surplus+ \$103 Mn Vs Net Debt \$44 Mn(Q1)

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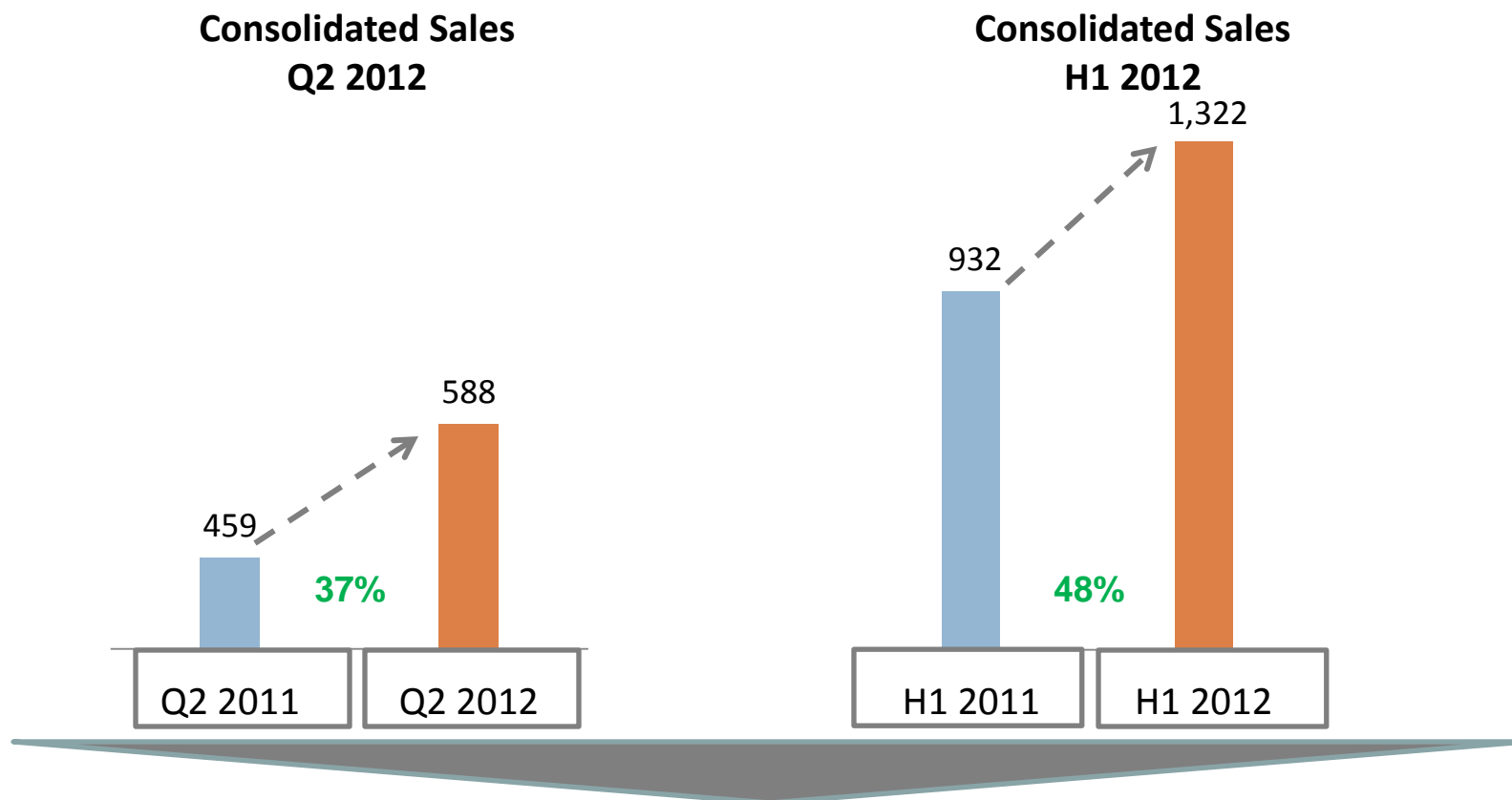
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**FINANCIAL RESULTS:
April – June 2012 (Q2)**

