



Ranbaxy Laboratories Limited

**FINANCIAL RESULTS:
January – March 2011 (Q1 '11)**

**ARUN SAWHNEY
Managing Director**

10 May 2011

Post Results Conference Call

Safe Harbor

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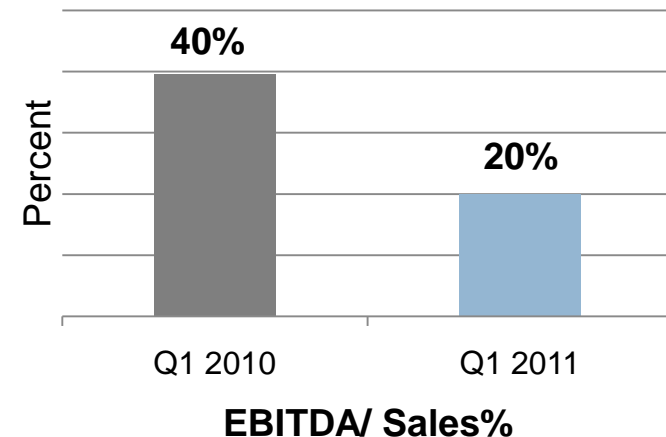
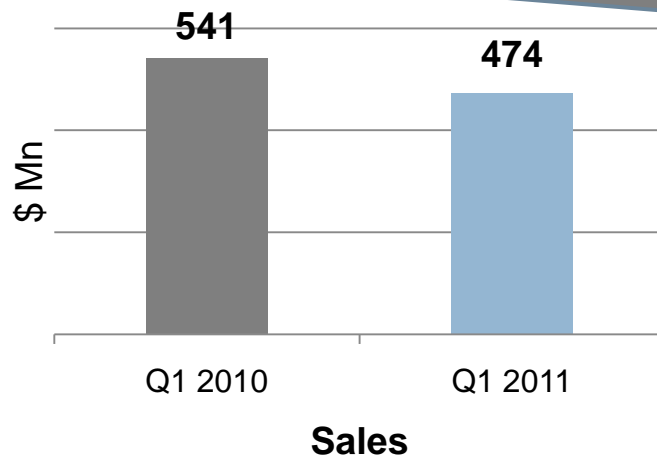
Key Achievements for Quarter 1, 2011

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Financial

- Sales across businesses continued robust performance
 - Base business sales and margins improved
 - Q1'10 margins higher, aided by higher FTF contribution
- Sale of FTF launched (Donepezil) continued in the Quarter



Key Achievements for Quarter 1, 2011

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Business

- Emerging market sales \$237Mn
 - Growth 12%; 53% of DF sales
- Developed market sales \$212 Mn
 - 47% of DF sales

- India: Project Viraat helped market share improvement: Rural segment, New product launches
- Africa: Multiple ongoing activities- new manufacturing facility, ARV Tender to initiate, entry in Morocco

- Europe: Romania performance robust despite liquidity concerns; France improvement in performance apparent with better growth, market share
- USA: Vala vs. Donepezil impact

Manufacturing

- Be-Tabs manufacturing (RSA) started
- Outsourcing, a manufacturing strategy alternative
- Remain positive about Company's preparedness for audit by regulators

Research & Development

- Improvement in filings and approvals
 - DF filings: 54; DF approvals: 29
- Anti-malarial drug in H2 2011

Synergy with Daiichi Sankyo

- Study businesses of both DS and Ranbaxy in various geographies to evolve to a better business model
- Front end:
 - Singapore: Marketing 4 DS products as innovator
- Back end:
 - Multiple opportunities pursued in API manufacturing, cost reduction etc.
- Ongoing:
 - Successful launch of innovator products, R&D collaboration, cost efficiencies

