



# Ranbaxy Laboratories Limited

**FINANCIAL RESULTS:  
October – December 2011 (Q4 2011)  
Full Year 2011 (CY 2011)**

**ARUN SAWHNEY  
CEO & MD**

23 Feb 2012

Post Results Conference Call

# Safe Harbor

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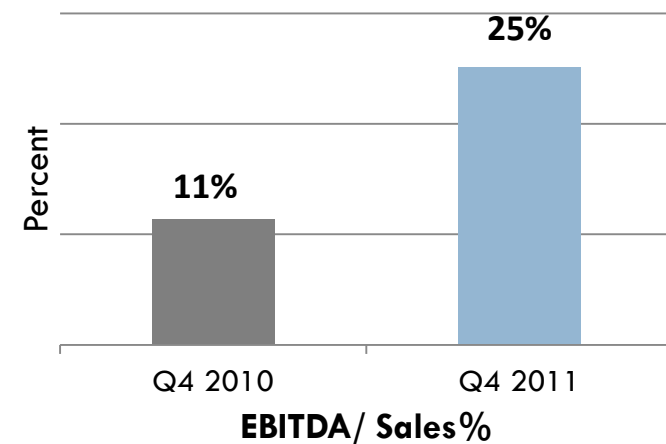
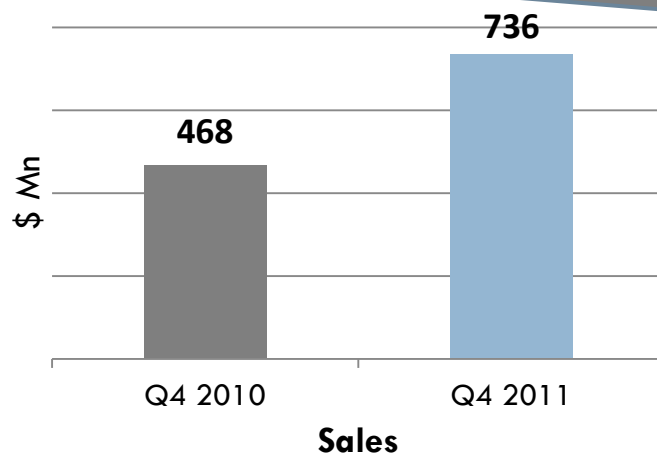
# Key Achievements for Quarter 4, 2011

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## Financial

- Robust overall business performance
- Launched Atorvastatin, generic Lipitor® as First to File (FTF)
- Healthy EBITDA margins aided by strong FTF performance



*Lipitor® is a registered trade mark of Pfizer*

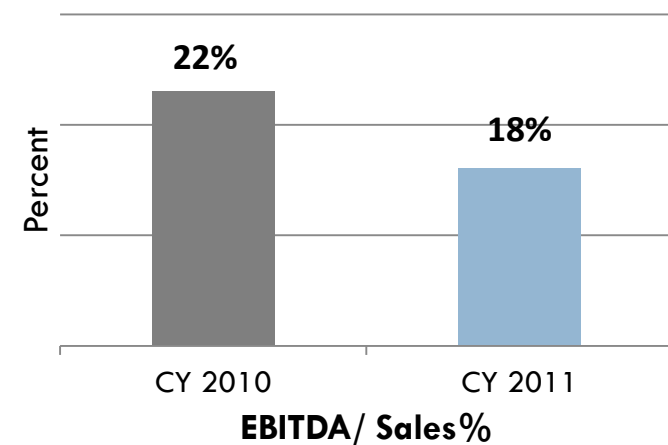
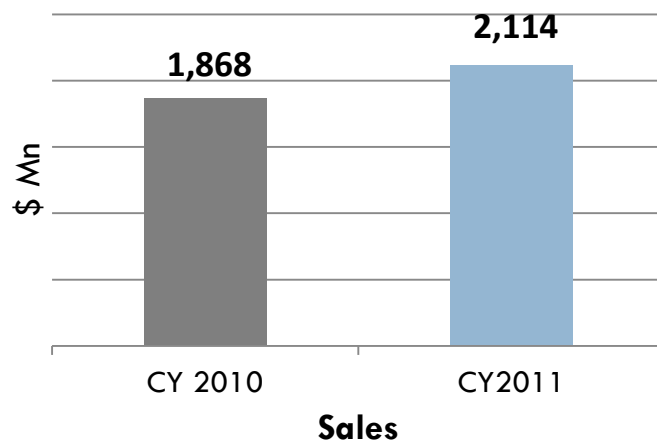
# Key Achievements for 2011

