

Ranbaxy Laboratories Limited



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

ARUN SAWHNEY
CEO & MD

Safe Harbor

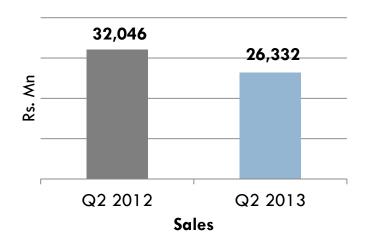
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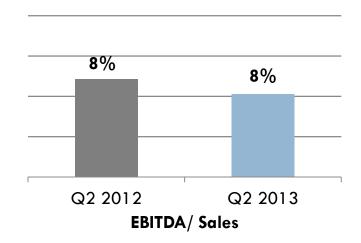


Key Achievements for Quarter 2, 2013

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





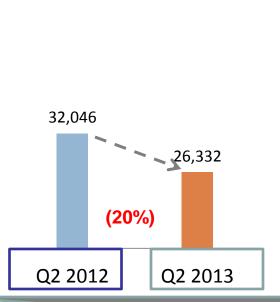
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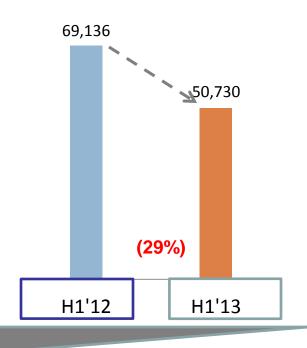
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Sales Performance

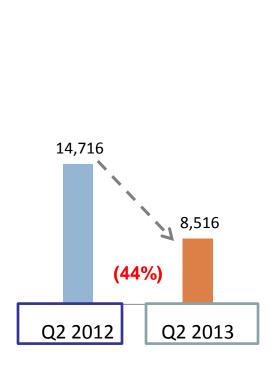
Consolidated Sales Q2 2013

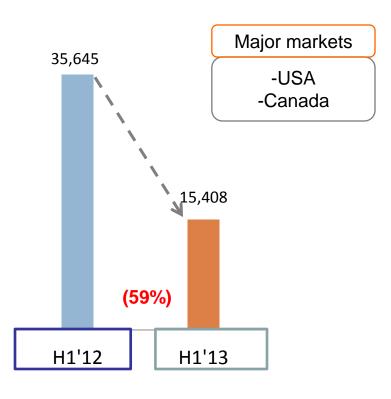


Consolidated Sales H1 2013

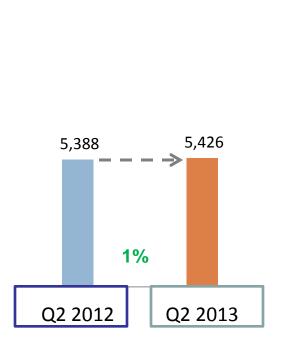


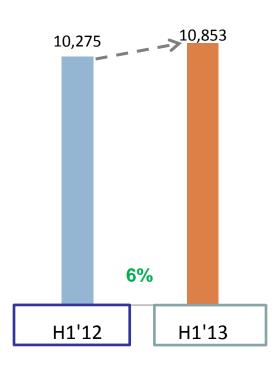
- □ Base business growth momentum continues with >10% growth on Quarter and H1 basis
- Emerging markets including LATAM and branded business of APAC and Russia registered growth





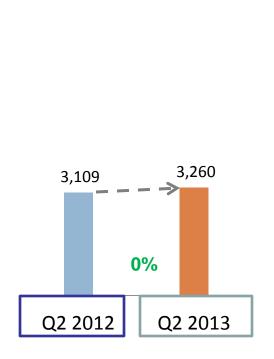
- □ Base business sales in the USA strengthens. Absorica™ helped sales in Q2 2013
- Q2 2012 sales were higher due to continued contribution from exclusivities

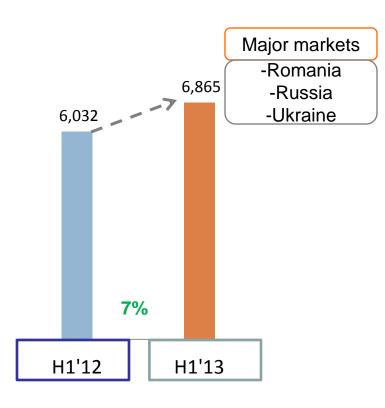




- Sales for the quarter impacted by pricing policy and trade concerns
- Slow growth in anti-infectives market continued to hamper growth in India business

