



Ranbaxy Laboratories Limited



**FINANCIAL RESULTS:
April – June 2013 (Q2)
YTD June 2013 (H1)**

**ARUN SAWHNEY
CEO & MD**

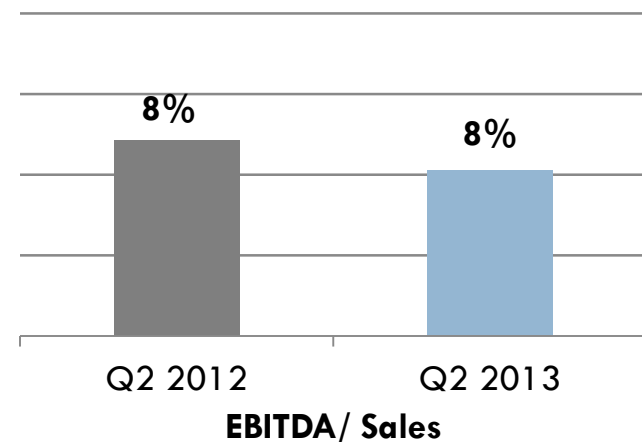
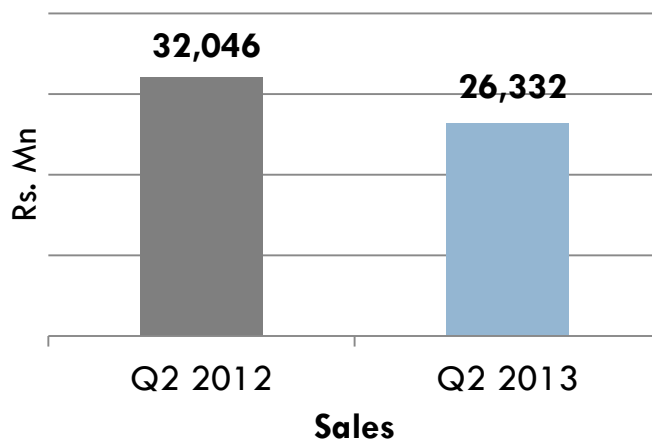
Safe Harbor

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 2, 2013

Financial

- Base business sales grew by >10% over the corresponding quarter
- EBITDA margins on base business continue to improve



Highlights: Quarter 2, 2013

Business

Improved Business and Quality Assurance standards

- Branded and OTC category sales Rs.13,445 Mn
 - 51% of sales for the Quarter
- Generic including API sales Rs.12,887 Mn

- India:
 - Pricing policy and trade related challenges impacted performance
- EMs business grew
 - LATAM, APAC and Africa

- USA:
 - Strong base business sales encouraged by prescription growth in Absorica™

Functional Performance

Manufacturing

- Work towards improvement and control of manufacturing expenses: benchmarking and review of raw material costs, solvent recoveries and capacities

Research & Development

- Regulatory Filings and approvals
 - DF filings: 93; DF approvals: 35
 - 1 ANDA filed in USA

Hybrid Business Model

Synergy with Daiichi Sankyo

- Front end:
 - Ranbaxy and DS continue to work together in multiple markets viz. India, Romania, Africa, Thailand, Mexico, Peru etc

- Ongoing:
 - R&D collaborations continue to address various markets and cost efficiencies

Other Areas

Regulatory

- Consent Decree: satisfactory progress
- 16 National level regulatory agency inspections

Derivatives Position

- Exposure down to ~\$860 Mn as on 30 Jun 2013 from ~960 Mn in Q1 2013. Maturity: ~\$35 Mn/month

Debt

- Debt \$986 Mn; Cash & Bank \$259 Mn → Net Debt \$727 Mn
- Paid DOJ settlement amount during the quarter

