



# Ranbaxy Laboratories Limited

**FINANCIAL RESULTS:  
Full Year 2010**

**ARUN SAWHNEY  
Managing Director**

22 Feb 2011

Post Results Conference Call

# Safe Harbor

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# Golden Jubilee Year: 50 years

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**46 countries \ 50 nationalities \ 14,000 people**

- Ranbaxy is a pioneer in the Industry; geographies and therapies
- Made affordable medicine available across the world, with particular interest in Emerging Markets
- On our 50<sup>th</sup> year, we are humbled by all the support and love of our investors, partners, suppliers, buyers and employees

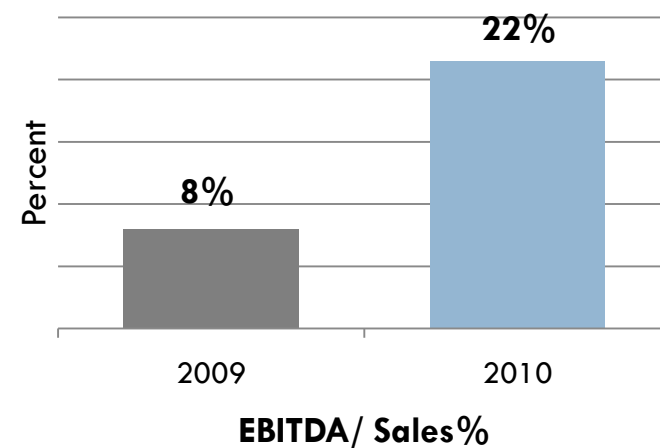
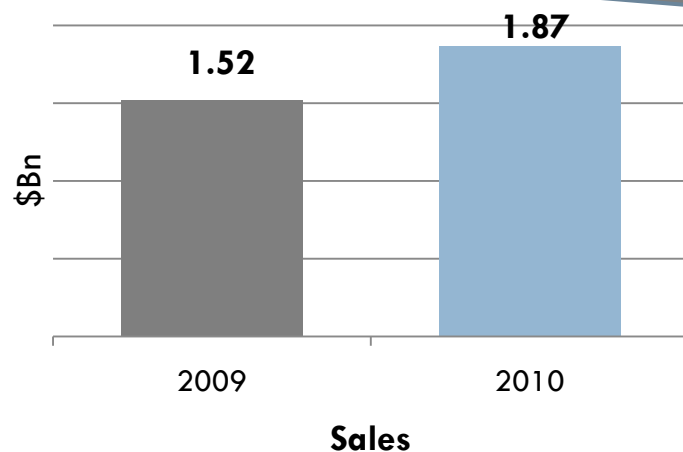
# Key Achievements for the Year

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## Financial

- Best ever financial performance
  - Total Operating Income close to \$2Bn
- Capitalized on FTF Opportunities



# Key Achievements for the Year

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## Business

- Adapting Business Models that addresses diverse markets
- Pro-actively respond to changes in environment

- APAC: Divested entities in Japan, Vietnam and China. Continue to do business, with sharper focus, lower cost base
- India: Project Viraat, a multi-pronged strategy aimed at leadership in the home market

- Romania: Rationalization of extra capacity and Expansion of R&D and manufacturing for EU
- UK cost optimization

# Functional Performance

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## **Manufacturing**

- Ohm, USA facility expanded to meet US demand, and to capitalize on FTFs
- New Manufacturing Facility in South Africa to cater to regional requirements

## **Research & Development**

- ANDA filings back on track
- NDDR exit: to aid focused R&D attention on Generics research