Foreign Currency Convertible Bond

- Redeemed the FCCB on time

Derivatives Position

- Exposure of \$1.7Bn in 2007. Down to \$799 Mn in Q1 2011
- Expire by 2015-16

Regulatory

- Multiple regulatory approvals received
- Continue to work together for a comprehensive resolution with the USFDA/ DOJ

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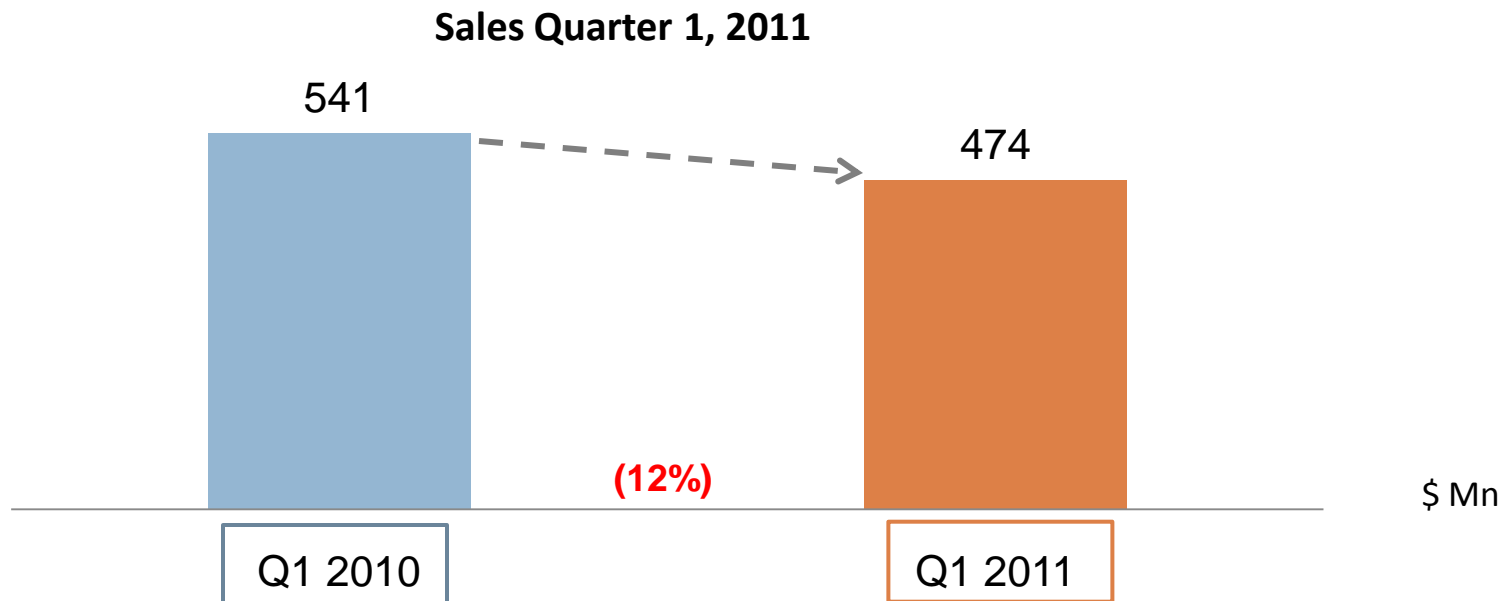
Financial Performance

