

# **RANBAXY**

**Trusted medicines. Healthier lives**

## **Ranbaxy Laboratories Limited**



**FINANCIAL RESULTS:  
January – March 2012 (Q1)**

**ARUN SAWHNEY  
CEO & MD**

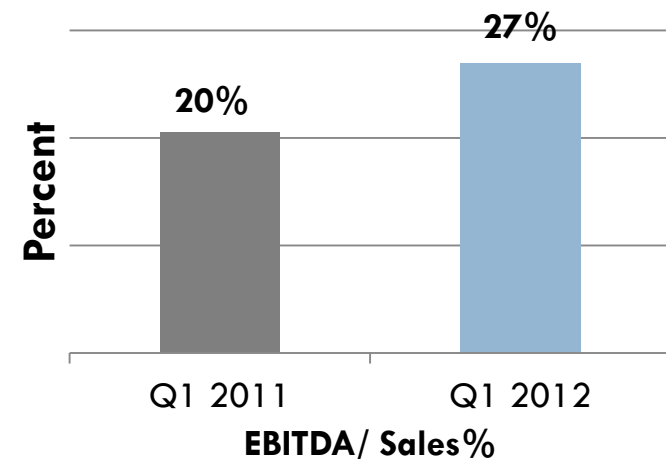
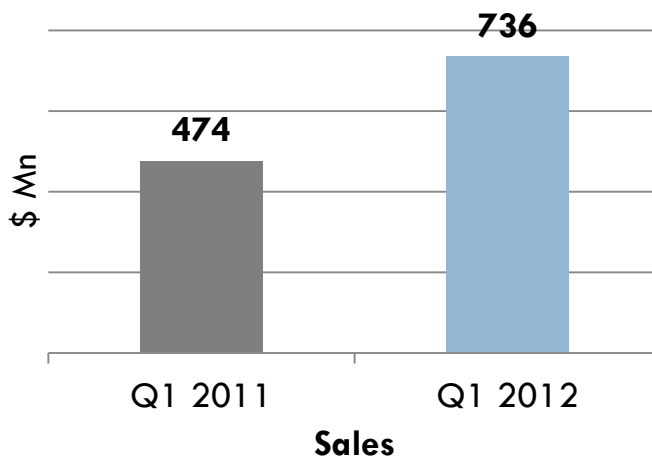
# Safe Harbor

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 1, 2012

## Financial

- Sales grew 55% over corresponding quarter
  - Driven by base business and continued strong sales of FTF exclusivity
- EBITDA margins, including base business margins improved
  - Aided by sales growth and focus on cost optimization



# Key Achievements for Quarter 1, 2012

## Business

Launched Synriam™, 1<sup>st</sup> ever NDA from India on 25 Apr 2012

- Emerging market sales \$232 Mn
  - 33% of DF sales
- Developed market sales \$470 Mn
  - 67% of DF sales

Emerging market base business contributes 60%+ of total base business

- India:
  - CHC performance positive
  - Ranbaxy primary sales growth (from earlier quarter )
- APAC: Robust performance aided by ANZ sales growth

- USA: Base business strengthened . Gained further lead in the Atorvastatin market during exclusivity
- West Europe: Stable performance

# Functional Performance

## Manufacturing

- Started export of Atorvastatin to the US from Mohali SEZ, first DF export from India to the USA in nearly 4 years
- Invest for growth:
  - Malaysia: capacity expansion to address business growth
  - Nigeria: replacement facility, expected to be online in a year

## Research & Development

- Regulatory and Filings and approvals
  - DF filings: 53; DF approvals: 20

# Hybrid Business Model

## Synergy with Daiichi Sankyo

- Front end:
  - Ranbaxy marketed Cravit®(Levofloxacin) in Malaysia from Jan 2012
  - Launched Atorvastatin in Germany with Daiichi Sankyo in Mar 2012
- Back end etc.:
  - Multiple opportunities pursued in development & manufacturing , including intermediates for APIs
- Ongoing:
  - R&D collaboration for Japan filings, cost efficiencies thru collaborations in supply chain

# Other Areas

## Regulatory

- Signed Consent Decree during the Quarter. Progress per plan
- Regulatory inspections by 10 country level authorities