Sales Performance

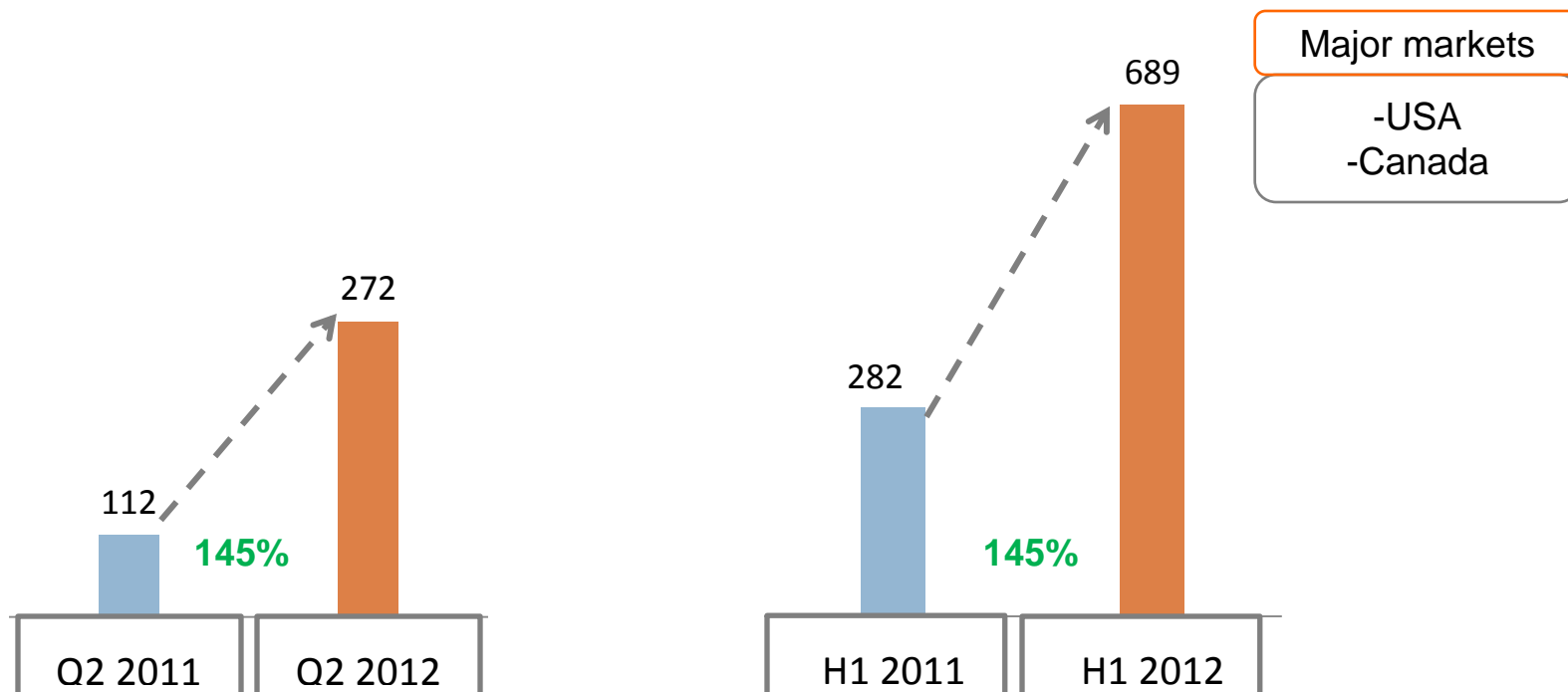
\$ Mn



- Sales growth continued on Quarter and YTD basis, aided by strong FTF sales
- Overall sales growth on local currency terms in most regions, despite adverse impact of the appreciation of the \$ during the quarter

