

**RANBAXY LABORATORIES LIMITED**  
**Unaudited Standalone 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
<b>Sales</b>					
- Within India	5,135.58	4,394.70	13,856.19	12,741.85	16,981.62
- Outside India (refer to note 1)	6,208.42	7,542.97	24,744.46	17,352.76	28,377.47
<b>Total sales</b>	<b>11,344.00</b>	<b>11,937.67</b>	<b>38,600.65</b>	<b>30,094.61</b>	<b>45,359.09</b>
Less: Excise duty	34.11	41.63	109.82	111.63	147.29
<b>Net sales</b>	<b>11,309.89</b>	<b>11,896.04</b>	<b>38,490.83</b>	<b>29,982.98</b>	<b>45,211.80</b>
Other operating income (refer to notes 2 and 8)	500.63	1,203.24	3,837.32	2,219.29	2,615.80
<b>Total operating income</b>	<b>11,810.52</b>	<b>13,099.28</b>	<b>42,328.15</b>	<b>32,202.27</b>	<b>47,827.60</b>
<b>Total expenditure</b>					
(Increase)/ decrease in stock in trade and work-in-progress (refer to note 3)	(509.12)	374.61	(1,492.70)	(879.11)	(339.57)
Consumption of materials (refer to note 3)	4,293.61	3,744.35	12,547.93	12,336.96	16,007.79
Purchase of traded goods	1,660.58	1,277.77	4,793.46	3,365.72	4,812.06
Employees' cost	1,923.82	1,480.57	5,834.08	5,495.51	7,284.04
Depreciation, amortisation and impairment	454.70	316.76	1,633.99	922.23	1,482.03
Other operating expenses	4,207.43	3,859.72	11,047.10	10,740.58	15,038.30
<b>Total expenditure</b>	<b>12,031.02</b>	<b>11,053.78</b>	<b>34,363.86</b>	<b>31,981.89</b>	<b>44,284.65</b>
<b>(Loss)/ profit from operations before other income, interest and exceptional item</b>	<b>(220.50)</b>	<b>2,045.50</b>	<b>7,964.29</b>	<b>220.38</b>	<b>3,542.95</b>
Interest earned and other income (refer to note 8)	677.26	548.30	1,608.76	1,286.23	2,343.54
Foreign exchange gain on loans, net (refer to note 4)	1,094.89	14.51	1,236.76	679.92	1,493.13
<b>Profit before interest and exceptional item</b>	<b>1,551.65</b>	<b>2,608.31</b>	<b>10,809.81</b>	<b>2,186.53</b>	<b>7,379.62</b>
Interest expense	95.68	73.51	414.38	339.87	394.66
<b>Profit after interest but before exceptional item</b>	<b>1,455.97</b>	<b>2,534.80</b>	<b>10,395.43</b>	<b>1,846.66</b>	<b>6,984.96</b>
Exceptional items:					
- (Provision for diminution)/ profit on sale of investments in the value of investments (refer to note 5a)	(522.97)	-	1,654.64	-	420.33
- Foreign exchange gain/ (loss) on foreign currency option derivatives (refer to note 5b)	1,507.81	87.74	3,043.24	(676.46)	3,213.88
<b>Profit from ordinary activities before tax</b>	<b>2,440.81</b>	<b>2,622.54</b>	<b>15,093.31</b>	<b>1,170.20</b>	<b>10,619.17</b>
Tax expense	223.12	761.73	4,158.38	332.67	4,899.33
<b>Net profit from ordinary activities after tax</b>	<b>2,217.69</b>	<b>1,860.81</b>	<b>10,934.93</b>	<b>837.53</b>	<b>5,719.84</b>
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	-	-	-	-	37,485.42
<b>Earnings per share (Rs.)</b>					
Basic	5.27	4.43	26.00	1.99	13.61
Diluted	3.67	4.01	22.79	1.05	10.74
<b>Public shareholding #</b>					
- 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%
<b>Promoters and promoter group shareholding</b>					
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)

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Notes:

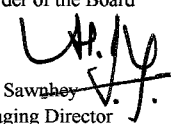
- 1 Significant sales outside India for nine months ended 30 September 2010, and for the year ended 31 December 2009 include sales for a First-To-File (FTF) product for which the Company had six months exclusivity till 23 May 2010 in the United States of America.
- 2 Other operating income, primarily 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.
- 3 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.
- 4 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.
- 5 (a) Exceptional items for the quarter and nine months ended 30 September 2010 includes profit on sale of quoted 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.  
(b) Exceptional items represent 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.
- 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:

(Rs. in millions)

Particulars	(Unaudited) Quarter ended 30 September		(Unaudited) Nine months ended 30 September		(Audited) Year ended 31 December
	2010	2009	2010	2009	2009
	Research and development expenses	1,226.84	1,149.27	3,588.38	3,340.36

- 7 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.
- 8 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.
- 9 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 the 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.
- 10 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 June 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.
- 11 Mr. Atul Sobti stepped down as the CEO & Managing Director of the Company w.e.f. 19 August 2010.
- 12 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.
- 13 The Company's business activity falls within a single primary business segment viz. 'Pharmaceutical'. Further, the Company discloses information on 'Segment' on a consolidated basis in accordance with Accounting Standard 17 'Segment Reporting'.
- 14 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.
- 15 Previous period figures have been regrouped / reclassified, wherever necessary, to conform to current period's classification.
- 16 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.

By order of the Board

  
 Arun Sawhney  
 Managing Director

Place: Tokyo

Date: 11 November 2010

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