



# Investor Presentation

2013

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.

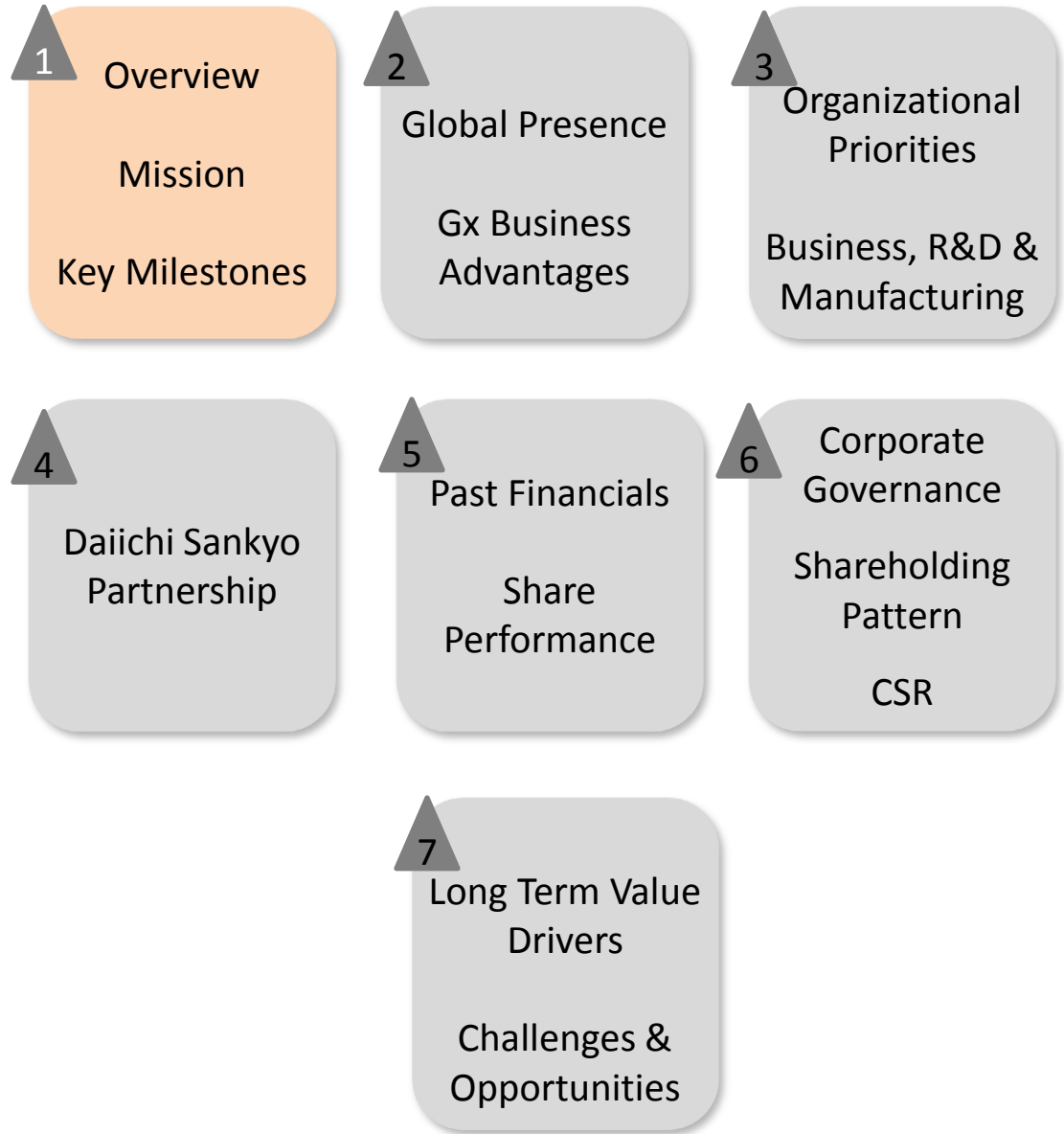
# RANBAXY

Trusted medicines. Healthier lives

Overview

Mission

Key Milestones



Ranbaxy is an innovation driven Generics Company

Innovation, science focused Generics Company



Innovative products developed on platform of diverse technologies coupled with analytical capabilities



Growth focus:

- (1) Focus on building Branded Generics business, worldwide
- (2) Leverage Ranbaxy's strong presence in, growing Emerging Markets
- (3) Continue to create niche/ exclusive opportunities



Pioneer in the Indian Pharma market with competitive advantages at a global level

## Unique Advantages



- Entrepreneurial & empowering culture
- Strong presence in Emerging Markets
- Global regulatory prowess
- Synergies with Daiichi Sankyo through the Hybrid Business Model

## Vertically Integrated



- R&D
  - Strength in technology
  - 1,100+ R&D Personnel with over 75% are qualified scientists
- Demonstrated NDDS capabilities
- Manufacturing: DF and API
  - Manufacturing locations in 8 countries across the globe

## Global Presence



- Amongst the top global Gx companies
- Sales in over 150 countries
  - 2012 Sales: over \$2.3 Bn
  - ~80% International
- Ground presence in ~40 countries
- Global team with expertise in multiple markets
- 14,000 employees; over 50 nationalities

# Mission

Enriching lives globally, with quality and affordable pharmaceuticals



## Mission

Enriching lives globally, with quality and affordable pharmaceuticals.



## Tagline

Trusted medicines. Healthier lives.

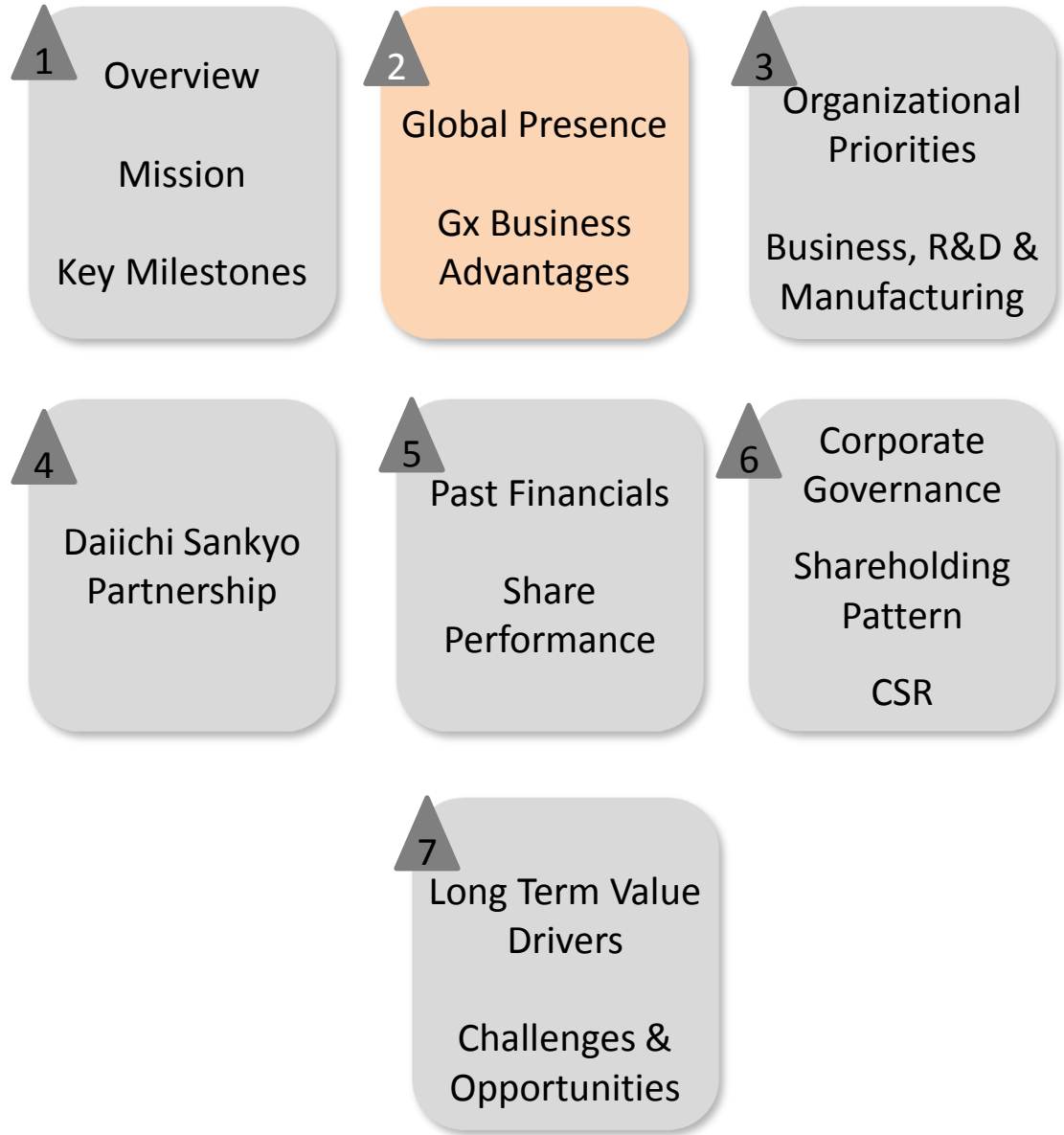
# Key Milestones

Ranbaxy has been a trendsetter for the Indian Pharma Industry



- 2012** — Launched First New Drug from India, **Synriam™**, a new age cure for Malaria 
- 2011** — Launched **Gx Lipitor®**, largest pharma product in the world. Crossed \$2 Bn in Global Revenue 
- 2009** — Executive Leadership reconstituted for transition to professionally managed company 
- 2008** — Hybrid business model with **Daiichi Sankyo** 
- 2004** — Crossed \$1 Bn in Global Revenue 
- 2001** — Launched its first Para IV product – **Cefuroxime Axetil** 
- 1998** — Enters the world's largest Pharma market 
- 1997** — Crossed Sales of \$200 Mn (Rs.1,000 Cr) with exports over \$100 Mn (Rs.500 Cr) 
- 1978** — First major step for becoming an MNC. Set up a JV plant in Nigeria 
- 1973** — Ranbaxy goes public and was listed subsequently 
- 1961** — Ranbaxy incorporated in India 

