



Ranbaxy Laboratories Limited

FINANCIAL RESULTS:
July – September 2011 (Q3)
YTD September 30, 2011 (YTD)

ARUN SAWHNEY
CEO & MD

09 Nov 2011

Post Results Conference Call

Safe Harbor

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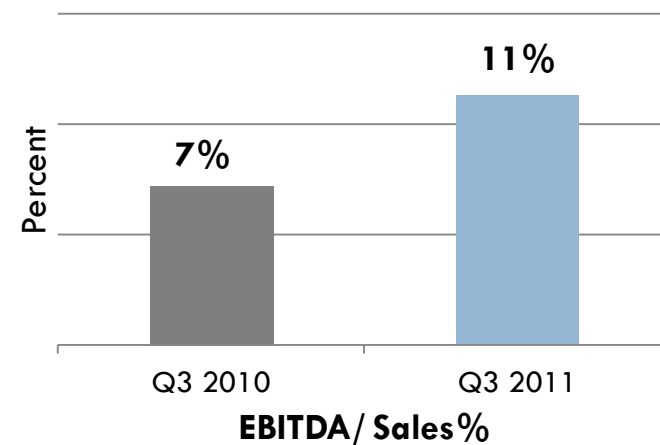
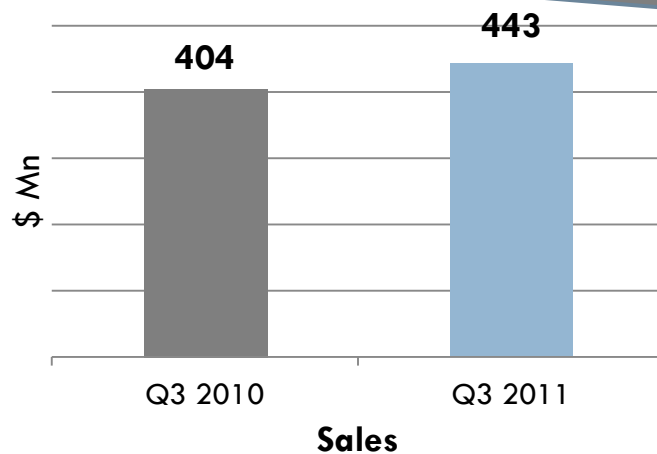
Key Achievements for Quarter 3, 2011

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Financial

- Strong overall business performance
 - Q3 2011 and corresponding quarter have nil FTF impact
- Healthy improvement in EBITDA margins on base business



Key Achievements for Quarter 3, 2011

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Business

- Emerging market sales \$262 Mn
 - Growth 11%; 64% of DF sales
- Developed market sales \$145 Mn
 - 36% of DF sales

- India: Strong CHC performance; Industry-wide slow down impacts Acute growth

- Africa: Region growth resilient; while South Africa tender sales impacted by donation stocks

- Europe: Branded Generics markets, (including Romania and SCE) and France performed well

- USA: Base business continued to be strong

Manufacturing

- Remain positive about Ranbaxy 's preparedness for audit by regulators
- Trace & Track for export packaging, Government regulation: compliant with tertiary packing requirements, initiated work on the challenging part of secondary packing

Research & Development

- Further improvement in filings and approvals
 - DF filings: 55; DF approvals: 32
- Anti-malarial drug by end-2011

Synergy with Daiichi Sankyo

- Front end:
 - Ranbaxy to extend DS product reach to pharmacists in Italy
 - Expand business in Mexico
- Back end etc.:
 - Multiple opportunities pursued in manufacturing, cost reduction etc.
- Ongoing:
 - DS and Ranbaxy work on joint social contribution initiatives in India and some African countries
 - Successful launch of innovator products, R&D collaboration, cost efficiencies

Regulatory

- Continue to co-operate and negotiate with the USFDA/ DOJ for a comprehensive resolution
- Over 10 country regulatory approvals received

