

RANBAXY LABORATORIES LIMITED

Unaudited Standalone Financial Results for the quarter and nine months ended 30 September 2011

(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
	2011	2010	2011	2010	2010
Sales					
- Within India	5,395.83	5,075.61	14,885.32	13,675.57	18,231.58
- Outside India (refer to note 1)	8,148.21	6,205.38	21,721.74	24,721.65	34,435.51
Total sales	13,544.04	11,280.99	36,607.06	38,397.22	52,667.09
Less: excise duty	52.42	34.11	137.95	109.82	152.23
Net sales	13,491.62	11,246.88	36,469.11	38,287.40	52,514.86
Other operating income (refer to note 2)	758.97	500.63	1,554.92	3,837.32	4,206.16
Total operating income	14,250.59	11,747.51	38,024.03	42,124.72	56,721.02
Expenditure					
(Increase) in stock in trade and work-in-progress	(158.02)	(300.48)	(1,689.36)	(1,321.48)	(1,614.25)
Consumption of materials	4,244.61	4,003.47	14,069.37	12,161.47	16,803.07
Purchase of traded goods	1,848.00	1,660.58	4,607.22	4,793.46	6,520.52
Employees' cost (refer to note 3)	2,238.64	1,923.82	6,780.04	5,834.08	7,761.38
Depreciation, amortisation and impairment	493.08	454.70	1,425.47	1,633.99	2,283.53
Other operating expenses	4,274.37	4,225.92	12,279.03	11,058.91	14,921.52
Total expenditure	12,940.68	11,968.01	37,471.77	34,160.43	46,675.77
Profit/ (loss) from operations before other income, interest and exceptional items	1,309.91	(220.50)	552.26	7,964.29	10,045.25
Interest earned and other income (refer to note 3)	1,042.04	677.26	2,266.73	1,608.76	2,196.31
Foreign exchange and derivative gain on loans, net (refer to note 4)	-	1,094.89	-	1,236.76	1,406.98
Profit before interest and exceptional items	2,351.95	1,551.65	2,818.99	10,809.81	13,648.54
Interest expense	142.36	95.68	418.76	414.38	541.94
Foreign exchange and derivative loss on loans, net (refer to note 4)	2,510.03	-	2,919.98	-	-
(Loss)/ profit after interest but before exceptional items	(300.44)	1,455.97	(519.75)	10,395.43	13,106.60
Exceptional items:					
- (Provision for diminution in the value of investments)/ profit on sale of investments (refer to note 5a)	-	(522.97)	-	1,654.64	(1,822.97)
- Foreign exchange (loss)/ gain (net) on foreign currency option derivatives (refer to note 5b)	(4,001.52)	1,507.81	(2,863.74)	3,043.24	4,368.82
(Loss)/ profit from ordinary activities before tax	(4,301.96)	2,440.81	(3,383.49)	15,093.31	15,652.45
Tax expense/ (benefit), net	90.00	223.12	33.79	4,158.38	4,165.19
Net (loss)/ profit from ordinary activities after tax	(4,391.96)	2,217.69	(3,417.28)	10,934.93	11,487.26
Paid - up equity share capital (Face value of Rs. 5 each)	2,107.53	2,103.77	2,107.53	2,103.77	2,105.20
Reserves excluding revaluation reserves	-	-	-	-	49,152.76
(Loss)/ earnings per share (Rs.)					
Basic	(10.42)	5.27	(8.11)	26.00	27.30
Diluted	(10.42)	3.67	(8.11)	22.79	23.75
Public shareholding #					
- Number of shares	145,462,453	146,207,733	145,462,453	146,207,733	145,997,151
- Percentage of shareholding	34.51%	34.75%	34.51%	34.75%	34.68%
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%	100%	100%	100%	100%
- Percentage of shares (as a % of the total share capital of the Company)	63.75%	63.86%	63.75%	63.86%	63.82%

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

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Notes:

