



Ranbaxy Laboratories Limited

**FINANCIAL RESULTS:
October – December 2011 (Q4 2011)
Full Year 2011 (CY 2011)**

**ARUN SAWHNEY
CEO & MD**

23 Feb 2012

Post Results Conference Call

Safe Harbor

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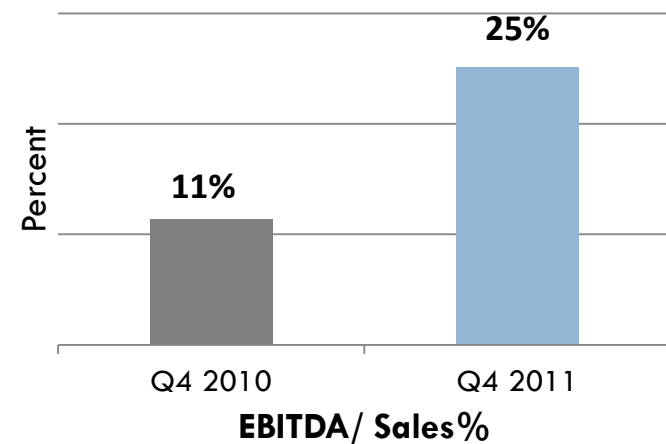
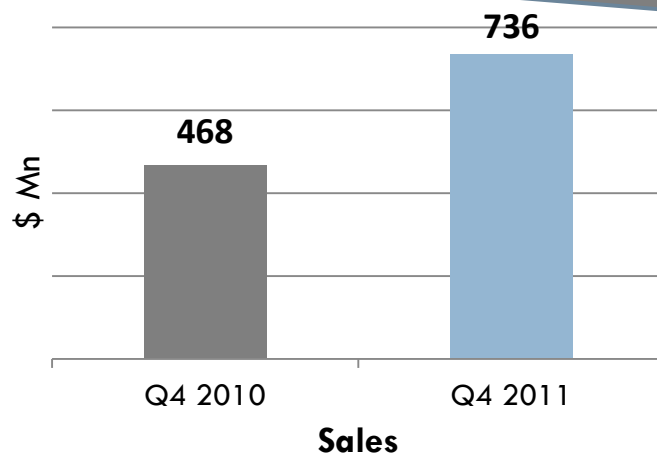
Key Achievements for Quarter 4, 2011

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Financial

- Robust overall business performance
- Launched Atorvastatin, generic Lipitor® as First to File (FTF)
- Healthy EBITDA margins aided by strong FTF performance



Lipitor® is a registered trade mark of Pfizer

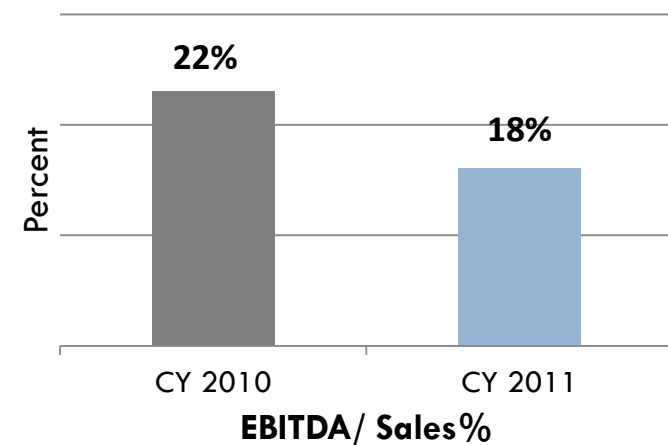
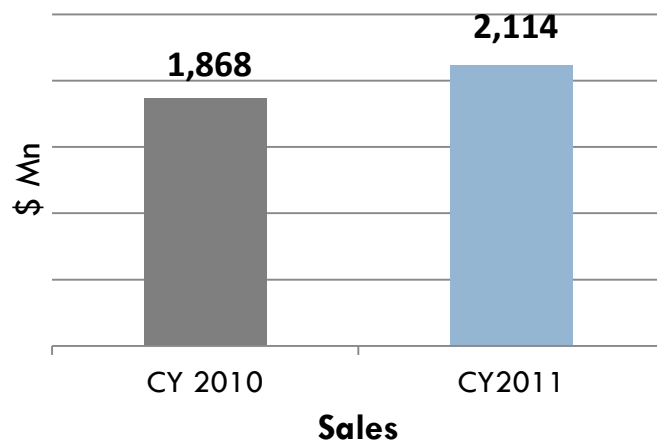
Key Achievements for 2011