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## Financial

- Strong business performance
- Monetized exclusivity opportunities in the year



# Key Achievements for Quarter 4 & CY 2011

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## Business

- Emerging market sales \$241 Mn for Q4; \$1,003 Mn for CY 11
  - 35% of DF sales for Q4; 51% for 2011
- Developed market sales \$452 Mn for Q4, \$966 Mn for CY 11
  - 65% of DF sales for Q4; 49% for 2011, aided by FTF contribution

- India: CHC continues commendable performance; Negative impact of slow down in acute segment
- APAC, Africa: Invest in growth thru planned capacity expansions

- Europe: Emerging markets and France performed well
- USA: Successful monetization of two FTFs Atorvastatin (Lipitor®) and Atorvastatin+Amlodipine besylate (Caduet®)

*Caduet® is a registered trade marks of Pfizer*

## Manufacturing

- Mohali SEZ received regulatory approvals from the US FDA, TGA (Australia) & WHO
- Trace & Track for export packaging, Government regulations
- Investments planned to grow in emerging markets

## Research & Development

- Further improvement in filings and approvals for the year
  - DF filings: 231 up from 180; DF approvals: 148
- Received approval for first ever NDA for an Indian Company

## Synergy with Daiichi Sankyo

- Front end:
  - Ranbaxy to market Cravit® (Levofloxacin) in Malaysia
  - Expand business in Mexico thru DS; Ranbaxy to extend DS products' reach to pharmacists in Italy
- Back end etc.:
  - Multiple opportunities pursued in manufacturing, cost reduction etc.
- Ongoing:
  - DS and Ranbaxy work on joint social contribution initiatives in India and some African countries
  - R&D collaboration, cost efficiencies

## Regulatory

- Signed Consent Decree with US FDA to address cGMP issues. Provision of \$500 Mn in connection with DOJ investigations
- Received US FDA approval for Mohali SEZ

## Derivatives Position

- Exposure of \$1.7Bn in 2007. Down to ~\$654 Mn by end-2011
- Expire by 2015-16

## Debt Position

- Total Debt ~\$843 Mn; Net Debt ~\$267 Mn





# Financial Performance

Q4 & CY 2011

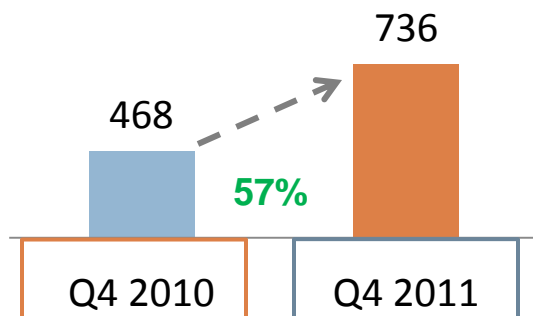
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# Sales Performance

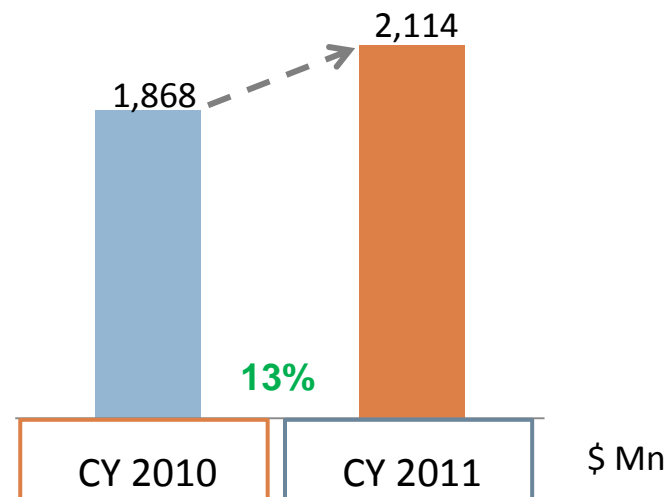
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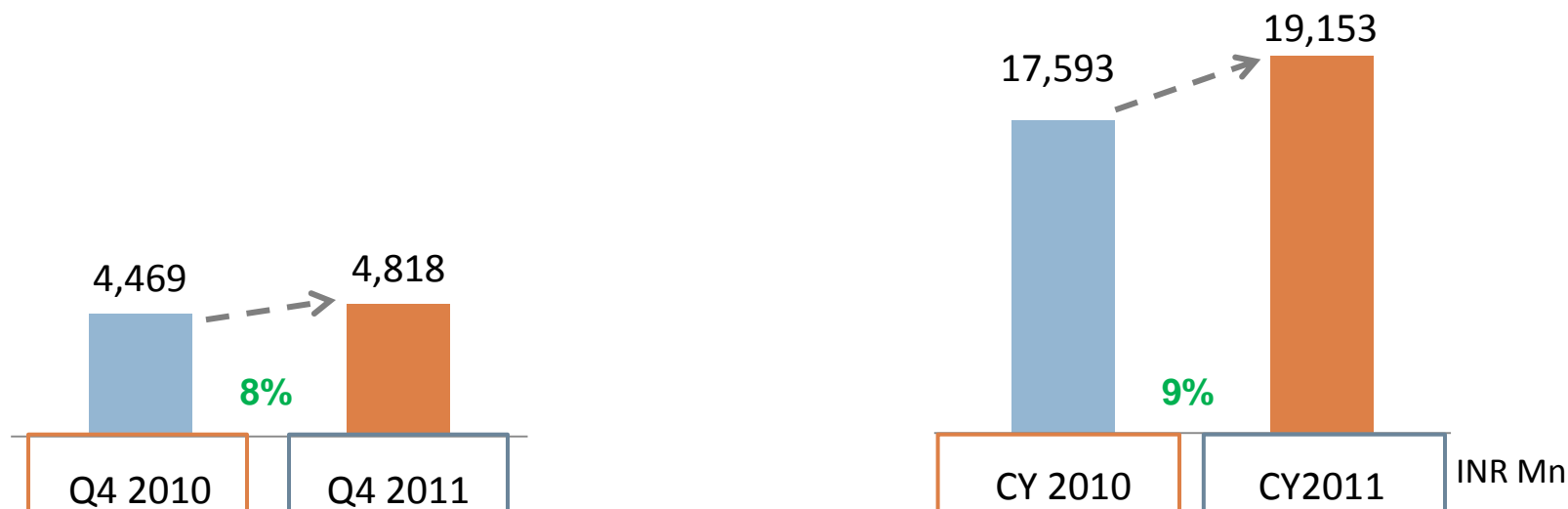
**Consolidated Revenue  
Q4 2011**



