

## RANBAXY LABORATORIES LIMITED

### Unaudited Standalone Financial Results for the quarter and six months ended 30 June 2011

(Rupees in millions, except for share data, and if otherwise stated)

Particulars	(Unaudited) Quarter ended 30 June		(Unaudited) Six months ended 30 June		(Audited) Year ended 31 December
	2011	2010	2011	2010	2010
<b>Sales</b>					
- Within India	5,006.20	4,574.96	9,489.49	8,599.96	18,231.58
- Outside India (refer to note 1)	7,459.55	6,085.84	13,573.53	18,516.27	34,435.51
<b>Total sales</b>	<b>12,465.75</b>	<b>10,660.80</b>	<b>23,063.02</b>	<b>27,116.23</b>	<b>52,667.09</b>
Less: excise duty	47.92	41.32	85.53	75.71	152.23
<b>Net sales</b>	<b>12,417.83</b>	<b>10,619.48</b>	<b>22,977.49</b>	<b>27,040.52</b>	<b>52,514.86</b>
Other operating income (refer to note 2)	402.34	536.18	795.95	3,336.69	4,206.16
<b>Total operating income</b>	<b>12,820.17</b>	<b>11,155.66</b>	<b>23,773.44</b>	<b>30,377.21</b>	<b>56,721.02</b>
<b>Expenditure</b>					
Increase in stock in trade and work-in-progress	(662.33)	(583.92)	(1,531.34)	(1,021.00)	(1,614.25)
Consumption of materials	4,851.76	4,023.07	9,824.76	8,158.00	16,803.07
Purchase of traded goods	1,457.64	1,583.26	2,759.22	3,132.88	6,520.52
Employees' cost (refer to note 3)	2,272.16	1,921.14	4,541.40	3,910.26	7,761.38
Depreciation, amortisation and impairment	469.78	443.37	932.39	1,179.29	2,283.53
Other operating expenses	4,214.79	3,475.38	8,033.55	6,838.35	14,921.52
<b>Total expenditure</b>	<b>12,603.80</b>	<b>10,862.30</b>	<b>24,559.98</b>	<b>22,197.78</b>	<b>46,675.77</b>
<b>Profit/ (loss) from operations before other income, interest and exceptional items</b>	<b>216.37</b>	<b>293.36</b>	<b>(786.54)</b>	<b>8,179.43</b>	<b>10,045.25</b>
Interest earned and other income	447.39	1,112.95	1,253.58	936.86	2,196.31
Foreign exchange and derivative gain on loans, net (refer to note 4)	-	-	-	141.87	1,406.98
<b>Profit before interest and exceptional items</b>	<b>663.76</b>	<b>1,406.31</b>	<b>467.04</b>	<b>9,258.16</b>	<b>13,648.54</b>
Interest expense	148.27	94.56	276.40	318.70	541.94
Foreign exchange and derivative loss on loans, net (refer to note 4)	184.43	1,141.39	409.95	-	-
<b>Profit/ (loss) after interest but before exceptional items</b>	<b>331.06</b>	<b>170.36</b>	<b>(219.31)</b>	<b>8,939.46</b>	<b>13,106.60</b>
Exceptional items:					
- Profit on sale of investments/ (provision for diminution in the value of investments) (refer to note 5a)	-	2,177.61	-	2,177.61	(1,822.97)
- Foreign exchange gain/ (loss) (net) on foreign currency option derivatives (refer to note 5b)	1,117.94	(2,336.85)	1,137.78	1,535.43	4,368.82
<b>Profit from ordinary activities before tax</b>	<b>1,449.00</b>	<b>11.12</b>	<b>918.47</b>	<b>12,652.50</b>	<b>15,652.45</b>
Tax (benefit)/ expense, net	(54.75)	11.89	(56.21)	3,935.26	4,165.19
<b>Net profit/ (loss) from ordinary activities after tax</b>	<b>1,503.75</b>	<b>(0.77)</b>	<b>974.68</b>	<b>8,717.24</b>	<b>11,487.26</b>
Paid - up equity share capital (Face value of Rs. 5 each)	2,106.82	2,103.34	2,106.82	2,103.34	2,105.20
Reserves excluding revaluation reserves	-	-	-	-	49,152.76
<b>(Loss)/ earnings per share (Rs.)</b>					
Basic	3.57	(0.00)	2.31	20.73	27.30
Diluted	3.55	(0.00)	2.30	19.12	23.75
Public shareholding #					
- Number of shares	145,468,296	146,204,421	145,468,296	146,204,421	145,997,151
- Percentage of shareholding	34.52%	34.76%	34.52%	34.76%	34.68%
Promoters and promoter group share holding					
a) Pledged / encumbered					
- Number of shares	NIL	NIL	NIL	NIL	NIL
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-
- Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-	-
b) Non - encumbered					
- Number of shares	268,711,323	268,711,323	268,711,323	268,711,323	268,711,323
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%
- Percentage of shares (as a % of the total share capital of the Company)	63.77%	63.88%	63.77%	63.88%	63.82%

# Aggregate Public shareholding as defined under Clause 40A of the Listing Agreement (excludes shares held by Promoters and promoters group share holding and GDRs)

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Unaudited Standalone Financial Results for the quarter and six months ended 30 June 2011