## Synergy with Daiichi Sankyo

- Front end:
  - India
  - Romania
  - Japan
  - Others
  
- Back end: Multiple opportunities being pursued

## Foreign Currency Convertible Bond

- Geared for redemption

## Derivatives Position

- Exposure of \$1.7Bn in 2007. Now down to \$847Mn
- To expire by 2015-16

## Regulatory

- Continue to work together for a comprehensive resolution with the USFDA/ DOJ



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## Financial Performance

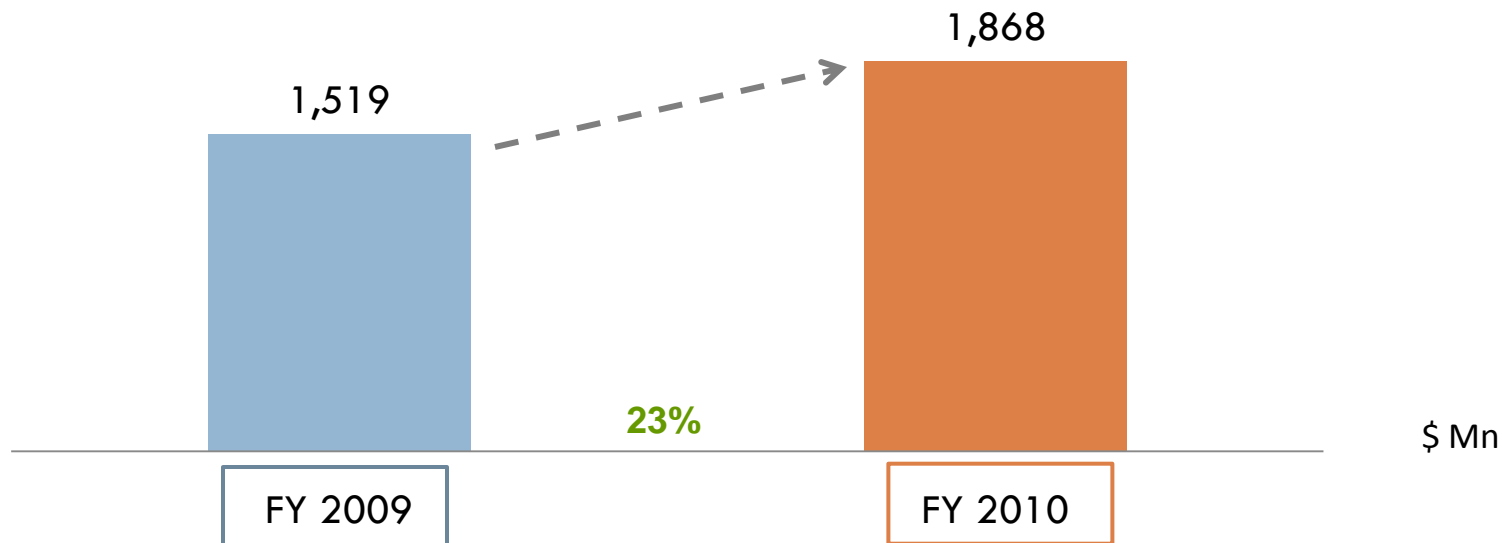
Investors Call

# Sales Performance

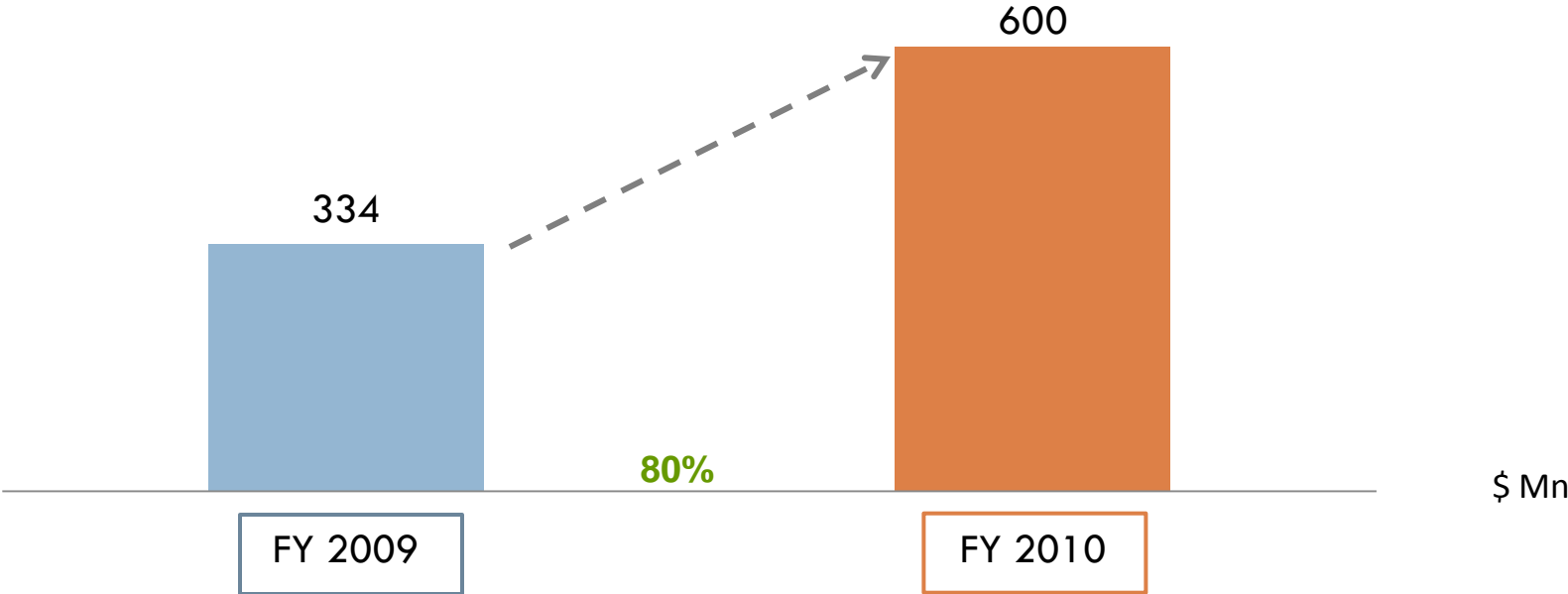
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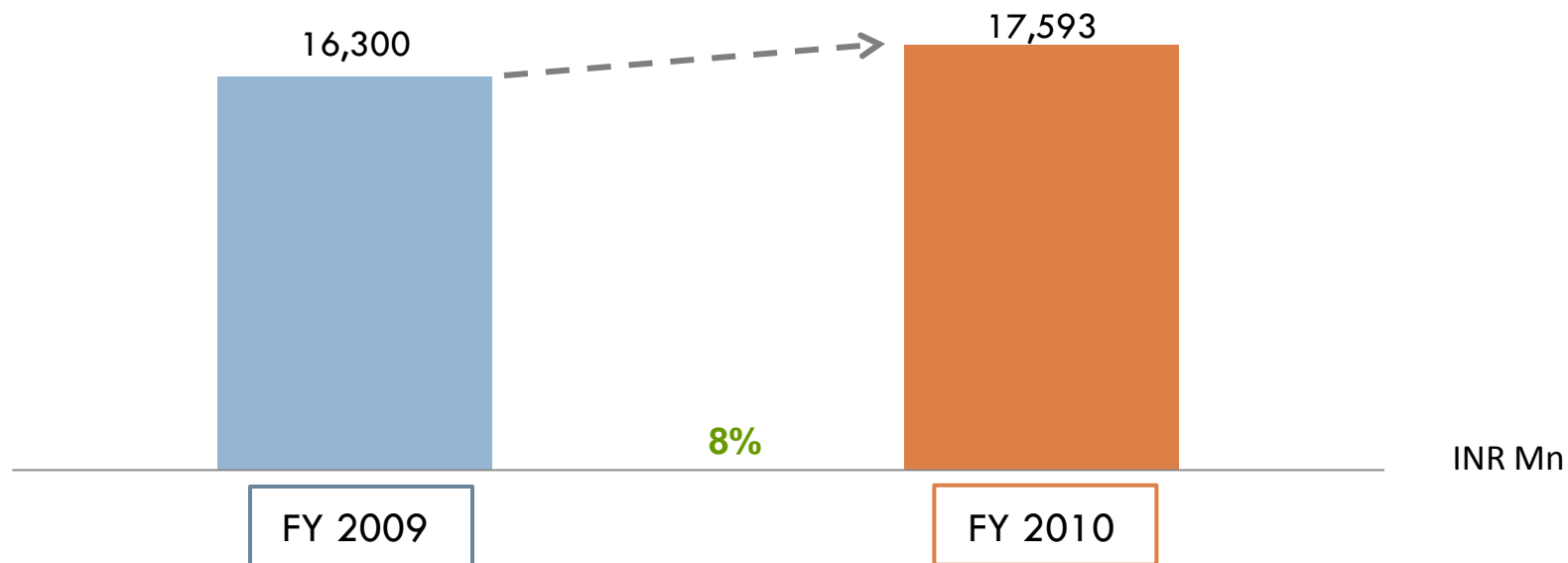
## Consolidated Sales Full Year 2010