\$ 1 = Rs. 50



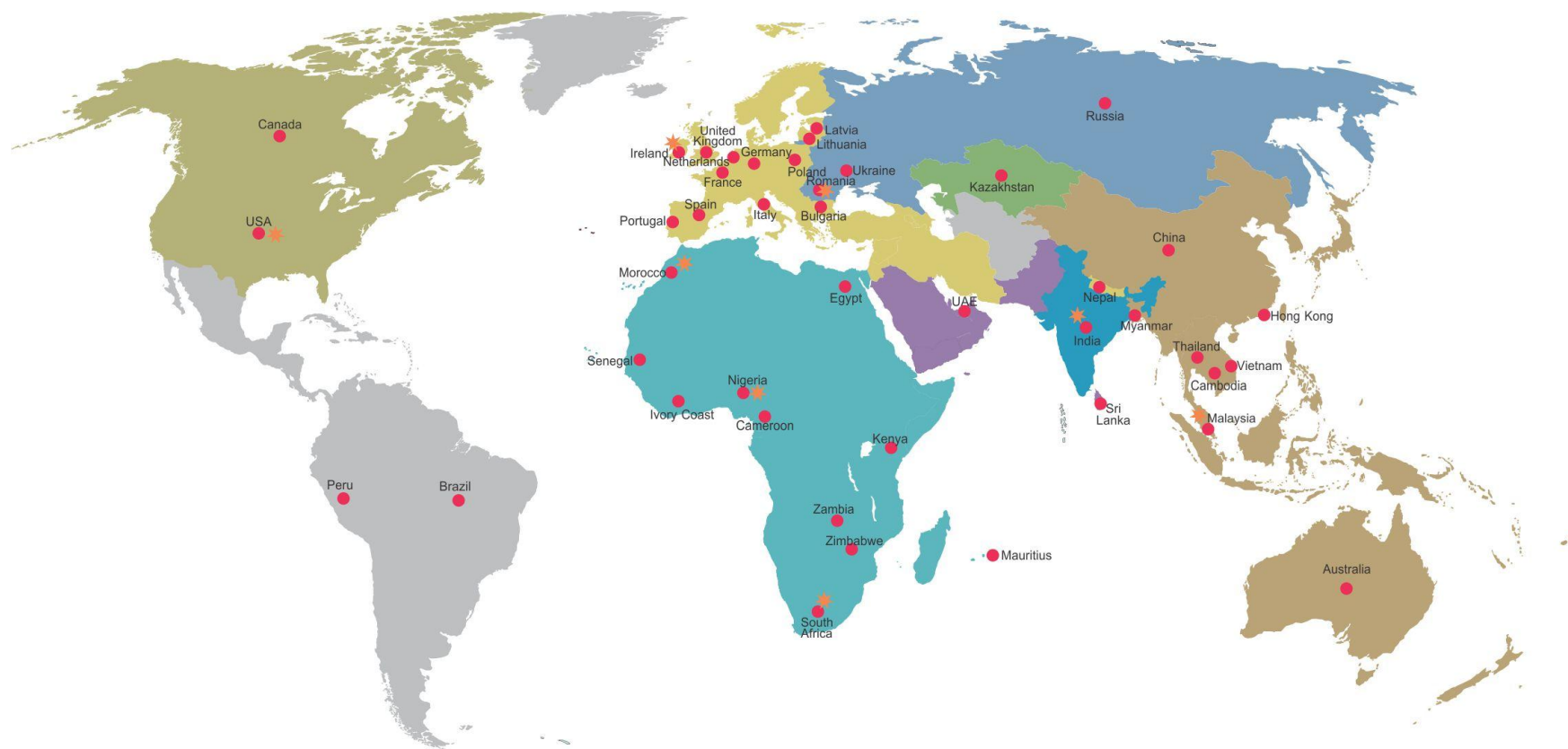
Global Presence

Gx Business Advantages



# Global Presence

Ground presence in ~40 countries and products sold in over 150 countries

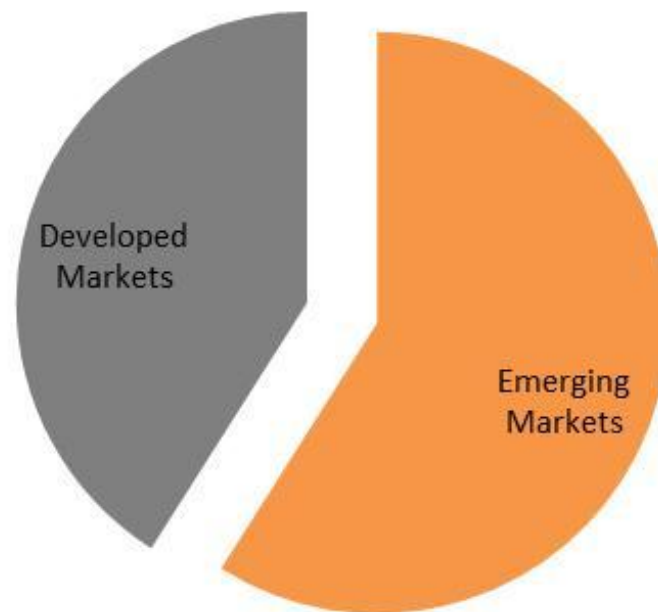


Mohali SEZ, India is the latest manufacturing facility to receive USFDA approval

# Sales Breakup Across Geographies

Ranbaxy is focused on developing Branded Gx in Emerging Market; sales are well distributed across Developed and Emerging markets

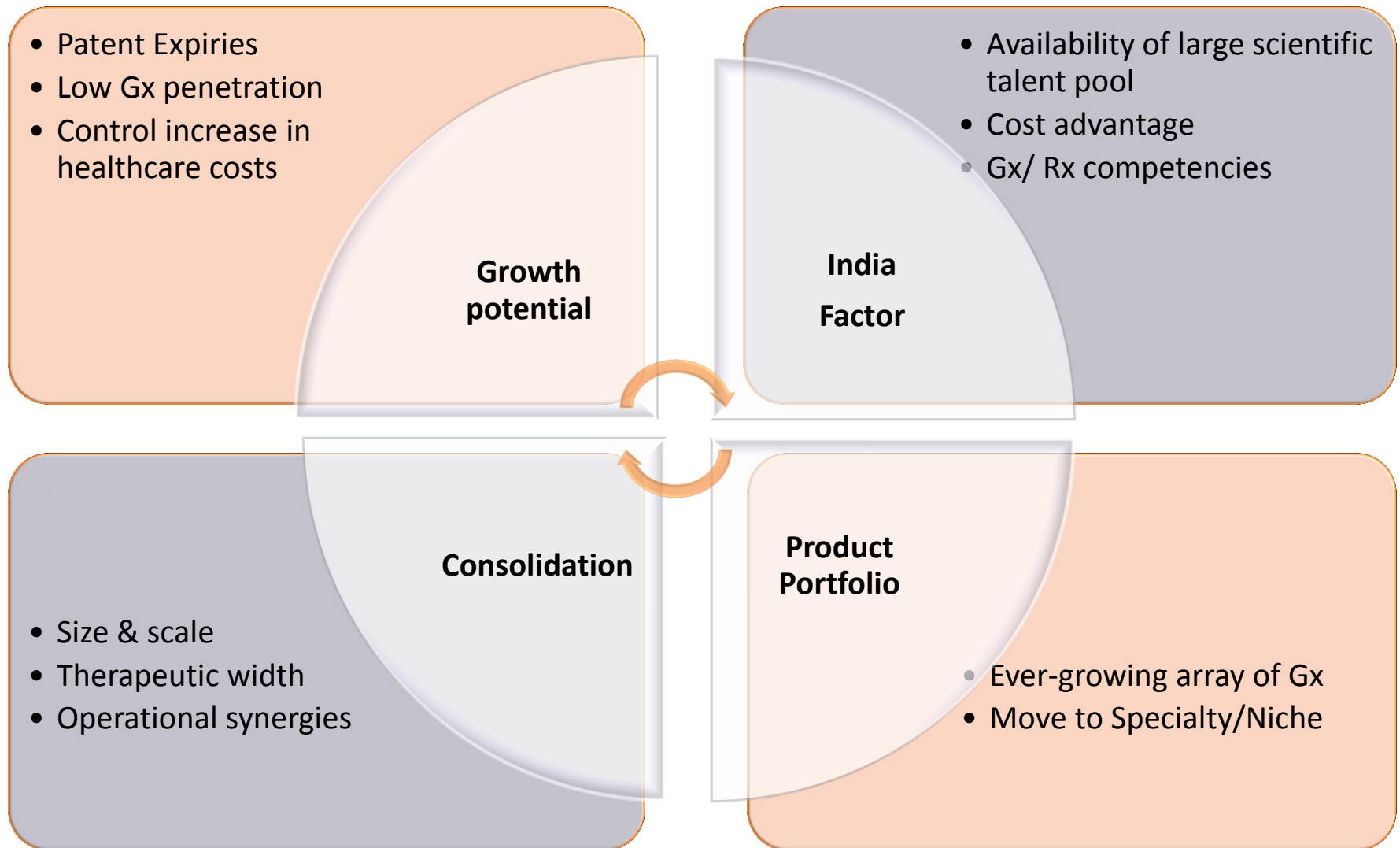
Region/Business	CY 2012 (\$ Mn)	As a % of Total
North America	1,011	44%
India Incl. SL	409	18%
Eastern Europe + CIS	250	11%
Western Europe	178	8%
APAC + ME	107	5%
Africa	177	8%
LATAM	41	2%
API + Others	138	6%
<b>Total Sales</b>	<b>2,312</b>	<b>100%</b>