(Rupees in millions, except for share data, and if otherwise stated)

Notes:

- 1 Significant sales outside India for all periods presented include sales relating to First-To-File (FTF) products in the United States of America.
- 2 Other operating income primarily comprises export benefits, income arising out of milestone payments, patent/ exclusivity settlements and non-compete fee.
- 3 Employees' cost for the quarter and six months ended 30 June 2011 includes a prior period expense amounting to Rs.57.72 and Rs.117.20 respectively.
- 4 Foreign exchange and derivatives loss/ gain on loans, net represents exchange difference on foreign currency borrowings including Foreign Currency Convertible Bonds and mark to market loss/ gain (net) on outstanding derivatives (including interest rate swaps) relating to loans.
- 5 (a) There are no exceptional items in the current period. Exceptional items for the quarter and six months ended 30 June 2010 included profit on sale of long-term investment and for year ended 31 December 2010 includes provision for diminution in the value of a long term investments amounting to Rs. 4,078.00 and netted for profit on sale of quoted shares (long-term investment) amounting to Rs. 2,255.03.  
(b) Exceptional items represent foreign exchange gain (net) on foreign currency option derivatives (other than derivatives relating to loans) which are accounted in accordance with Accounting Standard 30, Financial Instruments: Recognition and measurement.
- 6 The research and development expenses is classified under respective heads according to the nature of expense. The aggregate amount of such expenses (excluding depreciation) for all periods presented is set out below:

Particulars	(Unaudited) Quarter ended 30 June		(Unaudited) Six months ended 30 June		(Audited) Year ended 31 December
	2011	2010	2011	2010	2010
	Research and development expenses	1,214.59	1,167.01	2,244.05	2,361.55

- 7 The Company continues to co-operate, for an effective resolution, with:
  - (a) the Food and Drug Administration of the United States of America (US FDA) for import alert and warning letters issued primarily relating to Good Manufacturing Practice for some of the products manufactured at certain manufacturing facilities of the Company in India and, Application Integrity Policy against one of its manufacturing facilities in India; and
  - (b) the Department of Justice (DOJ) of the United States of America (USA) regarding certain charges relating to possible issues with data submitted by the Company in support of products filings.

In response to the qualification given by the auditors in the previous quarter in respect of the matter, the management believes that at present there is significant uncertainty about the outcome of the above mentioned matters and therefore, no provision has been made in the books.

- 8 Statement of Assets and Liabilities are given below:

Particulars	(Unaudited) As at 30 June		(Audited) Year ended 31 December
	2011	2010	2010
	Shareholders' funds		
a) Share capital	2,106.82	2,103.34	2,105.20
b) Share application money pending allotment	26.70	4.12	65.96
c) Reserve and surplus	50,039.51	47,353.60	49,152.76
Loan funds	27,674.45	40,100.50	42,607.15
<b>TOTAL</b>	<b>79,847.48</b>	<b>89,561.56</b>	<b>93,931.07</b>
Fixed assets	20,947.75	20,889.83	20,423.00
Investments	34,578.37	41,184.00	38,044.37
Deferred tax assets (net)	-	260.91	-
Current assets, loans and advances			
a) Inventories	16,321.32	13,923.11	14,899.06
b) Sundry debtors	9,206.59	10,187.01	12,926.32
c) Cash and bank balances	9,320.83	21,254.00	27,122.82
d) Other current assets	2,253.65	1,932.97	3,205.97
e) Loans and advances	11,722.09	12,051.39	11,498.55
Less: Current liabilities and provisions			
a) Liabilities	21,811.49	24,382.57	24,910.82
b) Provisions	2,691.63	7,739.09	9,278.20
<b>TOTAL</b>	<b>79,847.48</b>	<b>89,561.56</b>	<b>93,931.07</b>

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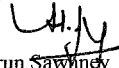
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Notes:

- 9 On exercise of Employees Stock Options, 143,696 equity shares have been allotted on 12 July 2011. The total number of Employees Stock Options outstanding as at 30 June 2011 were 6,825,278, out of which 4,678,923 have vested. The entitlement of shares on exercise of stock options granted on or before 3 October 2002 would increase in the proportion of 3:5, keeping in view the issue of bonus shares on 11 October 2002.
- 10 Dividend @ Rs. 2 per equity share of Rs. 5 each for the year ended 31 December 2010 amounting to Rs. 979.44 (including tax on dividend) as approved by the shareholders in the Annual General Meeting held on 9 May 2011 was paid to the shareholders on 16 May 2011.
- 11 The Company's business activity falls within a single primary business segment viz. 'Pharmaceutical'.
- 12 Status of investor complaints: a) Pending as on 31 March 2011-1; b) Received during the quarter-30; c) Disposed off during the quarter-31; d) Pending as on 30 June 2011-nil.
- 13 Figures for previous periods have been regrouped and recasted, wherever necessary, to make them comparable with the figures of the current period.
- 14 The above results were reviewed by the Audit Committee on 4 August 2011 and approved by the Board of Directors at their meeting held on 5 August 2011 and have undergone a "Limited Review" by the Statutory Auditors of the Company.

By order of the Board

  
Arun Sawhney  
Managing Director

Place: Cluj, Romania

Date: 5 August 2011

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