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Ranbaxy Laboratories Limited



**FINANCIAL RESULTS:
July – September 2012 (Q3)
YTD September 30, 2012 (YTD Sep)**

**ARUN SAWHNEY
CEO & MD**

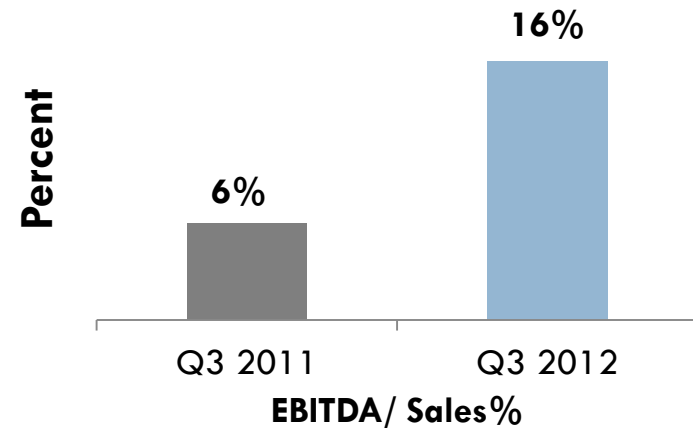
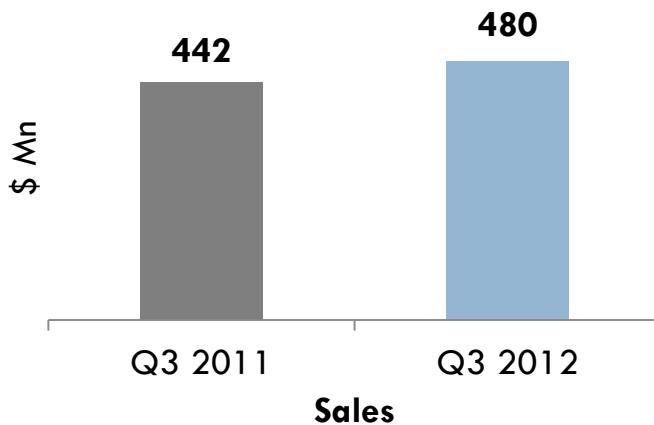
Safe Harbor

Except for the historical information contained herein, statements in this presentation and the subsequent discussions, which include words or phrases such as “will”, “aim”, “will likely result”, “would”, “believe”, “may”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “likely”, “project”, “should”, “potential”, “will pursue” and similar expressions or variations of such expressions may constitute “forward-looking statements”. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, our provisioning policies, technological changes, investment and business income, cash flow projections, our exposure to market risks as well as other risks. Ranbaxy does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

Key Achievements for Quarter 3, 2012

Financial

- Sales grew 18% over the corresponding quarter
- EBITDA margins improved
 - Aided by sales growth and continued focus on cost optimization



Key Achievements for Quarter 3, 2012

Business

Launched AG Actos® Gx/
Pioglitazone

- Emerging market sales \$233 Mn
 - 52% of DF sales
- Developed market sales \$216 Mn
 - 48% of DF sales

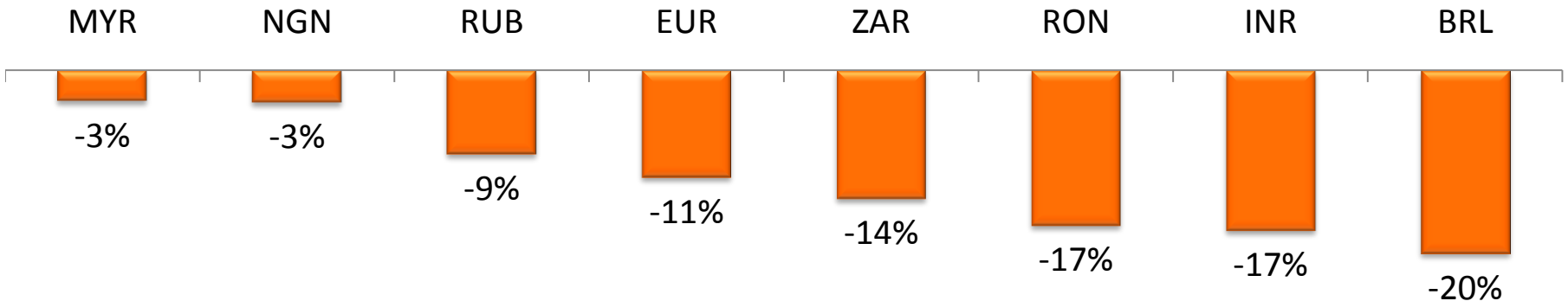
Emerging market base business contributes to more than 1/2 of DF base business sales

- India:
 - Performance in represented segment better than market growth rate
- EMs adversely impacted by \$ strengthening
 - Africa, APAC, LATAM

- USA:
 - Strong base business sales aided further by FTF post exclusivity sales
 - Pioglitazone AG launched
- West Europe:
 - Focused approach led to sales growth

\$ appreciated against most currencies Vs. previous year

Sep 2011 Vs. Sep 2012



- \$ appreciated against most currencies vs. previous year
- Performance in \$ terms seems weaker compared to actual business performance in local currency
- For like to like performance, growth calculated at Constant Forex (i.e. same as previous period Forex rate)