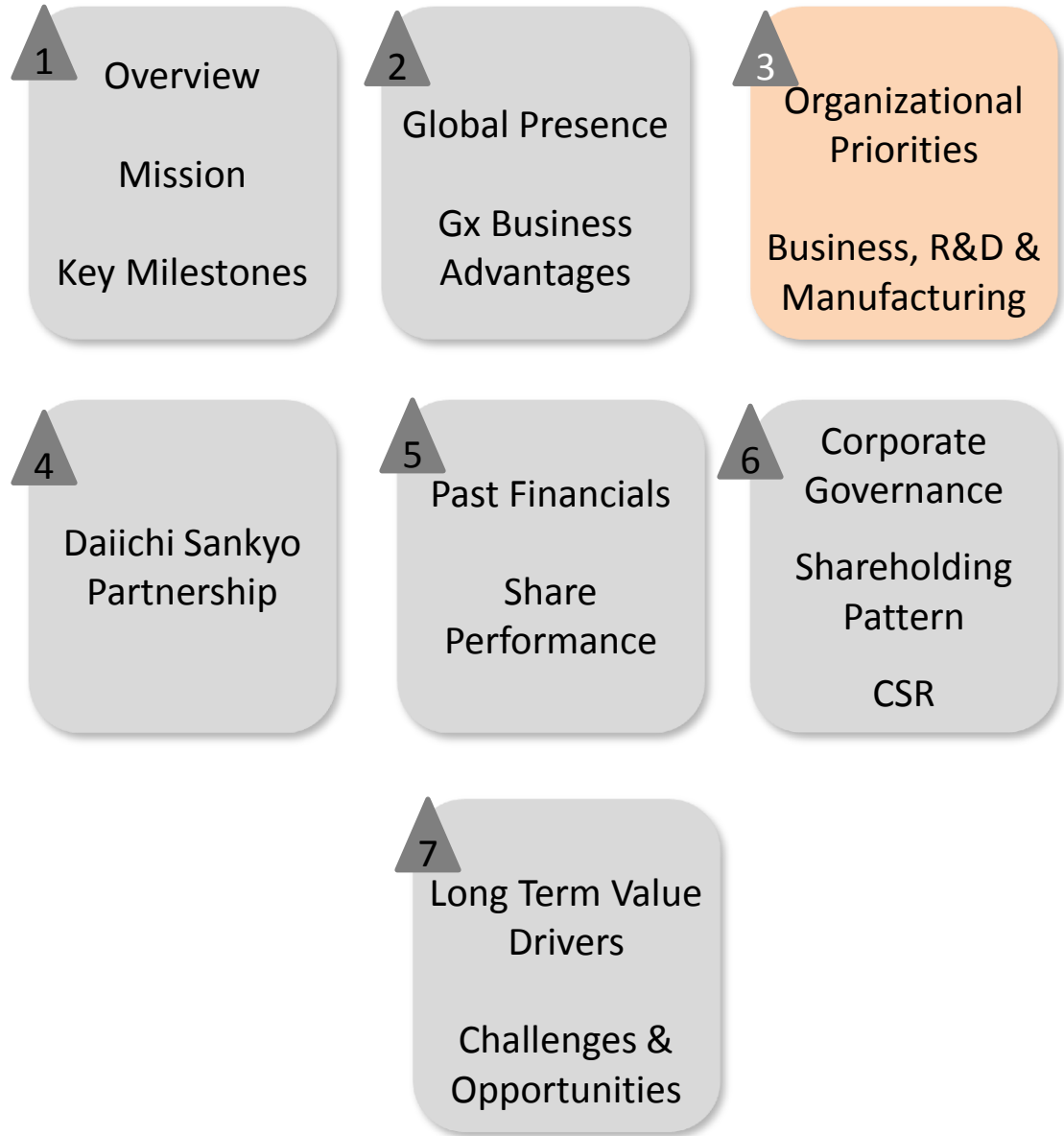


Emerging markets contribute ~60% of total DF sales excluding FTFs

# Generics Business Advantages

Governments across the world are promoting Gx; a unique advantage for larger Indian players





Organizational  
Priorities

Business, R&D &  
Manufacturing

# Ranbaxy Organizational Priorities

Build a sustainable, profitable & growing business across the world based on quality



## Business

- Focus on sustainable, profitable growth in base business
- Successfully monetize high value opportunities



## R&D and Manufacturing

- R&D to be innovative, competitive and commercially viable
- Deliver service excellence and enhance productivity/capability



## Quality

- Effectively fulfill Consent Decree obligations
- Highest standard of compliance



Focus on sustainable, profitable growth in base business and capitalize on high value opportunities



## Business

- Focus on sustainable, profitable growth in base business
- Successfully monetize high value opportunities in Developed markets

### Base Business

**Strengthen business across Emerging Markets/ Invest in growth**

- India (sales growth faster than Indian Pharmaceutical Market in 2011)
  - First Indian Company to launch an NCE: Anti-malaria molecule for *P. Falciparum* Malaria.
  - Strengthen under-represented market segments.
  - Focus on consolidation of products launched and productivity of field force.
- Eastern Europe & CIS focus, Africa
  - Build on Branded Gx and OTC businesses

### High Value Niche/Exclusive Product

**Leverage and monetize on high value opportunities in Developed Markets**

- FTF's post exclusivity
- FTFs
- Products with High value exclusivity

Focused approach on high Emerging and value added markets

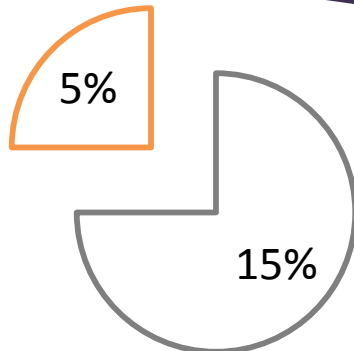
### Emerging Market/ Brand Focus

- India
- Malaysia
- South Africa
- Nigeria
- Morocco
- Egypt
- Romania
- Poland
- Russia
- Ukraine
- Brazil
- Venezuela
- Mexico

### Developed/ Opportunity Market Focus

- Canada
- USA
- W. Europe
- Scandinavia
- Australia
- New Zealand
- Japan

Market Growth Rate



■ Pharma/ Emerging Market    ■ Developed Market

Emerging markets expected to grow 3 times faster than Developed markets

Focused approach on Brand building and monetization of market opportunities

# Americas

USA has the largest generic market worldwide and is amongst the most important markets for Ranbaxy



- USA Market size is \$325 Bn in 2011; growth ~4% pa.
- USA has the largest generic market worldwide.
- Significant patent expiries through 2015 in the USA.



- Ranbaxy pioneered USA market entry from India; the Company now has strong presence in the country.
- Pioneer in having filed ANDAs in the country.
- Focus on monetizing on FTF franchise and growing differentiated product mix for more profitable business.



- Sizable Brazil presence.
- Ranked 8<sup>th</sup> Gx player in Canada.

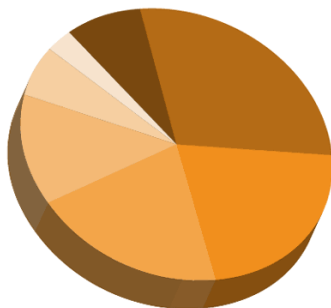


# European Union

Present in almost all the EU countries. Ranbaxy is ranked No.1 in its represented segment in Romania



- Size of EU pharma market is \$140 Bn with marginal growth of 2%.
- West Europe has slowed down while East Europe is an emerging Pharma market.