- Best ever Financial results complement Ranbaxy entering its Golden Jubilee
- Growth for the year helped by improvement in business performance, product mix and aided by FTFs



- Overall improvement in Base business
- Highest ever value created through successful monetization of FTFs

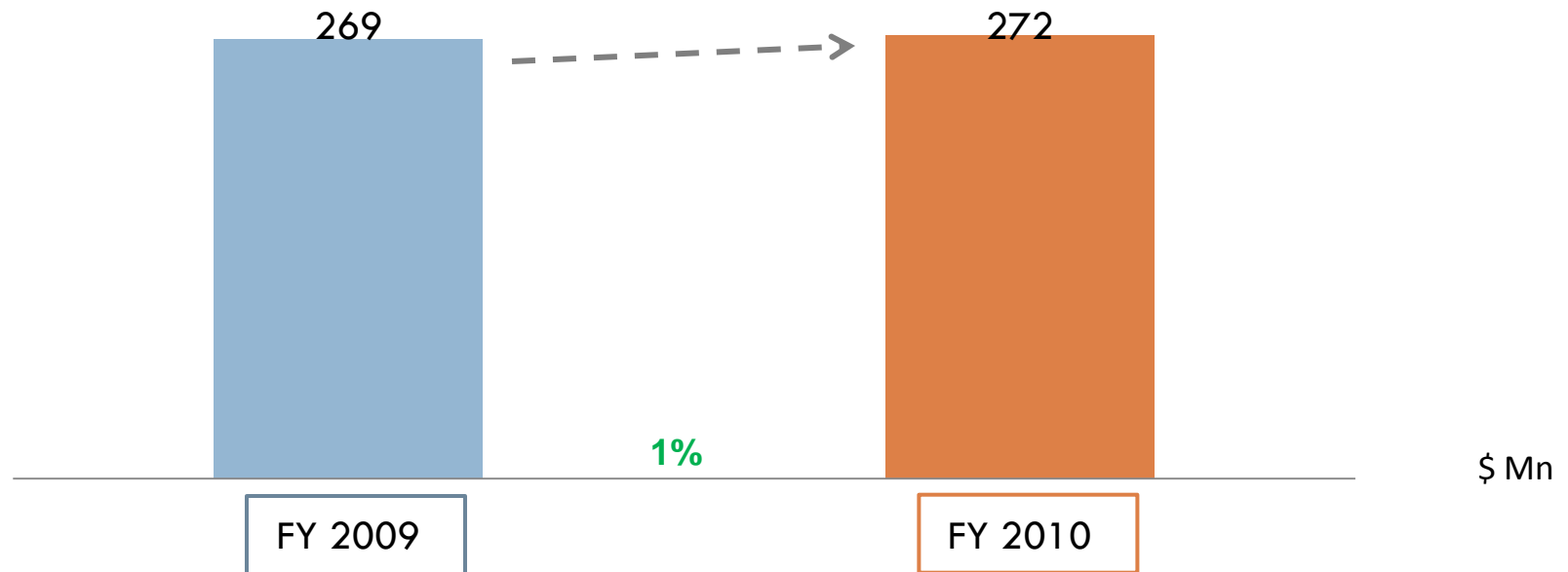


- India market growth to continue aided by Project Viraat and natural growth in the Indian Pharmaceutical Market
- CHC ranked No. 1 in its represented market