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Financial

- Strong business performance
- Monetized exclusivity opportunities in the year



Key Achievements for Quarter 4 & CY 2011

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Business

- Emerging market sales \$241 Mn for Q4; \$1,003 Mn for CY 11
 - 35% of DF sales for Q4; 51% for 2011
- Developed market sales \$452 Mn for Q4, \$966 Mn for CY 11
 - 65% of DF sales for Q4; 49% for 2011, aided by FTF contribution

- India: CHC continues commendable performance; Negative impact of slow down in acute segment
- APAC, Africa: Invest in growth thru planned capacity expansions

- Europe: Emerging markets and France performed well
- USA: Successful monetization of two FTFs Atorvastatin (Lipitor®) and Atorvastatin+Amlodipine besylate (Caduet®)

Caduet® is a registered trade marks of Pfizer

Manufacturing

- Mohali SEZ received regulatory approvals from the US FDA, TGA (Australia) & WHO
- Trace & Track for export packaging, Government regulations
- Investments planned to grow in emerging markets

Research & Development

- Further improvement in filings and approvals for the year
 - DF filings: 231 up from 180; DF approvals: 148
- Received approval for first ever NDA for an Indian Company

Synergy with Daiichi Sankyo

- Front end:
 - Ranbaxy to market Cravit® (Levofloxacin) in Malaysia
 - Expand business in Mexico thru DS; Ranbaxy to extend DS products' reach to pharmacists in Italy
- 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
 - R&D collaboration, cost efficiencies

Regulatory

- Signed Consent Decree with US FDA to address cGMP issues. Provision of \$500 Mn in connection with DOJ investigations
- Received US FDA approval for Mohali SEZ

Derivatives Position

- Exposure of \$1.7Bn in 2007. Down to ~\$654 Mn by end-2011
- Expire by 2015-16

Debt Position

- Total Debt ~\$843 Mn; Net Debt ~\$267 Mn



Financial Performance

Q4 & CY 2011

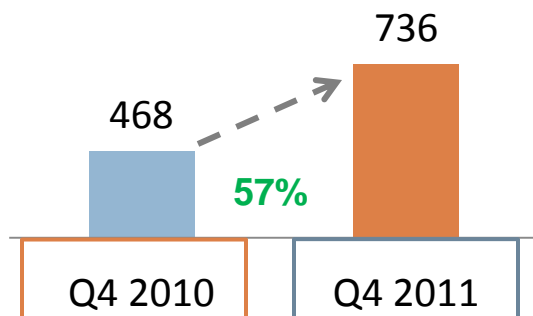
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Sales Performance