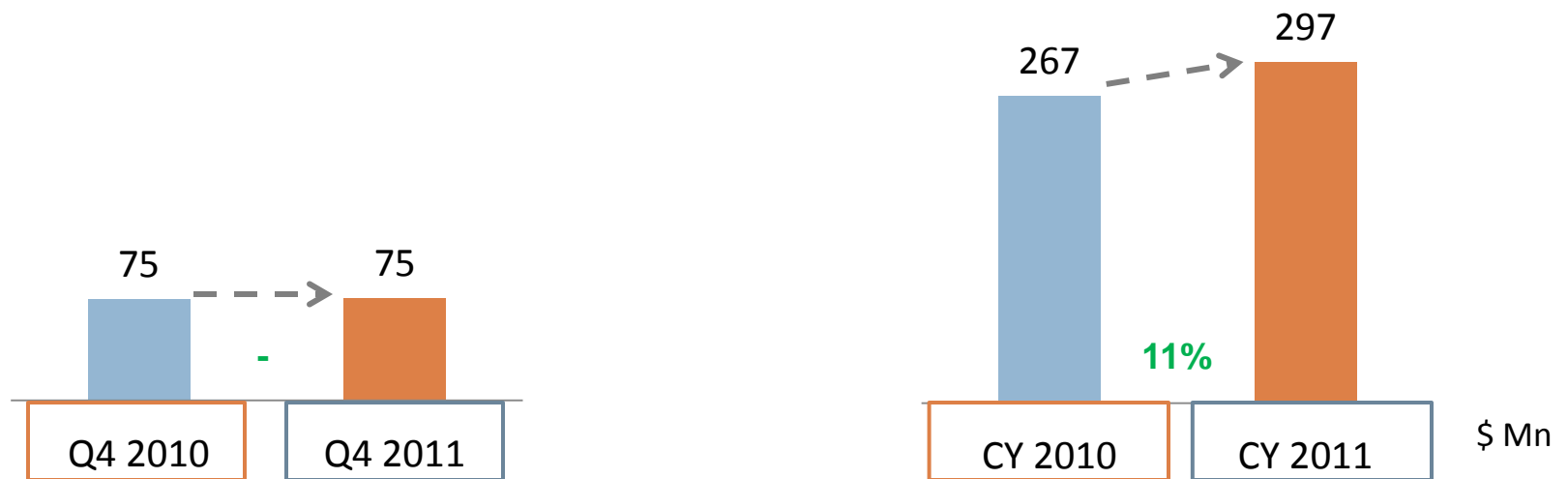
**Consolidated Revenue  
CY 2011**



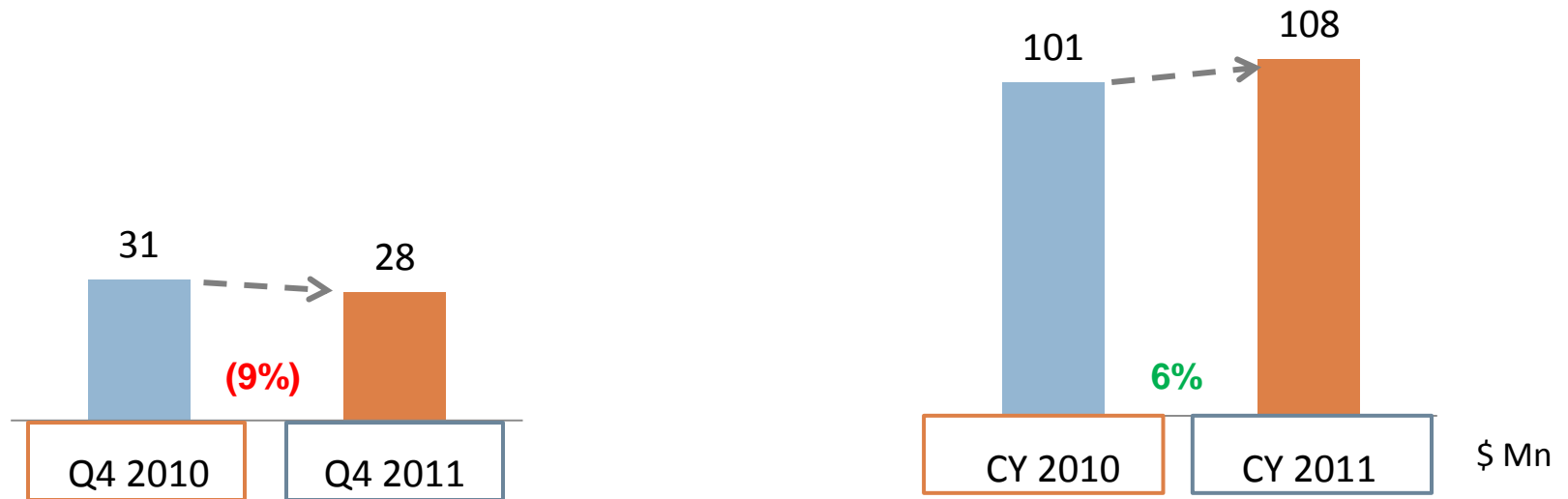
- First Pharma Company of Indian origin to have sales in excess of \$2Bn!
- Strong base business sales; continued to grow on Quarter and Full Year basis