Functional Performance

Manufacturing

- Received approval to set up a Greenfield manufacturing facility by the government of Malaysia to triple the existing capacity in the focus market for Ranbaxy
- Further strengthened manufacturing in the EMs through focused approach towards Nigeria, Egypt and Morocco

Research & Development

- Regulatory Filings and approvals
 - DF filings: 31; DF approvals: 43

Hybrid Business Model

Synergy with Daiichi Sankyo

- Front end:
 - Ranbaxy is the front end for Daiichi Sankyo on multiple markets including India, Romania, Africa region, Malaysia, Singapore and Italy
- Back end etc.:
 - Synergy through collaborative supply chain in Europe
 - Information technology savings through initiation of common procurement as far as plausible
- Ongoing:
 - R&D collaborations continue to address various markets and cost efficiencies

Other Areas

Regulatory

- Consent Decree: satisfactory progress
- Regulatory inspections by 14 country level authorities

Derivatives Position

- Exposure down to ~\$1.27 Bn in Q3 2012 from ~1.39 Bn in Q2 2012. Maturity: ~\$40 Mn/Month

Debt

- Total Debt \$755 Mn; Cash & Bank Bal \$778 Mn → Net Cash Surplus+ \$23 Mn (vs. end-2011 Net Debt \$267 Mn)

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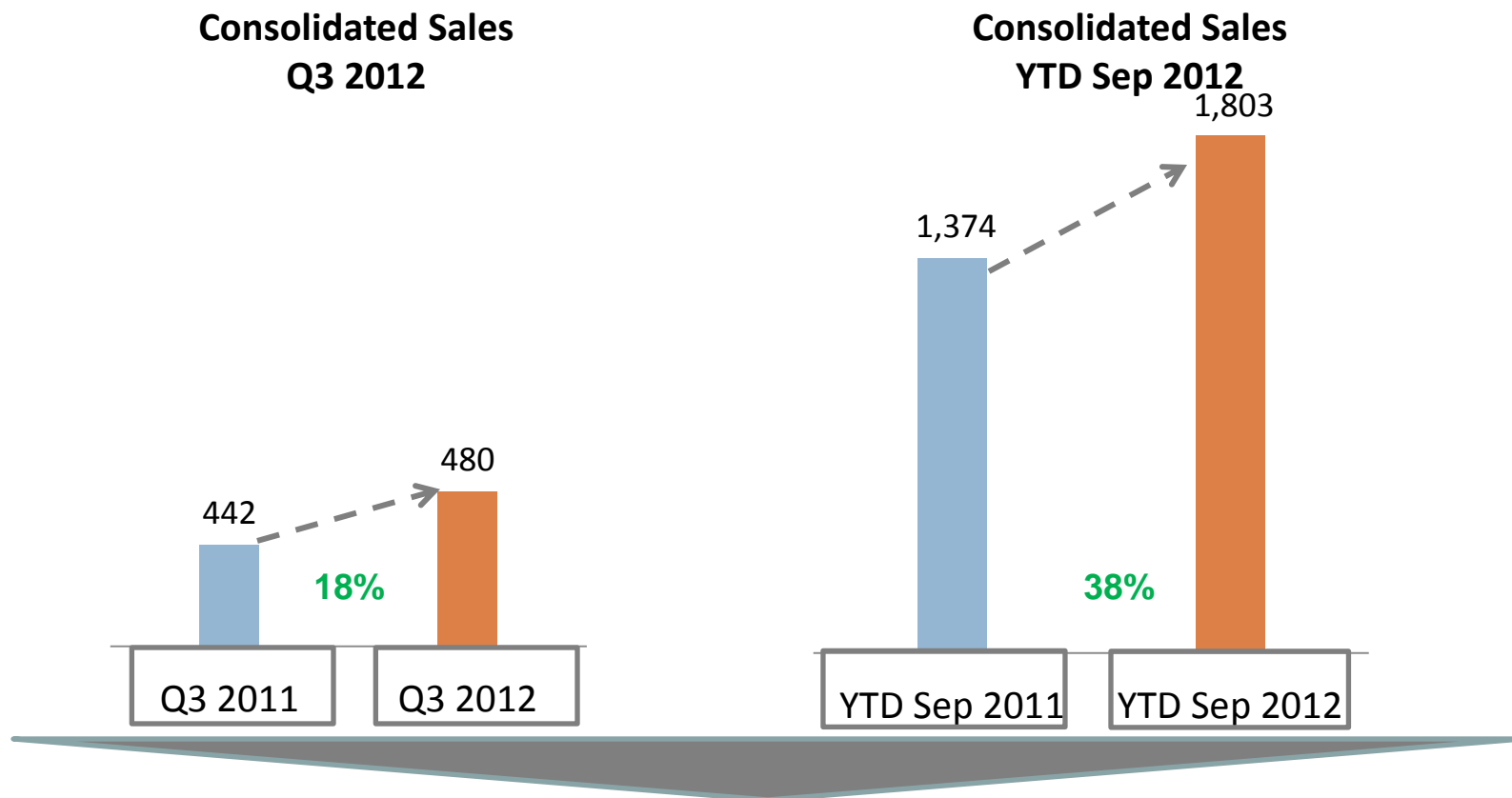
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FINANCIAL RESULTS: July – September 2012 (Q3)