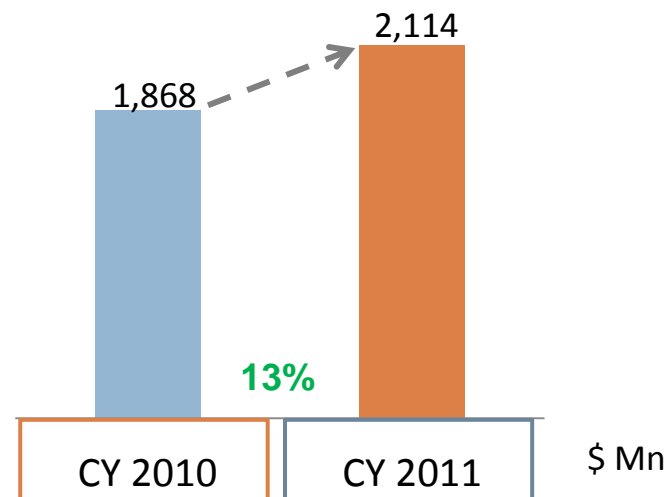
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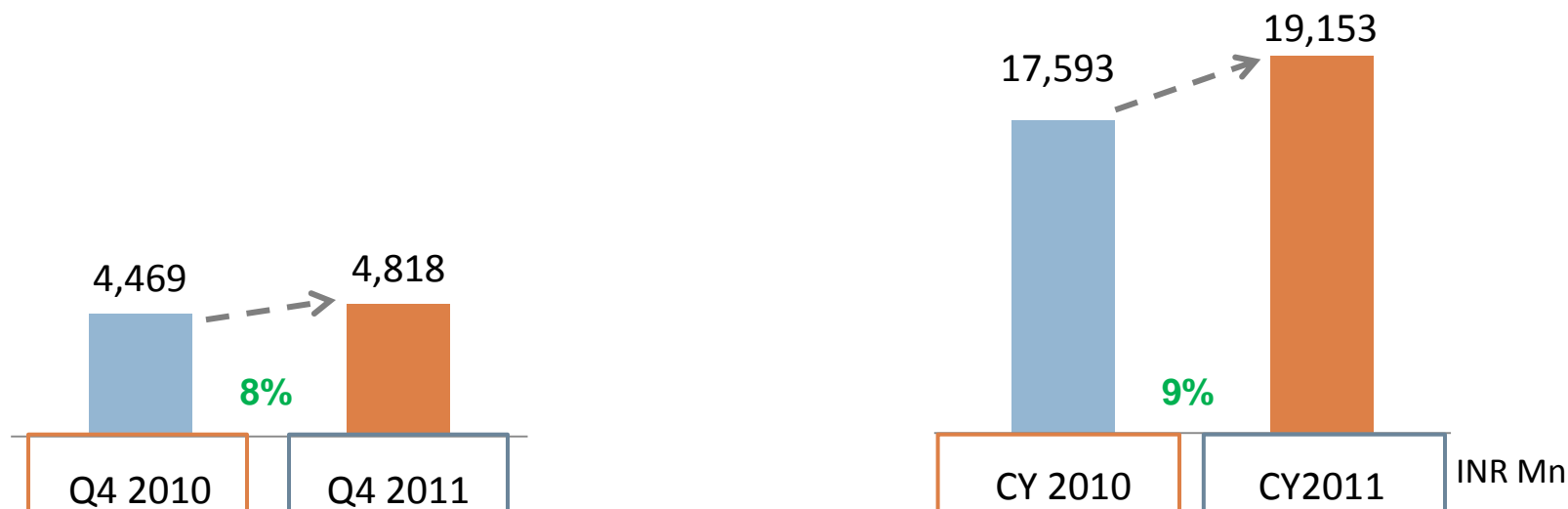
**Consolidated Revenue
Q4 2011**