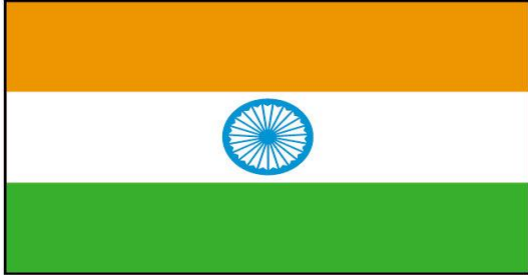
- West Europe is a bottom line focus market for Ranbaxy.
- Focus is on profitability, not just market share.
- East Europe is a growth market.
- Russia is a growth market for Ranbaxy.



- Ranbaxy is a leading Gx + OTC player in Romania.
- Sales Grown as high as double digits.
- Manufacturing facility in Romania.

# India

Ranbaxy has been a pioneer in the domestic market; key market for Ranbaxy



- Indian Pharma Market (IPM) is amongst the larger markets in the world with turnover of ~\$13 Bn and growth rate of more than 13-14% pa.
- Ranbaxy is amongst the largest Pharma companies in India.



- Ranbaxy has been a pioneer in the IPM.
- Therapy mix reflects the IPM with Acute therapy contribution ~70%+ of total business, Chronic the rest.
- Focus is on growing productivity and development of brands.



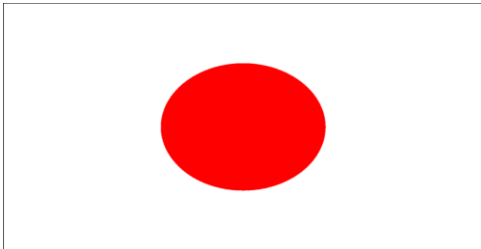
- Large distribution networks that comprises over 5,000 field force.
- Nine brands in Top 100 Indian medicine list.

# APAC (excluding India) & Africa

APAC and Africa are growth markets for the Company



- Strong, growing presence in APAC ex India.
- Manufacturing facility in Malaysia.
- First company to launch generic Lipitor in Australia.



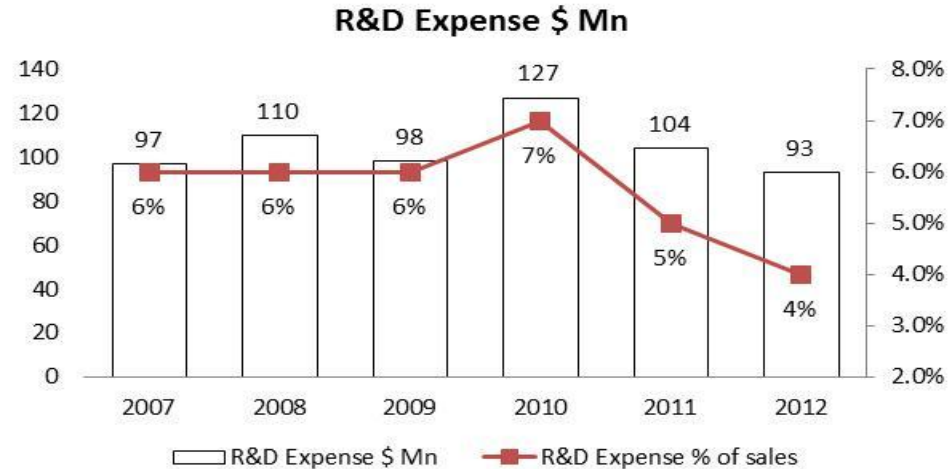
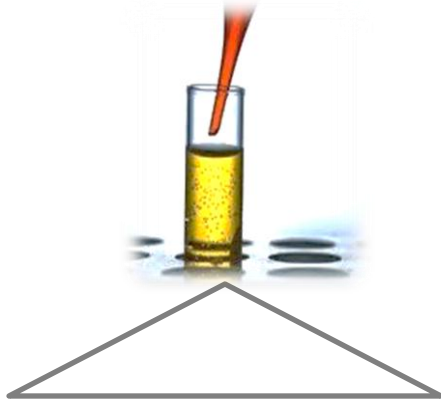
- Capitalize on DS's strengths in China, Japan & South Korea to claim high market share.
- DS will be the front for Generic drugs from Ranbaxy in Japan.



- Amongst the largest players in Africa with presence in over 40 countries.
- Large presence in South Africa, Nigeria etc.
- Manufacturing in 3 countries in the region.

# Research & Development: Overview

Ranbaxy has an attractive portfolio of ANDAs and FTF pipeline



Amongst the highest R&D spend in Indian Cos.

Investment

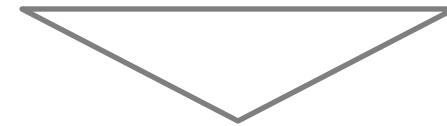
Over 1,100 R&D personnel with post graduate and scientific background

People

Dedicated facility for Gx Research

Infrastructure

Amongst the highest number of regulatory submissions on a cumulative basis internationally

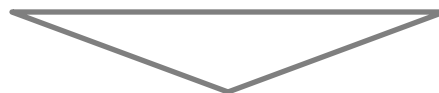


Amongst the most attractive FTF pipeline in the industry → Ability to monetize FTF opportunities in the past

# Research & Development

Focus on differentiated product development and improve productivity

Continue to work on better technologies & capabilities  
Strengthen processes, improve productivity  
Quality by Design



Differentiated product development → e.g. Isotretinoin  
Work towards global leadership on key products



# Manufacturing

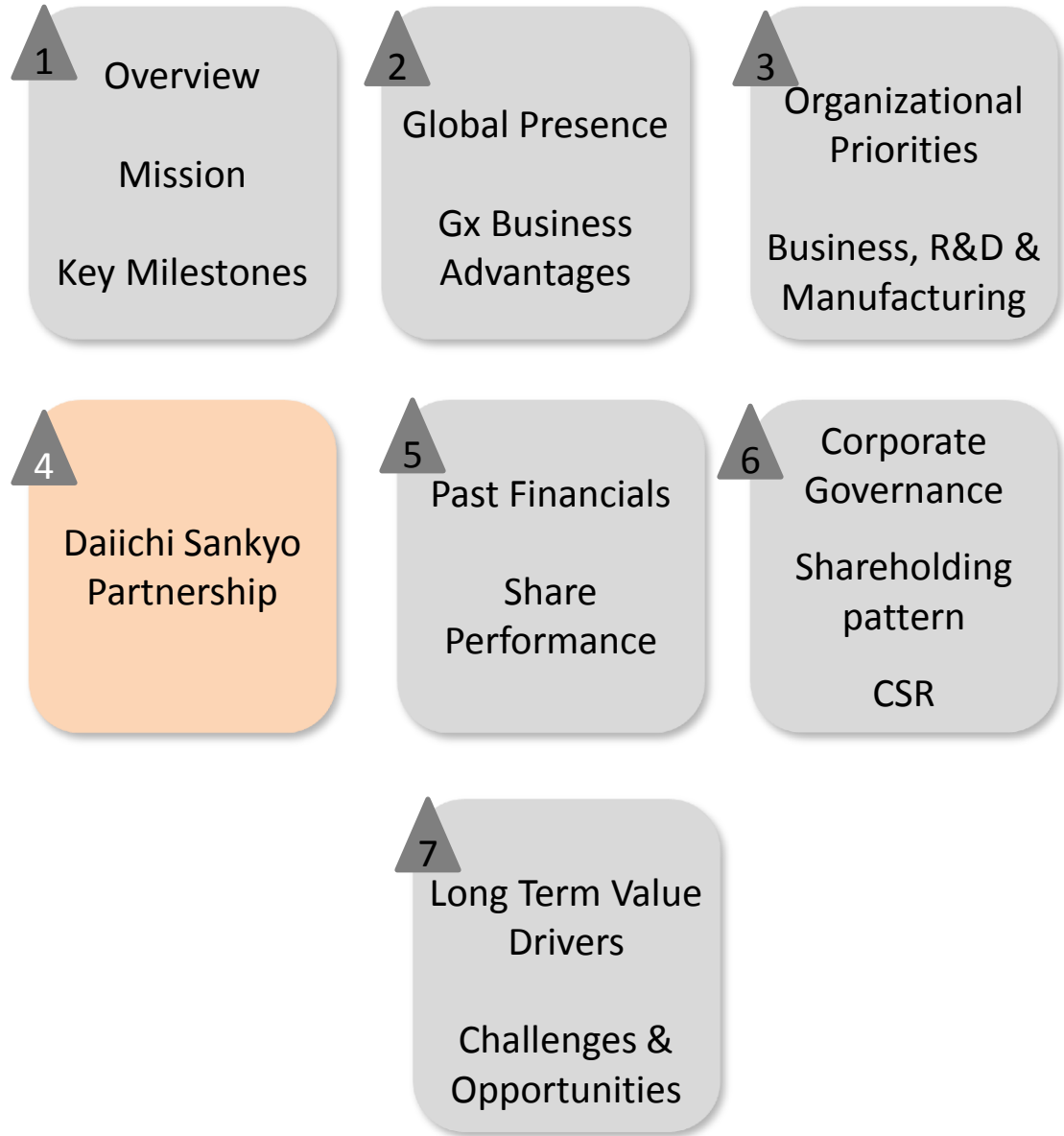
Manufacturing facilities in 8 countries including Developed and Emerging markets serve larger market requirements; Utilization and productivity improvement to drive performance



