



Ranbaxy Laboratories Limited

**FINANCIAL RESULTS:
April – June 2011 (Q2)
YTD June 30, 2011 (H1)**

**ARUN SAWHNEY
Managing Director**

05 August 2011

Post Results Conference Call

Safe Harbor

RANBAXY

2

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.

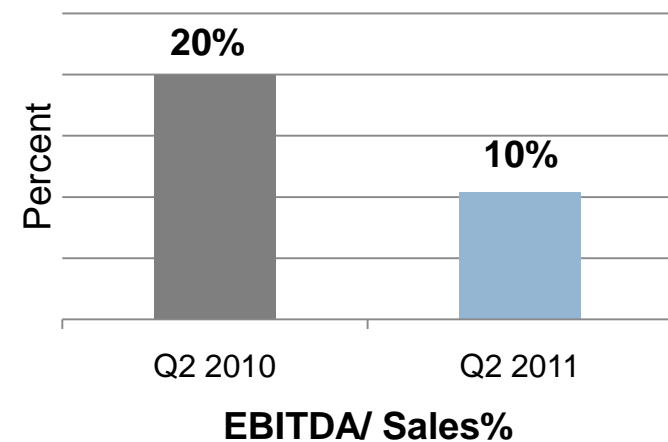
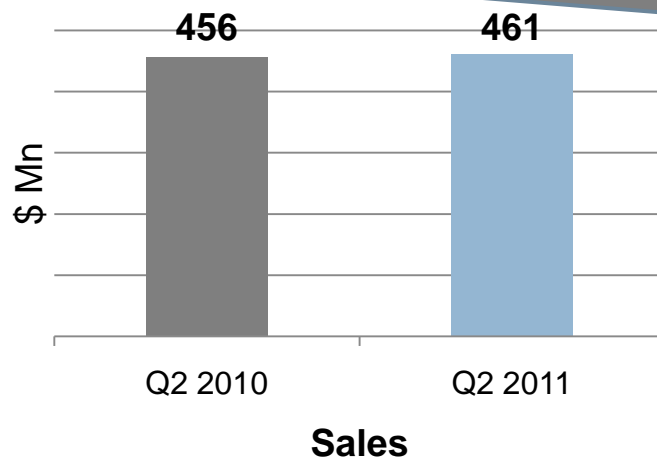
Key Achievements for Quarter 2, 2011

RANBAXY

3

Financial

- Sales across businesses continued robust performance
 - Base business sales improved
 - Q2 2010 margins higher, aided by higher FTF contribution
- FTF exclusivity for Donepezil ended in the Quarter



Key Achievements for Quarter 2, 2011

RANBAXY

4

Business

- Emerging market sales \$261Mn
 - Growth 14%; 62% of DF sales
- Developed market sales \$157 Mn
 - 38% of DF sales

- India: Market share improvement and faster than IPM growth aided by Project Viraat and CHC business
- Africa: Robust growth in the region with higher tender sales contribution

- Europe: Major markets perform well: France and Romania grow
- USA: Donepezil exclusivity period ended; base business sales strong

Manufacturing

- Remain positive about Ranbaxy 's preparedness for audit by regulators
- Initiatives taken to build meaningful partnerships with key sourcing partners
- Plan to strengthen manufacturing in Africa region countries

Research & Development

- Improvement in filings and approvals
 - DF filings: 38; DF approvals: 26
- Anti-malarial drug in H2 2011

Synergy with Daiichi Sankyo

- Study businesses of both DS and Ranbaxy in various geographies to evolve a stronger business model for the group and individual Companies
- Front end:
 - Study various businesses for optimal value capture
- Back end:
 - Multiple opportunities pursued in manufacturing, cost reduction etc.
- Ongoing:
 - Successful launch of innovator products, R&D collaboration, cost efficiencies

Regulatory

- Continue to work together for a comprehensive resolution with the USFDA/ DOJ: negotiations progressing well
- Multiple regulatory approvals received