Derivatives Position

- Exposure of \$1.7Bn in 2007. Down to ~\$703 Mn in Q3 2011
- Expire by 2015-16

Debt Position

- Total Debt ~\$630 Mn; Net Debt \$265 Mn

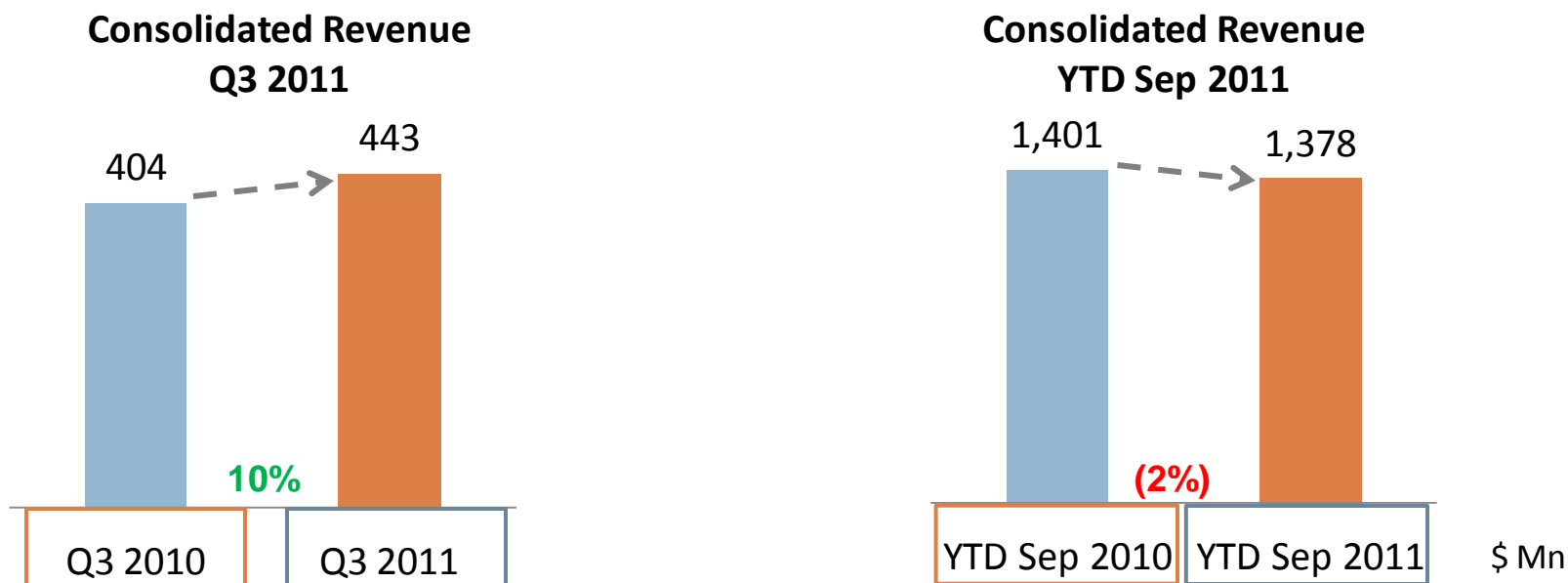


Financial Performance

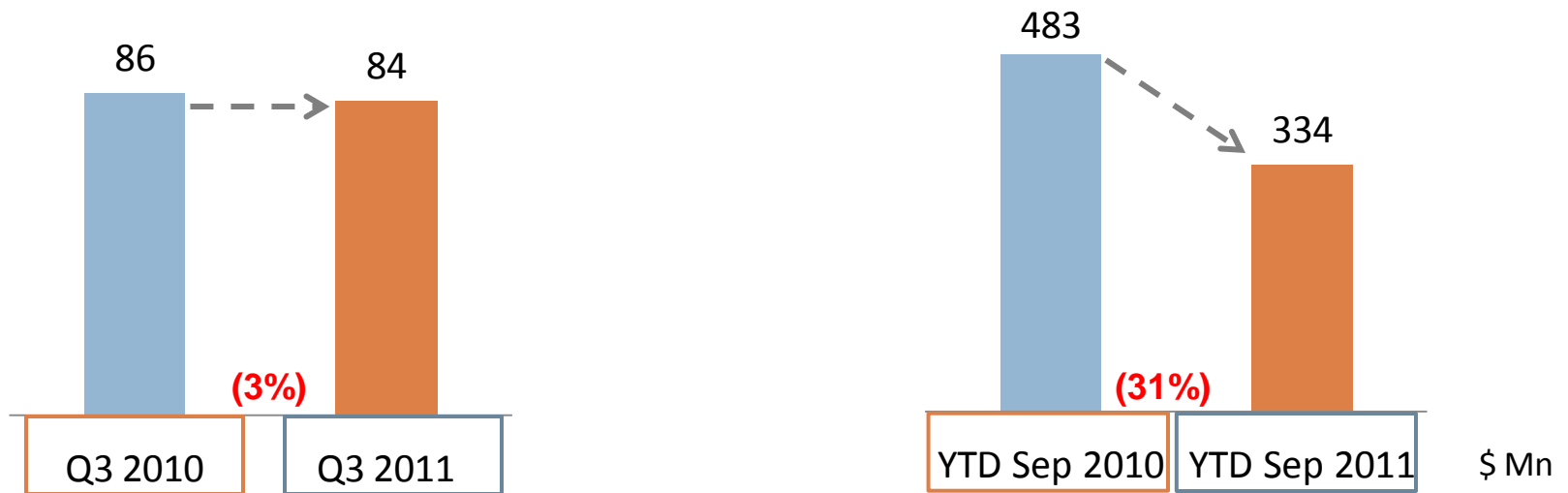
Sales Performance

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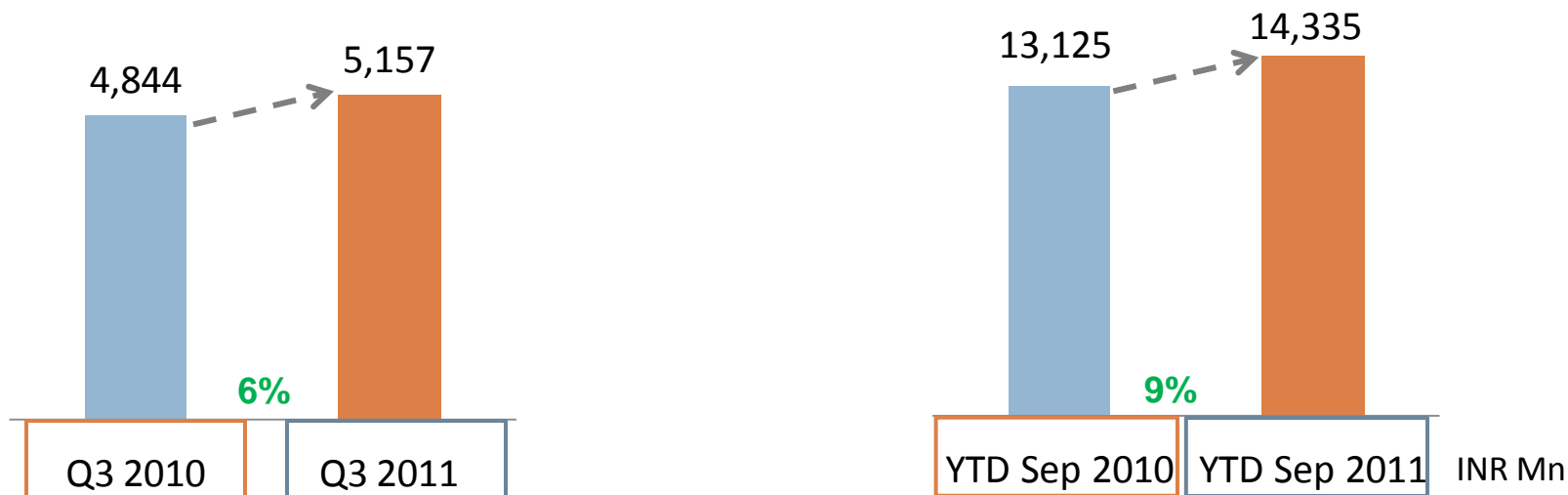
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- Base business growth momentum continues with >10% growth on Quarter and YTD basis
- All growth in Q3 2011 attributable to base business; no exclusivities. YTD 2011 lower than YTD 2010 due to varying levels of FTF contributions to the business



- Healthy base business sales in the USA
- Q3 2010 sales higher due to higher post exclusivity contribution of FTF owing to limited price erosion
- YTD Sep 2010 sales higher than YTD Sep 2011 due to relative FTF contributions