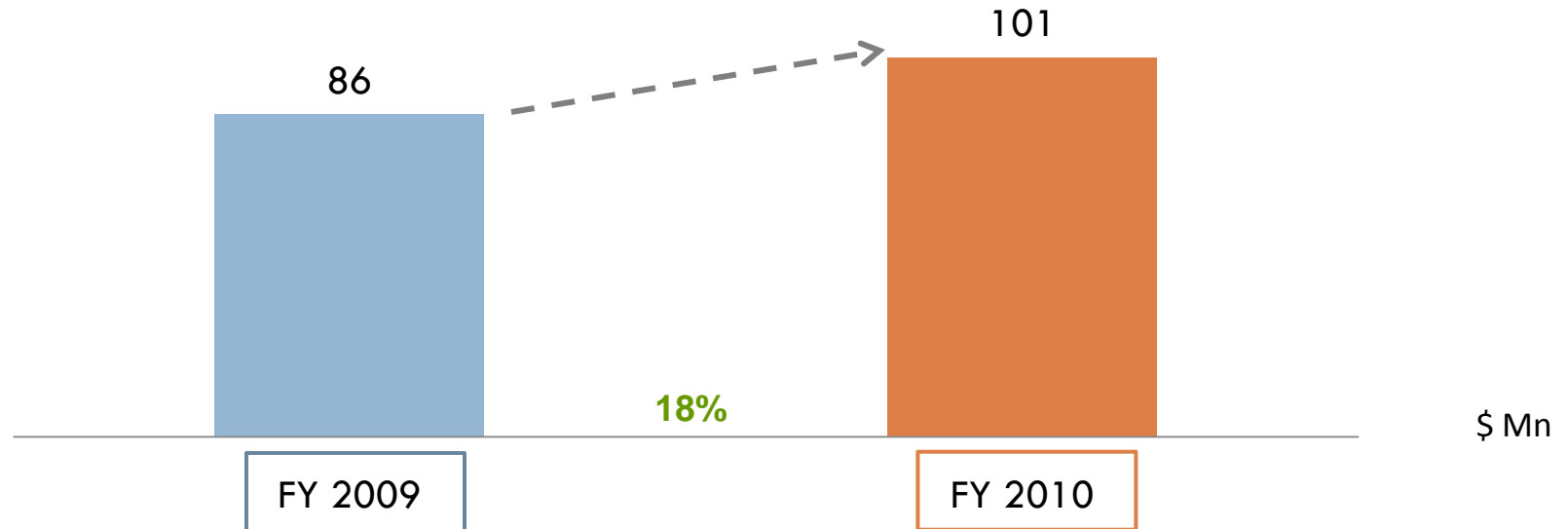
# Europe

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- Channel issues and volatile forex movement had a negative impact on the region performance
- Pro-actively faced the challenges in the economy and Pharma market in Romania: Ranked number 1 in the Generics industry