Investors Call

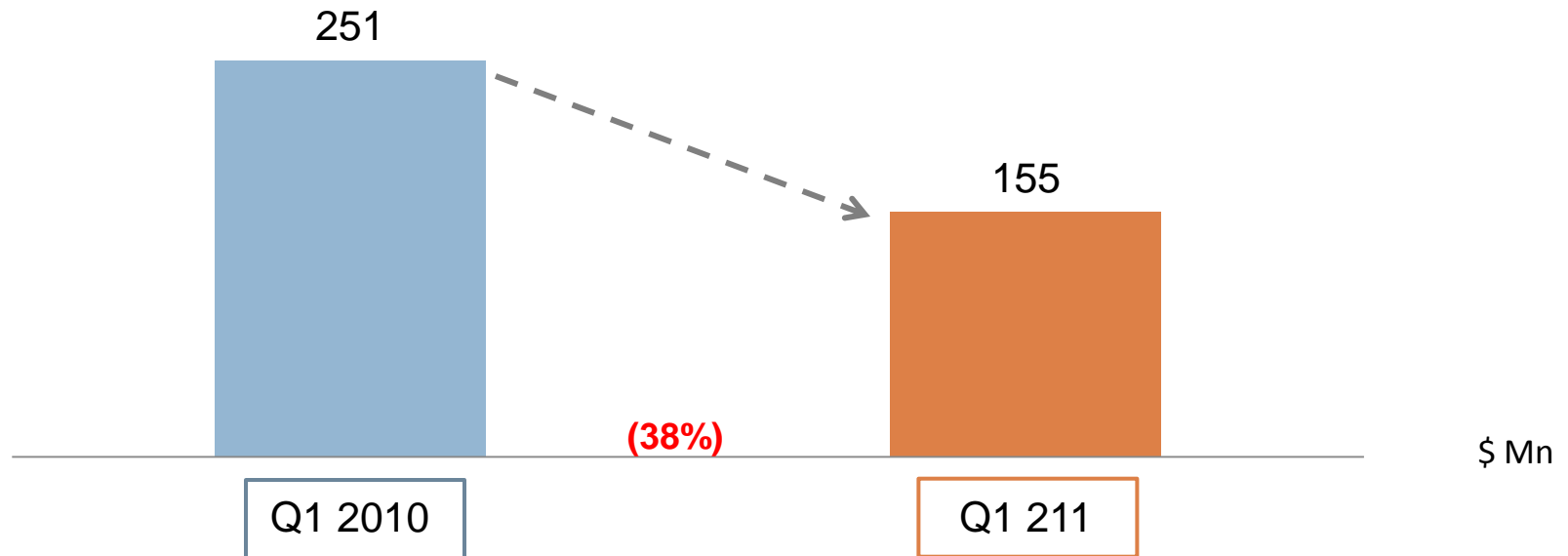
Sales Performance

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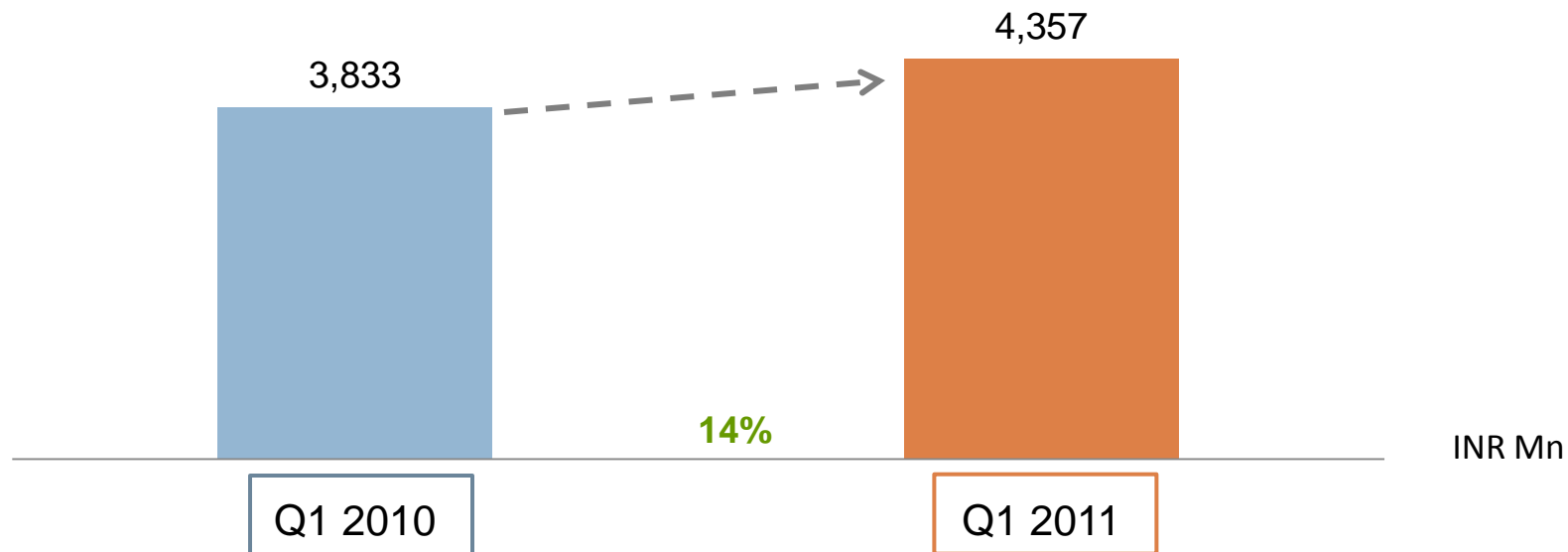
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- Q1 2010 sales higher than Q1 2011 sales due to higher FTF contribution in Q1 2010
- Healthy improvement in base business sales across all key geographies