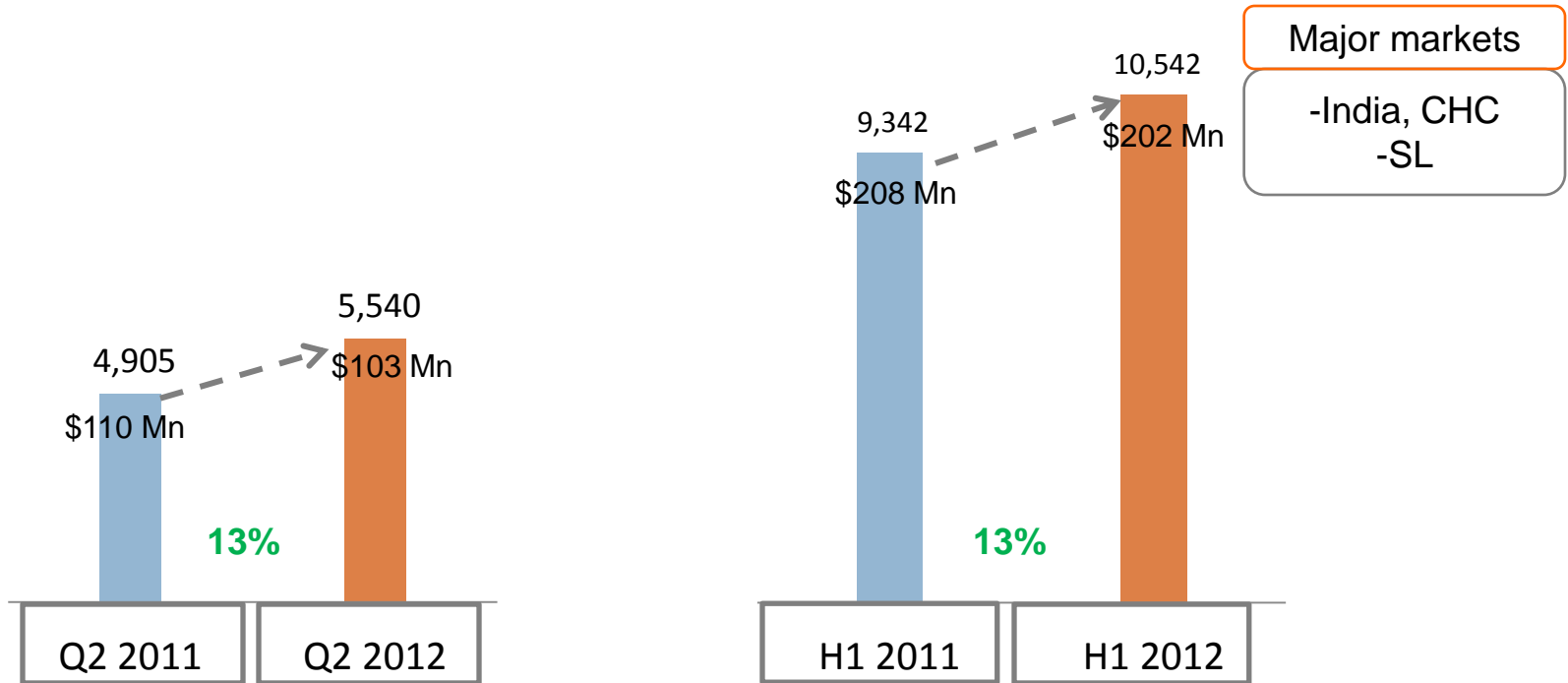
North America

\$ Mn



- Strong base business sales in the USA
- Exclusivity for Atorvastatin and Amlodipine + Atorvastatin ended during the quarter

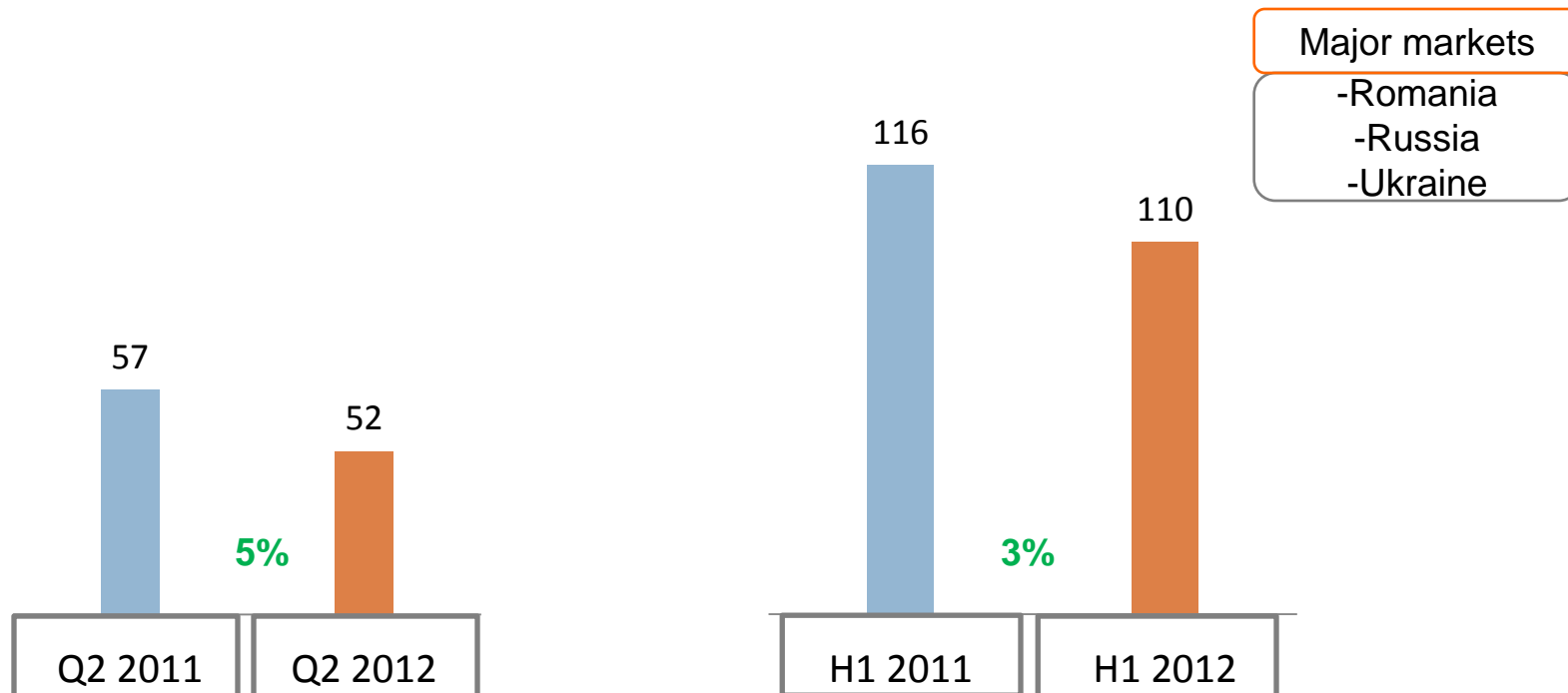
□ Ranbaxy is the market leader for both the products with peak share of over 50% during exclusivity