Sales Performance

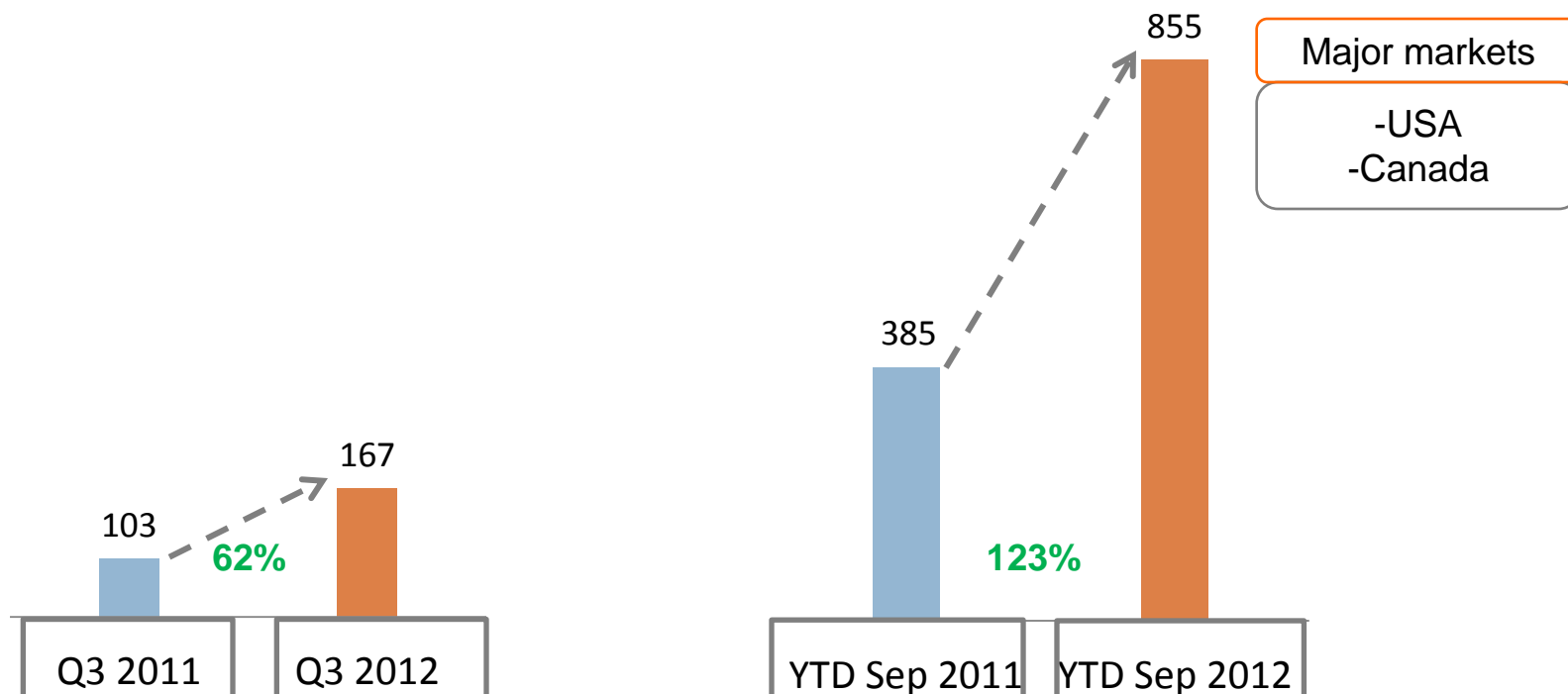
\$ Mn



- Sales growth continued on Quarter and YTD basis
 - Major regions including India, Americas, East and West Europe recorded overall sales growth on local currency terms
 - FTF opportunities supported growth during the year