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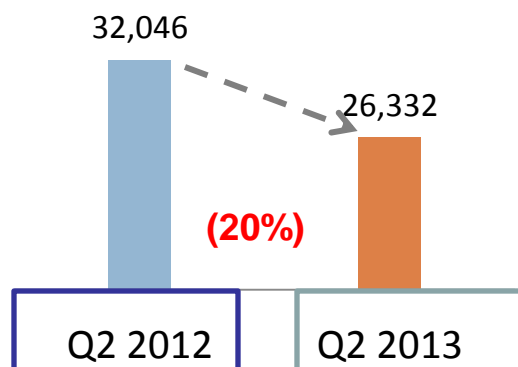


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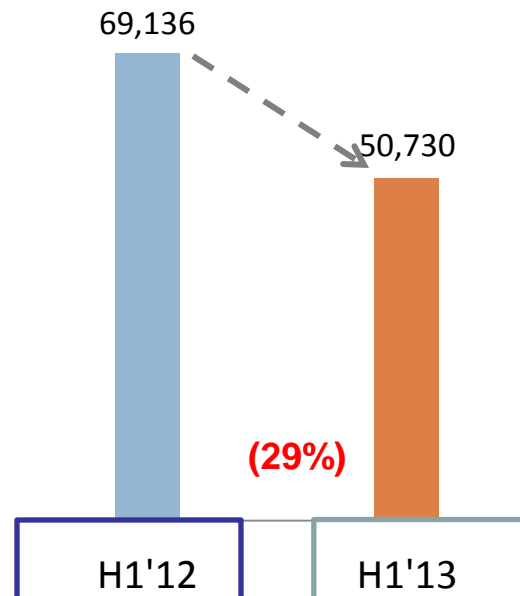
Sales Performance