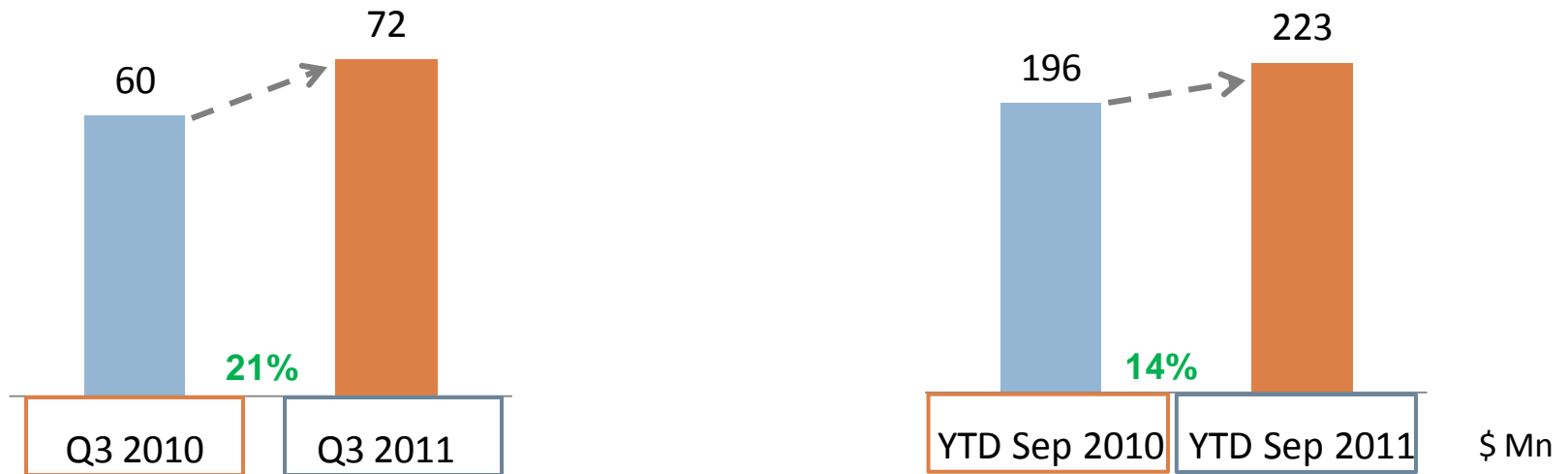


- India market continued despite industry-wide slow down in Anti-infectives
- Strong CHC performance; launch of 'Volini Duo', India's first approved two in one pain killer