- Ranbaxy sales growth was faster than the IPM growth in its represented market
- Strong OTC sales performance continued
- India Pharmaceuticals Market (IPM) slowed down to sub 15% growth levels

East Europe & CIS

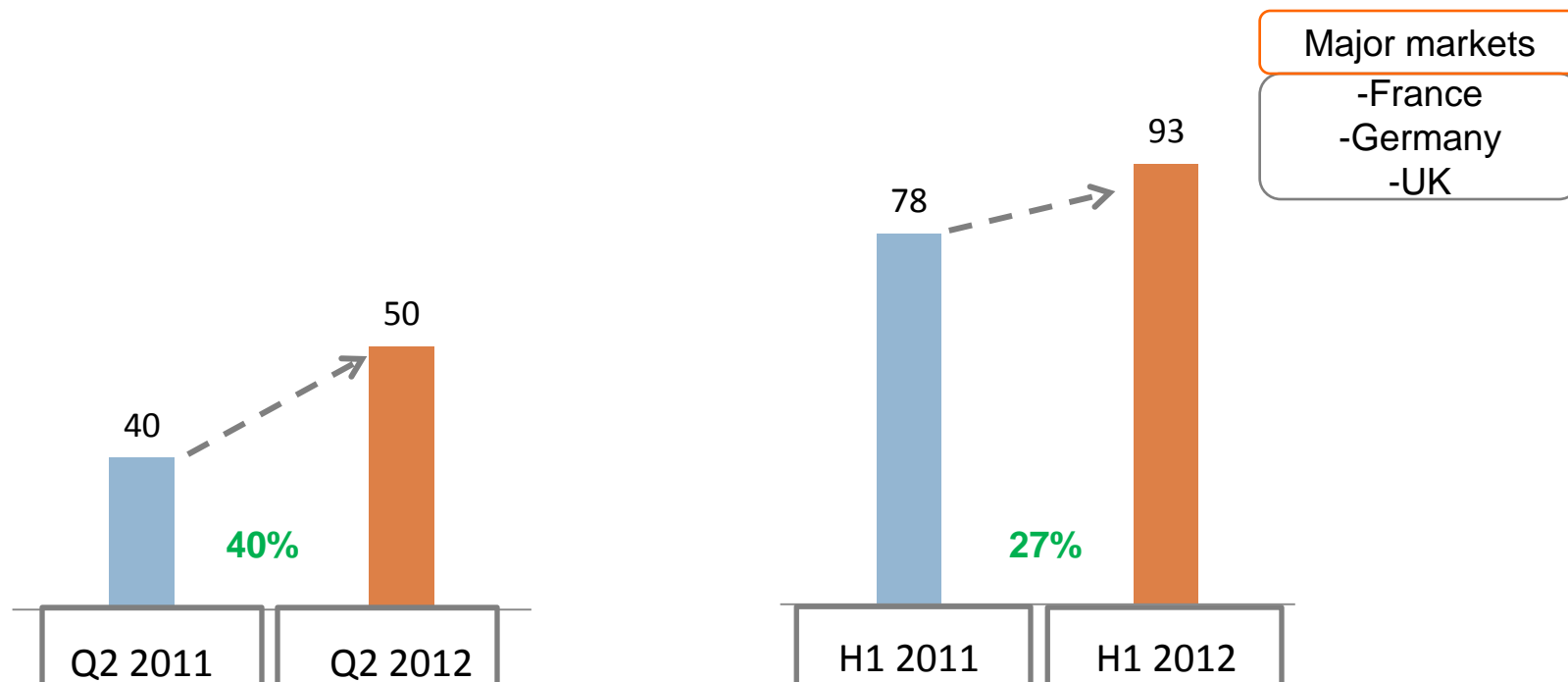
\$ Mn



- Sales have improved over corresponding period, on constant forex basis