- **Optimum capacity utilization and productivity improvement**
- cGMP compliant world-class API and DF manufacturing facilities in Developed and Emerging Markets
- Plan for manufacturing in strategic locations and based on local strategies and compulsions
- Create flexibility in manufacturing
- Highest standards of compliance; concern for safety and environment
- Quality by Design

# RANBAXY

Trusted medicines. Healthier lives



## Daiichi Sankyo Partnership

# Daiichi Sankyo Partnership: Strategic Synergies

Ranbaxy-Daiichi Sankyo synergies run across the entire value chain of each Company



Daiichi-Sankyo

# RANBAXY

**Innovator  
Company**

1. Access to high growth, high volume markets
2. Access to low cost R&D and Manufacturing

**Generic  
Company**

1. Access to advanced competencies and capabilities
2. Access to proprietary products

**Hybrid Business**

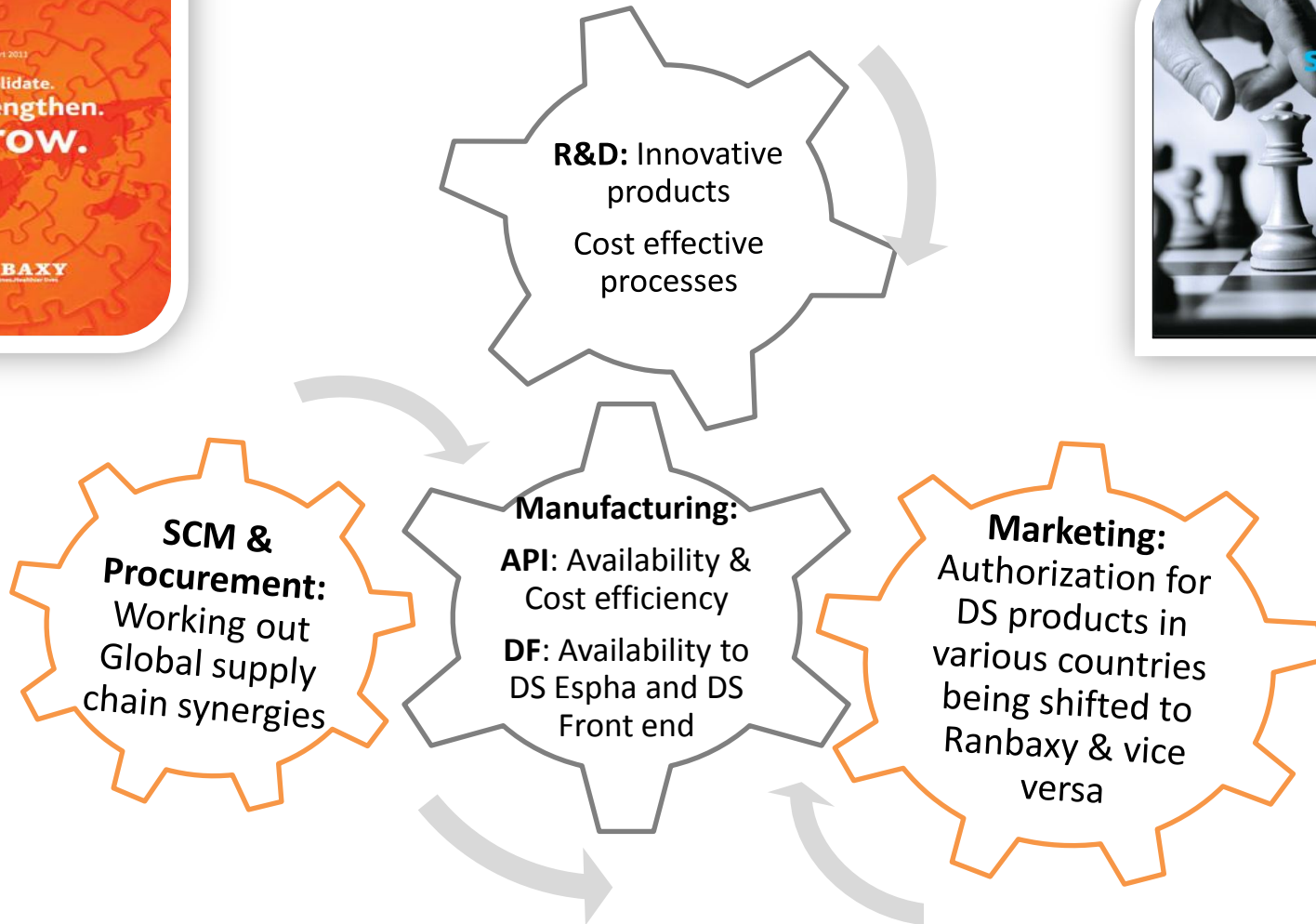
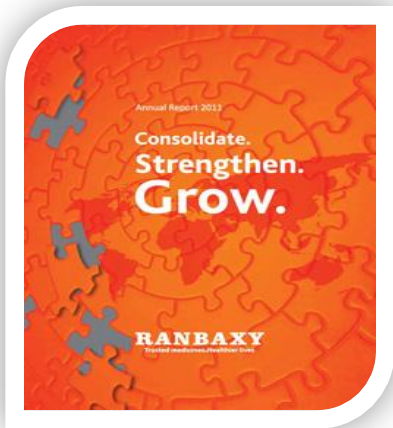
**Strategic combination creates an Innovator and Generic Pharmaceutical Powerhouse**

**'Global Hybrid Business Office' ensures sustained operational and strategic synergies across the globe**



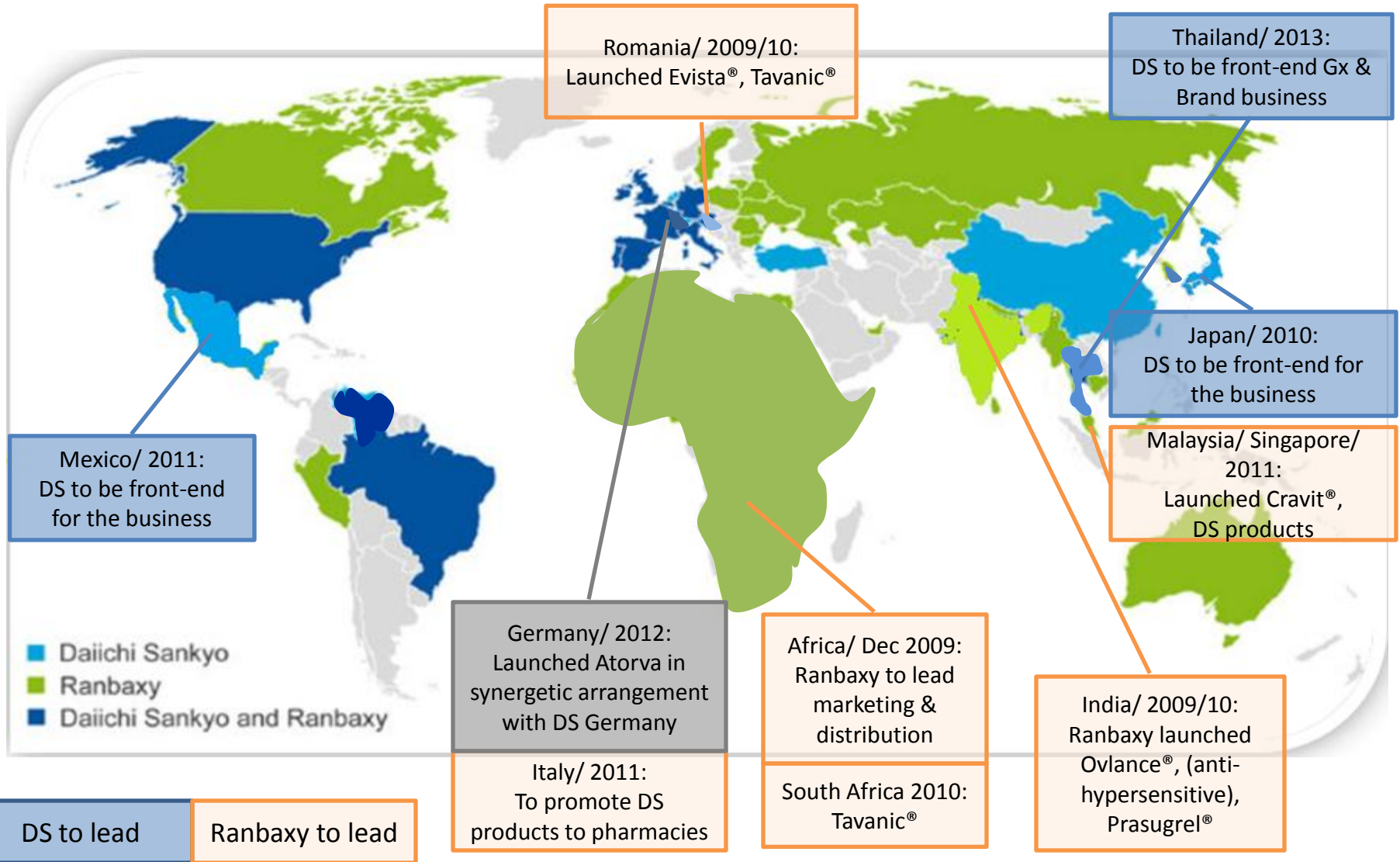
# Daiichi Sankyo Partnership: Functional Synergies