## Derivatives Position

- Exposure down to ~\$1.50 Bn in Q1 2012 from ~1.62 Bn in Q4 2011. Maturity: ~\$40 Mn/Month

## Debt

- Total Debt \$815 Mn; Net Debt \$44 Mn vs. \$267 Mn(Q4 2011)

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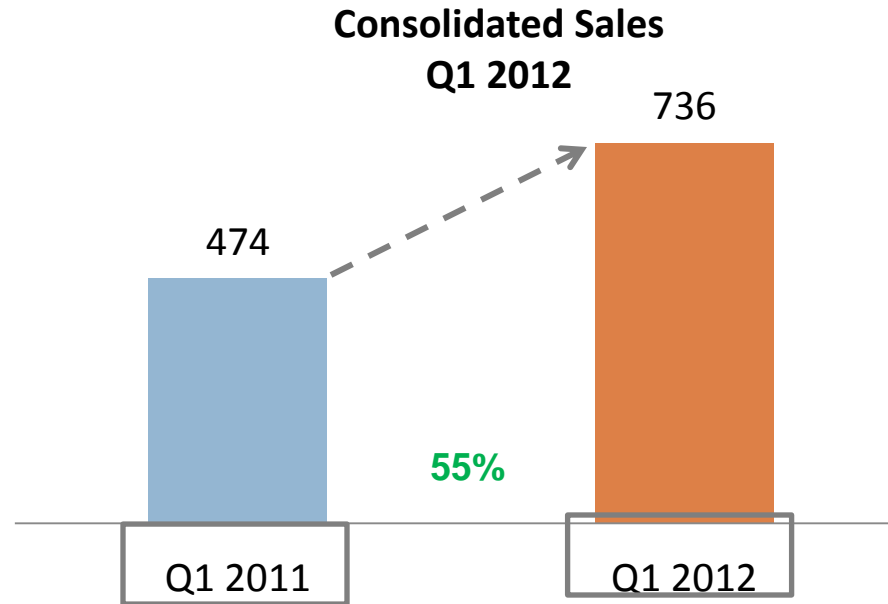