- Successfully monetized exclusivity opportunities



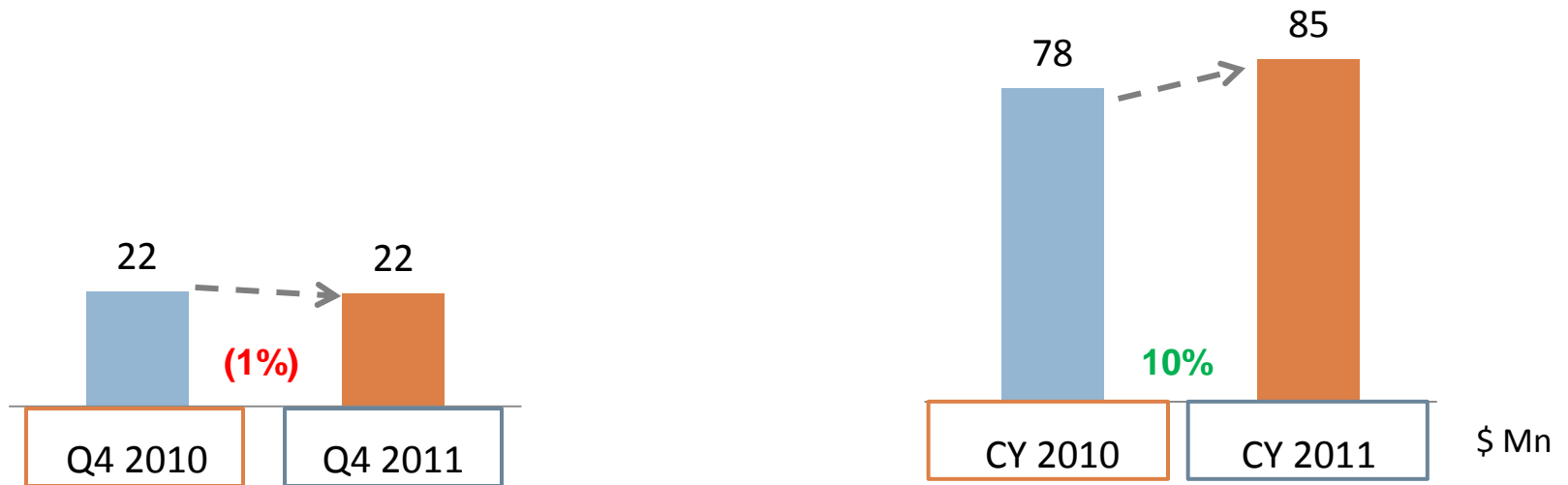
- Growth in India region faster than IPM growth for the year
- Robust growth in the OTC business (CHC) performance. Ranbaxy is a market leader in its represented category
- Government policies' evolution continued