North America

\$ Mn

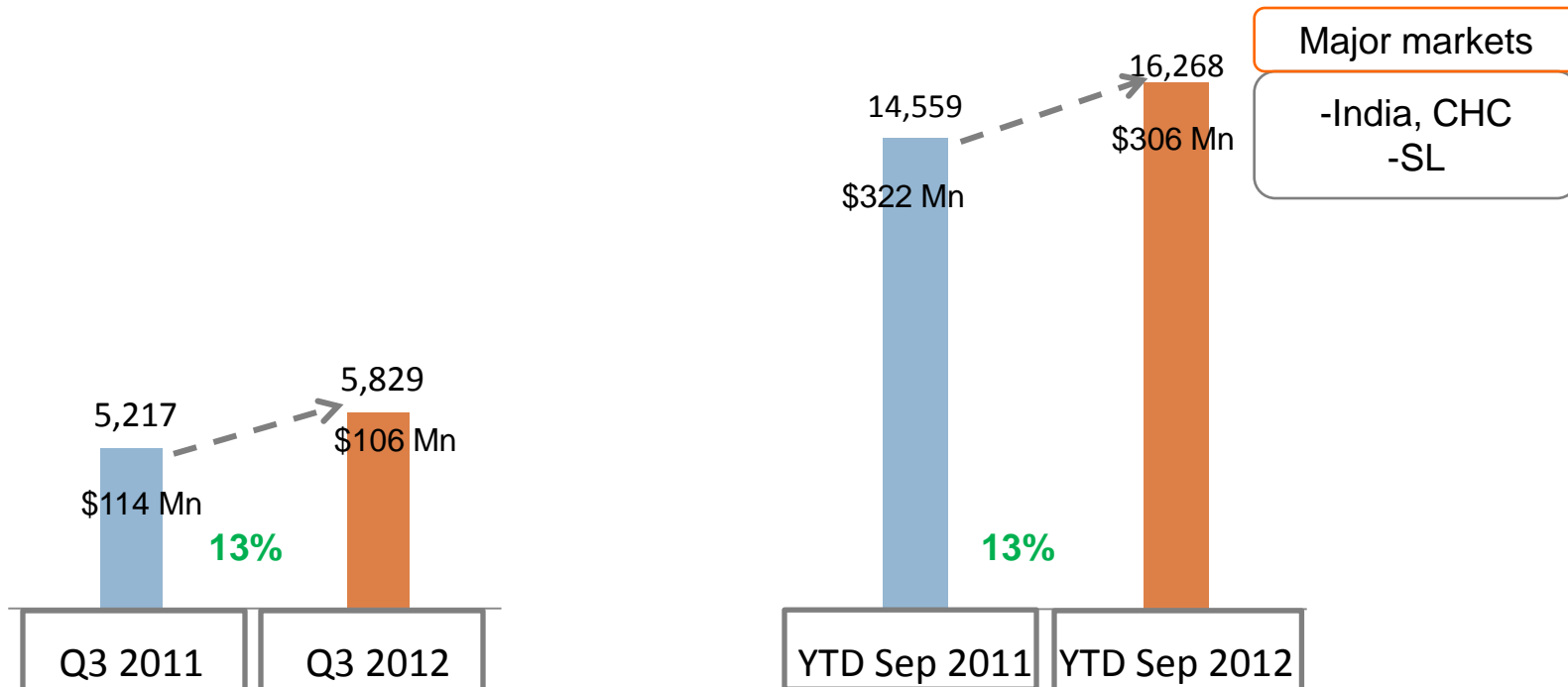


- Strong sales in the USA supported by improvement in base sales and launch of Actos®/ Pioglitazone
 - Maintain strong Atorva franchise MS post exclusivity

- Pioglitazone launched as an AG, over 25% market share in a competitive market

India

Rs. Mn

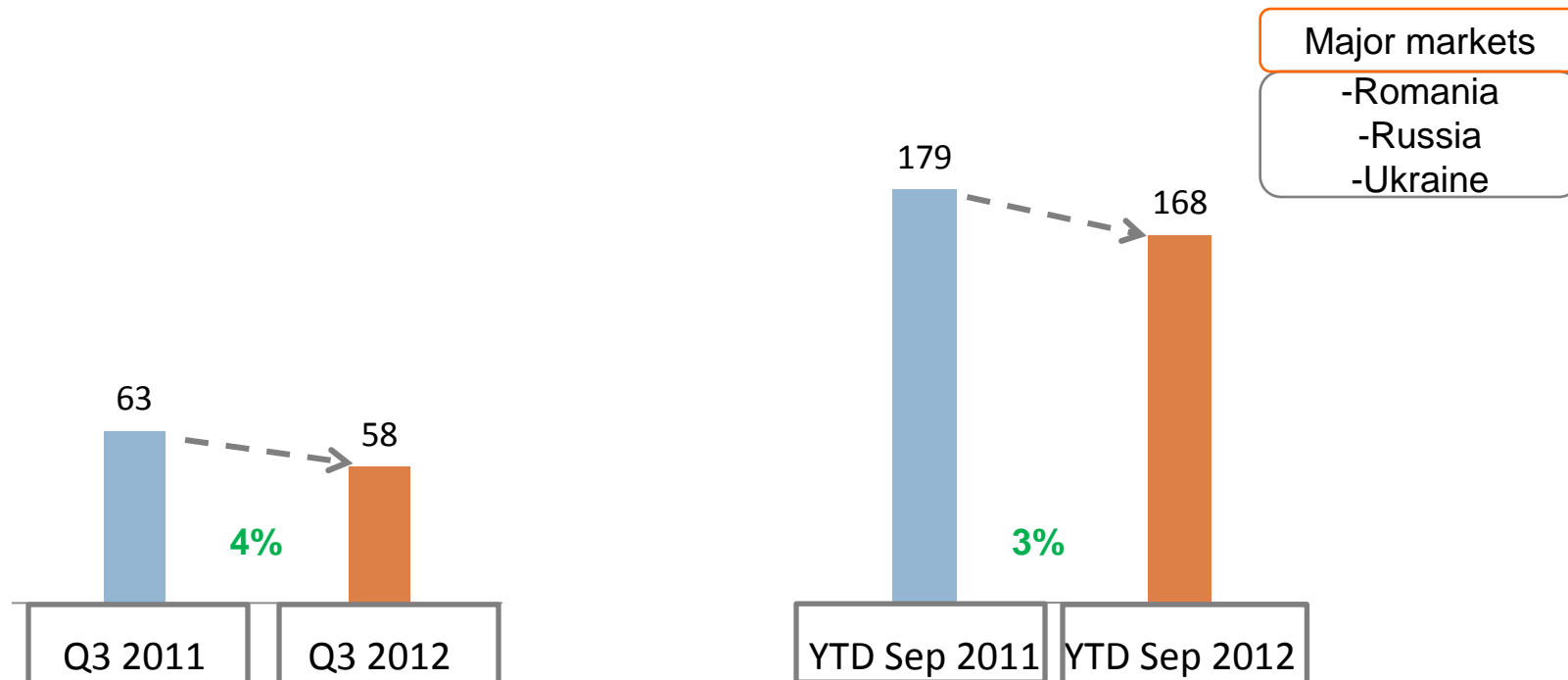


- Ranbaxy sales growth faster than the IPM growth in represented market
- Strong OTC sales performance continued