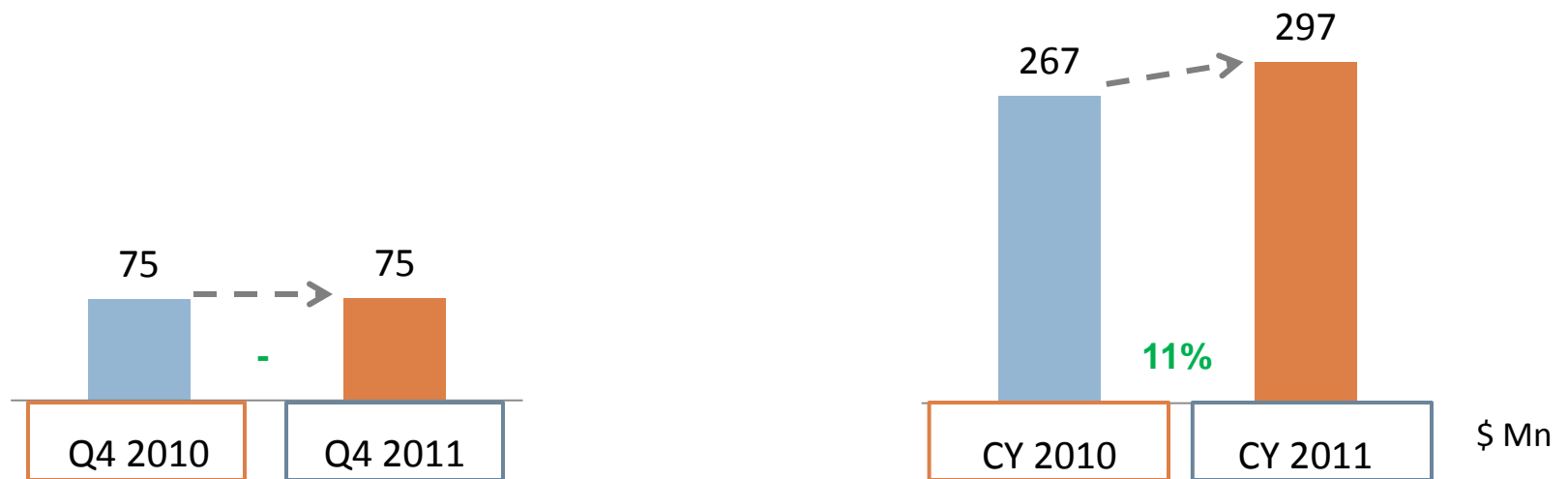
**Consolidated Revenue
CY 2011**



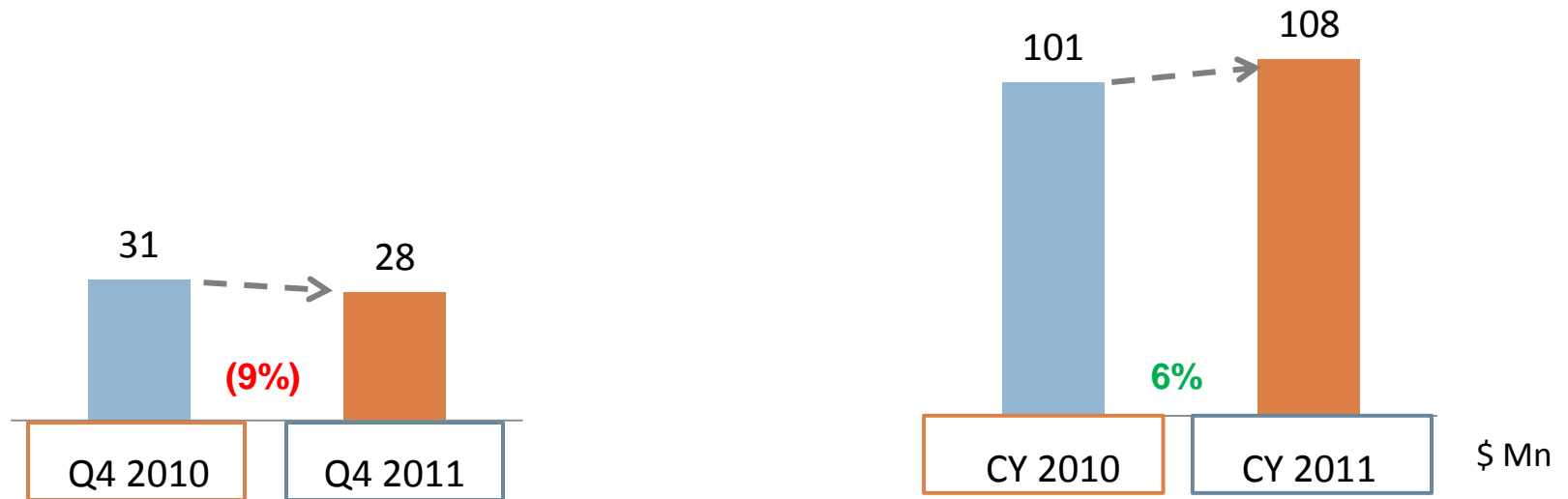
- First Pharma Company of Indian origin to have sales in excess of \$2Bn!
- Strong base business sales; continued to grow on Quarter and Full Year basis
- Successfully monetized exclusivity opportunities



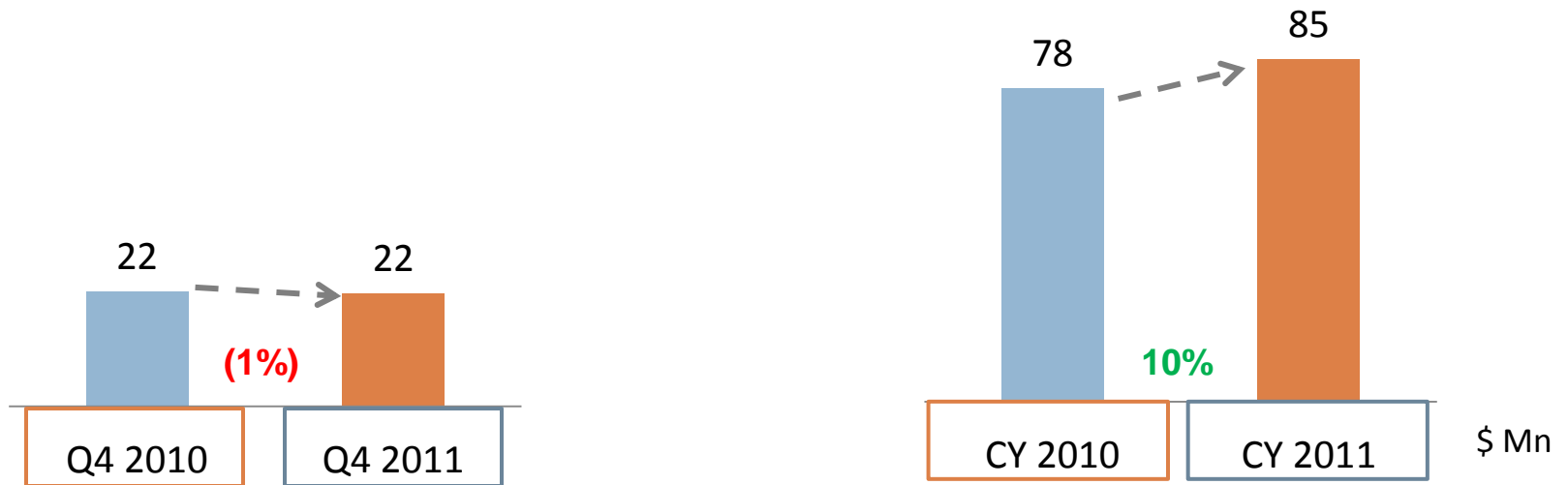
- Growth in India region faster than IPM growth for the year
- Robust growth in the OTC business (CHC) performance. Ranbaxy is a market leader in its represented category
- Government policies' evolution continued