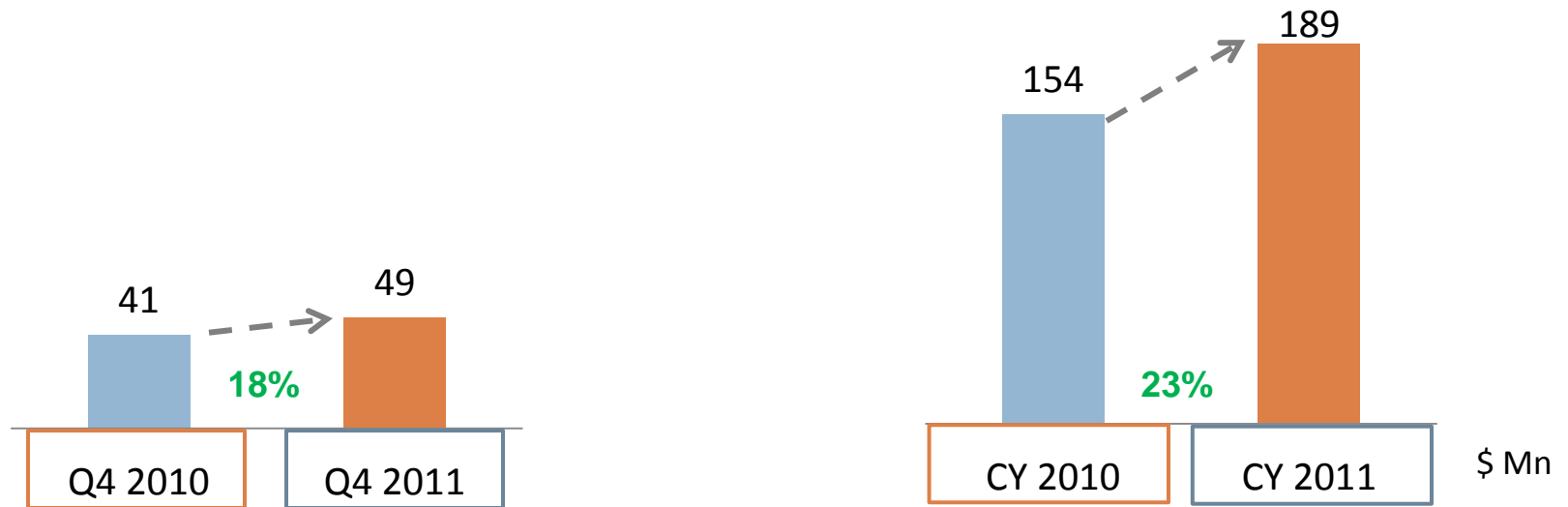
- Business model calibration in Europe to evolve a robust model for the region
- Negative impact on the region due to spending cuts and enforcements by governments
- Concerns on Macro-economic indicators continue



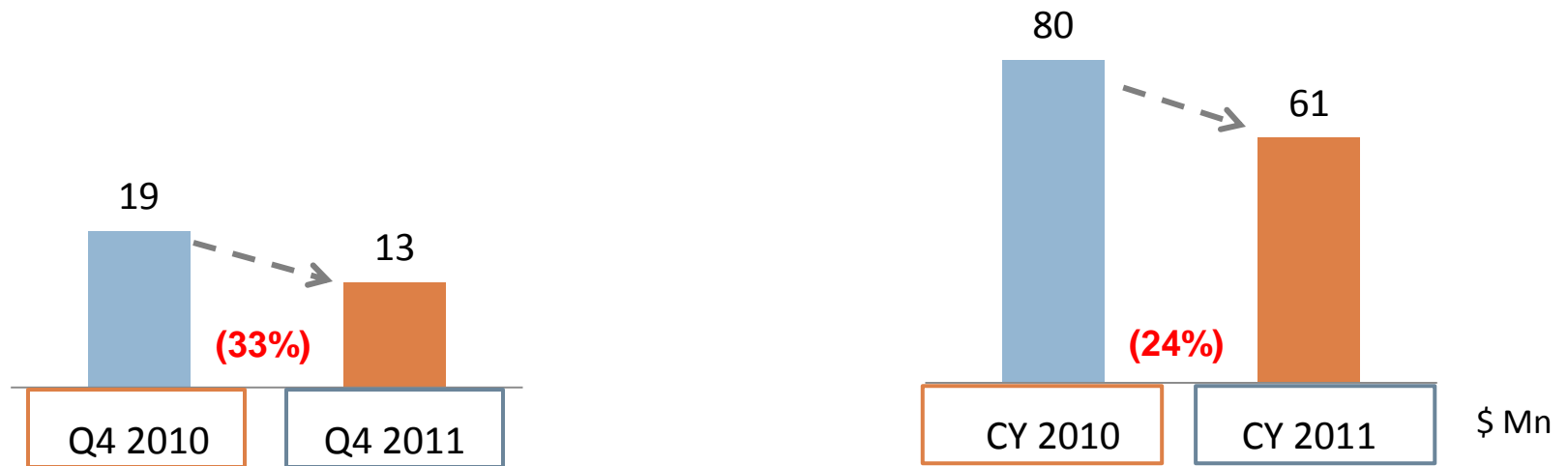
- Ranbaxy continued to be ranked number 1 in its represented market in Russia and Ukraine
- Macro-issues yet to evolve in the CIS and Ukraine