Derivatives Position

- Exposure of \$1.7Bn in 2007. Down to ~\$750 Mn in Q2 2011
- Expire by 2015-16

Debt Position

- Total Debt ~\$630 Mn; Net Debt ~\$260 Mn

RANBAXY



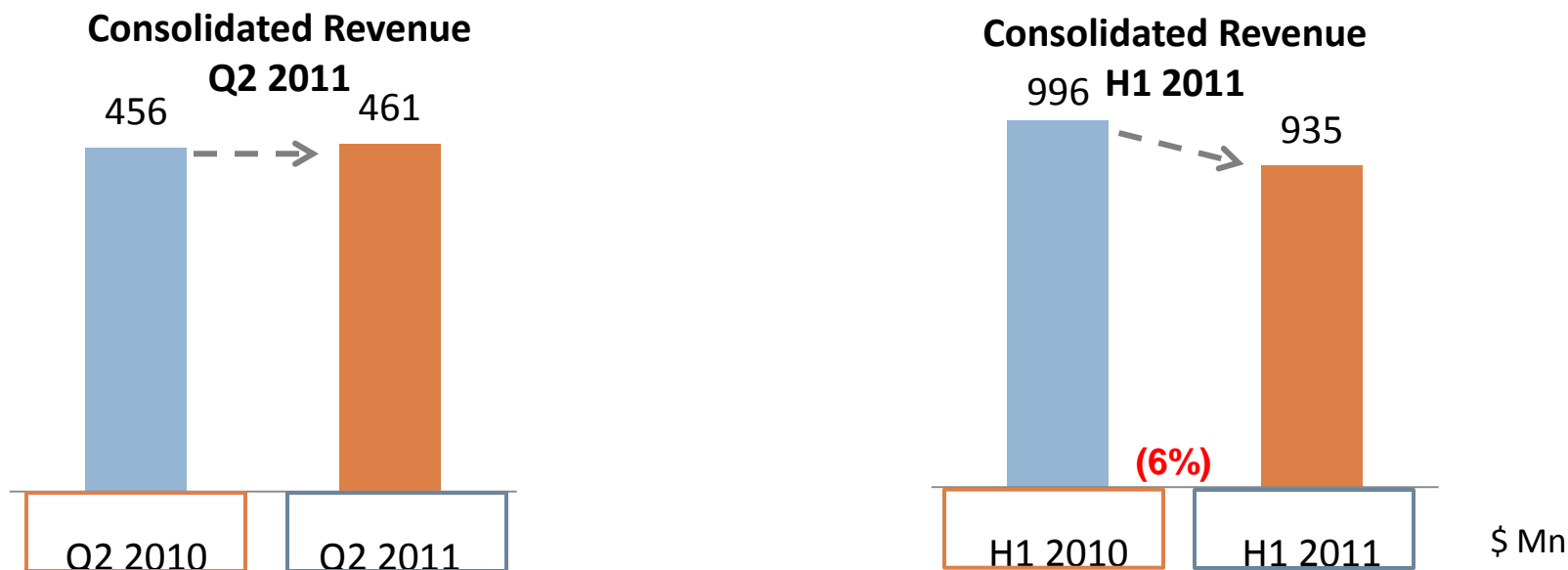
Financial Performance

Investors Call

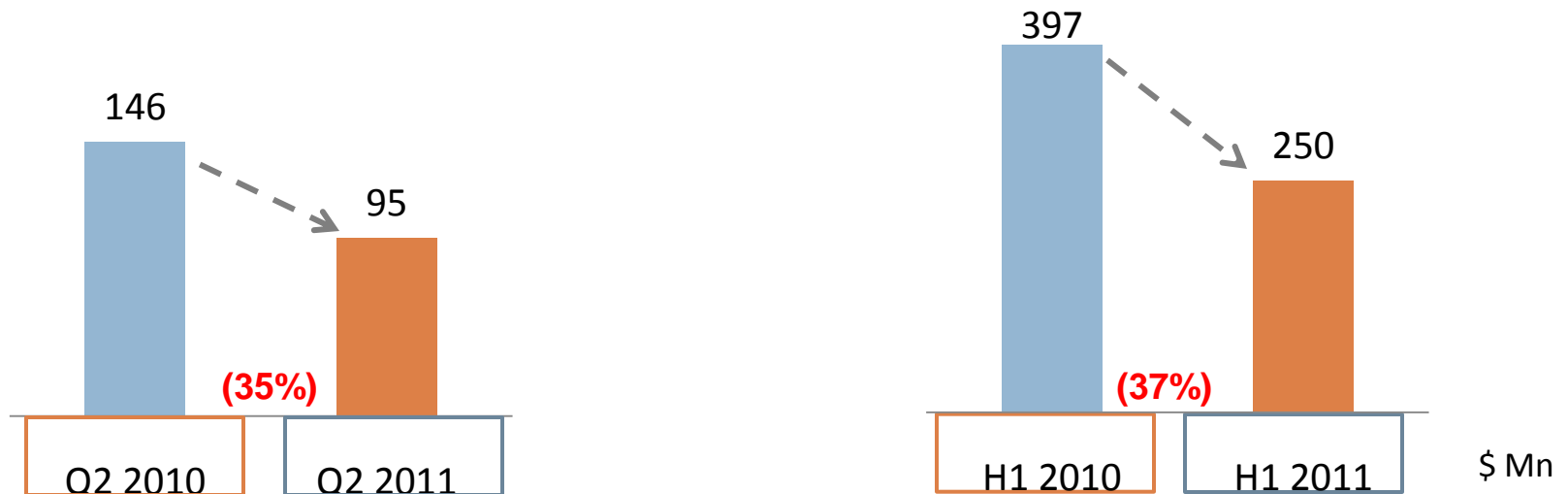