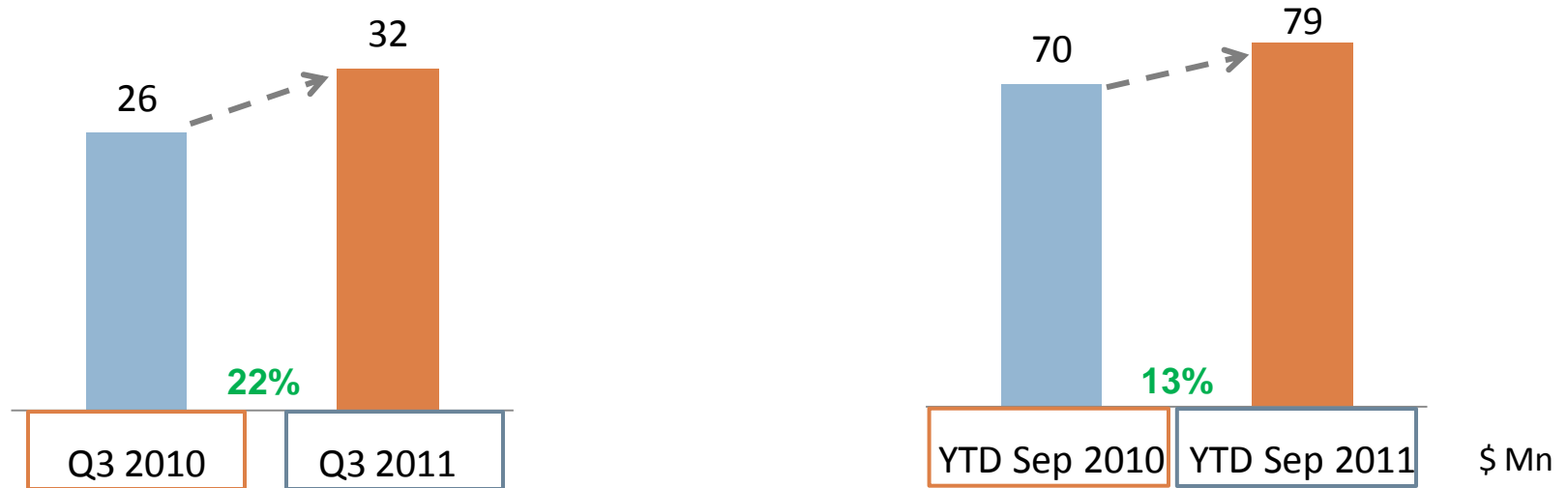
Europe

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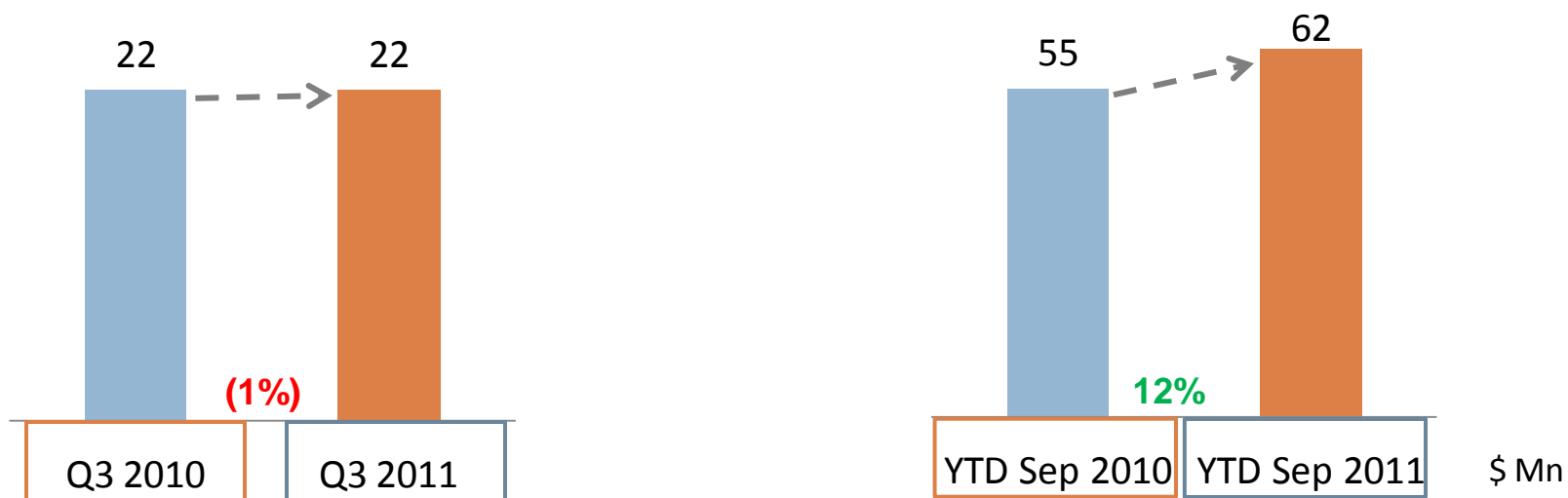
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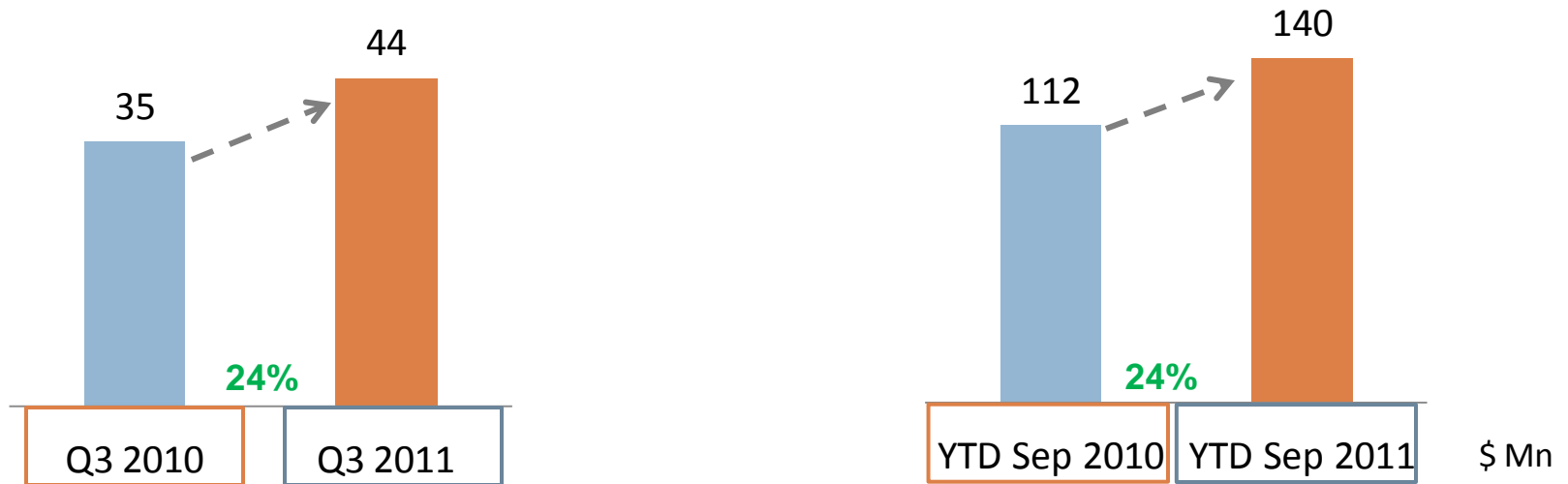
- Sales growth in major branded generics markets including Romania; Day 1 launches helped the business
- France business continued to improve; Ranbaxy and DS will work together in Italy
- Concerns on Macro-economic indicators continue