Rs. Mn

Consolidated Sales Q2 2013



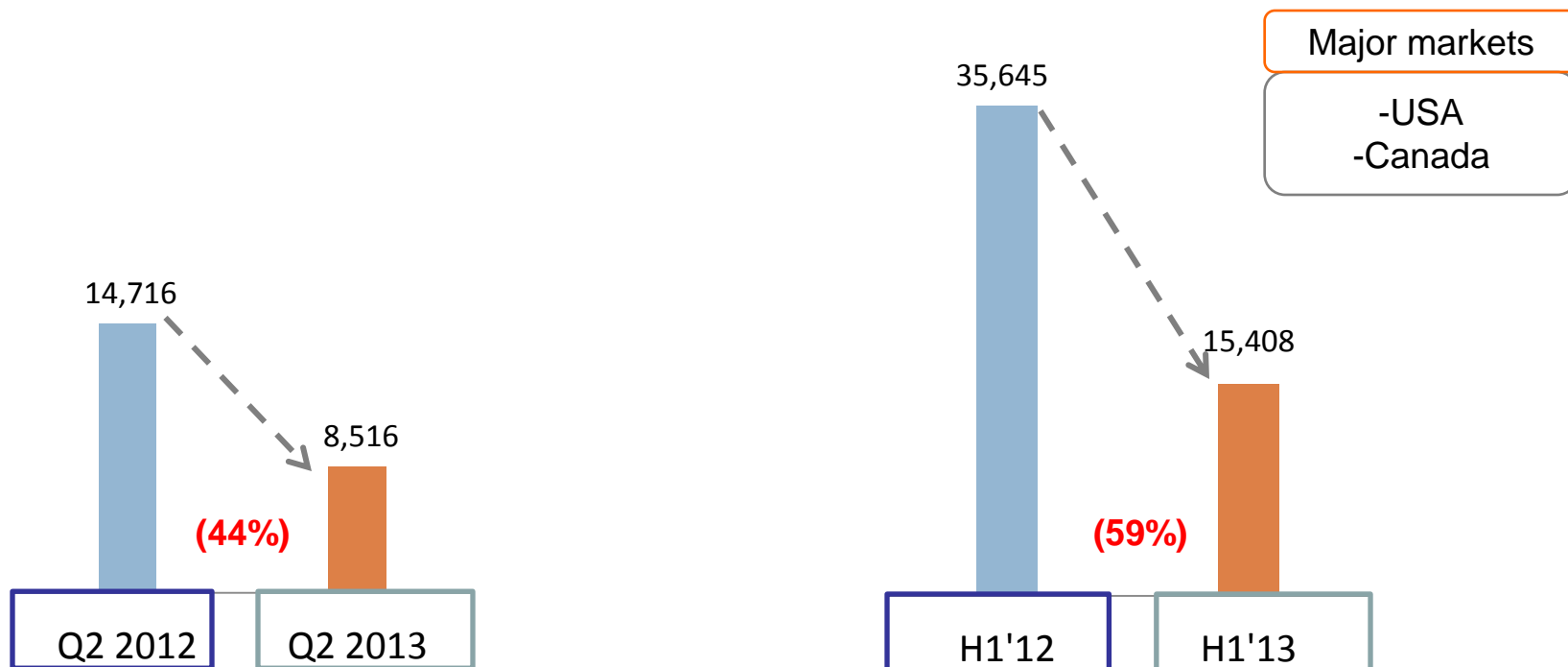
Consolidated Sales H1 2013



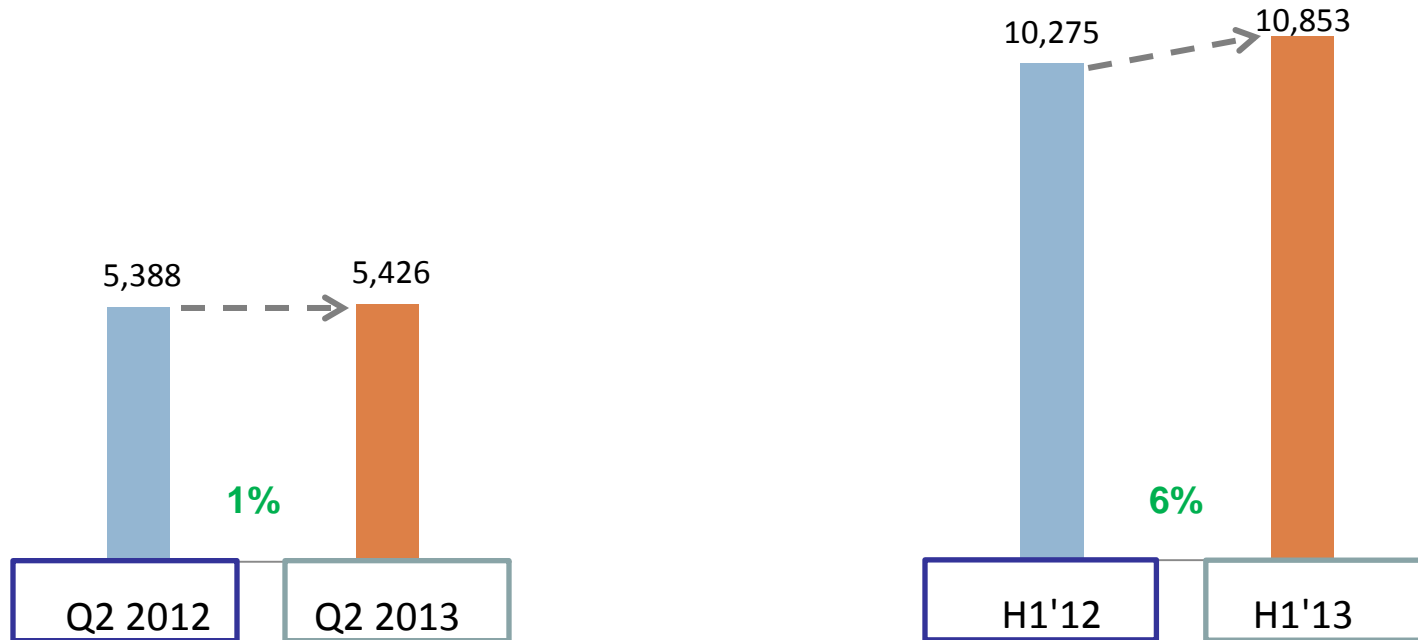
- Base business growth momentum continues with >10% growth on Quarter and H1 basis
- Emerging markets including LATAM and branded business of APAC and Russia registered growth