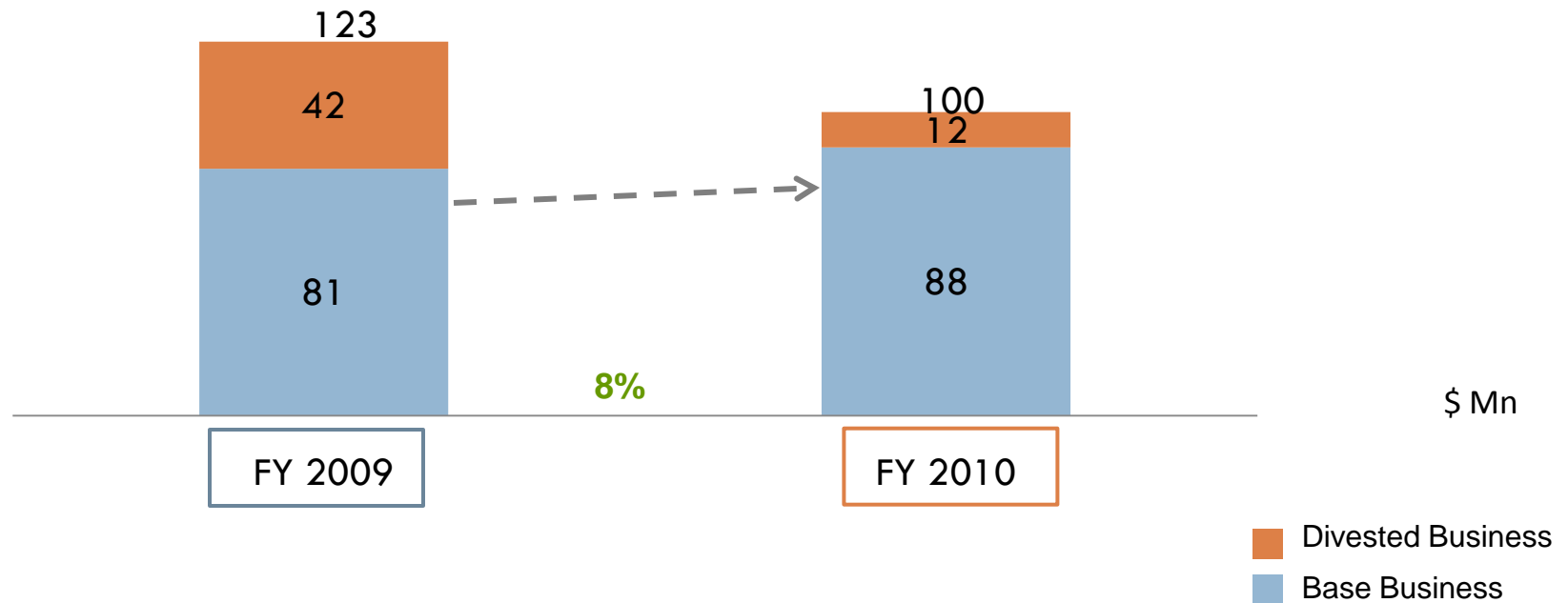


- Important region for the Company, undergoing policy and other changes
- In Russia, Ranbaxy is ranked number 1 in its represented market

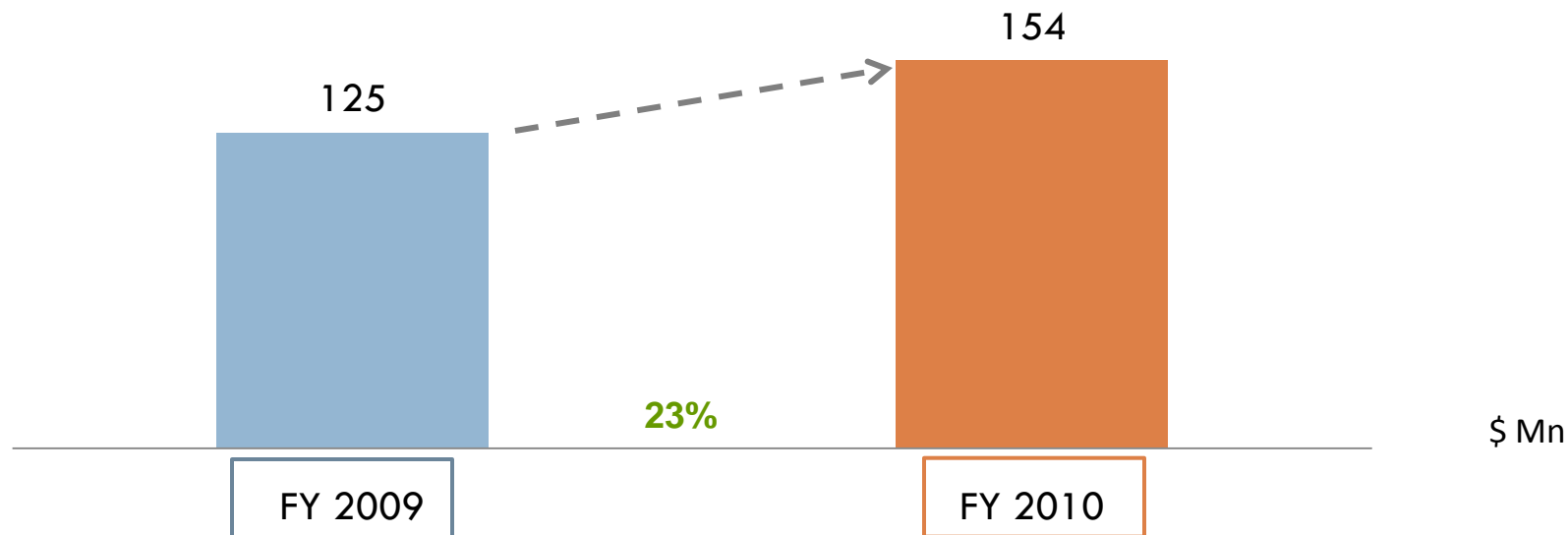
# Asia Pacific

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- During the year Ranbaxy changed its businesses models for Japan, China and Vietnam
- Base business in the APAC market has grown