Sales Performance

RANBAXY

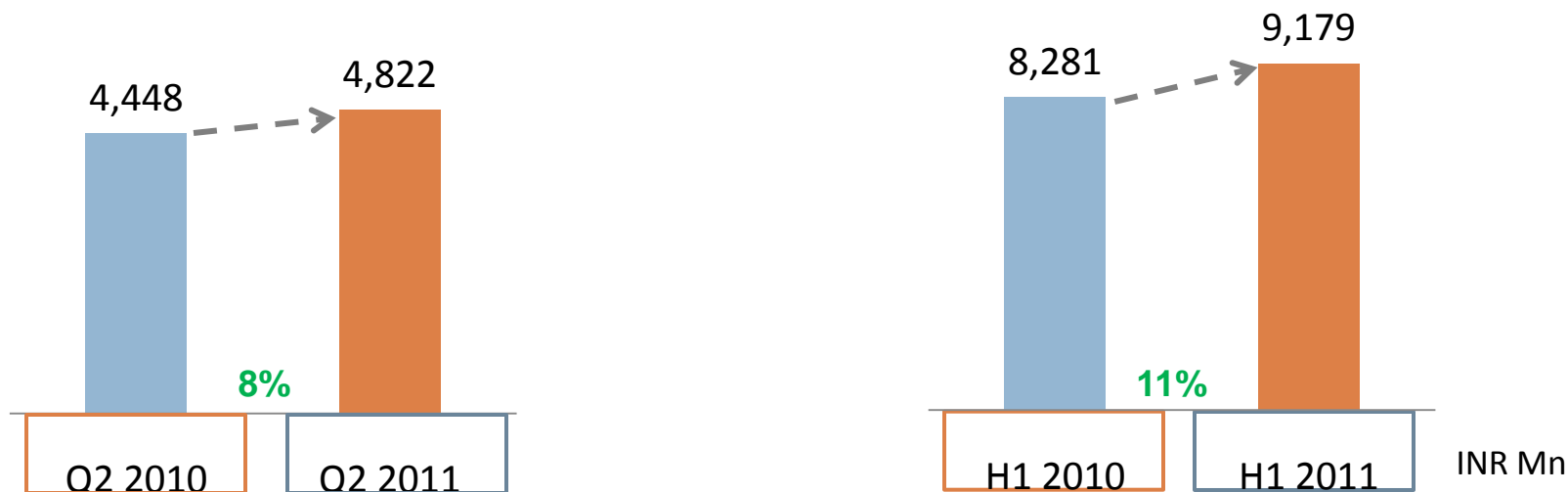
9



- Healthy improvement in base business sales across all key geographies on Quarter and YTD basis
- Q2 2011 sales higher than Q2 2010 sales notwithstanding lower FTF contribution in the current Quarter