- Greenfield manufacturing facility planned in Malaysia to aid higher performance in the region
- Launched DS innovator products in Singapore and Malaysia during the year

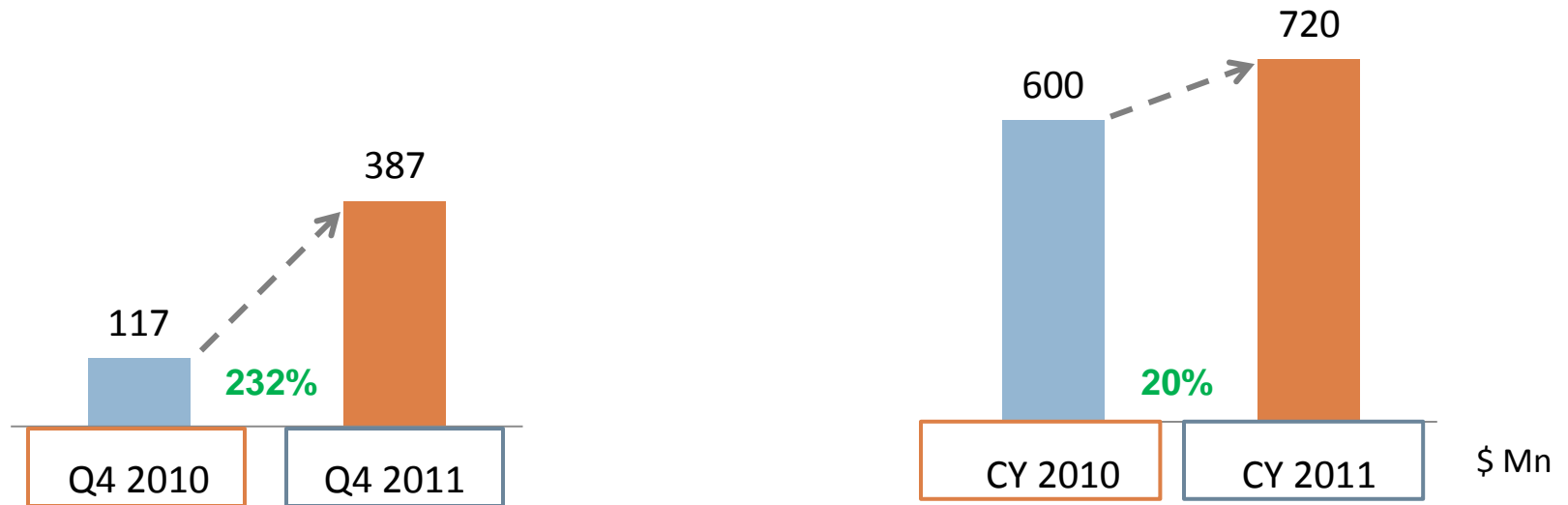


- Establish and grow some of the larger markets viz. Egypt and Morocco. Invest in manufacturing capacity in Nigeria
- Strong sales growth in the region
  - Tender sales in South Africa adversely impacted due to donation stocks from the United Nations



- LATAM sales lower due to continued product supply concerns in the region
- DS and Ranbaxy exploring synergy opportunities for working together in the market