- India Pharmaceuticals Market (IPM) slowed down to ~10% growth levels

East Europe & CIS

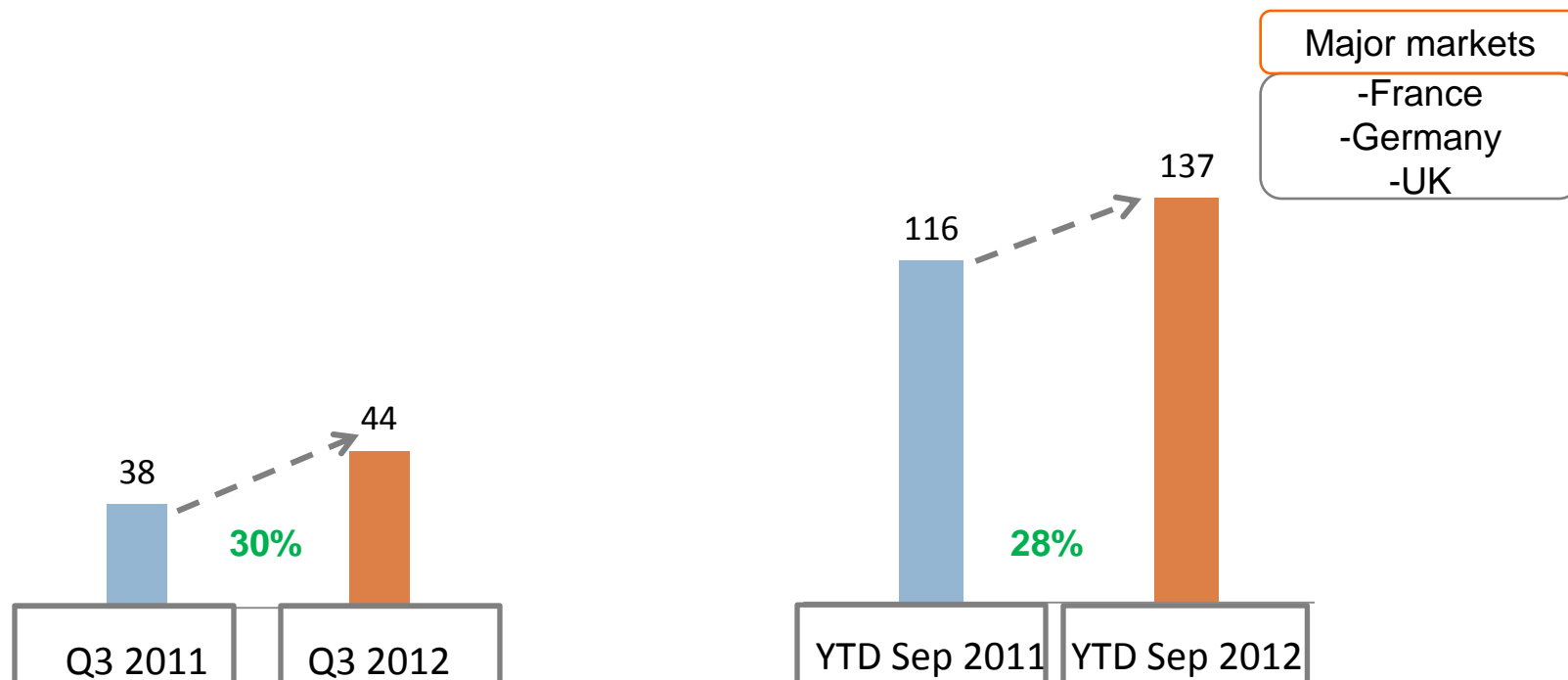
\$ Mn



- Sales improved over corresponding period, on constant forex basis
 - Regulatory changes including 'claw-back' and more stringent re-registrations affected business
- Continued leadership in represented markets of Romania, and Russia