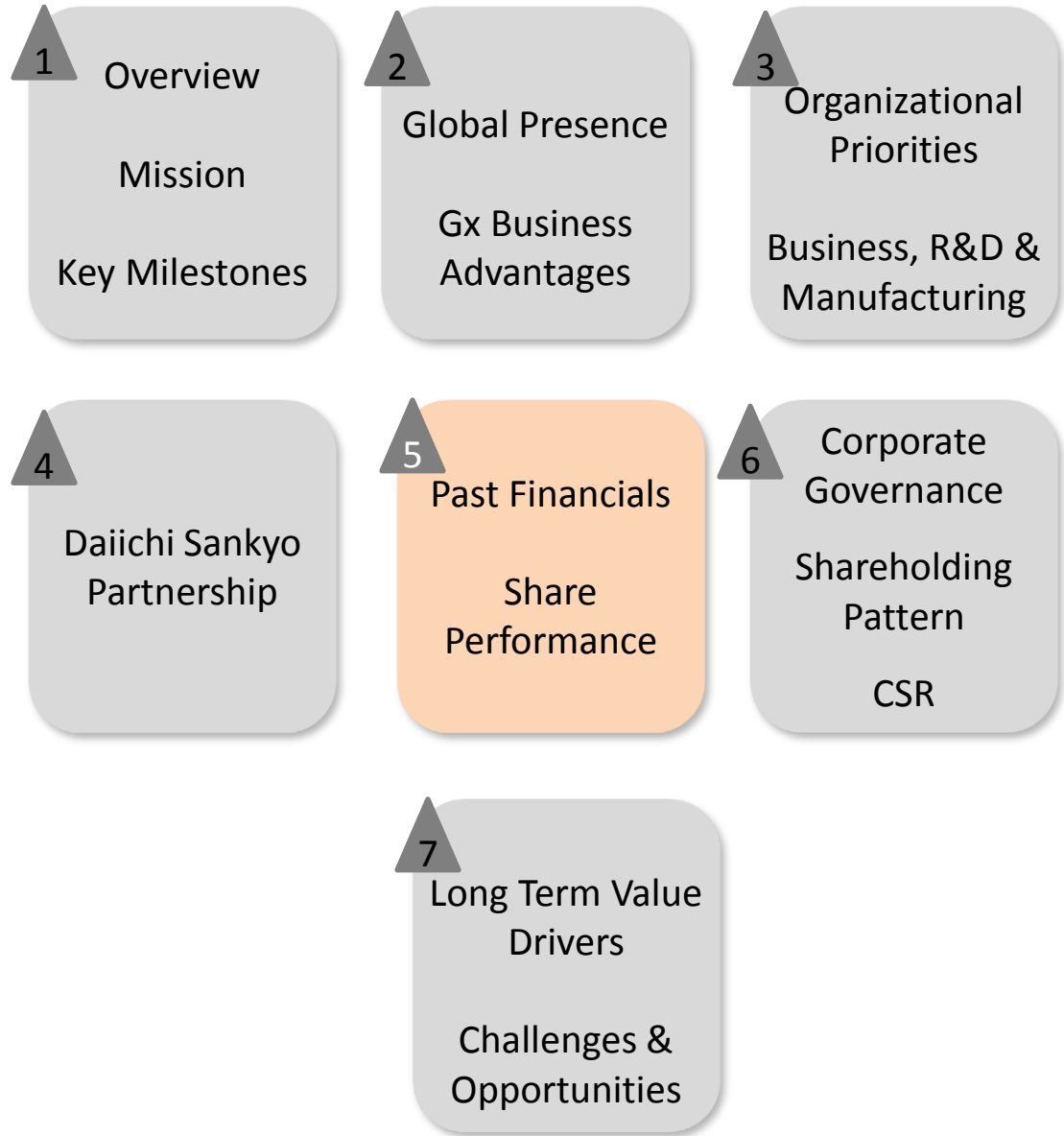
Hybrid Business Model: Some examples of synergies delivered thus far