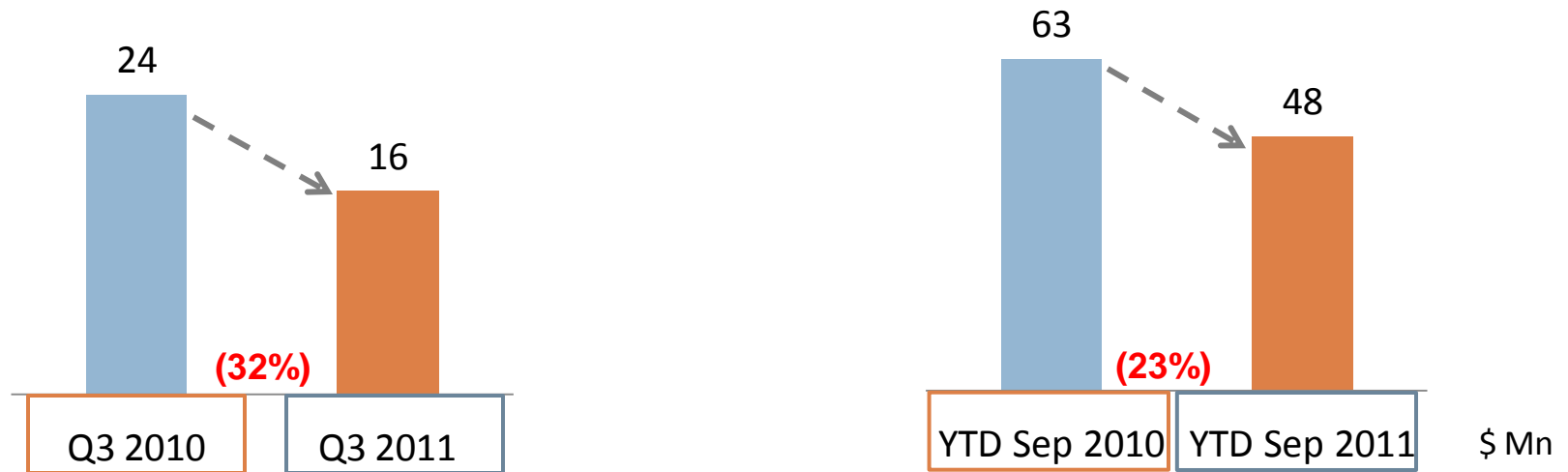
- Ranbaxy continued to be ranked number 1 in its represented market in Russia and Ukraine
- Macro-issues yet to evolve in the CIS



- APAC market led by growth in Malaysia and ANZ



- Strong sales growth in the region
 - Tender sales in South Africa impacted adversely due to donation stocks from the United Nations



- LATAM sales lower due to some product supply concerns in the region
- DS and Ranbaxy exploring synergy opportunities for working together in the market