 - However, impact of forex volatility adverse on \$ terms
 - Regulatory changes including 'claw-back' and more stringent re-registrations
- Ranbaxy continued to be ranked number 1 in its represented markets of Romania, and Russia

West Europe

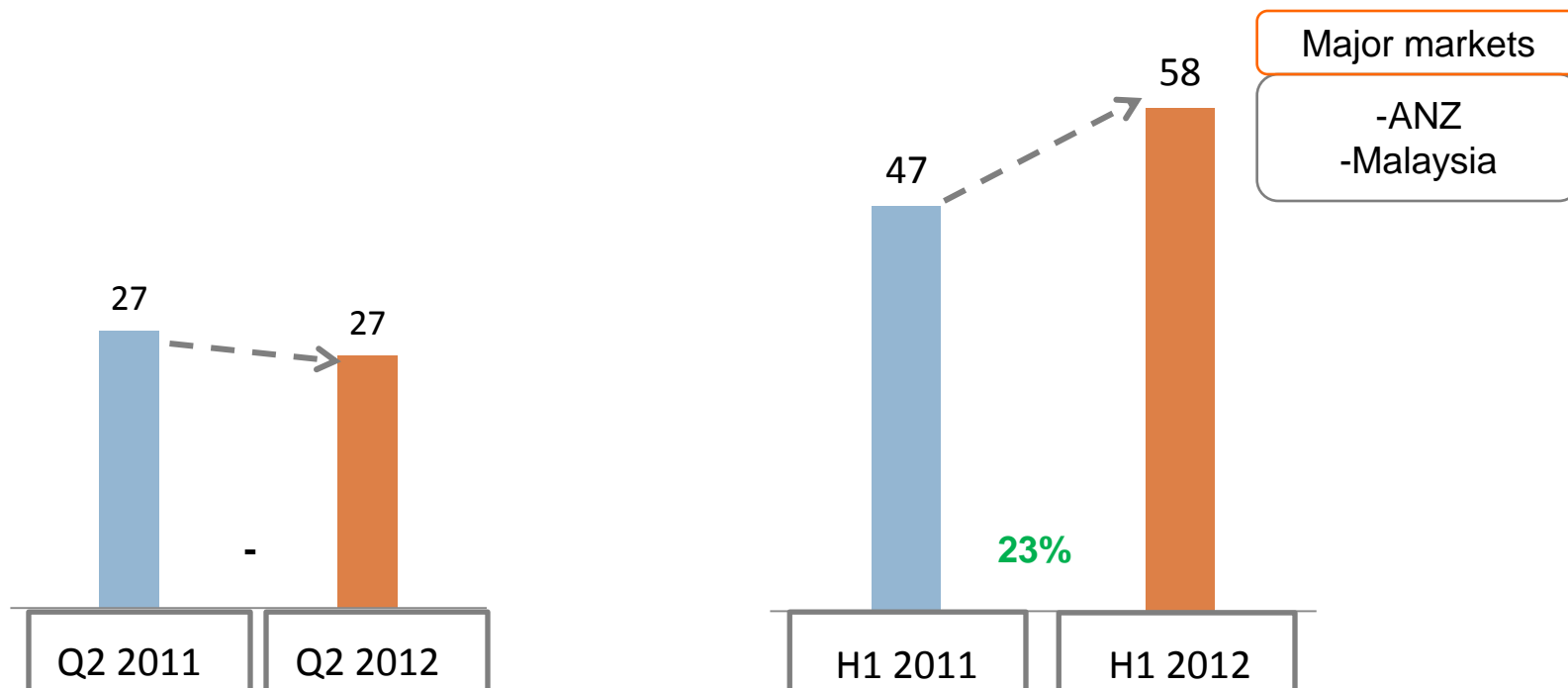
\$ Mn



- Sales in UK, France and Italy businesses improved
- Concerns on Macro-economic indicators continue