West Europe

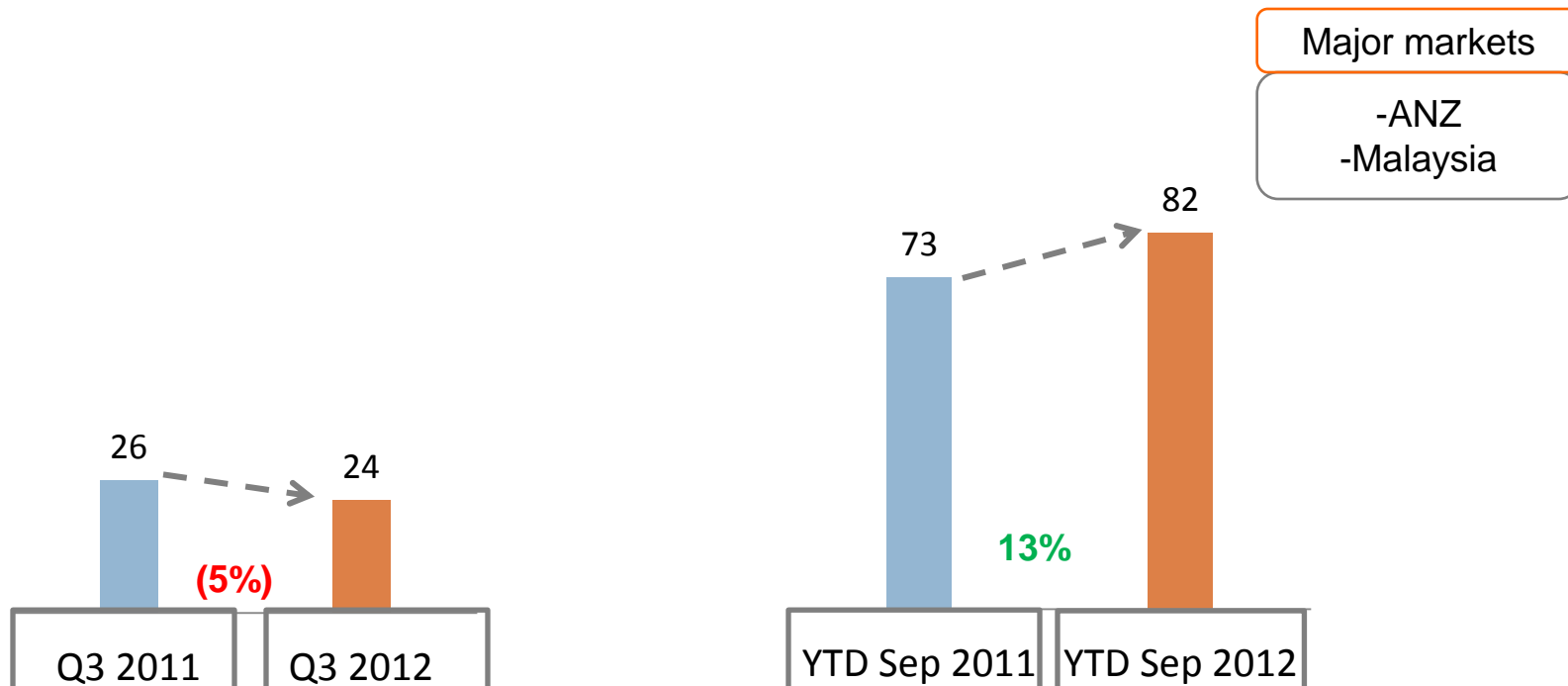
\$ Mn



- Focused approach led to sales improvement
 - Sales in Germany, Italy and the UK businesses stronger
- Concerns on Macro-economic indicators continue: business opportunity as budget conscious governments promote generics

Asia Pacific & Middle East

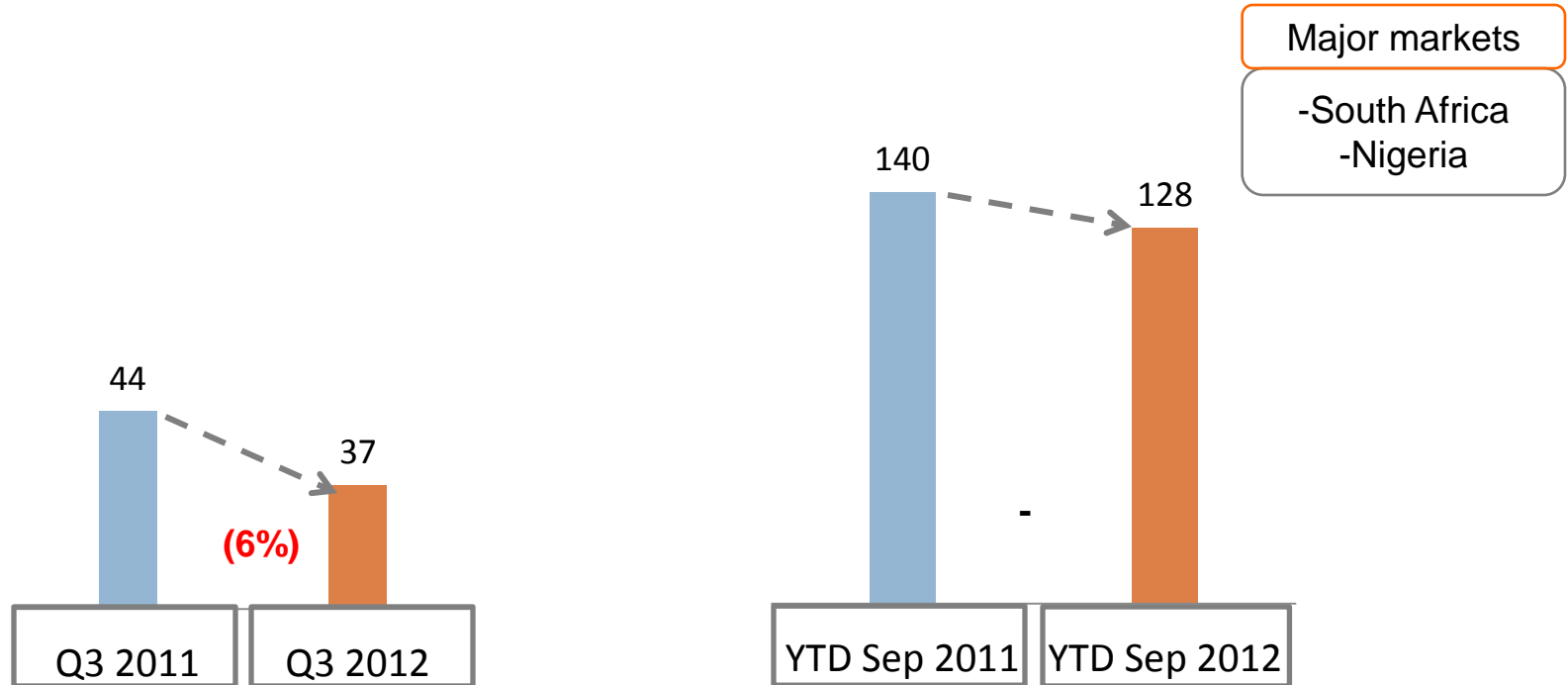
\$ Mn



- Received permission for a greenfield manufacturing facility from the government of Malaysia
 - Will address supply constraints in the country/ region