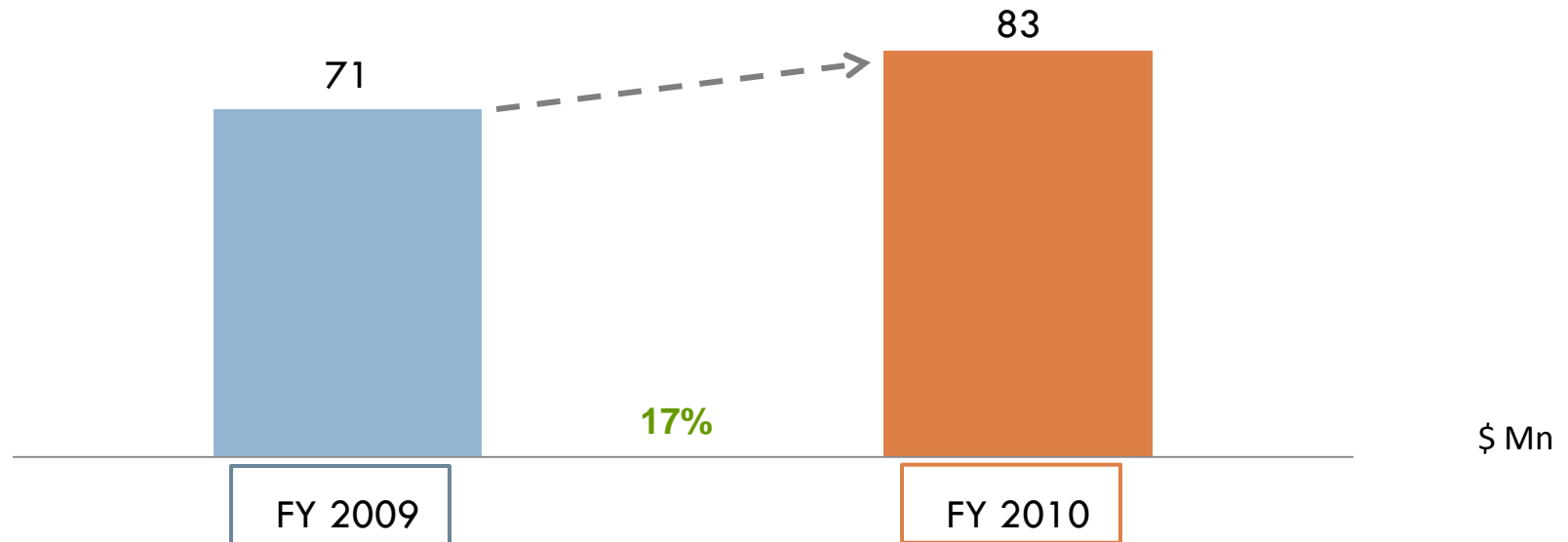
- ARV tender win a milestone in Ranbaxy Africa performance
- High growth, underpenetrated market. Growth opportunity to be capitalized upon as it evolves as 'Branded Generics' market



# Latin America

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- Performance impacted by volatile currency and lack of sale of a key molecule for the region

# Financials FY 2010 – USD

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FY 2009	Particulars in \$ Mn	FY 2010
<b>1,519</b>	<b>Sales</b>	<b>1,868</b>
3	Less : Excise duty	3
<b>1,516</b>	<b>Net sales</b>	<b>1,865</b>
55	Other operating income	93
<b>1,571</b>	<b>Total Operating Income</b>	<b>1,958</b>
<b>663</b>	<b>Total Consumption</b>	<b>689</b>
27	<b>Operating Forex expense/ (gain)</b>	6
293	Employee cost	329
467	Other Operating expenses	532
<b>1,450</b>	<b>Total other expenditure</b>	<b>1,556</b>
<b>121</b>	<b>EBITDA</b>	<b>402</b>
55	Depreciation and amortization	81
35	Interest and other income	48
(31)	Foreign exchange (gain)/ loss on loans	(31)
<b>131</b>	<b>Profit/(loss) from ordinary activities before tax</b>	<b>399</b>
	<b>Exceptional Items</b>	
11	Exceptional Items	13
66	Forex (loss)/ gain on foreign currency option derivatives	95
<b>209</b>	<b>Profit/(loss) after exceptional items</b>	<b>507</b>
	Prov for diminution in the value of investment in associates	<b>(48)</b>
<b>209</b>	<b>Net EBT</b>	<b>459</b>
<b>64</b>	<b>Net profit/ (loss) from ordinary activities after tax</b>	<b>331</b>
4%	PAT%	18%
<b>61</b>	<b>Net profit/ (loss) from ordinary activities after tax and minority interest &amp; Share in (loss)/ profit of associates</b>	<b>327</b>
4%	PAT% (after minority interest & Share in (loss)/ profit of associates)	18%