Financials Q3 2011: \$

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Q3'10	Q3'11	Particulars in \$ Mn	YTD Sept'10	YTD Sept'11
404	443	Sales	1,401	1,378
1	1	Less: Excise duty	2	3
404	442	Net sales	1,398	1,375
11	16	Other operating income	83	33
414	458	Total Operating Income	1,481	1,408
166	185	Total Consumption	495	533
3	(13)	Operating Forex expense/ (gain)	12	(26)
79	89	Employee cost	243	275
137	146	Other Operating expenses	383	432
385	407	Total other expenditure	1,132	1,214
29	51	EBITDA	349	193
21	17	Depreciation and amortization	58	50
18	6	Interest (Cost)/Income & Other Income	34	24
(24)	55	Foreign exchange (gain)/ loss on loans	(27)	65
49	(16)	Profit/(loss) from ordinary activities before tax	351	103
		Exceptional Items		
-6	8	Exceptional Items (Profit on sale of investments)	39	8
33	(89)	Forex (loss)/ gain on foreign currency option derivatives	66	(63)
76	(96)	Net EBT	456	48
67	(102)	Net profit/ (loss) from ordinary activities after tax	349	21
17%	(23%)	PAT%	25%	2%
66	(103)	Net profit/ (loss) from ordinary activities after tax and minority interest & Share in (loss)/ profit of associates	346	18
16%	(23%)	PAT% (after minority interest & Share in (loss)/ profit of associates)	25%	1%

Operational Performance (excluding Forex and Excep items)

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Q3'10	Q3'11	Particulars in \$ Mn	YTD Sept'10	YTD Sept'11
404	443	Sales	1401	1378
29	51	EBITDA	349	193
7%	11%	<i>% to Sales</i>	25%	14%
76	(96)	EBT	456	48
19%	-22%	<i>% to Sales</i>	33%	3%
29	51	EBITDA	349	193
(3)	13	Forex Gain/(Loss)	(12)	26
32	38	Operational EBITDA	360	168
8%	9%	<i>% to Sales</i>	26%	12%
76	(96)	EBT	456	48
24	(55)	Forex Gain/(Loss) on FC Borrowings	27	(65)
33	(89)	Other Forex Gain/(Loss) (incl. Derivatives)	66	(63)
7	8	Exceptional Item	52	8
(3)	13	Operational Fx	(12)	26
(13)	-	- Provision for diminution in the value of investment in associates	(13)	-
29	27	Operational EBT	336	142
7%	6%	<i>% to Sales</i>	24%	10%

Financials Q3 2011: INR

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Q3'10	Q3'11	Particulars in Rs. Mn	YTD Sept'10	YTD Sept'11
18,809	20,280	Sales	64,600	62,336
34	52	Less : Excise duty	110	138
18,775	20,228	Net sales	64,490	62,198
509	728	Other operating income	3,831	1,493
19,284	20,955	Total Operating Income	68,320	63,691
7,718	8,446	Total Consumption	22,820	24,136
143	(591)	Operating Forex expense/ (gain)	534	(1,162)
3,661	4,080	Employee cost	11,225	12,439
6,375	6,688	Other Operating expenses	17,655	19,527
17,897	18,623	Total other expenditure	52,233	54,940
1,386	2,332	EBITDA	16,087	8,751
987	788	Depreciation and amortization	2,687	2,259
822	276	Interest (Cost)/Income & Other Income	1,556	1,082
(1,097)	2510	Foreign exchange (gain)/ loss on loans	(1,237)	2,920
2,319	(690)	Profit/(loss) from ordinary activities before tax	16,192	4,655
		Exceptional Items		
(251)	378	Exceptional Items (Profit on sale of investments)	1,813	378
1,508	(4002)	Forex (loss)/ gain on foreign currency option derivatives	3,043	(2,864)
3,576	-4313	Net EBT	21,049	2,169
3,128	(4569)	Net profit/ (loss) from ordinary activities after tax	16,079	946
17%	(23%)	PAT%	25%	2%
3,079	(4,646)	Net profit/ (loss) from ordinary activities after tax and minority interest & Share in (loss)/ profit of associates	15,942	830
16%	(23%)	PAT% (after minority interest & Share in (loss)/ profit of associates)	25%	1%



Questions & Answers
