



Q2 FY12 Results Update

October 25, 2011

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Safe Harbor Statement

This presentation contains forward-looking statements and information that involve risks, uncertainties and assumptions. Forward-looking statements are all statements that concern plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are other than statements of historical fact, including, but not limited to, those that are identified by the use of words such as “anticipates,” “believes,” “estimates,” “expects,” “intends,” “plans,” “predicts,” “projects” and similar expressions. Risks and uncertainties that could affect us include, without limitation:

- General economic and business conditions in India;
- The ability to successfully implement our strategy, our research and development efforts, growth and expansion plans and technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in the Indian and international interest rates;
- Allocations of funds by the Government;
- Changes in laws and regulations that apply to our customers, suppliers, and the pharmaceutical industry;
- Increasing competition and the conditions of our customers, suppliers and the pharmaceutical industry; and
- Changes in political conditions in India.

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We are not required to update any such statement or information to either reflect events or circumstances that occur after the date the statement or information is made or to account for unanticipated events.

Consolidated Key Financial Highlights

□ **Q2 Revenues at ₹2,268 crs** ; YoY growth of 21%

H1 Revenues at ₹4,246 crs ; YoY growth of 19%

□ **Q2 EBITDA*** at ₹511 crs ; 23% to sales ; YoY growth of 20%

H1 EBITDA at ₹945 crs ; 22% to sales ; YoY growth of 23%*

□ **Q2 PAT**** at ₹310 crs ; 14% to sales ; YoY growth of 8%

*H1 PAT** at ₹562 crs ; 13% to sales ; YoY growth of 13%*

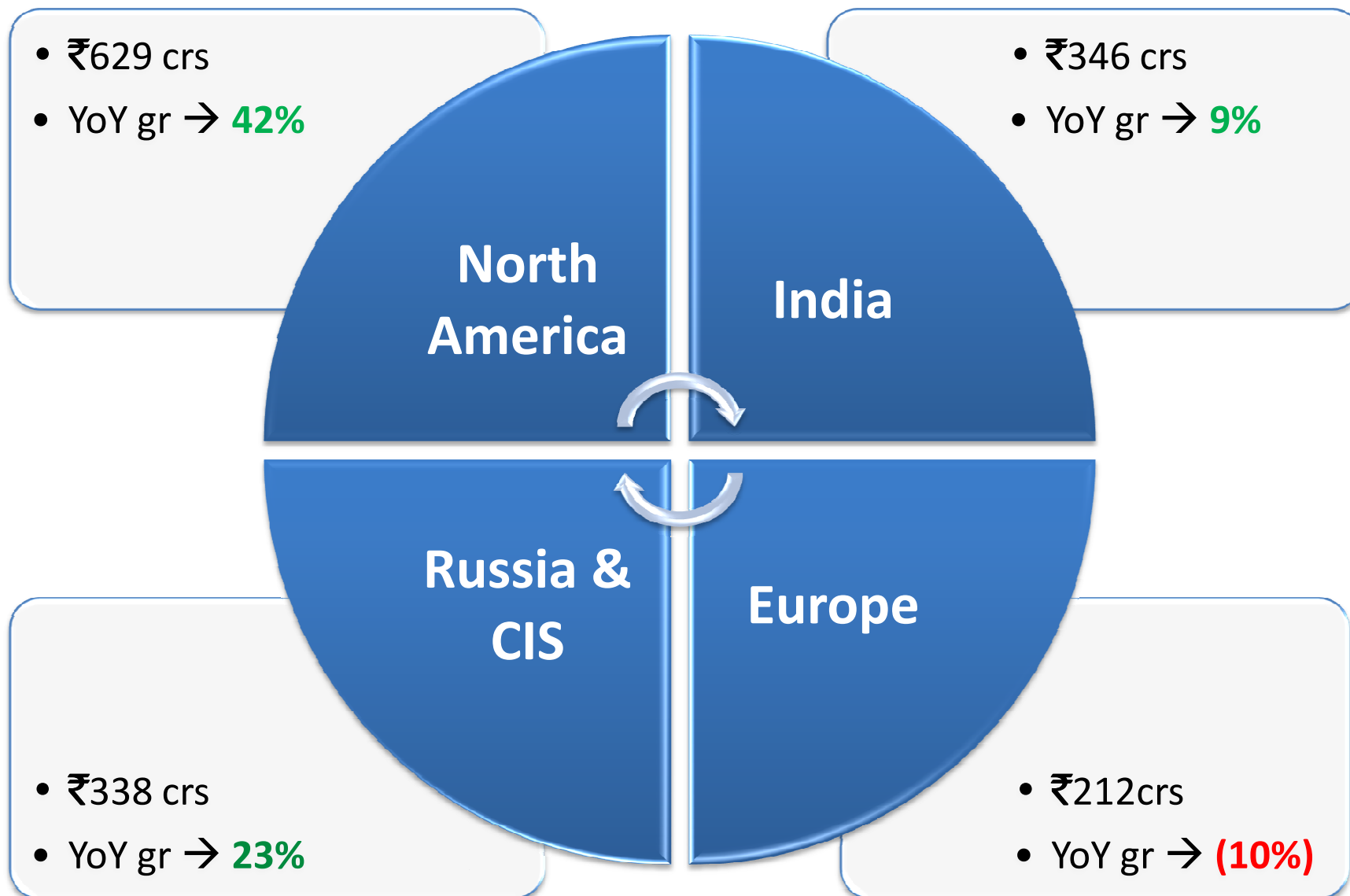
□ **Globally 28 new product launches & 28 product filings**