North America

Rs. Mn



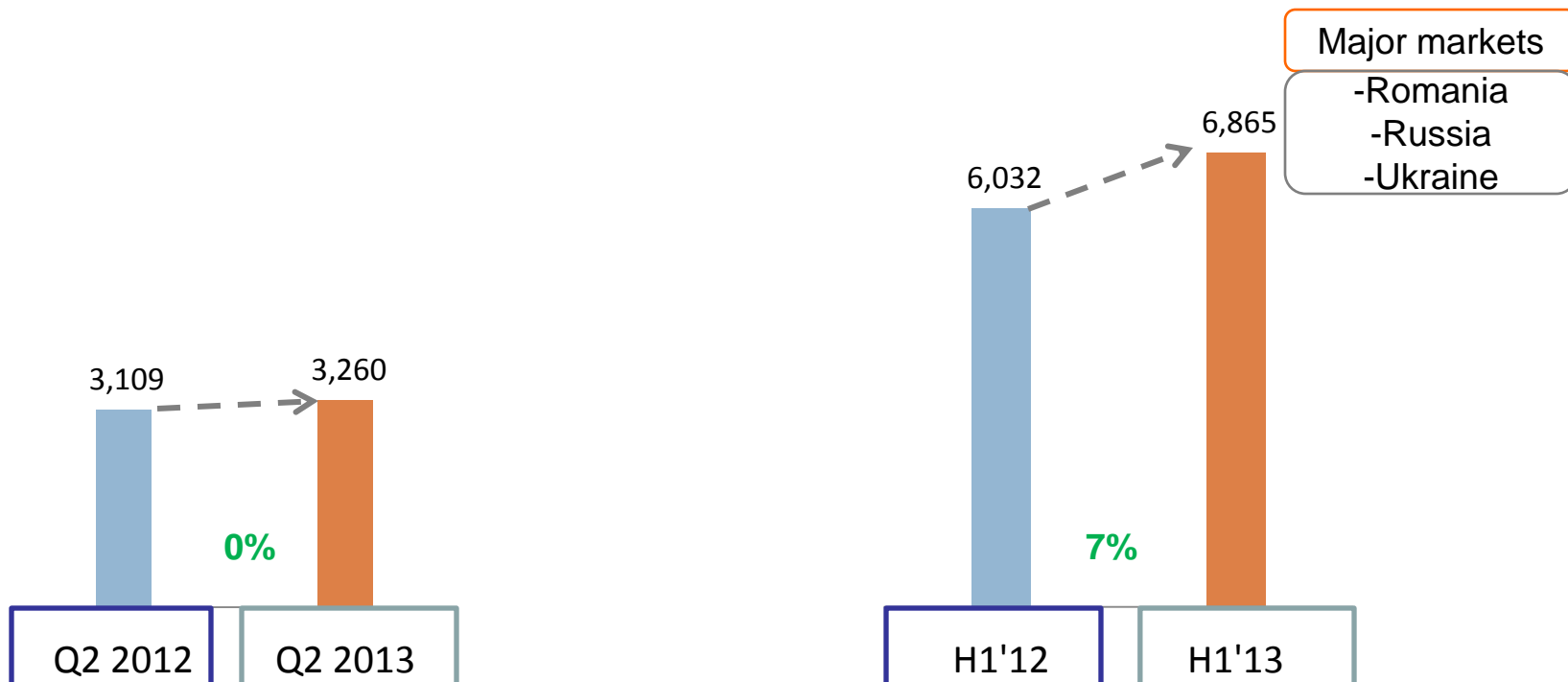
- Base business sales in the USA strengthens. Absorica™ helped sales in Q2 2013
- Q2 2012 sales were higher due to continued contribution from exclusivities



- Sales for the quarter impacted by pricing policy and trade concerns
- Slow growth in anti-infectives market continued to hamper growth in India business