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# Sales Performance

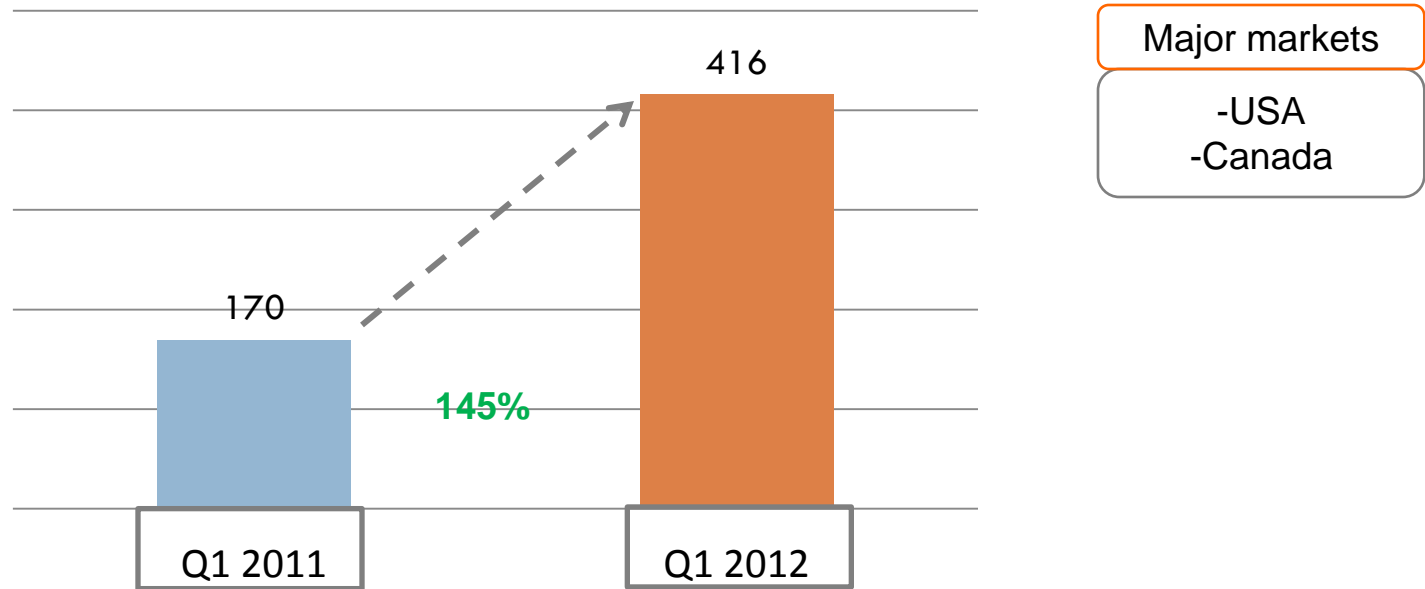
\$ Mn



- Robust business growth momentum continued
  - Growth in sales including base business growth
  - Aided by sales of exclusivities during the Quarter

# North America

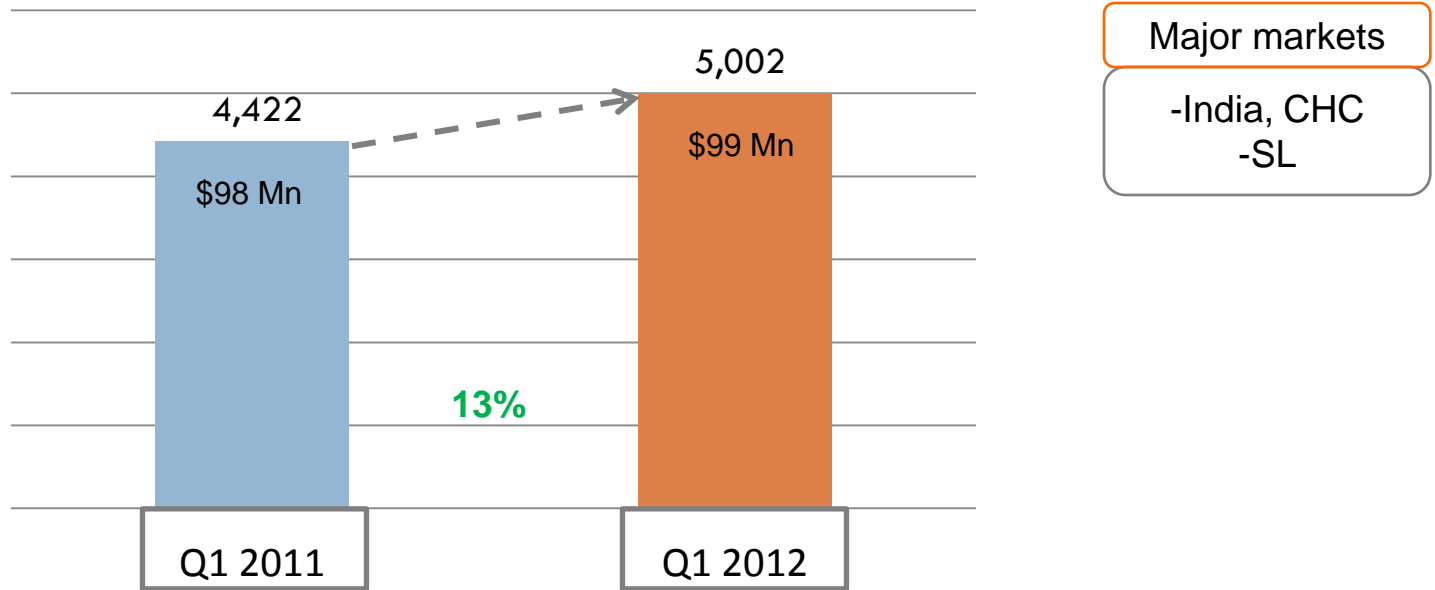
\$ Mn



- Base business sales in the USA remained strong
- Market leader in both the exclusivity products:
  - Atorvastatin (Lipitor®) and Amlodipine+Atorvastatin (Caduet®)