* Adjusted for effect of Voluntary Retirement Scheme (VRS) floated by the company

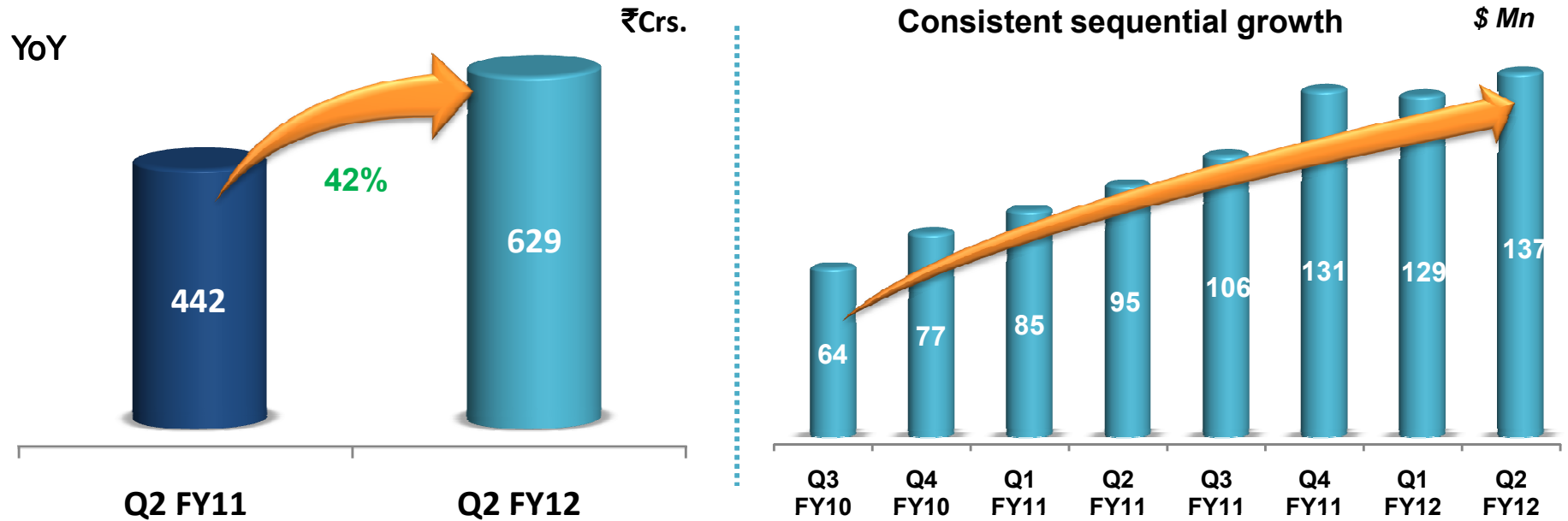
** Adjusted for effect of : a) interest on bonus debentures ; b) Voluntary Retirement Scheme (VRS) floated by the company