# Daiichi Sankyo Partnership

## Hybrid Business Model: Examples of marketing synergies





Past Financials

Share  
Performance

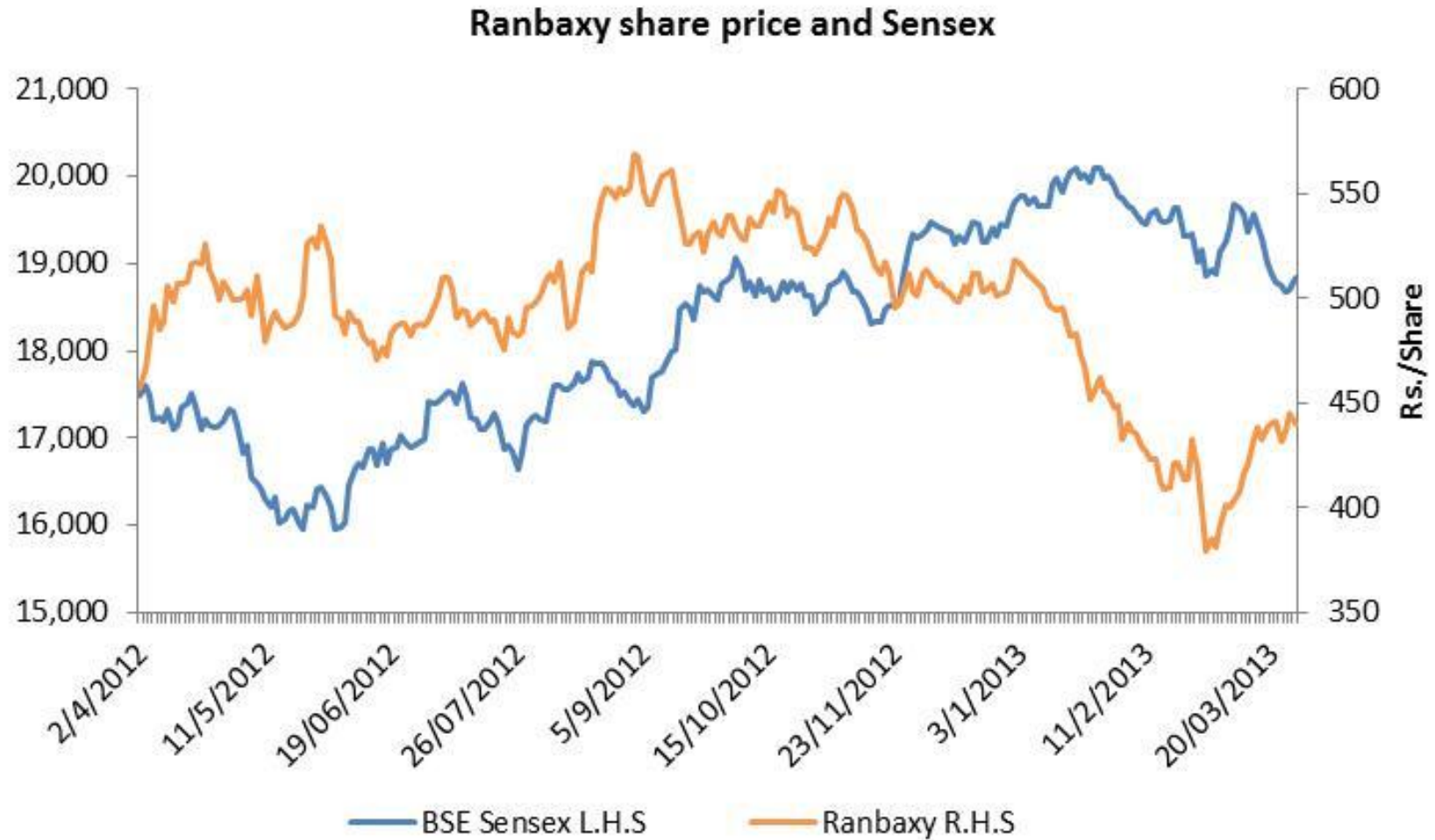
# Key Financial Numbers and Ratios

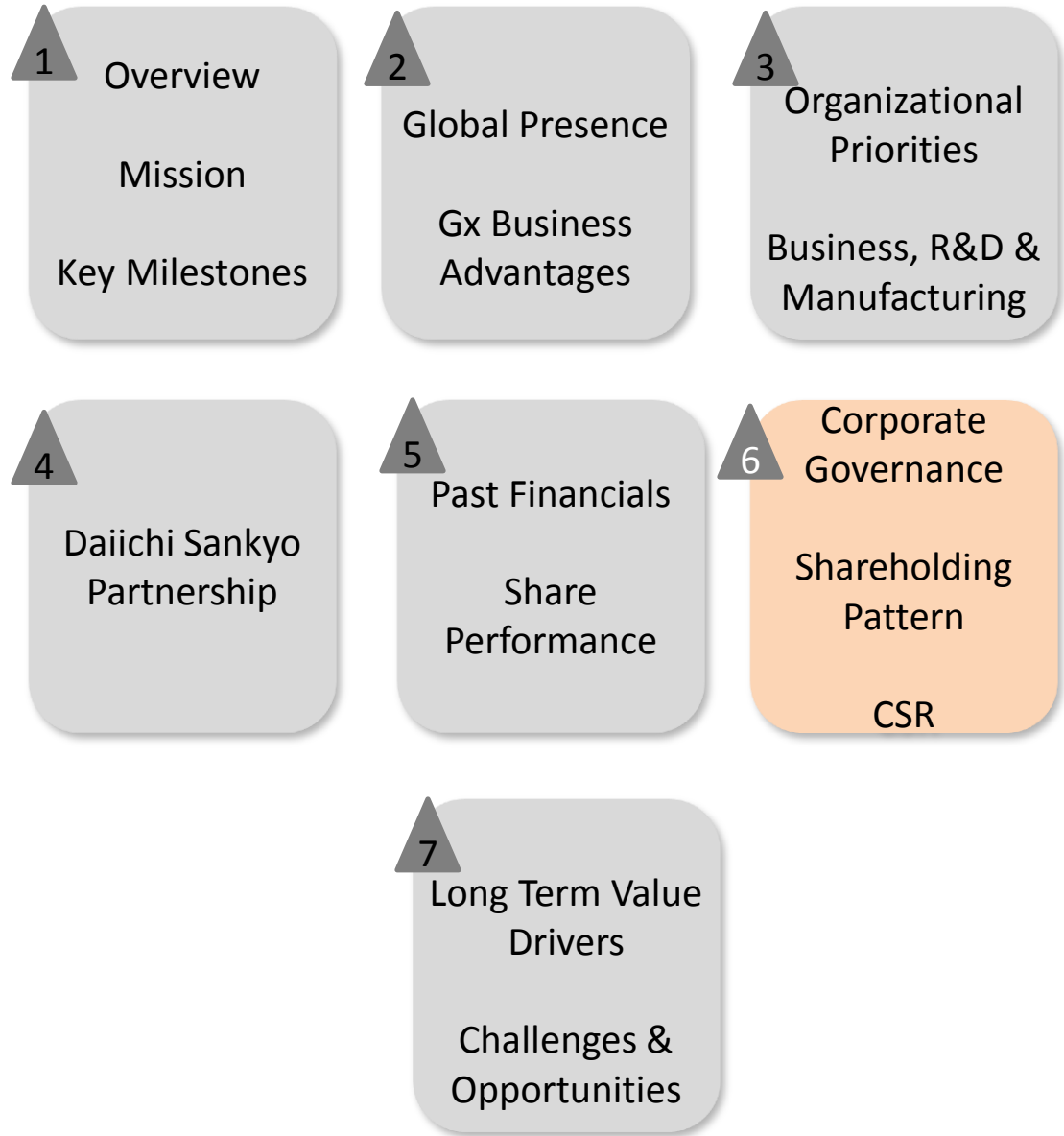
## Past financial performance

(\$ Mn)	2009	2010	2011	2012	4 yr CAGR
Net Sales	1,519	1,868	2,112	2,310	15%
EBITDA	121	402	335	353	42%
<i>EBITDA Margin</i>	8%	22%	16%	15%	
EBT from ordinary activities	131	399	218	288	30%
<i>EBT from ordinary activities as a % of sales</i>	9%	21%	10%	12%	
R&D Expense	98	127	104	93	
<i>R&amp;D Expense/Sales%</i>	6%	7%	5%	4%	
Debt/Equity Ratio	1.6	1.3	1.5	1.1	

# Share Price Performance

Ranbaxy share movement vis-à-vis Sensex





Corporate  
Governance

Shareholding  
Pattern

CSR

# Corporate Governance

Robust corporate governance system monitors and controls the internal functioning of Ranbaxy

The institutionalized framework of Corporate Governance and Code of Practices strengthen decision making and compliance with ethical integrity and reliability





# Board of Directors

The Board of Ranbaxy has a mix of diverse experience and strong Independent Directors

## Non-Independent Directors

### Dr. Tsutomu Une, Chairman

1970: Joined Daiichi.

1999: Inducted on Daiichi's BoD.

2002-06: Served as Daiichi's MD.



### Mr. Arun Sawhney, CEO & MD

Chairman of FICCI Pharma. Committee. Founding member of Pharmaexcil.

30yrs of international experience.



### Mr. Takashi Shoda

2001: Director of Board of Sankyo.

2005-10: CEO & President of DS.

Current Chairman of DS.



### Dr. Kazunori Hirokawa

2007: Head R&D, DS.

2010: Director of Board of DS.

2012: Head Corporate Strategy.



## Independent Directors

### Dr. Anthony H. Wild

Till 2007: Chairman of MedPointe.

Has held senior leadership positions in Innovator companies.



### Mr. Rajesh V. Shah

Co-Chairman and MD, Mukand.

Has served as President of CII and on the Boards of ONGC, HPCL.



### Mr. Akhiro Watanabe

Over 25 yrs exp in M&A advisory.

Ex-Partner at KPMG Corp Fin.

Advised on over 1,000 transactions.



### Mr. Percy K. Shroff

1997: MD-India Head of Elekta Instrument.

Current Non-executive Chairman of Elekta Medical Systems.





# Sub-Committees under the Board of Directors

A robust Corporate Governance system in place

## Audit Committee



- Includes 4 Independent Directors, Chairman and MD
- Reviews Financials; Oversees Financial Reporting processes
- Reviewing Internal Audit Function's plans and reviewing efficacy of the function
- Discuss and review periodic audit reports
- Reviews, with the management, application of funds raised

## Other Sub-Committees

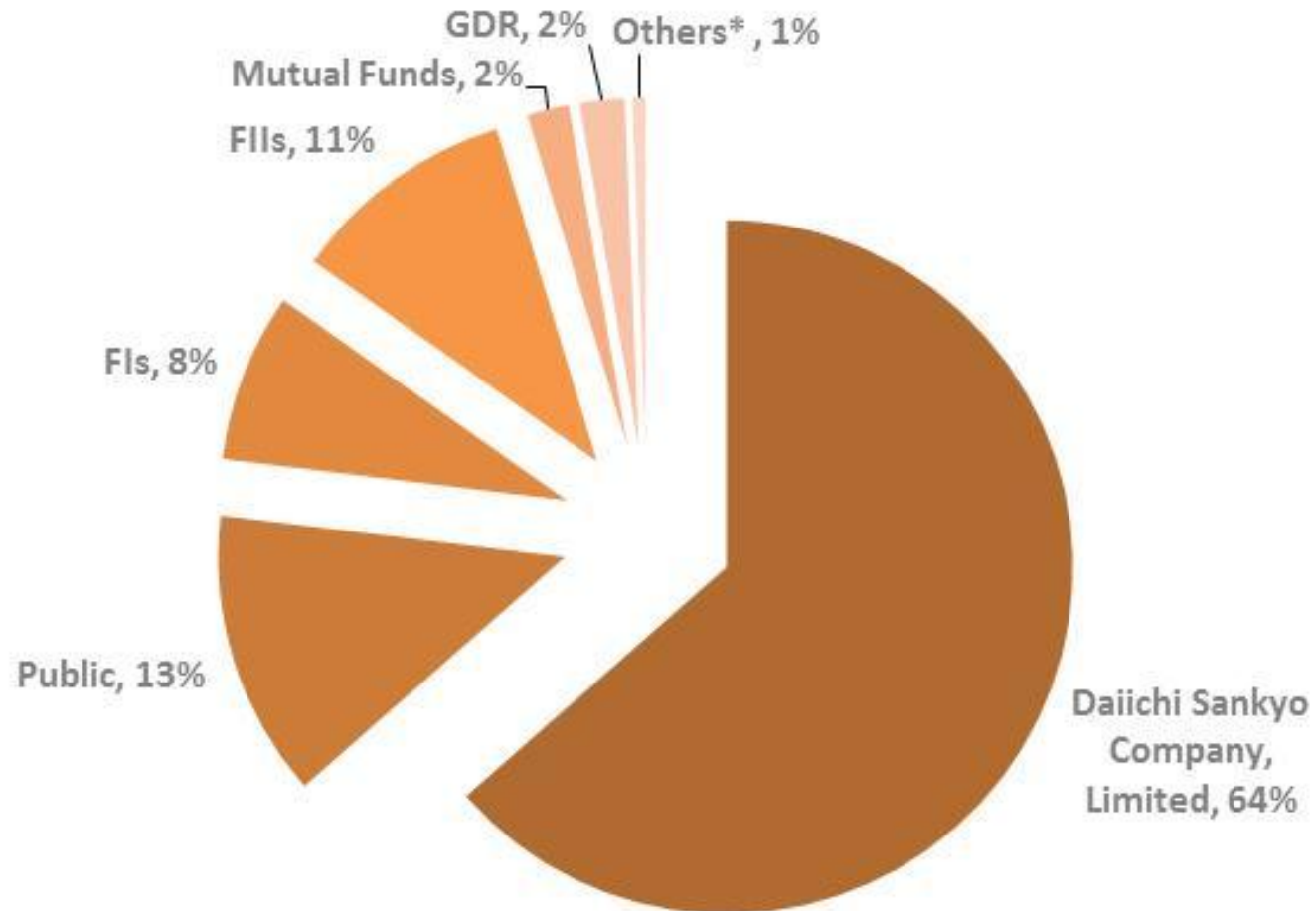
- **Compensation Committee:** To align executive compensation to shareholder value generation
- **Science Committee:** Oversees focus on R & D activities
- **Shareholder/investor Grievance and Share Transfer Committee:**