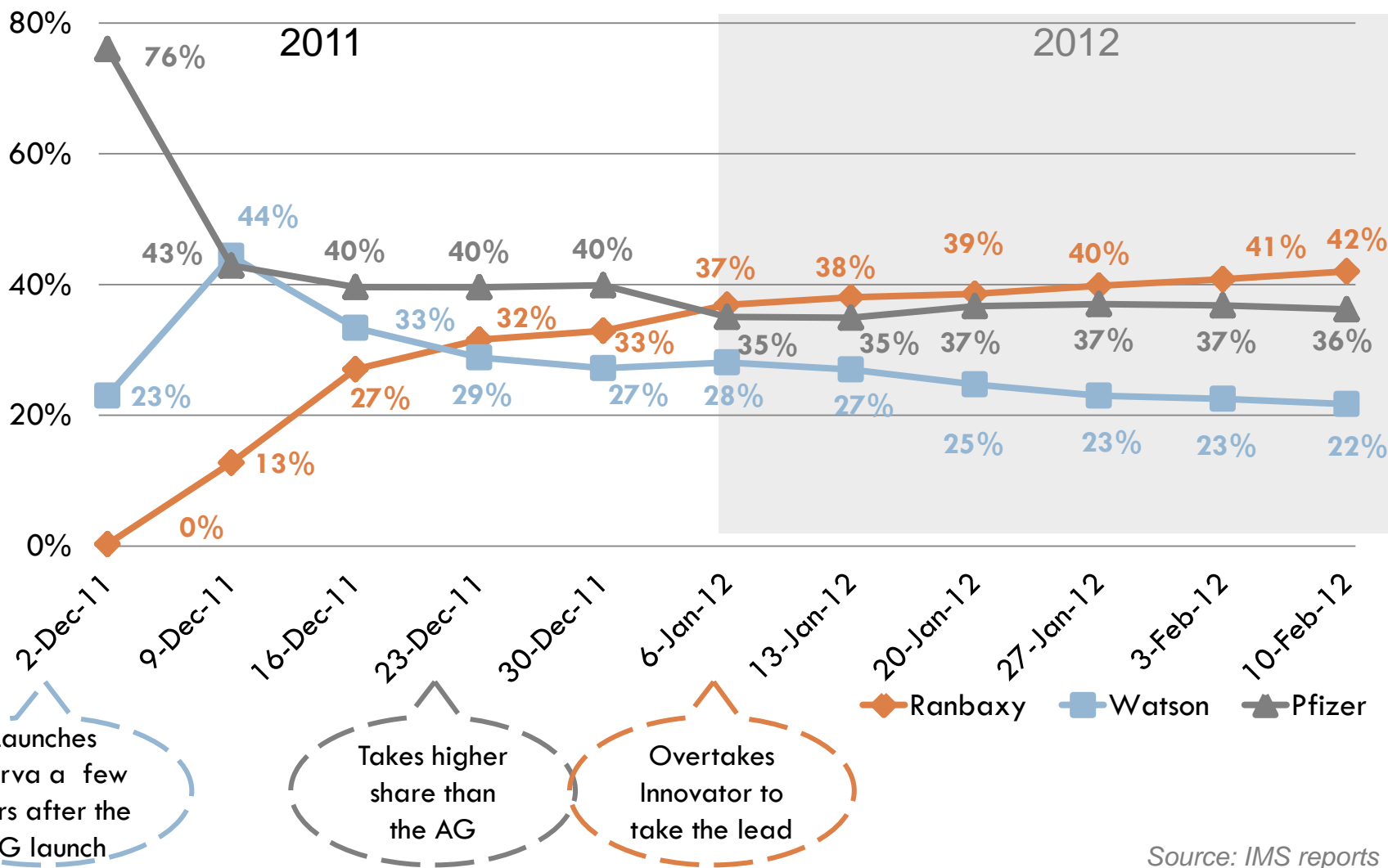


- Successfully launched Atorvastatin, generic Lipitor<sup>®</sup>, largest product in the world and in the USA, as a First to File on due date
  - Strong market share in Atorvastatin
  
- Healthy base business sales in the USA for the Quarter and the Year

# Atorvastatin (Lipitor®) Market Share

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Source: IMS reports

# Financials Q4 2011: \$

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Q4 10	Q4 11	Particulars in \$ Mn	CY 2010	CY 2011
468	736	<b>Sales</b>	1,868	2,114
1	1	Less : Excise duty	3	4
467	735	<b>Net sales</b>	1,865	2,109
10	11	Other operating income	93	44
477	746	<b>Total Operating Income</b>	1,958	2,153
194	215	<b>Total Consumption</b>	689	748
-6	-19	<b>Operating Forex expense/ (gain)</b>	6	-44
86	79	Employee cost	329	354
150	283	Other Operating expenses	532	714
424	558	<b>Total other expenditure</b>	1,556	1,772
53	188	<b>EBITDA</b>	402	381
23	33	Depreciation and amortization	81	83
14	7	Interest (Cost)/Income & Other Income	48	31
(4)	48	Foreign exchange (gain)/ loss on loans	(31)	112
48	115	<b>Profit/(loss) from ordinary activities before tax</b>	399	217
		<b>Exceptional Items</b>		
(75)	(521)	Exceptional Items	(36)	(512)
29	(165)	Forex (loss)/ gain on foreign currency option derivatives	95	(228)
3	(571)	<b>Net EBT</b>	459	(523)
(18)	(586)	<b>Net profit/ (loss) from ordinary activities after tax</b>	331	(565)
-4%	-80%	<b>PAT%</b>	18%	-27%
(19)	(586)	<b>Net profit/ (loss) from ordinary activities after tax and minority interest &amp; Share in (loss)/ profit of associates</b>	327	(568)
-4%	-80%	<b>PAT% (after minority interest &amp; Share in (loss)/ profit of associates)</b>	18%	-27%