Segmental Analysis : Revenues

Global Generics Q2 FY12 Revenues at ₹1,614 crs (18% YoY gr)



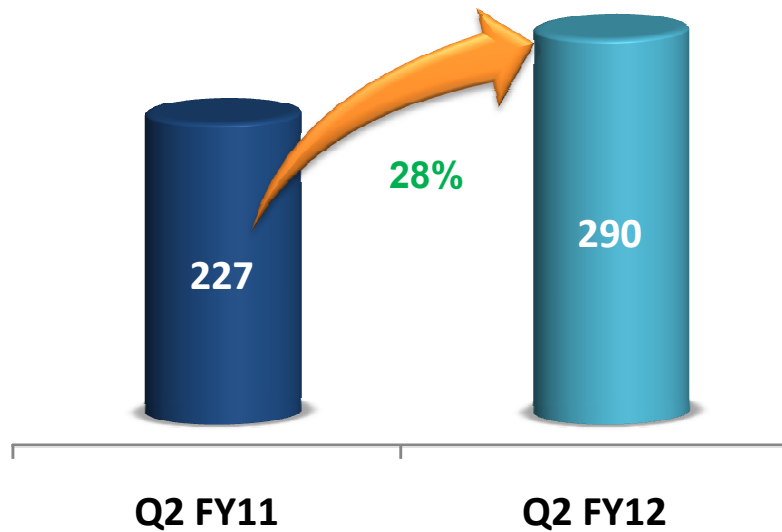
Global Generics : North America



- ❑ Growth driven by new launches and market share improvements
- ❑ 24 Rx products among the Top 3 ranks in market shares
- ❑ 5 new product launches during the quarter including limited competition products of fondaparinux & fexofenadine pseudoephedrine D24 OTC
- ❑ 4 ANDA filings ; Cumulative ANDAs – 177 ; Pending approvals – 76 ; Para IVs – 40 & FTFs – 11
- ❑ Received final approval for olanzapine 20 mg tablets from the USFDA