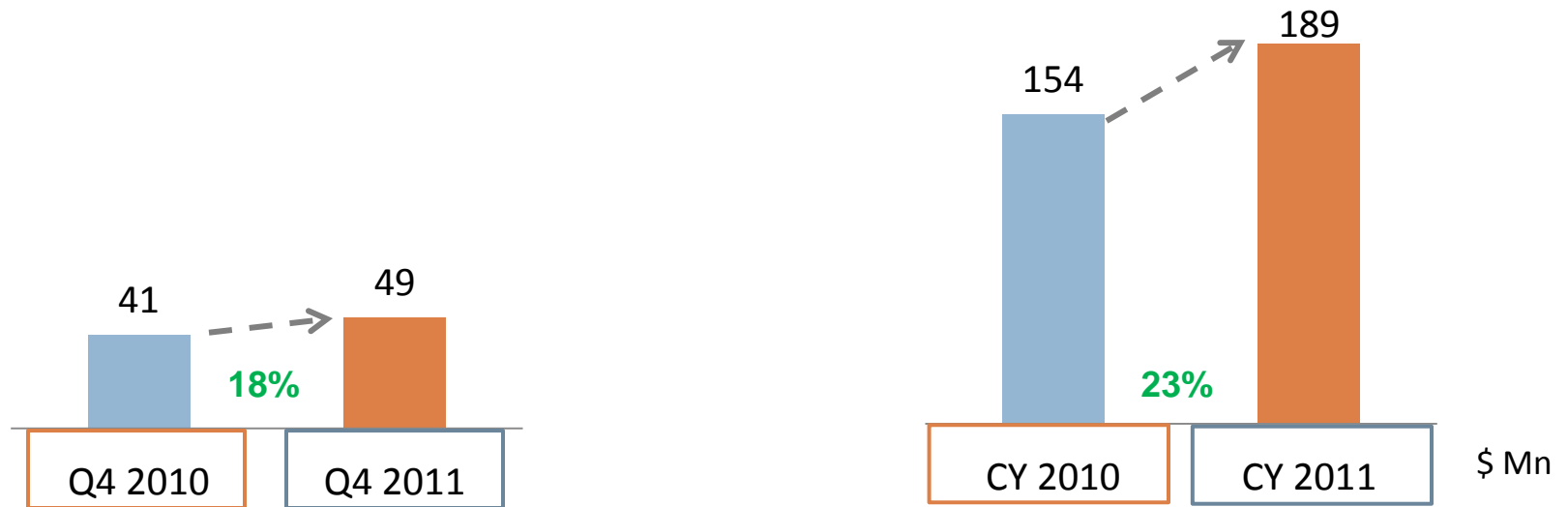
- Business model calibration in Europe to evolve a robust model for the region
- Negative impact on the region due to spending cuts and enforcements by governments
- Concerns on Macro-economic indicators continue