Eastern Europe & CIS

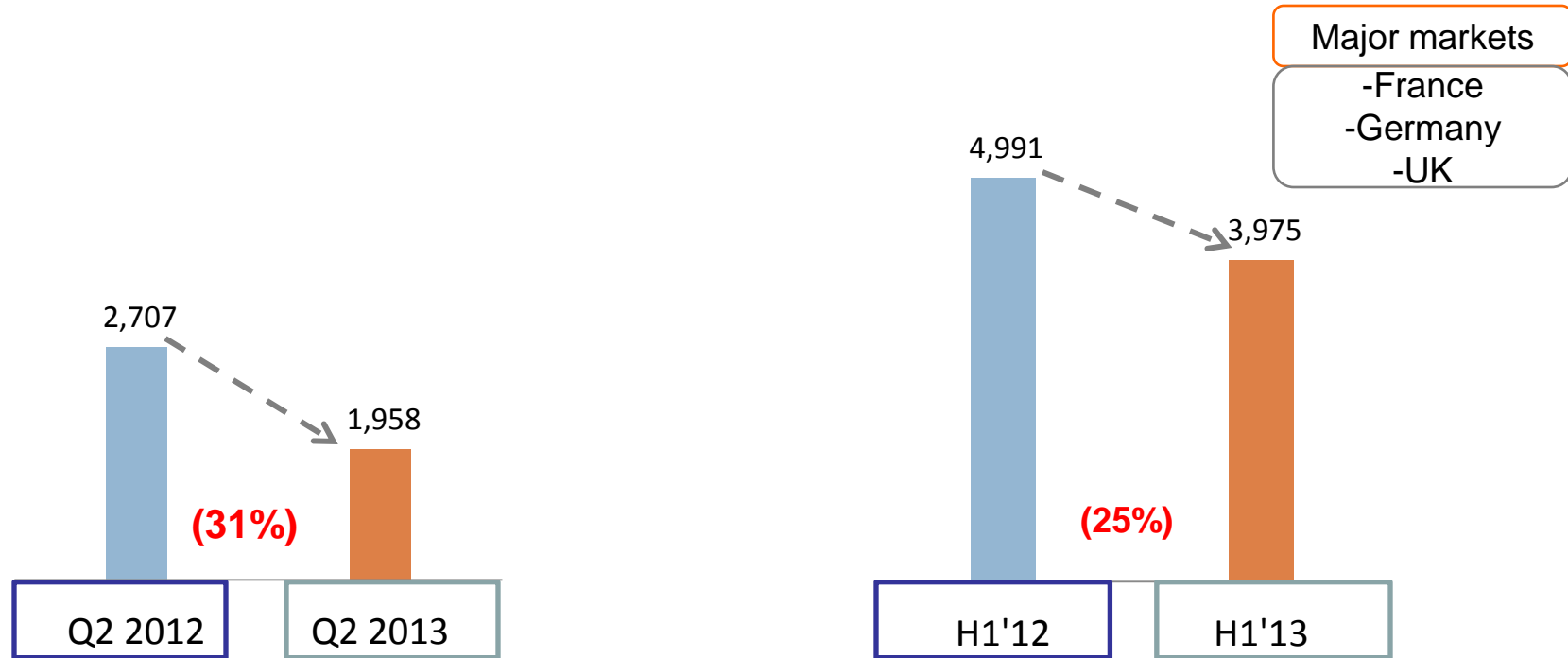
Rs. Mn



- Terapia continued to maintain leadership in the Generics + OTC space
- Ranbaxy grew 11% against the represented market growth rate of 8% in Russia