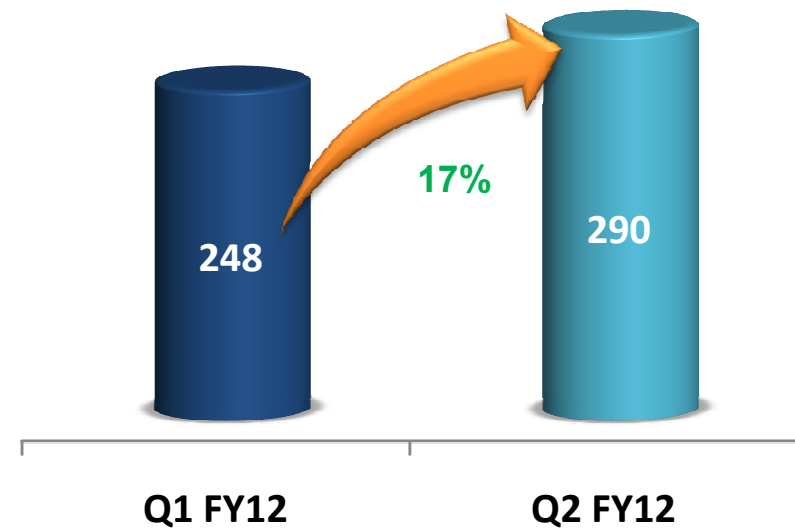
Global Generics : Russia

YoY



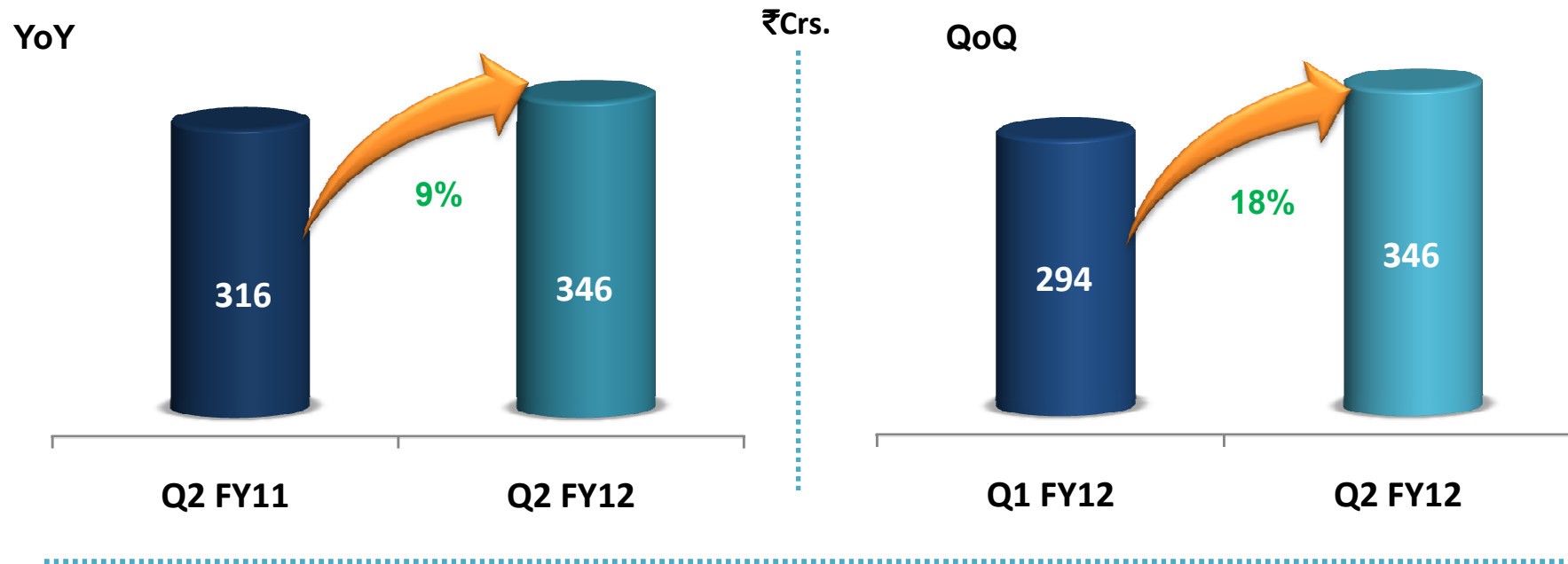
₹Cr.

QoQ



- ❑ Growth driven by volume increase across key products – Nise, Cetrine, Ciprolet, Omez & Keterol
- ❑ Secondary sales growth of 20% vs Industry growth of 10% ; Market rank → 12th (Source: Pharmexpert MAT August 2011)
- ❑ YoY growth in OTC portfolio of 33% ; representing 25% of sales