Asia Pacific & Middle East

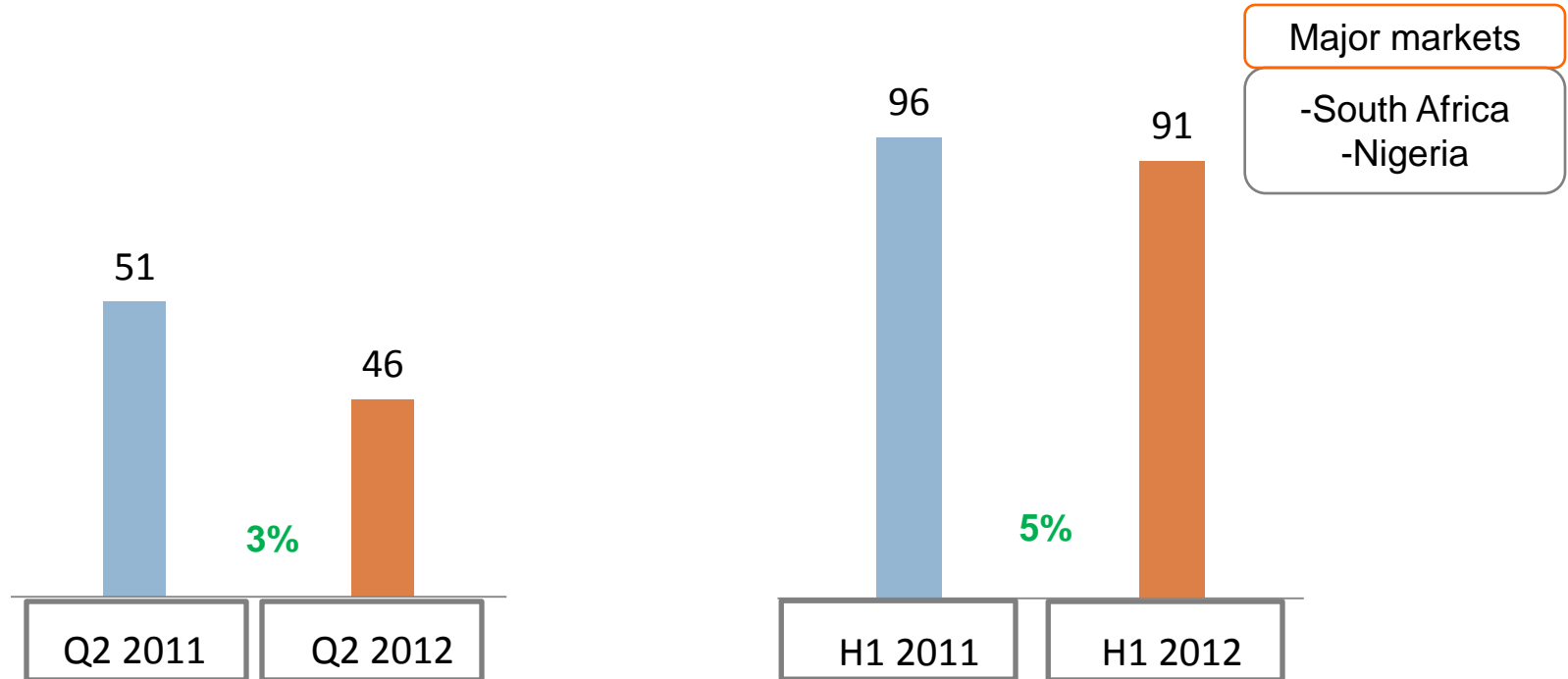
\$ Mn



- Consistent performance during the Quarter
- Sales in ANZ stronger; Plan for manufacturing plant in Malaysia