*Lipitor® and Caduet® are registered trade-marks of Pfizer*

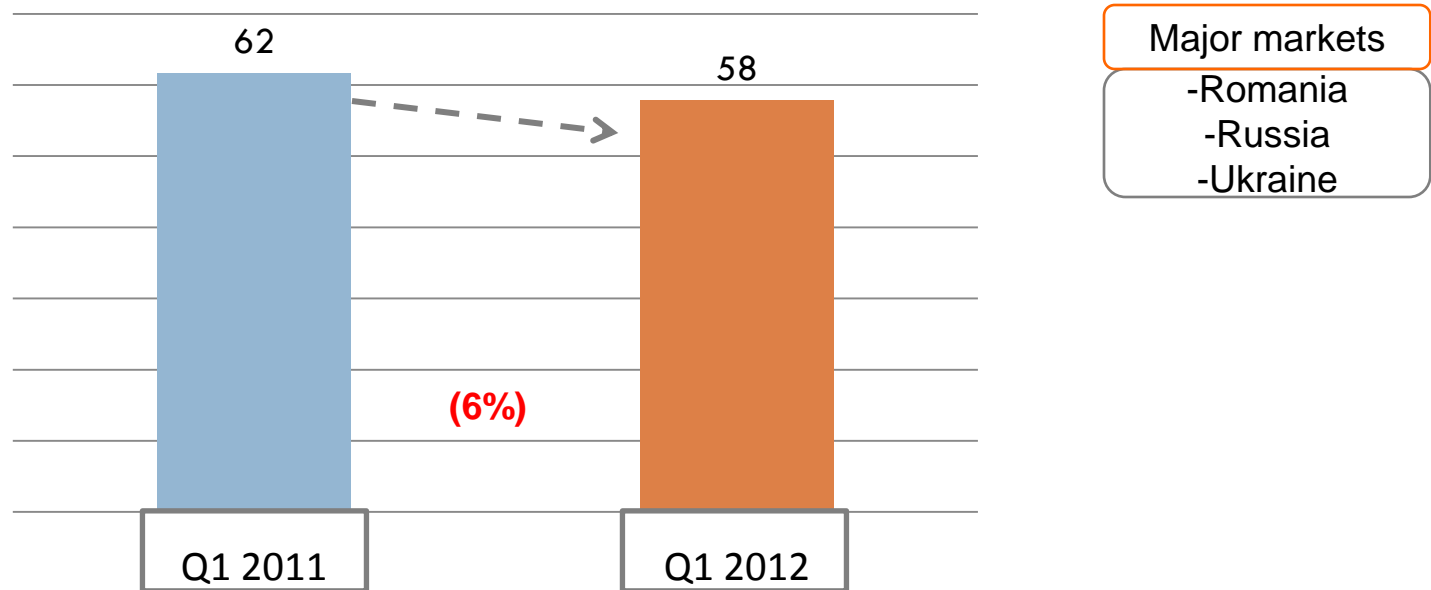
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- Robust CHC performance
- India business sales performance better than previous quarters, affected by Rupee volatility and slow down in Acute segment