- Base business growth continued
- Q1 2010 performance higher, included comparatively large exclusivity of Valacyclovir vs. Donepezil exclusivity in Q1 2011

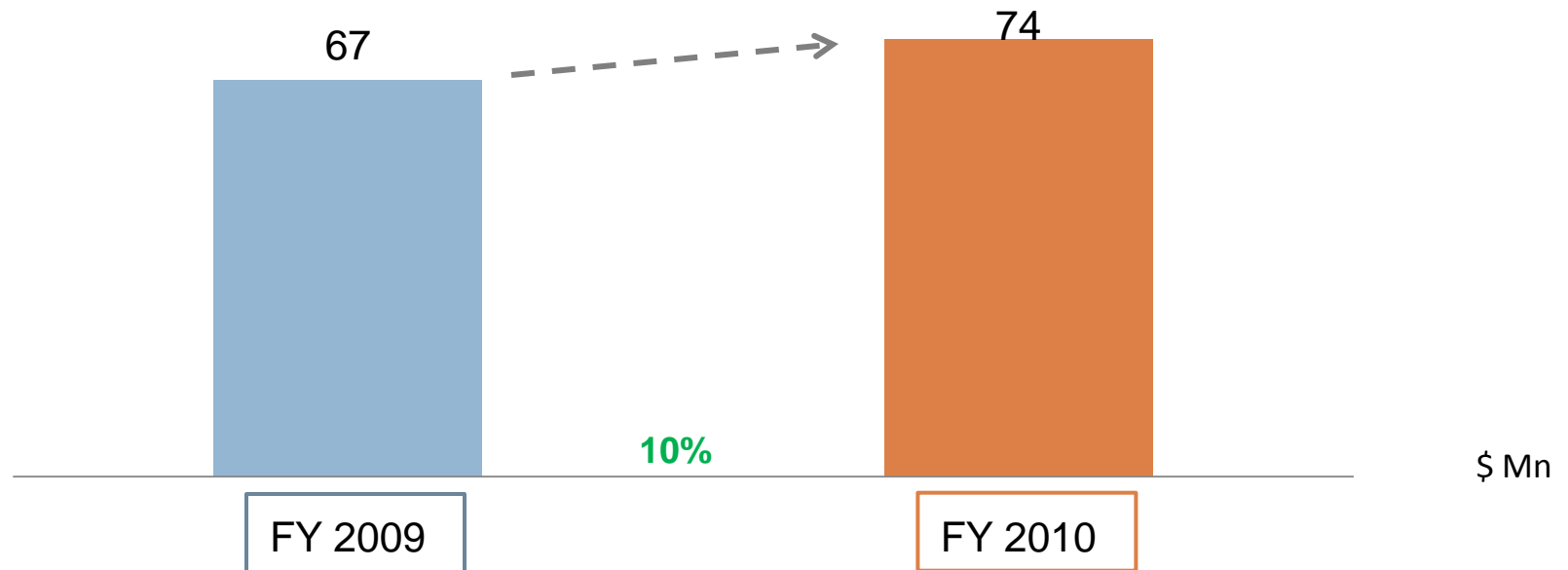


- Project Viraat has started to show results: healthy double digit growth, faster than the Indian Pharma market