Africa

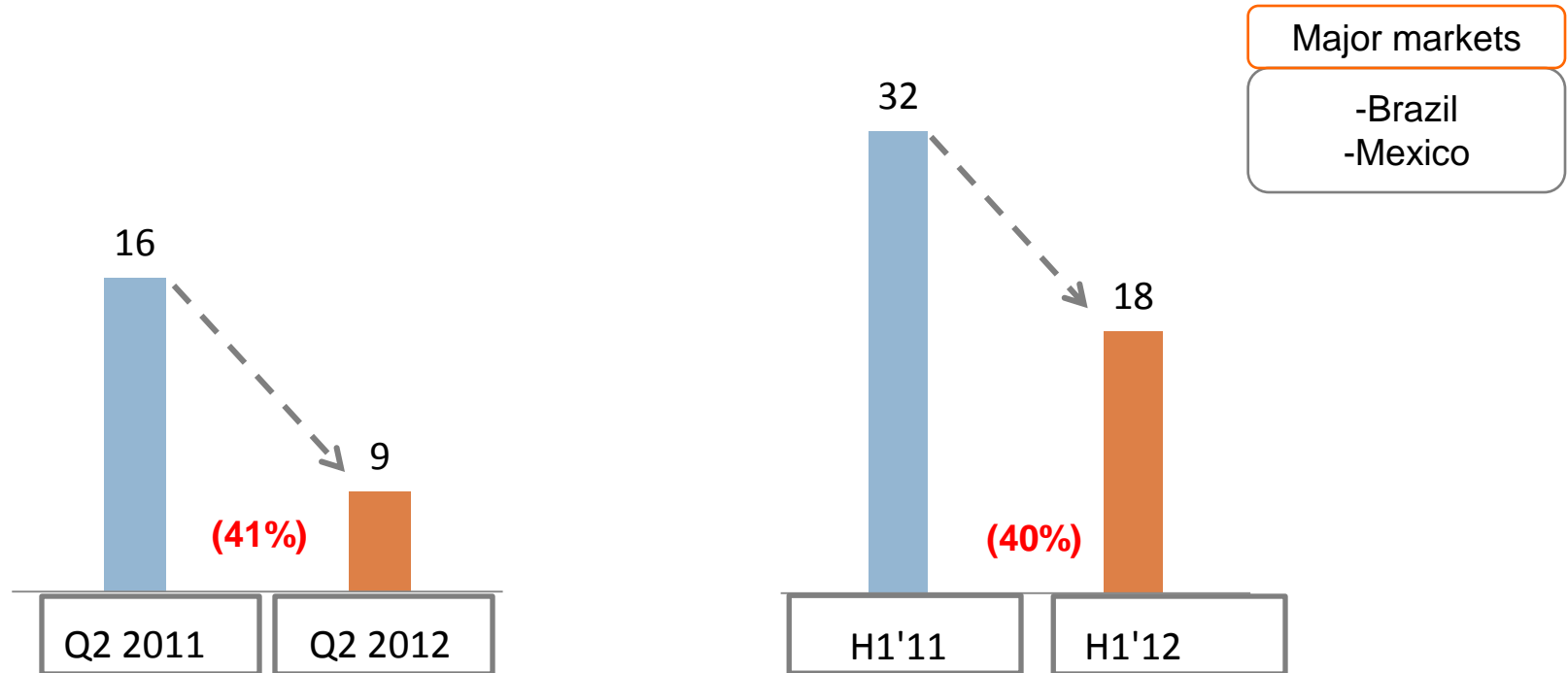
\$ Mn



- Sales in the region impacted by adverse exchange rate movement
- Business in the region to capitalize fully on the local manufacturing capacities