# Eastern Europe & CIS

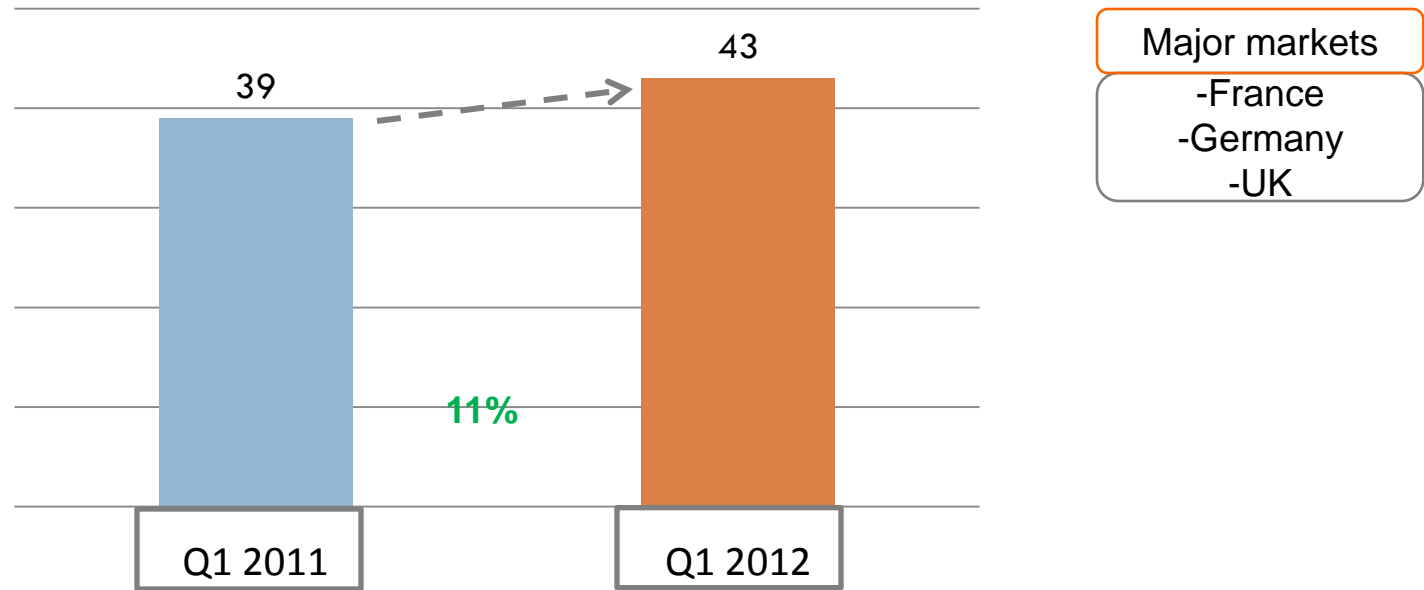
\$ Mn



- Romania sales impacted by adverse forex volatility
  - Terapia is ranked no. 1 in the Gx+ OTC market in Romania
- Consistent Russia sales performance