- CHC, ranked number 1 in its represented market, also outperformed the market

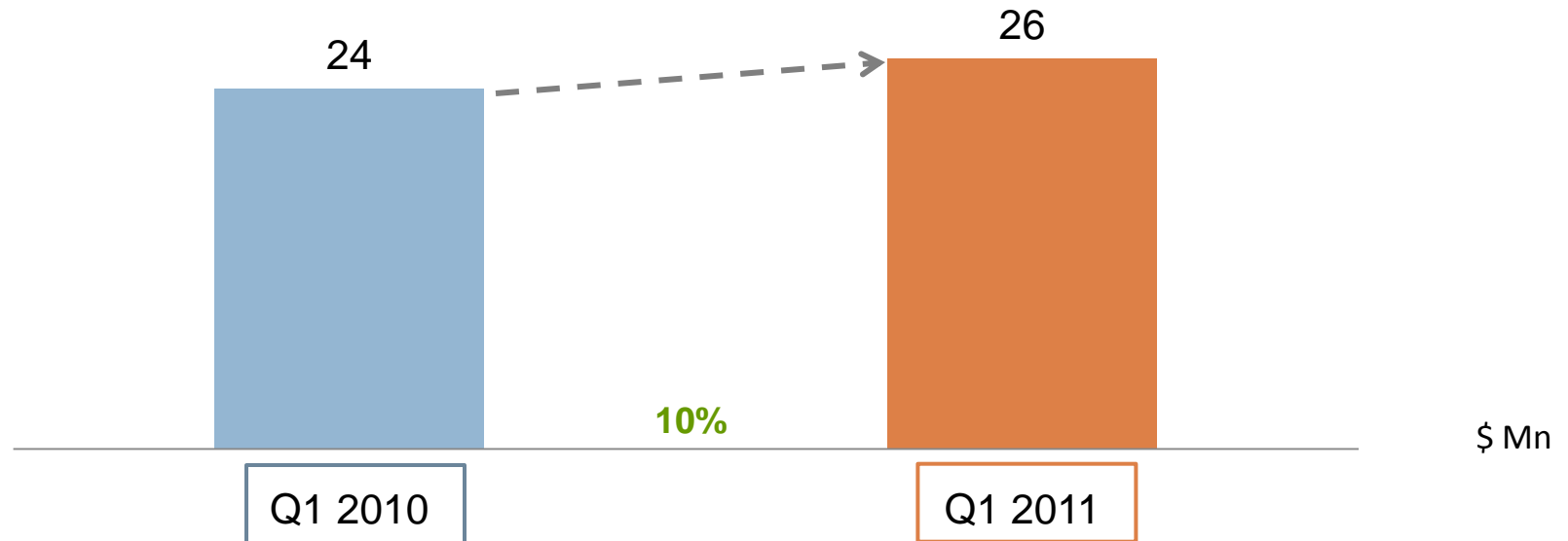
Europe

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- Macro-areas of concern: liquidity, debt crisis, forex volatility etc.
- Strong performance in Romania, improvement in France