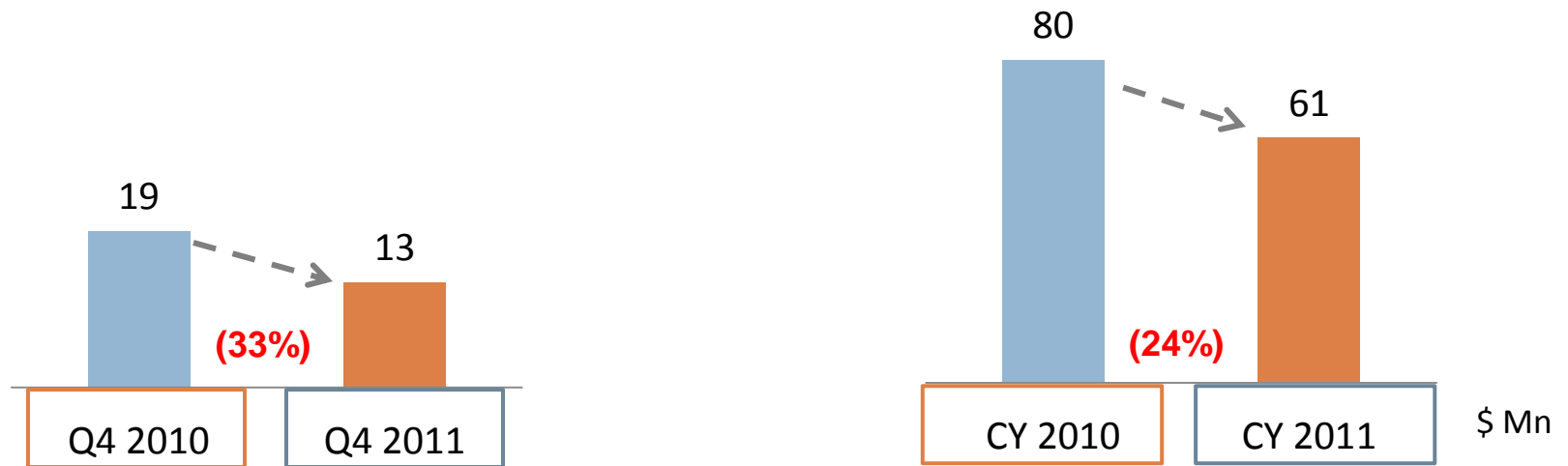
- Ranbaxy continued to be ranked number 1 in its represented market in Russia and Ukraine
- Macro-issues yet to evolve in the CIS and Ukraine



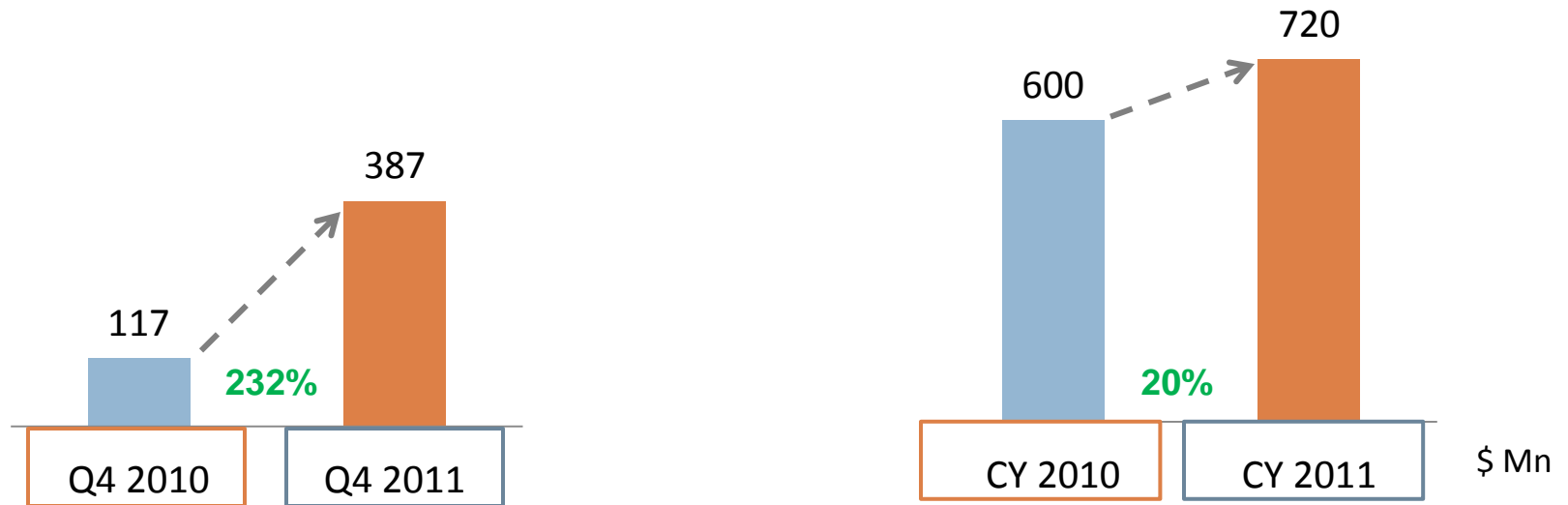
- Greenfield manufacturing facility planned in Malaysia to aid higher performance in the region
- Launched DS innovator products in Singapore and Malaysia during the year