# Western Europe

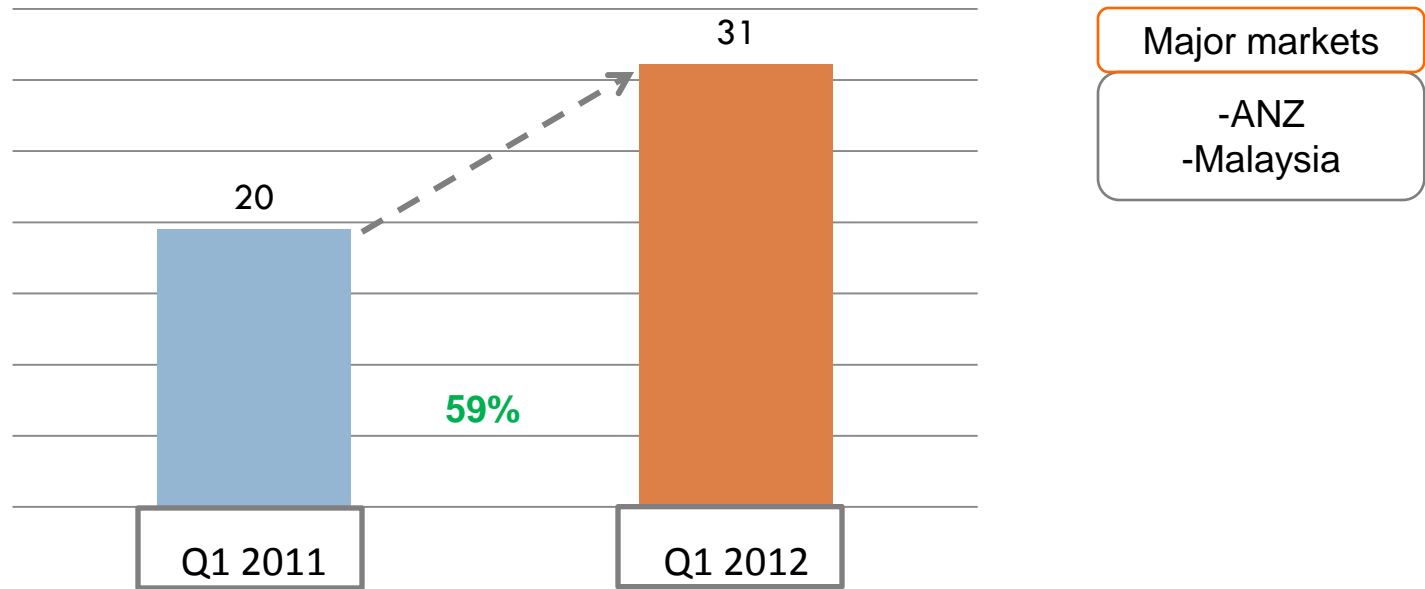
\$ Mn



- Pharma liberalization and DS partnership helped achieve strong sales in Italy

# Asia Pacific & Middle East

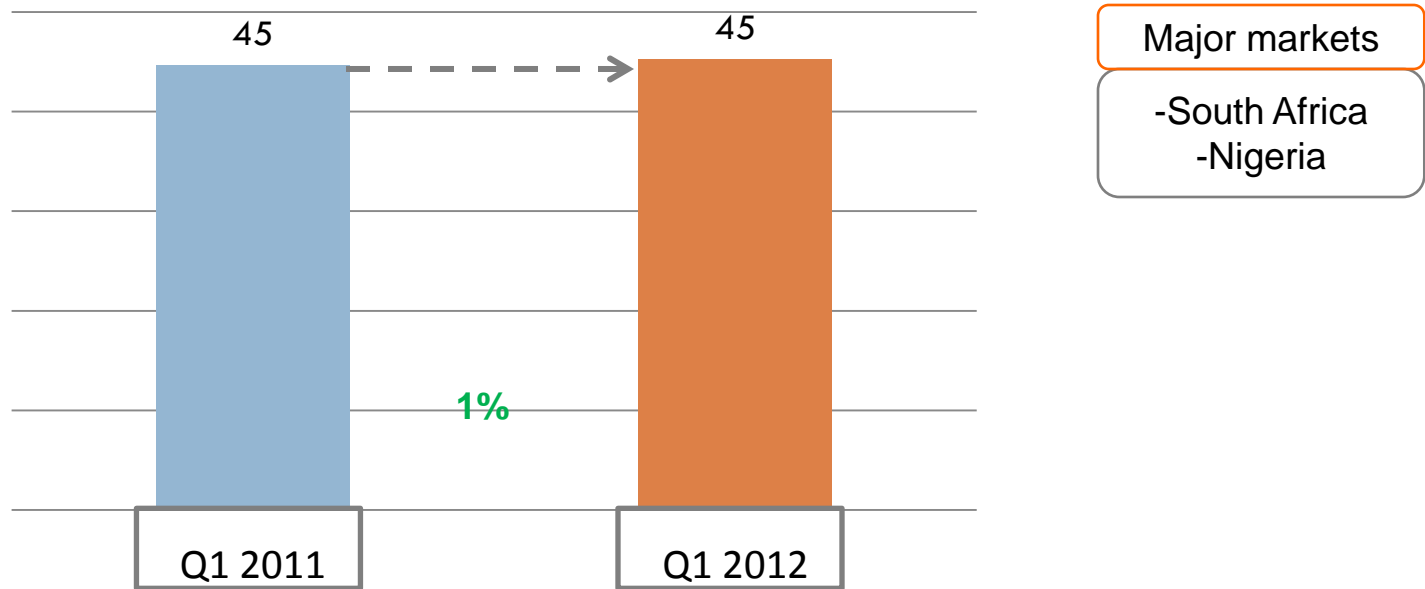
\$ Mn



- Atorvastatin sales primary drivers for higher sales in ANZ
- Malaysia and Myanmar sales performance improved