Western Europe

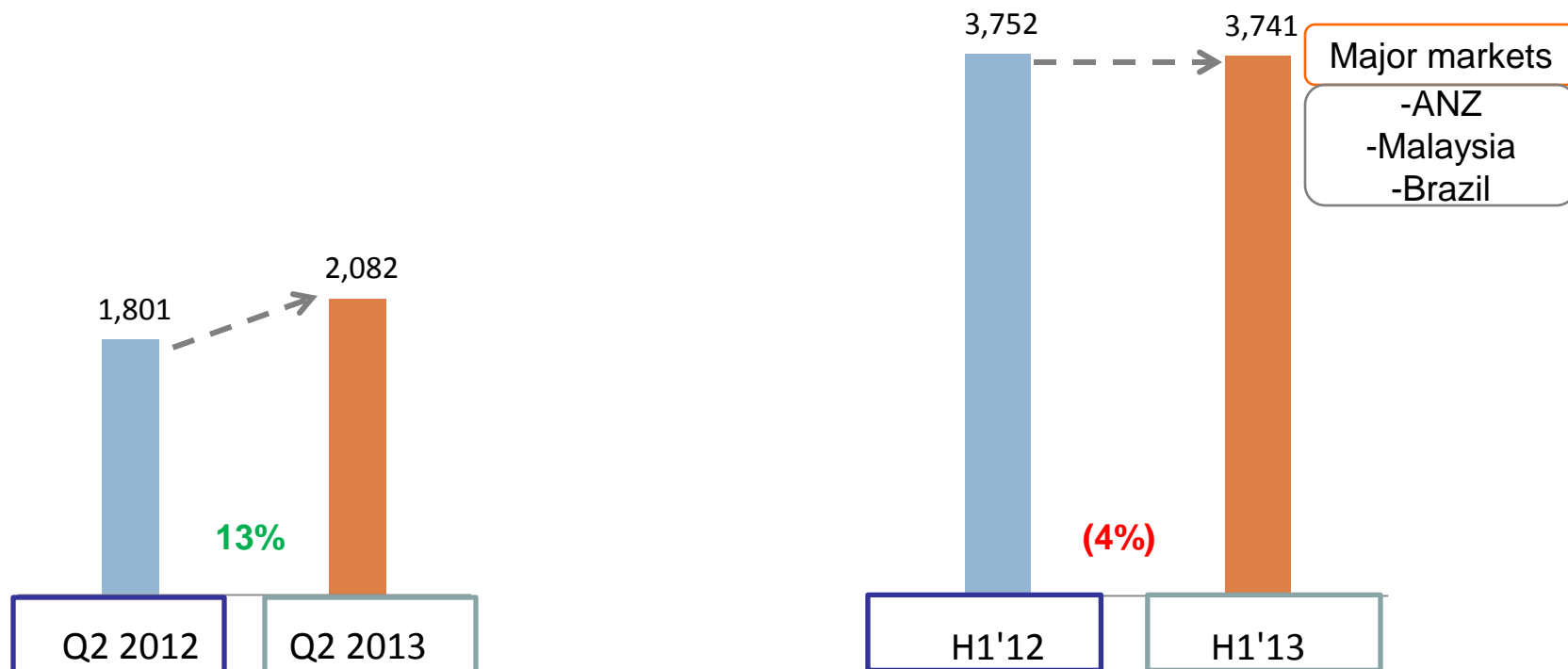
Rs. Mn



- Developed markets of France, UK and Italy witnessed decline in sales over the corresponding quarter