Latin America

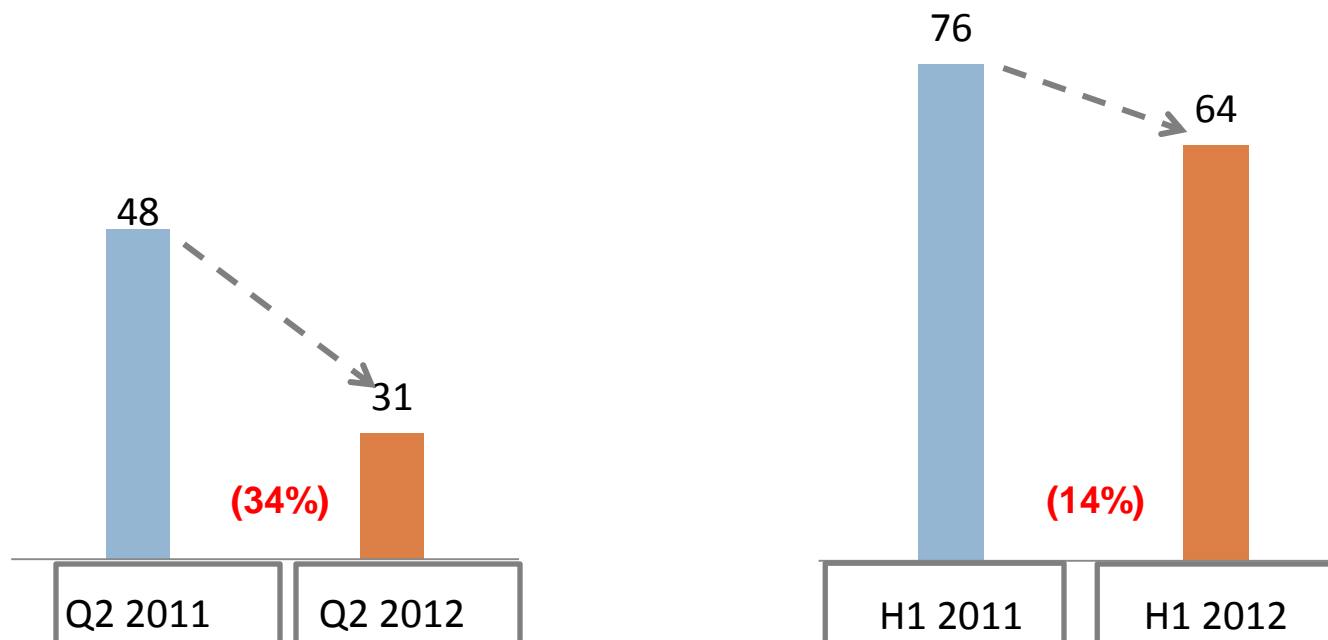
\$ Mn



- LATAM sales lower due to product supply disruption in the region

API & Others

\$ Mn



- API business focused on profitability

Financials Q2 2012 \$ Mn

Q2'11	Q2'12	Particulars	H1'11	H1 '12
111	104	- Within India	209	204
349	484	- Outside India	723	1,118
459	588	Sales	932	1,322
13	10	Other operating income	23	24
473	598	Total Operating Income	956	1,347
175	190	Consumption	333	360
94	89	Employee cost	186	183
157	224	Other Operating expenses	299	512
(5)	46	Exchange loss/ (gain) others, net	(11)	27
420	550	Total expenditure	806	1,082
52	48	EBITDA	150	265
11%	8%	% Sales	16%	20%
47	95	EBITDA excluding Forex	139	293
10%	16%	% Sales	15%	22%
16	14	Depreciation, amortization and Impairment	33	30
36	34	Profit/(loss) from operations before other income and interest	117	235
8%	6%	% Sales	13%	18%
4	13	Interest and other income	16	25
40	47	Profit/ (loss) from ordinary activities before finance cost and exceptional items	133	260
4	9	Interest expense	7	16
2	22	Foreign exchange (gain)/ loss on loans	7	18
34	16	Profit/(loss) from ordinary activities before tax	119	226
25	(111)	Foreign exchange (loss)/gain on foreign currency option derivatives	25	(42)
59	(95)	Profit/(loss) after exceptional items before tax	144	183
4	13	Tax expense/ (benefit) -current period	21	40
55	(107)	Net profit/ (loss) from ordinary activities after tax	123	143
	1	- Share in loss/ (profit) of associates, net		3
1	0	- Minority interest	1	1
54	(108)	Net profit/ (loss) from ordinary activities after tax & minority interest & Share in (loss)/ profit of associates	122	139

Financials Q2 2012 INR Mn

Q2'11	Q2'12	Particulars	H1'11	H1 '12
4,959	5,614	- Within India	9,395	10,650
15,579	26,127	- Outside India	32,553	58,044
20,537	31,741	Sales	41,948	68,695
588	544	Other operating income	1,051	1,268
21,125	32,285	Total Operating Income	42,999	69,962
7,820	10,275	Consumption	14,963	18,801
4,188	4,816	Employee cost	8,357	9,518
7,006	12,080	Other Operating expenses	13,440	26,568
(220)	2,504	Exchange loss/ (gain) others, net	(494)	1,554
18,796	29,676	Total expenditure	36,266	56,442
2,329	2,609	EBITDA	6,733	13,520
11%	8%	% Sales	16%	20%
2,110	5,113	EBITDA excluding Forex	6,239	15,074
10%	16%	% Sales	15%	22%
735	783	Depreciation, amortization and Impairment	1,471	1,581
1,594	1,826	Profit/(loss) from operations before other income and interest	5,262	11,939
8%	6%	% Sales	13%	17%
178	697	Interest and other income	726	1,304
1,772	2,524	Profit/ (loss) from ordinary activities before finance cost and exceptional items	5,988	13,243
166	483	Interest expense	311	860
84	1,165	Foreign exchange (gain)/ loss on loans	332	975
1,522	875	Profit/(loss) from ordinary activities before tax	5,344	11,408
1,118	(5,994)	Foreign exchange (loss)/gain on foreign currency option derivatives	1,138	(2,546)
2,640	(5,119)	Profit/(loss) after exceptional items before tax	6,482	8,862
185	683	Tax expense/ (benefit) -current period	967	2,057
2,455	(5,801)	Net profit/ (loss) from ordinary activities after tax	5,516	6,805
	40	- Share in loss/ (profit) of associates, net		161
23	16	- Minority interest	39	33
2,432	(5,857)	Net profit/ (loss) from ordinary activities after tax & minority interest & Share in (loss)/ profit of associates	5,476	6,610

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Questions & Answers