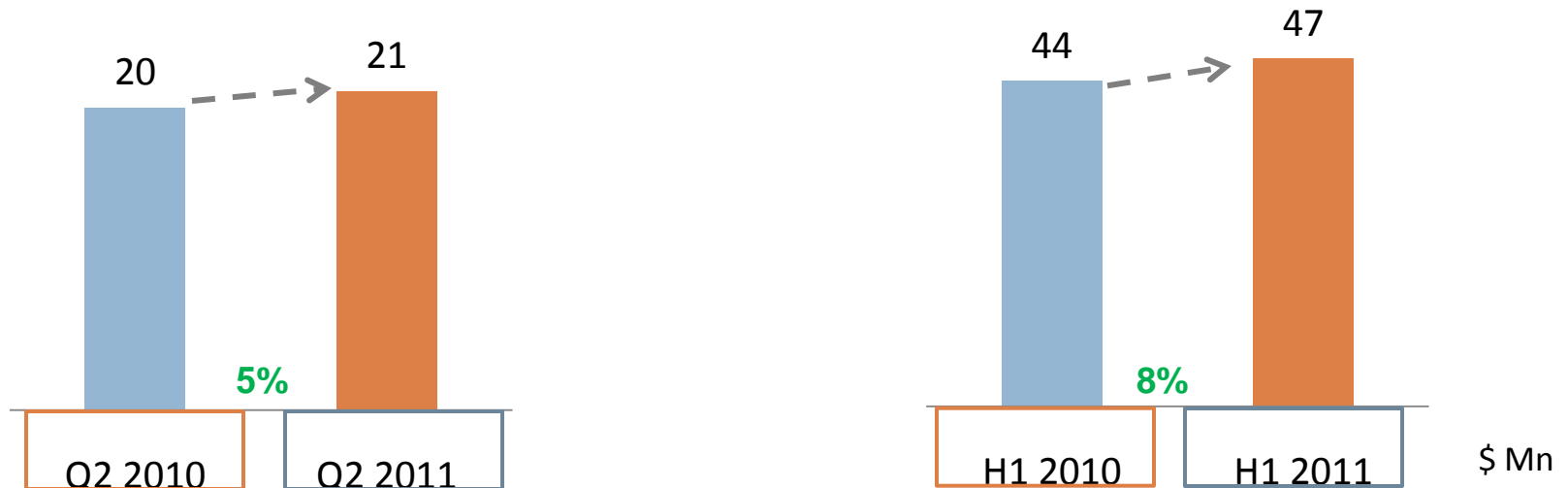
- Current Quarter sales are comparatively lower due to lower contribution from Donepezil FTF (exclusivity expired, Q2 2011) vs. relatively higher Valacyclovir FTF contribution from the previous year
- Base business growth continued



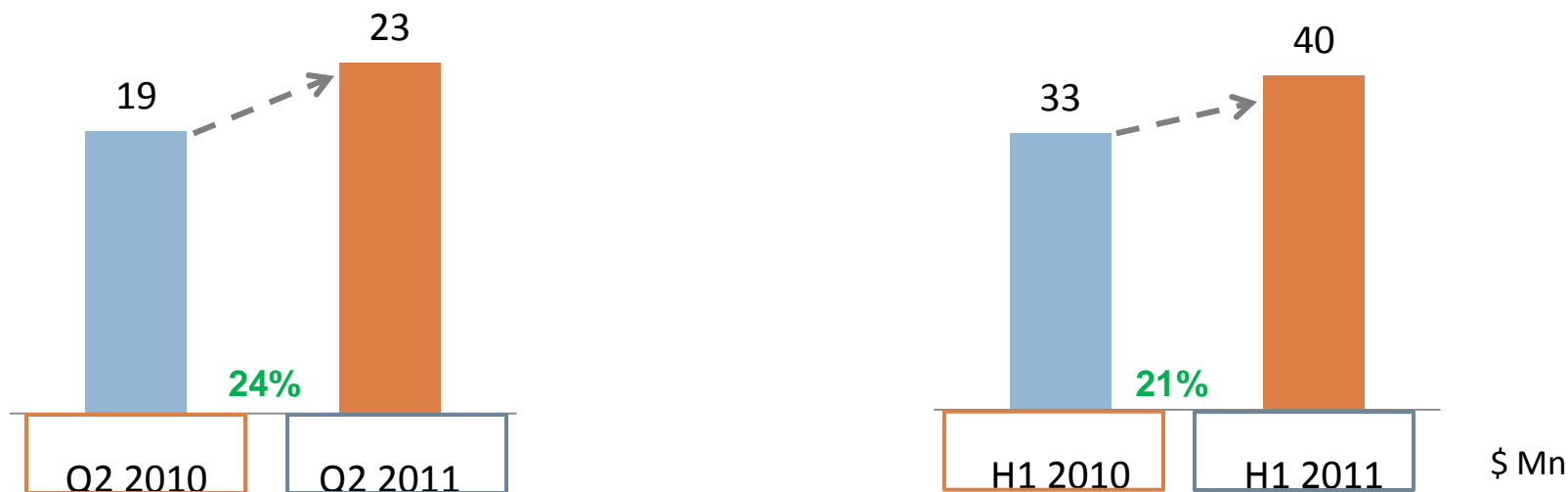
- Market Share improvement in the IPM with faster than market growth on YTD and MAT basis
- CHC, ranked number 1 in its represented market, also contributed



- Sales growth in major markets including robust improvement in Romania, better sales in France; Day 1 launches helped the business
- Macro-economic indicators on country level continue to be areas of concern