# Operational Performance (excluding Forex and Excep items)

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Q4 10	Q4 11	Particulars \$ Mn	CY 2010	CY 2011
<b>468</b>	<b>736</b>	<b>Sales</b>	<b>1868</b>	<b>2114</b>
<b>53</b>	<b>188</b>	<b>A. EBITDA</b>	<b>402</b>	<b>381</b>
11%	25%	<i>% to Sales</i>	22%	18%
<b>3</b>	<b>(571)</b>	<b>B. EBT</b>	<b>459</b>	<b>(523)</b>
1%	-78%	<i>% to Sales</i>	25%	-25%
<b>53</b>	<b>188</b>	<b>A. EBITDA</b>	<b>402</b>	<b>381</b>
6	19	<b>Forex Gain/ (Loss)</b>	(6)	44
<b>47</b>	<b>169</b>	<b>Operational EBITDA</b>	<b>408</b>	<b>337</b>
10%	23%	<i>% to Sales</i>	22%	16%
<b>3</b>	<b>(571)</b>	<b>B. EBT</b>	<b>459</b>	<b>(523)</b>
4	(48)	<b>Forex Gain/ (Loss) on FC Borrowings</b>	31	(112)
29	(165)	<b>Other Forex Gain/ (Loss) (incl. Derivatives)</b>	95	(228)
(39)	-	<b>Exceptional Items</b>	13	8
6	19	<b>Operational Fx</b>	(6)	44
(35)	-	<b>(Provision) for diminution in value of investment in associates</b>	(48)	-
	(500)	<b>DOJ Costs</b>		(500)
	(21)	<b>Forex on DOJ</b>		(21)
<b>38</b>	<b>144</b>	<b>Operational EBT</b>	<b>374</b>	<b>285</b>
8%	20%	<i>% to Sales</i>	20%	13%

# Financials Q4 2011: INR

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Q4 10	Q4 11	Particulars in INR Mn	CY 2010	CY 2011
<b>20,907</b>	<b>37,433</b>	<b>Sales</b>	<b>85,507</b>	<b>99,769</b>
42	53	Less : Excise duty	152	190
<b>20,865</b>	<b>37,381</b>	<b>Net sales</b>	<b>85,355</b>	<b>99,578</b>
423	543	Other operating income	4,253	2036
<b>21,288</b>	<b>37,923</b>	<b>Total Operating Income</b>	<b>89,608</b>	<b>101,614</b>
<b>8,708</b>	<b>10,932</b>	<b>Total Consumption</b>	<b>31,528</b>	<b>35,068</b>
(269)	(947)	<b>Operating Forex expense/ (gain)</b>	265	(2,110)
3,835	4,010	Employee cost	15,060	16,449
6,711	14,381	Other Operating expenses	24,366	33,908
<b>18,985</b>	<b>28,375</b>	<b>Total other expenditure</b>	<b>71,219</b>	<b>83,315</b>
<b>2,302</b>	<b>9,548</b>	<b>EBITDA</b>	<b>18,389</b>	<b>18,299</b>
1,030	1,681	Depreciation and amortization	3,717	3,940
625	380	Interest (Cost)/Income & Other Income	2,181	1,462
(170)	2,421	Foreign exchange (gain)/ loss on loans	(1,407)	5,341
<b>2,068</b>	<b>5,825</b>	<b>Profit/(loss) from ordinary activities before tax</b>	<b>18,260</b>	<b>10,480</b>
		<b>Exceptional Items</b>		
(3,441)	-26480	Exceptional Items	(1,627)	(26,102)
1,326	(8,379)	Forex (loss)/ gain on foreign currency option derivatives	4,369	(11,243)
<b>(48)</b>	<b>(29,034)</b>	<b>Net EBT</b>	<b>21,001</b>	<b>(26,865)</b>
<b>(927)</b>	<b>(29,781)</b>	<b>Net profit/ (loss) from ordinary activities after tax</b>	<b>15.152</b>	<b>(28,834)</b>
<b>-4%</b>	<b>-80%</b>	<b>PAT%</b>	<b>18%</b>	<b>-29%</b>
<b>(975)</b>	<b>(29,828)</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>	<b>(28,997)</b>
<b>-5%</b>	<b>-80%</b>	<b>PAT% (after minority interest &amp; Share in (loss)/ profit of associates)</b>	<b>18%</b>	<b>-29%</b>



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## Questions & Answers

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