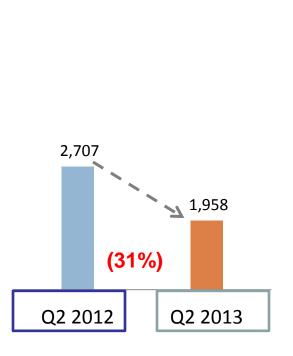
Rs. Mn

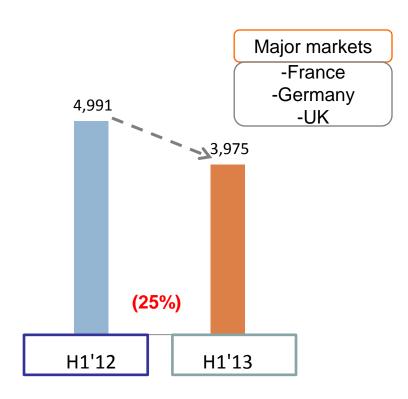




- □ Terapia continued to maintain leadership in the Generics + OTC space
- Ranbaxy grew 11% against the represented market growth rate of 8% in Russia

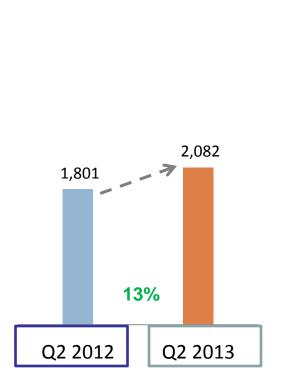
Western Europe

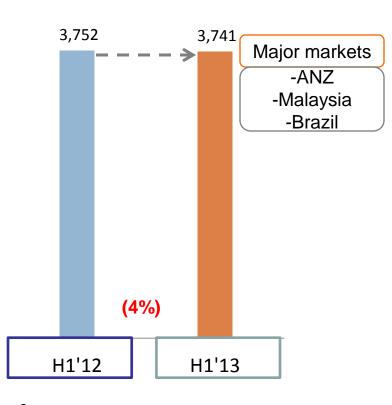




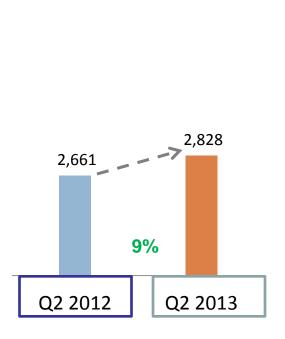
 Developed markets of France, UK and Italy witnessed decline in sales over the corresponding quarter

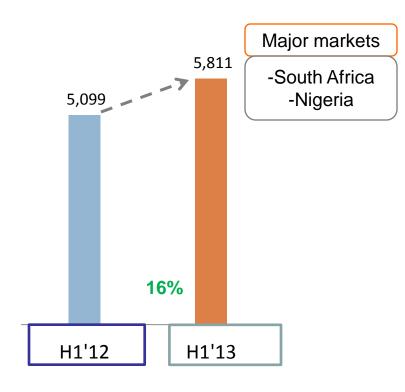
Rs. Mn



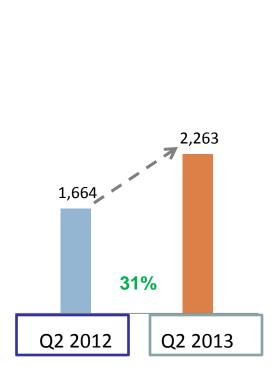


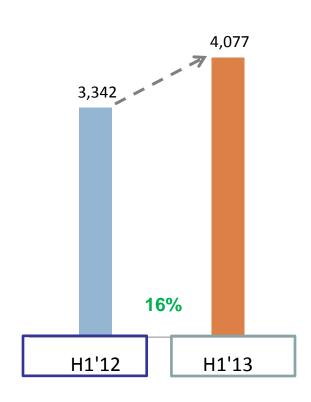
- Rosuvastatin launch in Australia helped APAC performance
- Sales growth in LATAM led by Brazil sales performance





Branded generic sales in Africa grew





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