- In Russia and Ukraine, among the two largest CIS markets; Ranbaxy continued to be ranked number 1 in its represented market
- Clear direction on macro-issues yet to evolve in the CIS



- Strong sales in most of the larger markets



- ARV tender sales have started to contribute to the region's top line
- Nigeria, one of the larger markets in Africa affected by liquidity crunch and other macro factors; plan to strengthen manufacturing in the country



- Completion of Tender supplies, in the previous quarter; transient issues wrt key products reasons for de-growth in the region

Financials Q2 2011: \$

RANBAXY

Q2'10	Q2'11	Particulars in \$ Mn	H1'10	H1'11
456	461	Sales	996	935
1	1	Less : Excise duty	2	2
455	460	Net sales	994	933
11	9	Other operating income	72	17
466	468	Total Operating Income	1,067	950
167	183	Total Consumption	329	349
(6)	(7)	Operating Forex expense/ (gain)	9	(13)
82	94	Employee cost	165	186
133	151	Other Operating expenses	252	285
375	420	Total other expenditure	753	807
91	48	EBITDA	313	143
15	16	Depreciation and amortization	37	33
25	7	Interest (Cost)/Income & Other Income	20	18
25	4	Foreign exchange (gain)/ loss on loans	(3)	9
76	34	Profit/(loss) from ordinary activities before tax	299	119
		Exceptional Items		
47	-	Exceptional Items (Profit on sale of investments)	47	-
(51)	25	Forex (loss)/ gain on foreign currency option derivatives	33	25
72	59	Net EBT	380	144
72	55	Net profit/ (loss) from ordinary activities after tax	282	123
16%	12%	PAT%	28%	13%
71	54	Net profit/ (loss) from ordinary activities after tax and minority interest & Share in (loss)/ profit of associates	280	122
16%	12%	PAT% (after minority interest & Share in (loss)/ profit of associates)	28%	13%

Operational Performance (excluding Forex and Excep items)

RANBAXY

18

Q2'10	Q2'11	Particulars in \$ Mn	H1'10	H1'11
456	461	Sales	996	935
91	48	EBITDA	313	143
20%	10%	% to Sales	31%	15%
72	59	EBT	380	144
16%	13%	% to Sales	38%	15%

91	48	EBITDA	313	143
6	7	Forex Gain/(Loss)	(9)	13
84	41	Operational EBITDA	322	130
19%	9%	% to Sales	32%	14%

72	59	EBT	380	144
(25)	(4)	Forex Gain/(Loss) on FC Borrowings	3	(9)
(45)	32	Other Forex Gain/(Loss) (incl. Derivatives)	25	38
47		Exceptional Items (Profit on sale of inv.)	47	
94	31	Operational EBT	305	115
21%	7%	% to Sales	31%	12%

Financials Q2 2011: INR

RANBAXY

19

Q2'10	Q2'11	Particulars in Rs. Mn	H1'10	H1'11
20,953	20,593	Sales	45,791	42,056
41	48	Less : Excise duty	76	86
20,911	20,545	Net sales	45,715	41,970
517	386	Other operating income	3320	765
21,428	20,931	Total Operating Income	49,035	42,736
7,661	8,167	Total Consumption	15,102	15,690
(287)	(319)	Operating Forex expense/ (gain)	391	(571)
3,752	4,188	Employee cost	7,564	8,359
6,134	6,760	Other Operating expenses	11,569	12,839
17,260	18,796	Total other expenditure	34,625	36,316
4,168	2,135	EBITDA	14,410	6,419
695	735	Depreciation and amortization	1700	1471
1,162	306	Interest (Cost)/Income & Other Income	911	806
1,158	184	Foreign exchange (gain)/ loss on loans	(139)	410
3,477	1,522	Profit/(loss) from ordinary activities before tax	13,760	5,344
		Exceptional Items		
2,178		Exceptional Items (Profit on sale of investments)	2,178	
(2,337)	1,118	Forex (loss)/ gain on foreign currency option derivatives	1,535	1,138
3,318	2,640	Net EBT	17,473	6,482
3,320	2,455	Net profit/ (loss) from ordinary activities after tax	12,951	5,516
16%	12%	PAT%	28%	13%
3,257	2,432	Net profit/ (loss) from ordinary activities after tax and minority interest & Share in (loss)/ profit of associates	12,863	5,476
16%	12%	PAT% (after minority interest & Share in (loss)/ profit of associates)	28%	13%



Questions & Answers