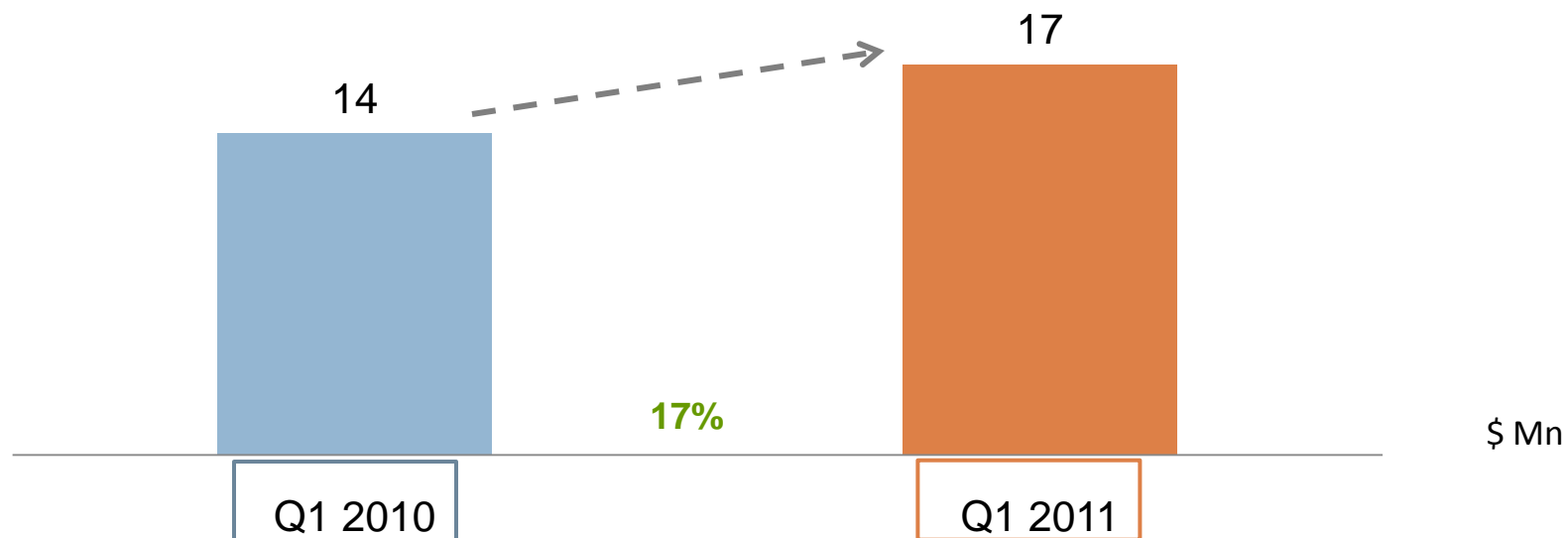


- Clear direction from macro-issues yet to evolve
- In Russia, the largest CIS market; Ranbaxy continued to be ranked number 1 in its represented market