Asia Pacific & Latin America

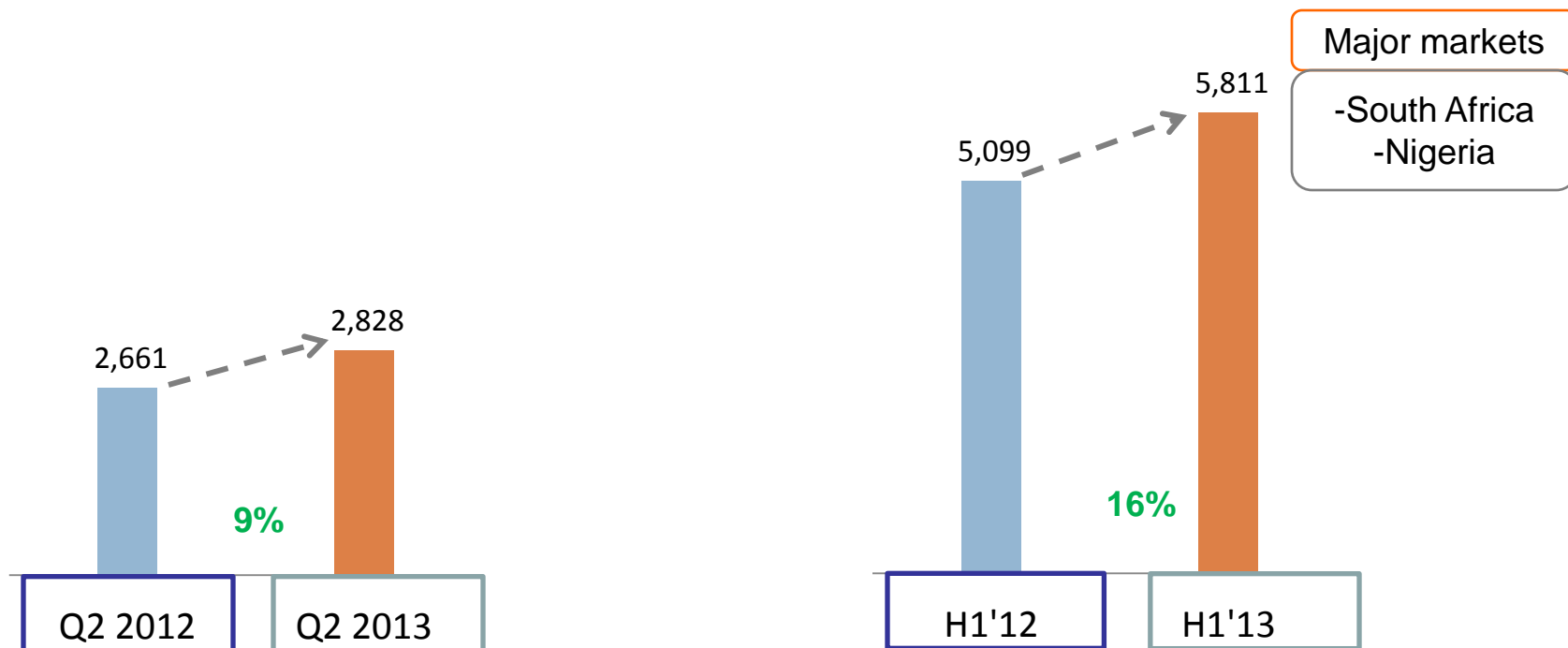
Rs. Mn



- Rosuvastatin launch in Australia helped APAC performance
- Sales growth in LATAM led by Brazil sales performance