# Africa

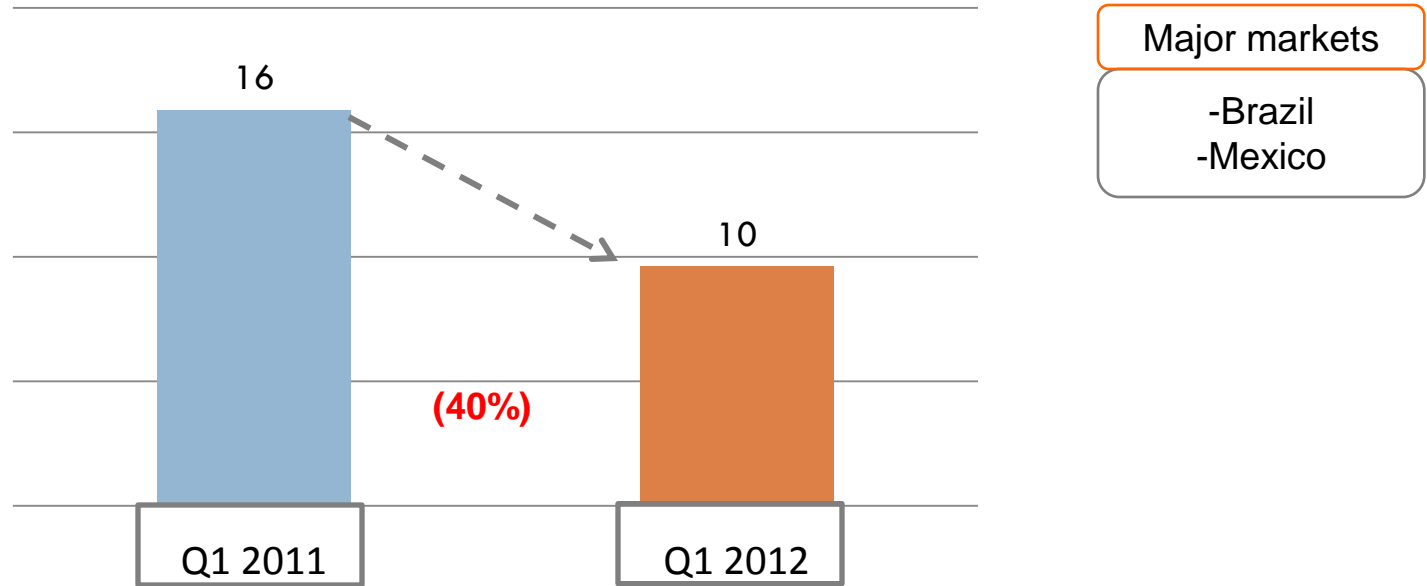
\$ Mn



- Tender sales helped robust performance in Nigeria; South Africa Tender sales impacted
- Expanded in Morocco with new manufacturing facility

# Latin America

\$ Mn

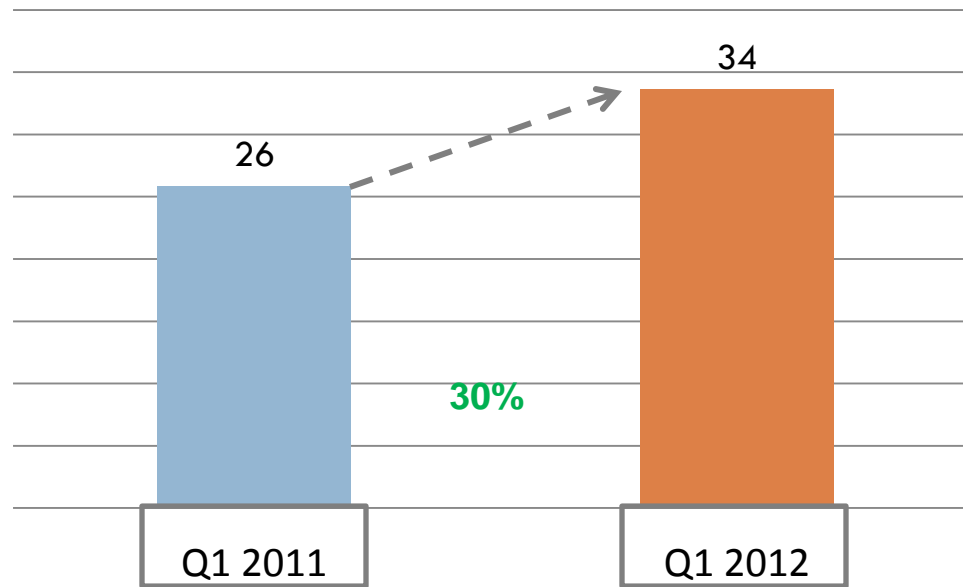


- Disruption in supply to the region had an adverse impact on sales



# API & Others

\$ Mn



- Nexium API supplies continued
- Focused approach on key customers and developed markets