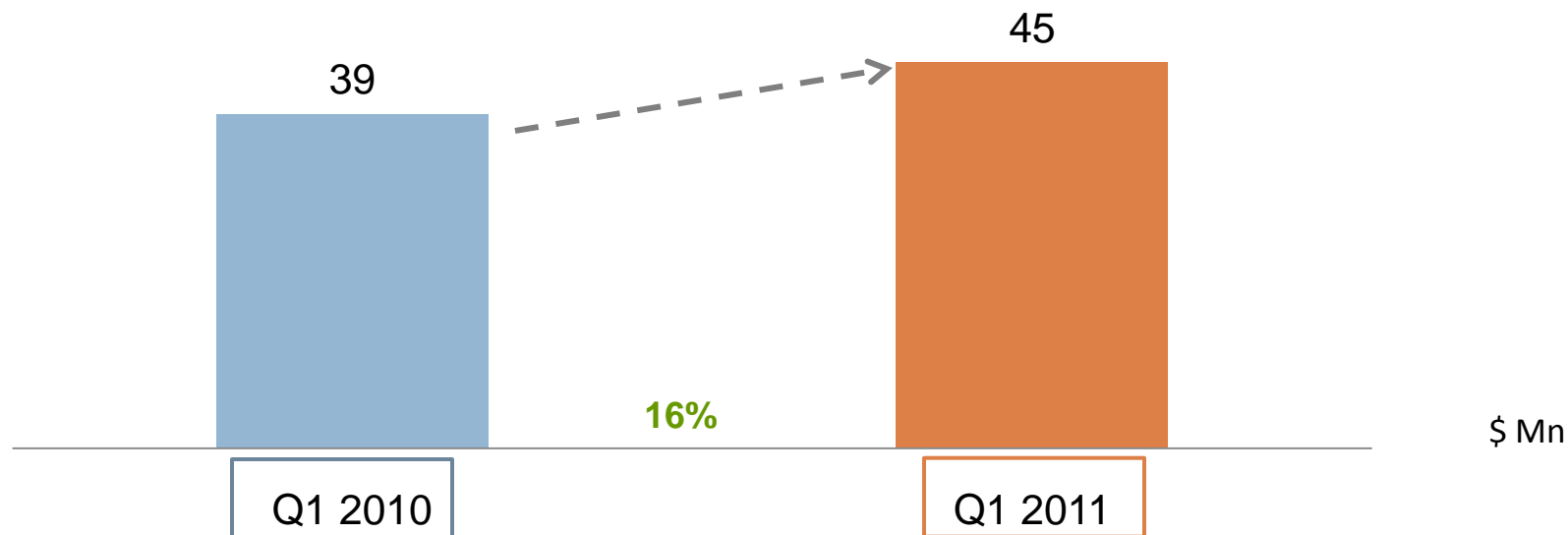
Asia Pacific

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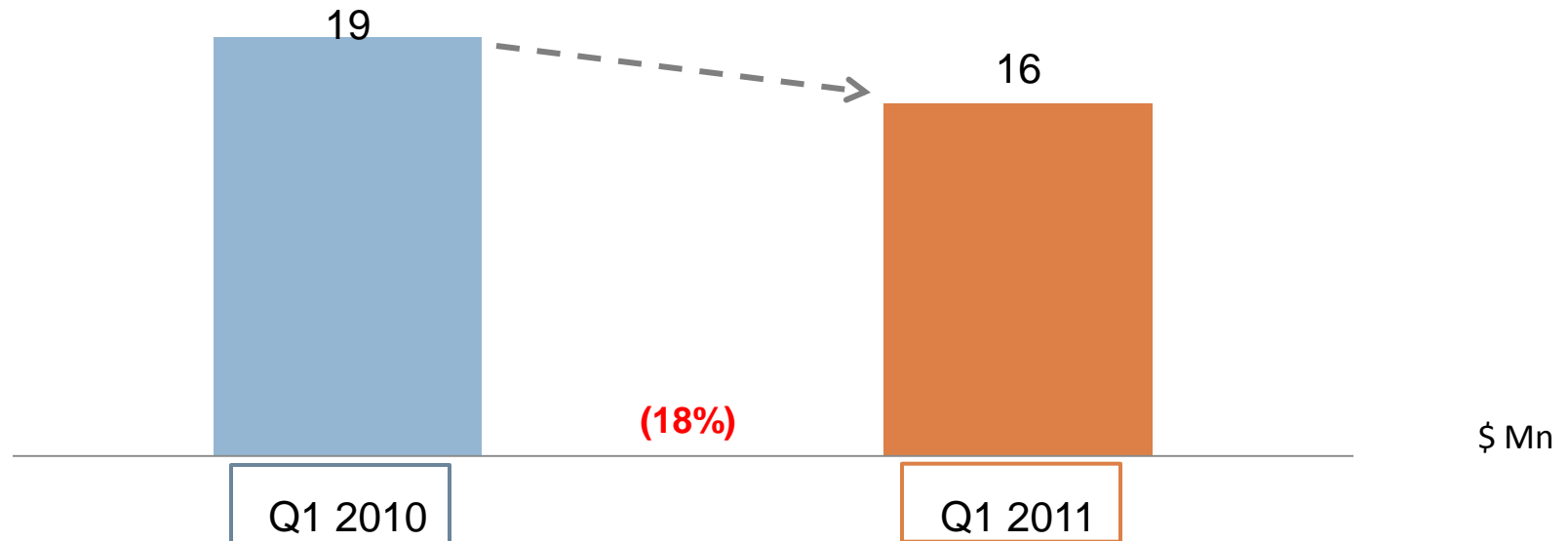
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- Consistent performance in larger markets
- Smaller markets led growth in the region