- Establish and grow some of the larger markets viz. Egypt and Morocco. Invest in manufacturing capacity in Nigeria
- Strong sales growth in the region
 - Tender sales in South Africa adversely impacted due to donation stocks from the United Nations



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



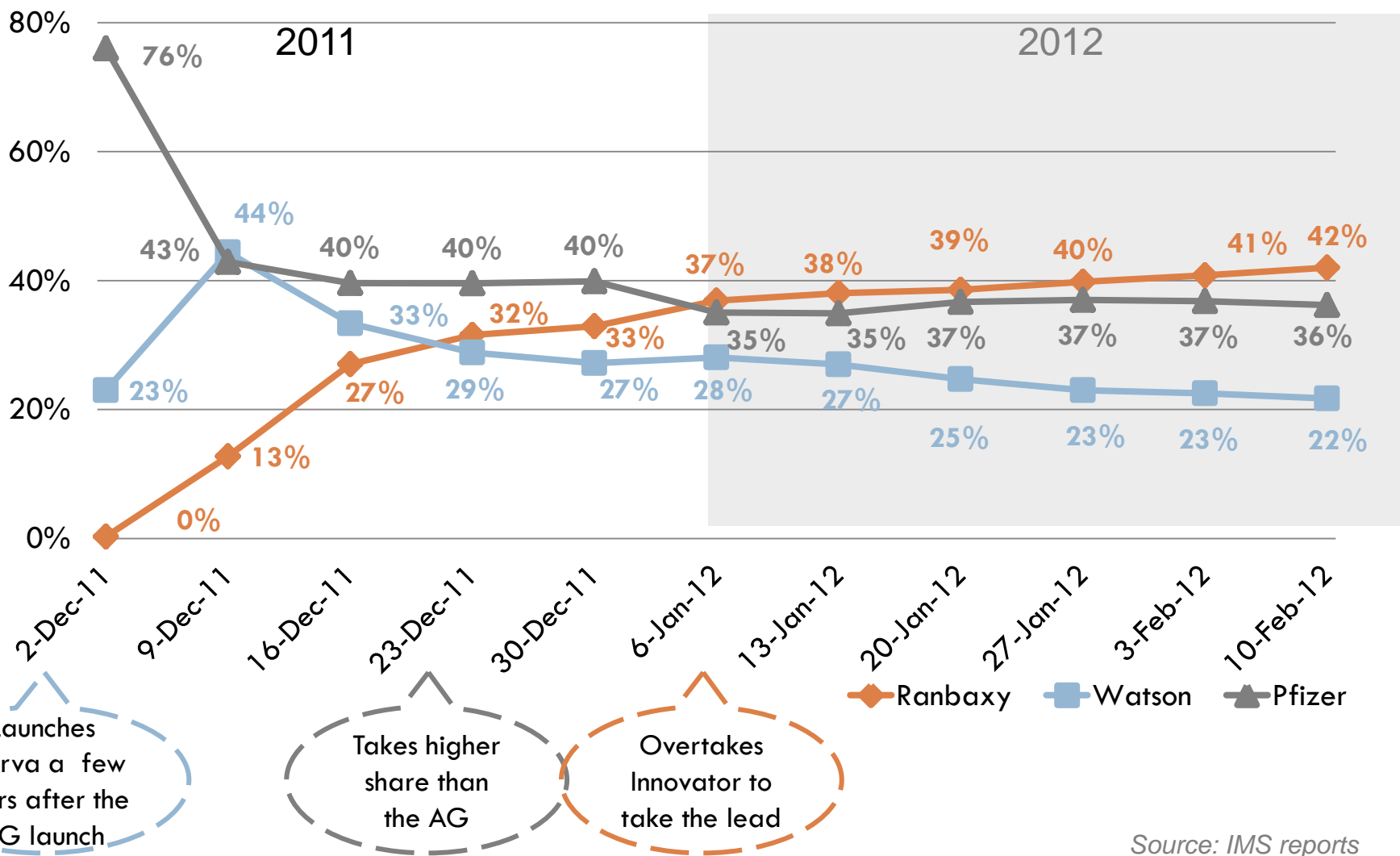
- Successfully launched Atorvastatin, generic Lipitor®, largest product in the world and in the USA, as a First to File on due date
 - Strong market share in Atorvastatin

