

RANBAXY LABORATORIES LIMITED
Unaudited Consolidated Financial Results for the quarter and nine months ended 30 September 2010
(Rupees in millions, except for share data and if otherwise stated)

Particulars	(Unaudited) Quarter ended 30 September		(Unaudited) Nine months ended 30 September		(Audited) year ended 31 December
	2010	2009	2010	2009	2009
Sales					
- Within India	5,129.35	4,404.50	13,853.39	12,758.90	16,964.18
- Outside India (refer to note 2)	13,742.58	12,800.50	50,949.55	37,983.10	56,477.14
Total sales	18,871.93	17,205.00	64,802.94	50,742.00	73,441.32
Less: Excise duty	34.11	42.00	109.82	112.00	147.29
Net sales	18,837.82	17,163.00	64,693.12	50,630.00	73,294.03
Other operating income (refer to notes 3 and 10)	508.79	1,695.00	3,830.51	2,791.00	2,676.33
Total operating income	19,346.61	18,858.00	68,523.63	53,421.00	75,970.36
(Increase)/ decrease in stock in trade and work-in-progress (refer to note 4)	(1,271.11)	336.00	(2,980.51)	(879.00)	(175.61)
Consumption of materials (refer to note 4)	5,970.19	5,494.53	16,927.08	16,504.49	25,235.47
Purchase of traded goods	3,100.56	1,615.32	9,088.38	7,746.51	7,020.12
Employees' cost	3,660.94	3,057.53	11,224.67	10,395.00	14,174.73
Depreciation, amortisation and impairment	987.33	654.00	2,687.39	1,937.00	2,676.12
Other operating expenses	6,499.54	6,221.36	18,177.20	17,414.92	23,800.08
Total expenditure	18,947.45	17,378.74	55,124.21	53,118.92	72,730.91
Profit from operations before other income, interest earned and exceptional items	399.16	1,479.26	13,399.42	302.08	3,239.45
Interest earned and other income (refer to note 10)	932.22	163.00	2,024.36	1,020.00	2,402.23
Foreign exchange gain on loans, net (refer to note 5)	1,097.40	-	1,236.76	627.00	1,493.13
Profit before interest and exceptional items	2,428.78	1,642.26	16,660.54	1,949.08	7,134.81
Interest expense	110.02	121.00	468.60	564.00	710.43
Foreign exchange loss on loans, net (refer to note 5)	-	8.00	-	-	0.00
Profit after interest but before exceptional items	2,318.76	1,513.26	16,191.94	1,385.08	6,424.38
Exceptional items:-					
- (Provision for diminution)/ profit on sale of investments in the value of investment (refer to note 6a)	(250.62)	-	1,813.45	-	459.36
- Foreign exchange (loss)/gain on foreign currency option derivatives (refer to note 6b)	1,507.81	87.74	3,043.24	(676.47)	3,213.88
Profit from ordinary activities before tax	3,575.95	1,601.00	21,048.63	708.61	10,097.62
Tax expense	447.99	435.00	4,969.20	222.00	6,990.87
Net profit from ordinary activities after tax	3,127.96	1,166.00	16,079.43	486.61	3,106.75
Share in (loss)/ profit of associates, net (refer to note 5)	(11.90)	9.03	(44.62)	(12.25)	(32.38)
Minority interest	(36.70)	(29.72)	(92.49)	(66.41)	(109.45)
Profit after tax and minority interest	3,079.36	1,145.31	15,942.32	407.95	2,964.92
Paid - up equity share capital (Face value of Rs. 5 each)	2,103.77	2,101.86	2,103.77	2,101.86	2,102.09
Reserves excluding revaluation reserves	-	-	-	-	39,502.13
Earnings/ (loss) per share (Rs.)					
Basic	7.32	2.72	37.90	0.97	7.05
Diluted	5.59	2.41	33.94	0.10	4.60
Public shareholding #					
- Number of shares	146,207,733	145,332,839	146,207,733	145,332,839	146,204,850
- Percentage of shareholding	34.75%	34.57%	34.75%	34.57%	34.78%
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)	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of shares (as a % of the total share capital of the Company)	63.86%	63.92%	63.86%	63.92%	63.92%

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

RANBAXY LABORATORIES LIMITED

Unaudited Consolidated Financial Results for the quarter and nine months ended 30 September 2010

Notes:

- 1 The consolidated financials results are prepared in accordance with requirements of the Accounting Standard ('AS') 21 "Consolidated Financial Statements", AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements" and AS 27 "Financial Reporting of Interests in Joint Ventures", prescribed by Companies (Accounting Standards) Rules, 2006 (as amended).
- 2 Significant sales outside India for nine months ended 30 September 2010, and for the year ended 31 December 2009 include sales for a First-To-File (FTF) product for which the Company had six months exclusivity till 23 May 2010 in the United States of America.
- 3 Other operating income, primarily comprises export benefits and income arising out of milestone payments, patent/ exclusivity settlements and non-compete fee. Included within operating income, in the results for the nine months ended 30 September 2010, is a sum of Rs. 136.90 million which relates to the prior year.
- 4 The expense for the quarter and for the nine months ended 30 September 2010 includes provision for inventory included in '(Increase)/ decrease in stock in trade and work-in-progress' and 'consumption of materials' amounting to Rs. 156.09 million and Rs. 17.65 million respectively, created on account of delay in expected launch of certain products.
- 5 Foreign exchange gain/ (loss) on loans represents exchange difference on foreign currency borrowings including Foreign Currency Convertible Bonds and mark to market gain/ (loss) on outstanding derivatives relating to loans.
- 6 (a) Exceptional items for the quarter and nine months ended 30 September 2010 includes profit on sale of quoted and unquoted shares and provision for diminution in the value of a long term investment; and the results for the year ended 31 December 2009 includes profit on sale of a subsidiary company and a joint venture.
(b) Exceptional item represents foreign exchange (loss)/gain on foreign currency option derivatives (other than derivatives relating to loans) which are determined to be ineffective cash flow hedges in accordance with Accounting Standard 30, Financial Instruments: Recognition and measurement.
- 7 Share in (loss)/ profit of associates, net for the period ended 30 September 2010 includes Company's share in the loss of an associate amounting to Rs. 17.72 millions pertaining to the quarter ended 31 March 2010.
- 8 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	(Rs. in millions)				
	(Unaudited) Quarter ended 30 September		(Unaudited) Nine months ended 30 September		(Audited) Year ended 31
	2010	2009	2010	2009	2009
Research and development expenses	1,446.51	1,568.84	4,374.28	3,819.12	5,238.86

- 9 On 20 April 2010, Daiichi Sankyo Company, Limited, ('Daiichi Sankyo') has opted not to convert the entire 23,834,333 warrants into equity shares. Hence, as per the terms of the issue, the said warrants stand lapsed and the amount of Rs. 73.70 per warrant aggregating to Rs. 1,756.59 millions paid by Daiichi Sankyo has been forfeited and taken to Capital Reserve Account.
- 10 On 1 July 2010, the Company transferred certain assets pertaining to its New Drug Discovery Research Centre (including fixed assets, intangibles, in-process developments) to Daiichi Sankyo India Pharma Private Limited alongwith a non-compete and non-solicitation agreement for a period of two years commencing from the date of the agreement, for an aggregate consideration of Rs. 1,470.28 millions. Pursuant to this transaction, Rs. 105 million has been recognised as other operating income for non-compete fee and Rs. 152.28 as Other income towards Profit on sale of assets.
- 11 The Company continues to co-operate with the Food and Drug Administration of the United States of America ('US FDA') for effective resolutions of the following outstanding matters:
 - i) import alert and warning letters issued by US FDA, primarily relating to good manufacturing practice for some of the products manufactured at certain manufacturing facilities of the Company; and
 - ii) Application Integrity Policy (AIP) against one of its manufacturing facility.
- 12 On exercise of Employees Stock Options, 286,536 equity shares have been allotted on 8 October 2010. The total number of Employees Stock Options outstanding as at 30 September 2010 were 7,797,848 out of which 4,446,556 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.
- 13 Mr. Atul Sobti stepped down as the CEO & Managing Director of the Company w.e.f. 19 August 2010.
- 14 Mr. Arun Sawhney-President Global Pharmaceutical Business, was appointed as the Managing Director of the Company w.e.f. 20 August 2010 for a period of three years. Further, the appointment and remuneration of Mr. Arun Sawhney as the Managing Director has been approved by the Board of Directors, but the requisite approval from shareholders is yet to be obtained.

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15 During the quarter ended 30 September 2010, a wholly owned subsidiary, Ranbaxy (Netherlands) B.V. ("RNBV") has liquidated one of its subsidiary, Ranbaxy Japan KK, Japan.

16 The Segment information is set out below:


Particulars	(Rs. in millions)				
	(Unaudited) Quarter ended 30 September		(Unaudited) Nine months ended 30 September		(Audited) Year ended 31 December
	2010	2009	2010	2009	2009
External operating income	19,346.61	18,858.00	68,523.63	53,421.00	75,970.36
Pharmaceuticals	19,346.37	18,857.69	68,521.63	53,420.29	75,969.46
Others	0.24	0.31	2.00	0.71	0.90
Profit before tax	3,575.96	1,601.00	21,048.64	708.61	10,097.62
Pharmaceuticals	3,575.75	1,600.74	21,046.72	707.99	10,096.87
Others	0.21	0.26	1.92	0.62	0.75
Capital employed	58,066.87	43,230.30	58,066.87	43,230.30	43,433.92
Pharmaceuticals	58,048.41	43,213.67	58,048.41	43,213.67	43,417.02
Others	18.46	16.62	18.46	16.62	16.90

17 Status of investor complaints: a) Pending as on 30 June 2010-Nil; b) Received during the quarter-10; c) Disposed off during the quarter-9; d) Pending as on 30 September 2010-1.

18 Previous period figures have been regrouped / reclassified, wherever necessary to conform to current period's classification.

19 The above results were reviewed by the Audit Committee on 10 November 2010 and approved by the Board of Directors at their meeting held on 11 November 2010 and have undergone a 'Limited Review' by the Statutory Auditors of the Company. Further, the unaudited consolidated financial results for the quarter and nine months ended 30 September 2009 have not been reviewed.

By order of the Board


Arun Sawhney
Managing Director

Place: Tokyo

Date: 11 November 2010