- ARV sales have aided growth
- Growth in the region will come from
 - New manufacturing facility in South Africa
 - Tender sales (ARV) to follow over the next 2 years



- Completion of Tender supplies to the government of Brazil
 - Donepezil Tender: ~\$3 Mn over a year

Financials Q1 2011: USD

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Q1 2010	Particulars in \$ Mn	Q1 2011
541	Sales	474
1	Less : Excise duty	1
540	Net sales	473
61	Other operating income	8
601	Total Operating Income	482
162	Total Consumption	166
15	Operating Forex expense	-
83	Employee cost	92
127	Other Operating expenses	134
387	Total other expenditure	393
214	EBITDA	89
22	Depreciation and amortization	16
3	Interest (Cost)/Income & Other Income (including Operating Forex Income)	17
(28)	Foreign exchange (gain)/ loss on loans	5
224	Profit/(loss) from ordinary activities before tax	84
	Exceptional Items	
84	Forex (loss)/ gain on foreign currency option derivatives	0
308	Net EBT	85
209	Net profit/ (loss) from ordinary activities after tax	68
39%	<i>PAT%</i>	14%
209	Net profit/ (loss) from ordinary activities after tax and minority interest & Share in (loss)/ profit of associates	67
39%	<i>PAT% (after minority interest & Share in (loss)/ profit of associates)</i>	14%

Operational Performance (excluding Forex and Excep items)

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Q1 2010	Particulars in \$ Mn	Q1 2011
541	Sales	474
214	EBITDA	95
40%	<i>% to Sales</i>	20%
308	EBT	85
57%	<i>% to Sales</i>	18%
214	EBITDA	95
(15)	Forex Gain/(Loss)	6
229	Operational EBITDA	89
42%	<i>% to Sales</i>	19%
308	EBT	85
28	Forex Gain/(Loss) on FC Borrowings	(5)
70	Other Forex Gain/(Loss) (incl. Derivatives)	6
210	Operational EBT	84
39%	<i>% to Sales</i>	18%

Financials Q1 2011: INR

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Q1 2010	Particulars in Rs. Mn	Q1 2011
24,847	Sales	21,468
34	Less : Excise duty	38
24,812	Net sales	21,430
2,803	Other operating income	379
27,615	Total Operating Income	21,809
7,441	Total Consumption	7,523
678	Operating Forex expense	-
3,812	Employee cost	4,171
5,846	Other Operating expenses	6,084
17,776	Total other expenditure	17,778
9,839	EBITDA	4,032
1,005	Depreciation and amortization	736
151	Interest (Cost)/Income & Other Income (including Operating Forex Income)	752
(1,298)	Foreign exchange (gain)/ loss on loans	226
10,283	Profit/(loss) from ordinary activities before tax	3,823
	Exceptional Items	
3,872	Forex (loss)/ gain on foreign currency option derivatives	20
14,155	Net EBT	3,842
9,631	Net profit/ (loss) from ordinary activities after tax	3,060
39%	PAT%	14%
9,606	Net profit/ (loss) from ordinary activities after tax and minority interest & Share in (loss)/ profit of associates	3,044
39%	PAT% (after minority interest & Share in (loss)/ profit of associates)	14%



Questions & Answers