- 1 Significant sales outside India for nine months ended 30 September 2011 and 2010, and year ended 31 December 2010 include sales relating to First-To-File (FTF) products in the United States of America. Pursuant to the accounting policy followed by the Company sales outside India for all periods presented includes transfer pricing adjustment with group companies to the extent related uncertainties are resolved.
- 2 Other operating income primarily comprises income arising out of milestone payments, export benefits, patent/ exclusivity settlements and non-compete fee.
- 3 Other income for the quarter ended 30 September 2011 includes prior period income amounting to Rs. 69.78. Further, Employees' cost for the nine months period ended 30 September 2011 includes a prior period expense amounting to Rs. 117.20.
- 4 Foreign exchange and derivatives loss/ gain on loans, net, represents exchange difference on foreign currency borrowings and mark to market loss/ gain (net) on outstanding derivatives (including interest rate swaps) relating to loans.
- 5 (a) There are no exceptional items in the current period requiring disclosure in this line item. The amounts for the quarter and nine months ended 30 September 2010 included profit on sale of a long-term investment and provision for diminution in the value of a long-term investment and for the year ended 31 December 2010 included provision for diminution in the value of long-term investments amounting to Rs. 4,078.00 and netted for profit on sale of quoted shares (long-term investment) amounting to Rs. 2,255.03.
(b) The amount represents foreign exchange gain (net) on foreign currency option derivatives (other than option derivatives relating to loans) which are accounted 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:

Particulars	(Unaudited) Quarter ended 30 September		(Unaudited) Nine months ended 30 September		(Audited) Year ended 31 December
	2011	2010	2011	2010	2010
Research and development expenses	1,095.11	1,226.84	3,339.16	3,588.38	4,780.70

- 7 The Company continues to co-operate, for an effective resolution, with:
 - (a) the Food and Drug Administration of the United States of America (US FDA) for import alert and warning letters issued primarily relating to Good Manufacturing Practice for some of the products manufactured at certain manufacturing facilities of the Company in India and, Application Integrity Policy against one of its manufacturing facilities in India; and
 - (b) the Department of Justice (DOJ) of the United States of America (USA) regarding certain charges relating to possible issues with data submitted by the Company in support of products filings.

In response to the reservation given by the auditors in the previous and current quarter in respect of the matter, the management believes that at present there is significant uncertainty about the outcome of the above mentioned matters, and therefore, no provision has been made in the books of account.
- 8 On exercise of Employees Stock Options, 167,798 equity shares have been allotted on 12 October 2011. The total number of Employees Stock Options outstanding as at 30 September 2011 were 7,306,317, out of which 4,453,639 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.
- 9 Pursuant to terms as stipulated in the Ranbaxy Employee Stock Option Plan-2011 (ESOP-2011), the Allotment Committee of Directors, on 4 October 2011, allotted 325,000 Equity Shares of Rs. 5 each for cash at par to Ranbaxy ESOP Trust (Trust), set up to administer ESOP - 2011. The Trust would allocate the shares to the employees of the Company, and of its subsidiaries, on exercise of stock options from time to time under ESOP-2011.
- 10 During the quarter, the Company divested its step down subsidiaries in Mexico, namely Ranbaxy Mexico S.A. de C.V. & Ranbaxy Mexico Servicios S.A. de C.V.
- 11 The Company's business activity falls within a single primary business segment viz. 'Pharmaceutical'.
- 12 Status of investor complaints: a) Pending as on 30 June 2011-nil; b) Received during the quarter-7; c) Disposed off during the quarter-7; d) Pending as on 30 September 2011-nil.
- 13 Figures for previous periods have been regrouped and recasted, wherever necessary, to make them comparable with the figures of the current period.
- 14 The above results were reviewed by the Audit Committee on 8 November 2011, and approved by the Board of Directors at their meeting held on 9 November 2011, and have undergone a "Limited Review" by the Statutory Auditors of the Company. The review report of the Statutory Auditors containing the reservation is being filed with the Bombay stock exchange and National Stock exchange and is also available on the Company's website at www.ranbaxy.com.

By order of the Board


 Arun Sawhney
 CEO & Managing Director

Place: Gurgaon

Date: 9 November 2011

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