## Internal Control Framework

- To ensure compliance of Clause 49 of Listing Agreement by SEBI
- Optimum composition of Exec. and Non-exec. Directors in BoD
- Disclosure of Board Procedures; Compliance of Code of Conduct
- Review of risk assessment and minimization procedures

# Shareholding Pattern

Ranbaxy shareholders are primarily large institutions



\* Others include Non Residents and NDCO's

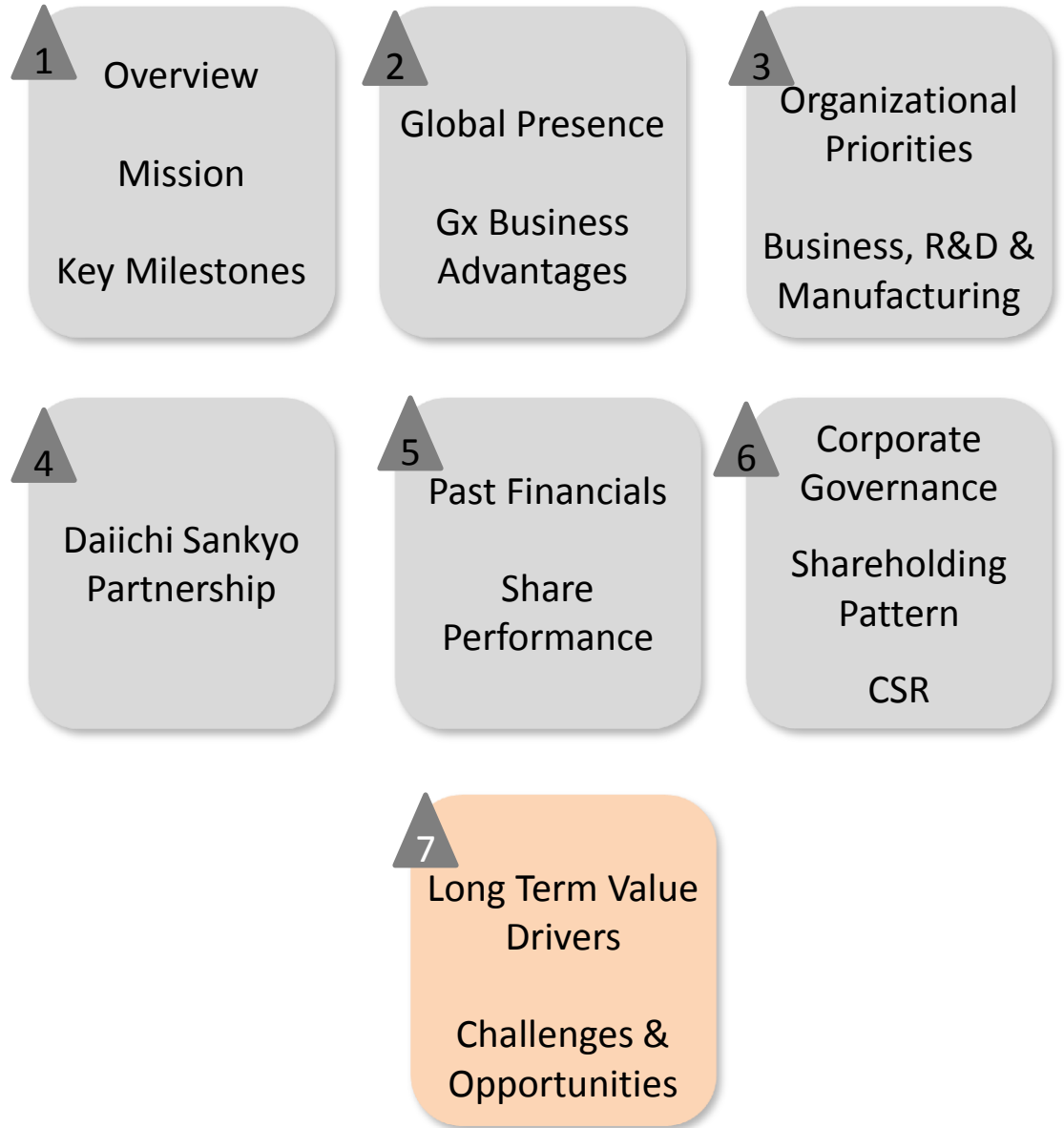
as on 30th March, 2013

# Corporate Social Responsibility

Social Commitment and Public Service is deeply embedded into the cultural fabric of Ranbaxy

- 'Ranbaxy Community Health Care Society' set up in 1978; earlier known as Ranbaxy Rural Development Trust
- CSR covers areas of maternal child health, family planning, adolescent health, reproductive health and education
- Operate in north-central states of India including Punjab, Haryana, Himachal Pradesh & Madhya Pradesh
- Public Private Partnership (PPP) with the Punjab State Government, to deliver healthcare services in identified districts of Punjab
- AIDS awareness and counseling, Provides affordable anti HIV medicines; over 500,000 patients worldwide benefitted
- Partners with Government, Medical Colleges, NGO's, Educational Institutions, CII etc. on CSR





Long Term Value Drivers

Challenges & Opportunities

# Long term value drivers

## Continued Sustainable profitable growth

### Branded Generics Focus

Sustainable profitable growth

- Create brands
- Re-align structure; focus on larger, differentiated market

### Leadership in key, chosen molecules

End to end strength in key, chosen molecules

- End to end dominance in key, chosen molecules
- Product focus and market emphasis

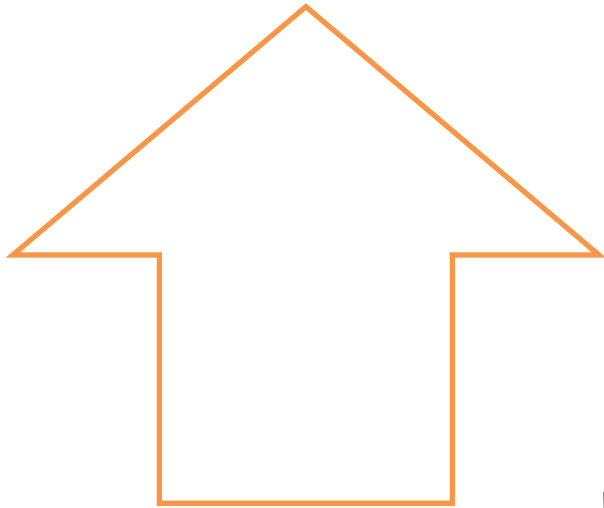
### Expand scale in focus markets

Unrestricted market access with appropriate risk control measures

- Build capabilities wherever required
- Invest in new capacities in growth markets: Nigeria, Malaysia etc.
- Evolve innovative models to address various market demands

# Challenges & Opportunities

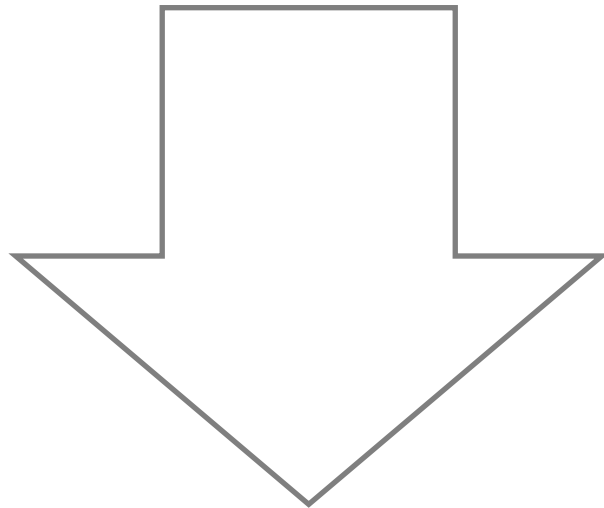
Sustainable profitable growth



## Opportunities

Invest in growth: brands and markets

Re-focus on: efficiency, productivity and utilization



## Challenges

Government policies: e.g. CIS, Europe

Consent decree and optimum utilization of capacities



Thank You

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## Contact Details

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BOM: 500359  
Reuters: RANB.NS / RANB.BO  
Bloomberg: RBXY:IN  
Website: <http://www.ranbaxy.com>

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### Some of the major Analysts Tracking Ranbaxy

Barclays  
Citigroup  
Daiwa  
HSBC  
ICICI Securities  
Morgan Stanley  
Nomura  
SBI Capital Markets

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