Africa & Middle East

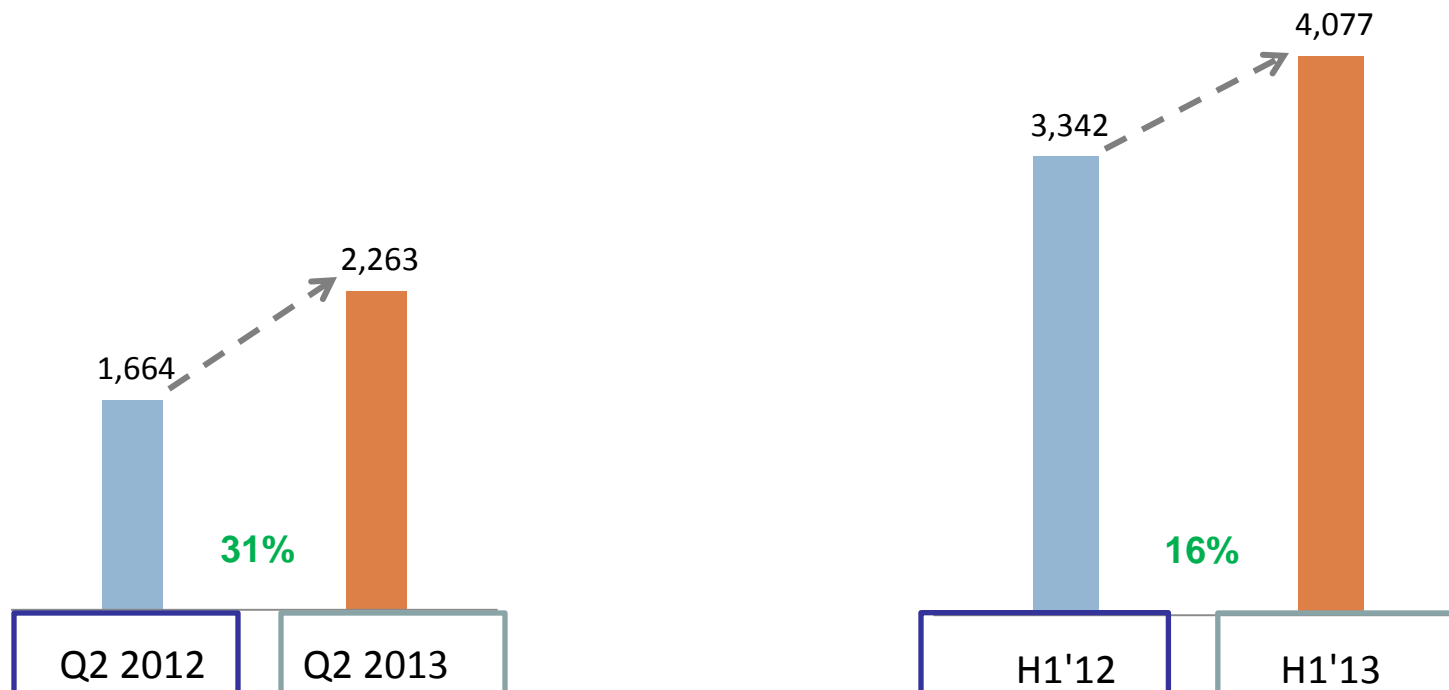
Rs. Mn



- Branded generic sales in Africa grew

API & Others

Rs. Mn



- Continued focus on markets and molecules leading to stronger profitability

Financials Q2 2012: INR

Q2'12	H-I '12	Particulars	QII'13	H-I '13
5,614	10,650	-Within India	5,561	11,172
26,432	58,485	- Outside India	20,771	39,558
32,046	69,136	Sales	26,332	50,730
544	1,268	Other operating income	502	1,110
32,590	70,403	Total Operating Income	26,835	51,840
10,237	18,682	Total Material Consumption	9,321	18,300
4,879	9,618	Employee cost	5,131	9,993
4,147	11,094	Claims and contractual payments	163	186
8,214	15,935	Other Operating expenses	9,595	18,831
2,504	1,554	Exchange loss/ (gain) others, net	628	985
29,981	56,883	Total expenditure	24,838	48,295
2,609	13,520	EBITDA	1,996	3,545
8%	20%	% Sales	8%	7%
783	1,581	Depreciation, amortization and Impairment	763	1,559
1,826	11,939	Profit/(loss) from operations before other income and interest	1,233	1,986
6%	17%	% Sales	4%	4%
697	1,304	Interest and other income	354	978
2,524	13,244	Profit/ (loss) from ordinary activities before finance cost and exceptional items	1,587	2,964
483	860	Interest expense	488	1,000
1,165	975	Foreign exchange (gain)/ loss on loans	1,104	1,117
875	11,408	Profit/(loss) from ordinary activities before tax	(4)	847
-	-	Goodwill Impairment	(1,192)	(1,192)
(5,994)	(2,546)	Foreign exchange (loss)/gain on foreign currency option derivatives	(3,671)	(2,853)
(5,119)	8,862	Profit/(loss) after exceptional items before tax	(4,867)	(3,197)
683	2,057	Tax expense/ (benefit) -current period	311	665
(5,801)	6,805	Net profit/ (loss) from ordinary activities after tax	(5,178)	(3,862)
40	161	- Share in loss/ (profit) of associates, net	53	70
16	33	- Minority interest	11	53
(5,857)	6,610	Net profit/ (loss) from ordinary activities after tax and minority interest & Share in (loss)/ profit of associates	(5,242)	(3,985)

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Questions & Answers