Africa

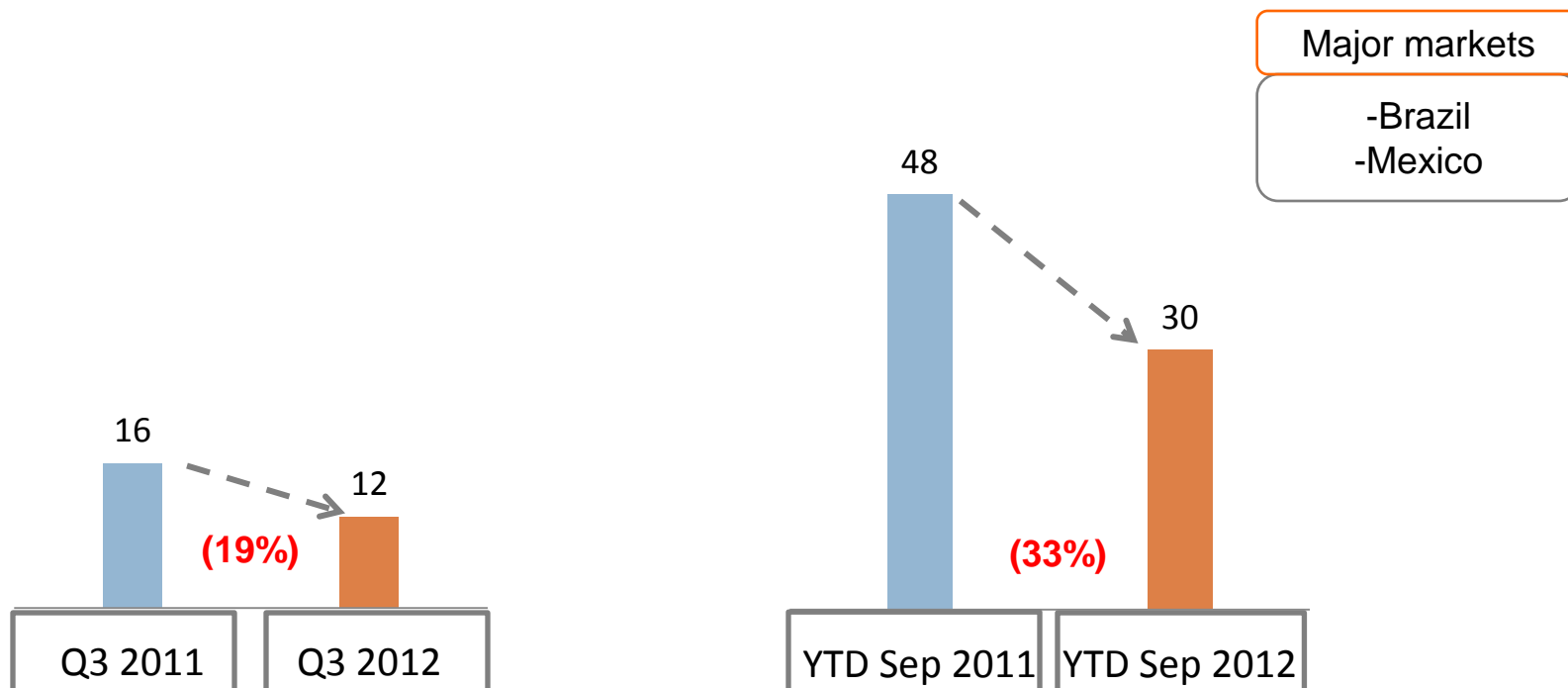
\$ Mn



- Sales in the region impacted by adverse exchange rate movement
- ARV supplies in South Africa grew during the Quarter
- North Africa (Morocco) business growth in line with plans