# Financials Q1 2012: INR Mn

| Q1'11         | Particulars  | Q1'12         |
|---------------|--|---------------|
|               | Sales  |               |
| 4,474         | -Within India  | 5,085         |
| 16,979        | - Outside India  | 31,917        |
| <b>21,453</b> | <b>Sales</b>   | <b>37,002</b> |
| 38            | Less : Excise duty   | 48            |
| 21,415        | Net sales  | 36,954        |
| 727           | Other operating income   | 914           |
| 22,142        | Total Operating Income   | 37,868        |
| 7,523         | Total Consumption  | 8,922         |
| 4,169         | Employee cost  | 4,702         |
| 6,189         | Other Operating expenses   | 14,093        |
| <b>17,880</b> | <b>Total expenditure</b>   | <b>27,716</b> |
| <b>4,261</b>  | <b>EBITDA</b>  | <b>10,152</b> |
| 20%           | % Sales  | 27%           |
| 736           | Depreciation, amortization and Impairment  | 799           |
| 3,526         | Profit/(loss) from operations before other income and interest   | 9,354         |
| 16%           | % Sales  | 25%           |
| 690           | Interest and other income  | 1,366         |
| 4,216         | Profit/ (loss) from ordinary activities before finance cost and exceptional items  | 10,720        |
| 145           | Interest expense   | 377           |
| 249           | Foreign exchange (gain)/ loss on loans   | (190)         |
| 3,823         | Profit/(loss) from ordinary activities before tax  | 10,533        |
|               | Exceptional Item   |               |
|               | Settlement provision   |               |
| 20            | Foreign exchange (loss)/gain on foreign currency option derivatives  | 3,447         |
| <b>3,842</b>  | <b>Profit/(loss) after exceptional items before tax</b>  | <b>13,980</b> |
| 782           | Tax expense/ (benefit) -current period   | 1,374         |
| 3,060         | Net profit/ (loss) from ordinary activities after tax  | 12,606        |
|               | - Share in loss/ (profit) of associates, net   | 122           |
| 16            | - Minority interest  | 17            |
| <b>3,044</b>  | <b>Net profit/ (loss) from ordinary activities after tax and minority interest &amp; Share in (loss)/ profit of associates</b> | <b>12,468</b> |

# Financials Q1 2012: \$ Mn

| Q1'11      | Particulars  | Q1'12      |
|------------|--|------------|
|            | Sales  |            |
| 99         | -Within India  | 101        |
| 375        | - Outside India  | 635        |
| <b>474</b> | <b>Sales</b>   | <b>736</b> |
| 1          | Less : Excise duty   | 1          |
| 473        | Net sales  | 735        |
| 16         | Other operating income   | 18         |
| 489        | Total Operating Income   | 753        |
| 166        | Total Consumption  | 177        |
| 92         | Employee cost  | 93         |
| 137        | Other Operating expenses   | 280        |
| <b>395</b> | <b>Total expenditure</b>   | <b>551</b> |
| <b>94</b>  | <b>EBITDA</b>  | <b>202</b> |
| 20%        | % Sales  | 27%        |
| 16         | Depreciation, amortization and Impairment  | 16         |
| 78         | Profit/(loss) from operations before other income and interest   | 186        |
| 16%        | % Sales  | 25%        |
| 15         | Interest and other income  | 27         |
| 93         | Profit/ (loss) from ordinary activities before finance cost and exceptional items  | 213        |
| 3          | Interest expense   | 7          |
| 5          | Foreign exchange (gain)/ loss on loans   | (4)        |
| 84         | Profit/(loss) from ordinary activities before tax  | 209        |
|            | Exceptional Item   |            |
|            | Settlement provision   |            |
| 0          | Foreign exchange (loss)/gain on foreign currency option derivatives  | 69         |
| <b>85</b>  | <b>Profit/(loss) after exceptional items before tax</b>  | <b>278</b> |
| 17         | Tax expense/ (benefit) -current period   | 27         |
| 68         | Net profit/ (loss) from ordinary activities after tax  | 251        |
|            | - Share in loss/ (profit) of associates, net   | 2          |
| 0          | - Minority interest  | 0          |
| <b>67</b>  | <b>Net profit/ (loss) from ordinary activities after tax and minority interest &amp; Share in (loss)/ profit of associates</b> | <b>248</b> |

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## Questions & Answers

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