- Healthy base business sales in the USA for the Quarter and the Year

Atorvastatin (Lipitor®) Market Share

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Financials Q4 2011: \$

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Q4 10	Q4 11	Particulars in \$ Mn	CY 2010	CY 2011
468	736	Sales	1,868	2,114
1	1	Less : Excise duty	3	4
467	735	Net sales	1,865	2,109
10	11	Other operating income	93	44
477	746	Total Operating Income	1,958	2,153
194	215	Total Consumption	689	748
-6	-19	Operating Forex expense/ (gain)	6	-44
86	79	Employee cost	329	354
150	283	Other Operating expenses	532	714
424	558	Total other expenditure	1,556	1,772
53	188	EBITDA	402	381
23	33	Depreciation and amortization	81	83
14	7	Interest (Cost)/Income & Other Income	48	31
(4)	48	Foreign exchange (gain)/ loss on loans	(31)	112
48	115	Profit/(loss) from ordinary activities before tax	399	217
		Exceptional Items		
(75)	(521)	Exceptional Items	(36)	(512)
29	(165)	Forex (loss)/ gain on foreign currency option derivatives	95	(228)
3	(571)	Net EBT	459	(523)
(18)	(586)	Net profit/ (loss) from ordinary activities after tax	331	(565)
-4%	-80%	PAT%	18%	-27%
(19)	(586)	Net profit/ (loss) from ordinary activities after tax and minority interest & Share in (loss)/ profit of associates	327	(568)
-4%	-80%	PAT% (after minority interest & Share in (loss)/ profit of associates)	18%	-27%

Operational Performance (excluding Forex and Excep items)

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Q4 10	Q4 11	Particulars \$ Mn	CY 2010	CY 2011
468	736	Sales	1868	2114
53	188	A. EBITDA	402	381
11%	25%	<i>% to Sales</i>	22%	18%
3	(571)	B. EBT	459	(523)
1%	-78%	<i>% to Sales</i>	25%	-25%
53	188	A. EBITDA	402	381
6	19	Forex Gain/ (Loss)	(6)	44
47	169	Operational EBITDA	408	337
10%	23%	<i>% to Sales</i>	22%	16%
3	(571)	B. EBT	459	(523)
4	(48)	Forex Gain/ (Loss) on FC Borrowings	31	(112)
29	(165)	Other Forex Gain/ (Loss) (incl. Derivatives)	95	(228)
(39)	-	Exceptional Items	13	8
6	19	Operational Fx	(6)	44
(35)	-	(Provision) for diminution in value of investment in associates	(48)	-
	(500)	DOJ Costs		(500)
	(21)	Forex on DOJ		(21)
38	144	Operational EBT	374	285
8%	20%	<i>% to Sales</i>	20%	13%

Financials Q4 2011: INR

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Q4 10	Q4 11	Particulars in INR Mn	CY 2010	CY 2011
20,907	37,433	Sales	85,507	99,769
42	53	Less : Excise duty	152	190
20,865	37,381	Net sales	85,355	99,578
423	543	Other operating income	4,253	2036
21,288	37,923	Total Operating Income	89,608	101,614
8,708	10,932	Total Consumption	31,528	35,068
(269)	(947)	Operating Forex expense/ (gain)	265	(2,110)
3,835	4,010	Employee cost	15,060	16,449
6,711	14,381	Other Operating expenses	24,366	33,908
18,985	28,375	Total other expenditure	71,219	83,315
2,302	9,548	EBITDA	18,389	18,299
1,030	1,681	Depreciation and amortization	3,717	3,940
625	380	Interest (Cost)/Income & Other Income	2,181	1,462
(170)	2,421	Foreign exchange (gain)/ loss on loans	(1,407)	5,341
2,068	5,825	Profit/(loss) from ordinary activities before tax	18,260	10,480
		Exceptional Items		
(3,441)	-26480	Exceptional Items	(1,627)	(26,102)
1,326	(8,379)	Forex (loss)/ gain on foreign currency option derivatives	4,369	(11,243)
(48)	(29,034)	Net EBT	21,001	(26,865)
(927)	(29,781)	Net profit/ (loss) from ordinary activities after tax	15.152	(28,834)
-4%	-80%	PAT%	18%	-29%
(975)	(29,828)	Net profit/ (loss) from ordinary activities after tax and minority interest & Share in (loss)/ profit of associates	14,968	(28,997)
-5%	-80%	PAT% (after minority interest & Share in (loss)/ profit of associates)	18%	-29%



Questions & Answers