Latin America

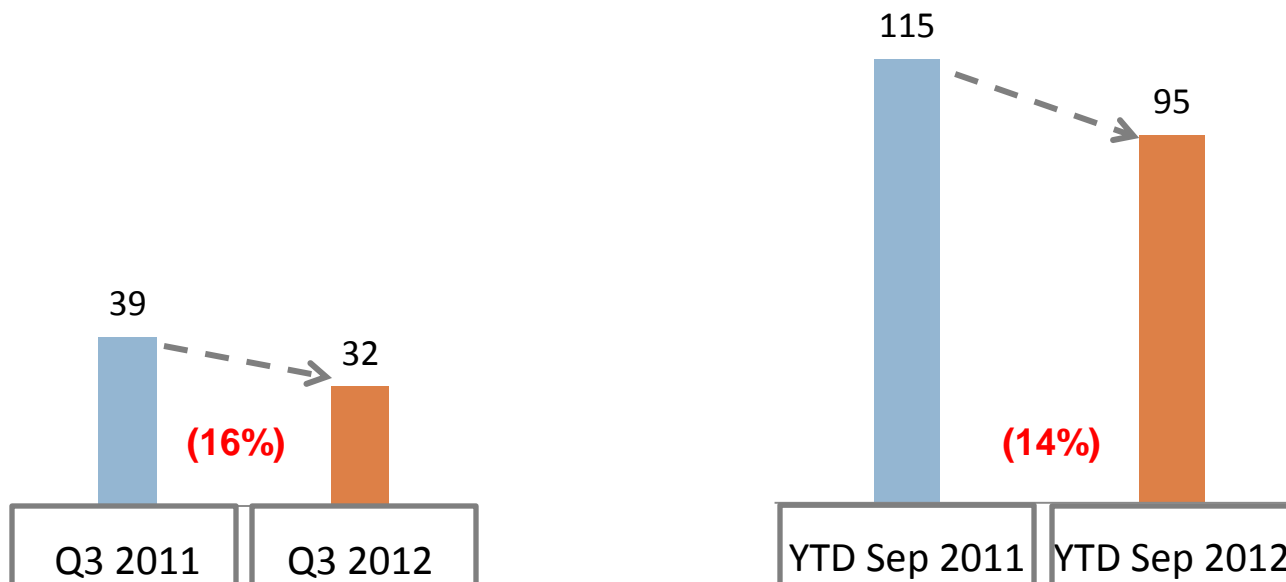
\$ Mn



- LATAM sales lower due to product supply disruption in the region
- Pursuant to Hybrid strategy work together with DS in Mexico and Venezuela

API & Others

\$ Mn



- API business to support DF and focus on profitability

Financials Q3 2012 \$ Mn

Q3'11	Q3'12	Particulars	YTD Sep 11	YTD Sep 12
116	107	- Within India	325	311
326	374	- Outside India	1,049	1,492
442	480	Sales	1,374	1,803
18	7	Other operating income	41	32
460	488	Total Operating Income	1,415	1,835
177	188	Consumption	509	547
89	85	Employee cost	275	267
152	151	Other Operating expenses	452	664
12	(12)	Exchange loss/ (gain) others, net	1	15
431	412	Total expenditure	1,237	1,494
29	76	EBITDA	178	341
6%	16%	% Sales	13%	19%
41	63	EBITDA excluding Forex	180	356
9%	13%	% Sales	13%	20%
17	15	Depreciation, amortization and Impairment	50	45
11	61	Profit/(loss) from operations before other income and interest	128	296
3%	13%	% Sales	9%	16%
6	12	Interest and other income	22	37
18	73	Profit/ (loss) from ordinary activities before finance cost and exceptional items	151	333
3	7	Interest expense	10	24
30	(10)	Foreign exchange (gain)/ loss on loans	37	8
(16)	76	Profit/(loss) from ordinary activities before tax	103	301
(89)	71	Foreign exchange (loss)/gain on foreign currency option derivatives	(63)	29
8		Exceptional Item	8	
(96)	147	Profit/(loss) after exceptional items before tax	48	330
6	10	Tax expense/ (benefit) -current period	27	50
(101)	137	Net profit/ (loss) from ordinary activities after tax	21	280
1		- Share in loss/ (profit) of associates, net	1	3
1	1	- Minority interest	2	1
(103)	137	Net profit/ (loss) from ordinary activities after tax & minority interest & Share in (loss)/ profit of associates	19	276

Financials Q3 2012 INR Mn

Q3'11	Q3'12	Particulars	YTD Sep 11	YTD Sep 12
5,324	5,881	- Within India	14,719	16,532
14,908	20,633	- Outside India	47,460	78,677
20,232	26,514	Sales	62,180	95,209
802	397	Other operating income	1,854	1,664
21,035	26,910	Total Operating Income	64,034	96,873
8,108	10,397	Consumption	23,010	29,117
4,078	4,677	Employee cost	12,435	14,195
6,974	8,342	Other Operating expenses	20,475	34,992
550	(684)	Exchange loss/ (gain) others, net	56	870
19,711	22,732	Total expenditure	55,977	79,173
1,324	4,179	EBITDA	8,057	17,699
7%	16%	% Sales	13%	19%
1,874	3,495	EBITDA excluding Forex	8,113	18,569
9%	13%	% Sales	13%	20%
788	816	Depreciation, amortization and Impairment	2,259	2,398
536	3,363	Profit/(loss) from operations before other income and interest	5,798	15,302
3%	13%	% Sales	9%	16%
286	661	Interest and other income	1,012	1,965
822	4,023	Profit/ (loss) from ordinary activities before finance cost and exceptional items	6,810	17,267
153	399	Interest expense	464	1,259
1,359	(555)	Foreign exchange (gain)/ loss on loans	1,691	420
(690)	4,179	Profit/(loss) from ordinary activities before tax	4,655	15,587
(4,002)	3,933	Foreign exchange (loss)/gain on foreign currency option derivatives	(2,864)	1,387
378		Exceptional Item	378	
(4,313)	8,112	Profit/(loss) after exceptional items before tax	2,169	16,974
256	542	Tax expense/ (benefit) -current period	1,223	2,599
(4,569)	7,571	Net profit/ (loss) from ordinary activities after tax	946	14,375
48		- Share in loss/ (profit) of associates, net	48	161
29	29	- Minority interest	68	62
(4,646)	7,542	Net profit/ (loss) from ordinary activities after tax & minority interest & Share in (loss)/ profit of associates	830	14,152

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Questions & Answers