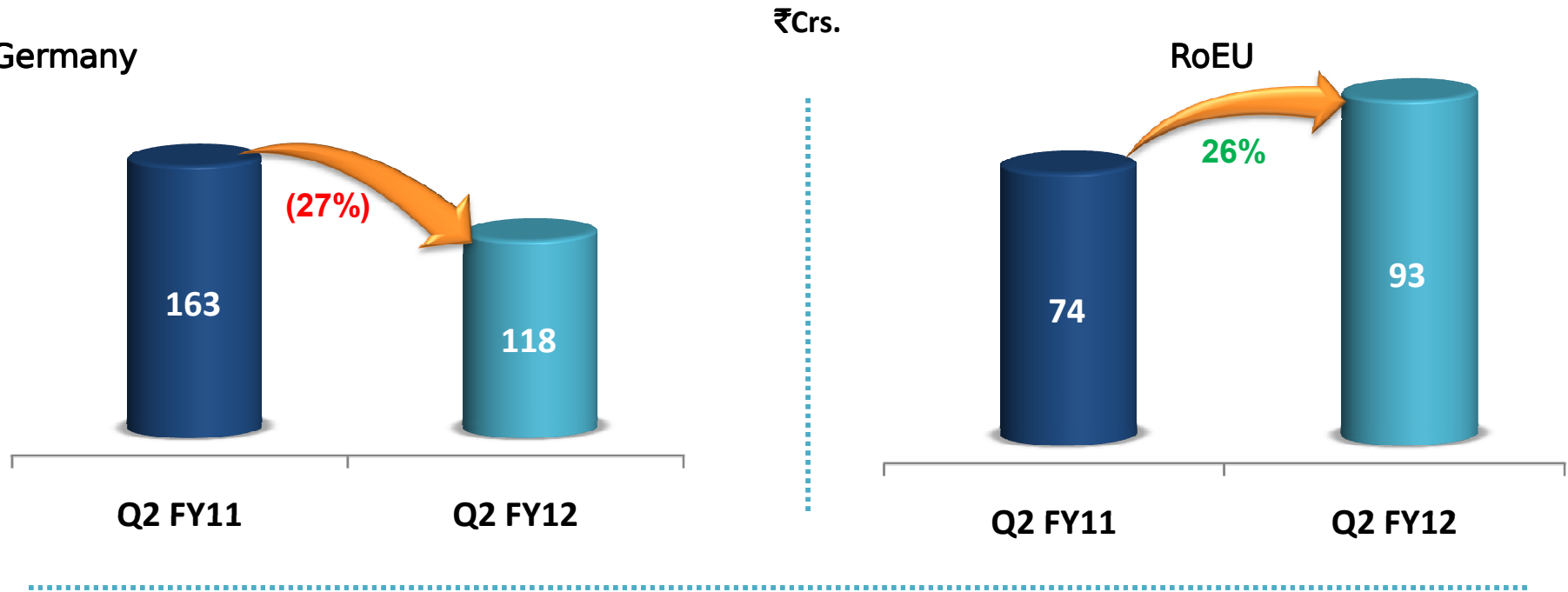
Global Generics : India



- ❑ YoY growth was largely driven by new product launches and volume growth in key products such as Omez, Stamlo & Razo
- ❑ YoY growth of 22% in biosimilars portfolio, representing 6% of overall sales
- ❑ 3 new products launched in the quarter