# Operational Result (excluding Forex and Exceptional Items) FY 2010

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FY 2009	Particulars	Act FY 2010	Gr%	Ach %
<b>1,519</b>	<b>Sales</b>	<b>1,868</b>	<b>23%</b>	<b>108%</b>
<b>122</b>	<b>EBITDA</b>	<b>402</b>	<b>228%</b>	<b>171%</b>
8%	% to Sales	22%		
<b>209</b>	<b>EBT</b>	<b>459</b>	<b>120%</b>	<b>324%</b>
14%	% to Sales	25%		
<b>122</b>	<b>EBITDA</b>	<b>402</b>	<b>228%</b>	<b>171%</b>
27	Operating Forex expense/ (gain)	6		
<b>149</b>	<b>Operational EBITDA</b>	<b>408</b>	<b>174%</b>	<b>174%</b>
10%	% to Sales	22%		
<b>209</b>	<b>EBT</b>	<b>459</b>	<b>120%</b>	<b>324%</b>
(20)	USFDA Provision (reversal)	(2)		
27	Operating Forex expense/ (gain)	6		
(31)	Foreign exchange (gain)/ loss on loans	(31)		
(66)	Forex loss/(gain) on foreign currency option derivatives	(95)		
(10)	Loss/ (Gain) on disposal of long-term investments	(53)		
0	Goodwill Impairment & Diminution of Investments	88		
<b>109</b>	<b>Operational EBT</b>	<b>372</b>	<b>242%</b>	<b>263%</b>
7%	% to Sales	20%		

# Financials FY 2010 – INR

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FY 2009	Particulars in INR Mn	FY 2010
<b>73,441</b>	<b>Sales</b>	<b>85,507</b>
147	Less : Excise duty	152
<b>73,294</b>	<b>Net sales</b>	<b>85,355</b>
2,676	Other operating income	4,253
<b>75,970</b>	<b>Total Operating Income</b>	<b>89,608</b>
<b>32,080</b>	<b>Total Consumption</b>	<b>31,528</b>
1,283	<b>Operating Forex expense/ (gain)</b>	265
14,175	Employee cost	15,060
22,591	Other Operating expenses	24,366
<b>70,129</b>	<b>Total other expenditure</b>	<b>71,219</b>
<b>5,842</b>	<b>EBITDA</b>	<b>18,389</b>
2,676	Depreciation and amortization	3,717
1,692	Interest and other income	2,181
(1,493)	Foreign exchange (gain)/ loss on loans	(1407)
<b>6,351</b>	<b>Profit/(loss) from ordinary activities before tax</b>	<b>18,260</b>
	<b>Exceptional Items</b>	
533	Exceptional Items	589
3,214	Forex (loss)/ gain on foreign currency option derivatives	4,369
<b>10,098</b>	<b>Profit/(loss) after exceptional items</b>	<b>23,217</b>
	Prov for diminution in the value of investment in associates	<b>(2,216)</b>
<b>10,098</b>	<b>Net EBT</b>	<b>21,001</b>
<b>3,107</b>	<b>Net profit/ (loss) from ordinary activities after tax</b>	<b>15,152</b>
4%	PAT%	18%
<b>2,965</b>	<b>Net profit/ (loss) from ordinary activities after tax and minority interest &amp; Share in (loss)/ profit of associates</b>	<b>14,968</b>
4%	PAT% (after minority interest & Share in (loss)/ profit of associates)	18%



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## Questions & Answers

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