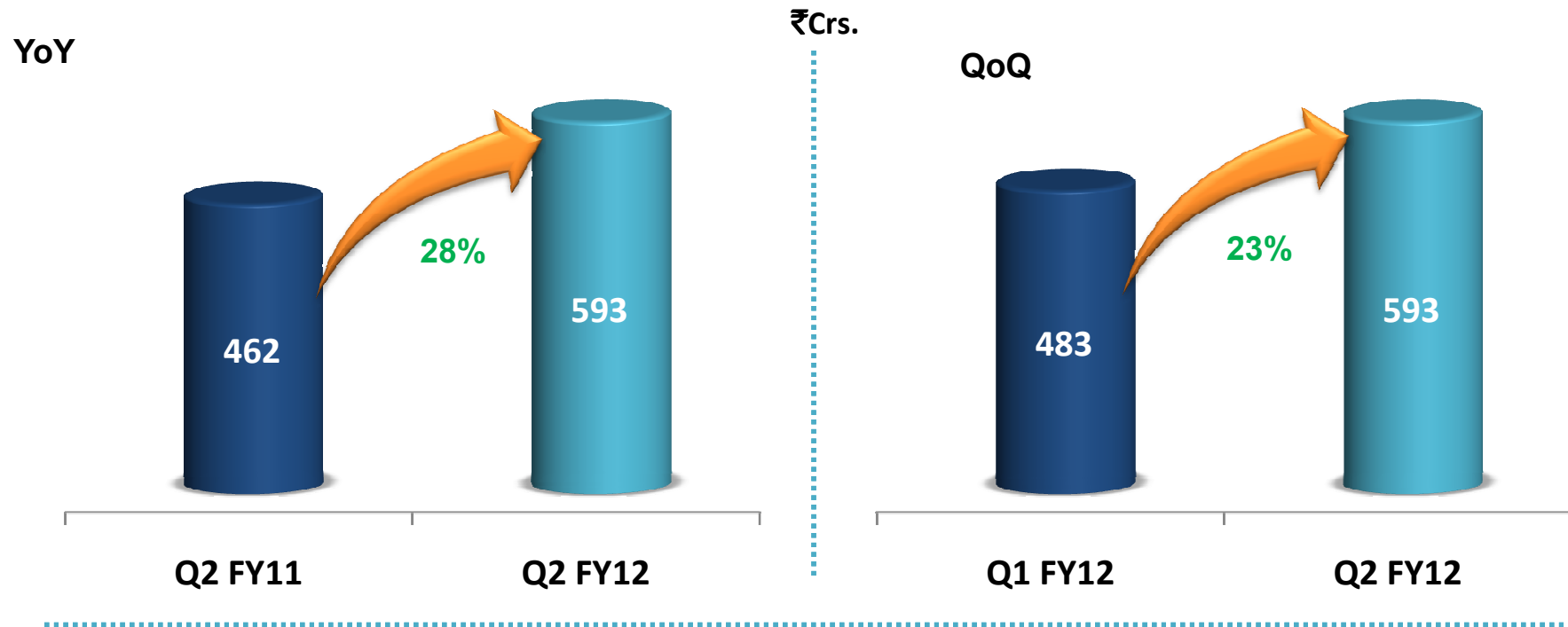
Global Generics : Europe

Germany



- ❑ Germany decline due to continuing tender pricing pressures ; one time vaccine sales last year
- ❑ AOK tender supplies → Challenging due to low margins
- ❑ Growth in Rest of Europe driven by new launches in UK and growth in out-licensing business

Pharmaceutical Services & Active Ingredients



- ❑ Growth in Active Ingredients driven on the back of new product launches in Europe
- ❑ Pharmaceutical Services grew on the back of improved customer order book status
- ❑ 11 DMF filings in the quarter (3 in North America, 2 in Europe & 6 in other markets) →
Cumulative DMFs – 506 (176 in US, 141 in Europe, 62 in Canada & 127 in RoW)

Other Updates

❑ Infrastructure expansion

- Capex spend in H1 FY12 → ₹358 crs
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❑ Successful USFDA audits in September at API plants of CTO6 & CTO2

❑ FY12 Outlook

- Higher second half expected on the back of new launches (*including 180 days exclusivity of olanzapine*), new customer orders in Shreveport and scale-up in Bristol launches
- Expect R&D investments to scale-up significantly in H2 FY12



Q&A Session

Oct 25, 2011

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P&L → Q2 FY12

All figures in ₹Cr. except EPS

	Q2 FY12	Q2 FY11	Gr%
Revenue	2,268	1,870	21%
Gross Profit	1,221	999	22%
% to sales	54%	53%	
SG&A	722	571	26%
% to sales	32%	31%	
R&D	146	127	15%
% to sales	6%	7%	
EBITDA	520	425	22%
% to sales	23%	23%	
PAT	308	287	7%
% to sales	14%	15%	
EPS	18.1	16.9	7%

Key Balance Sheet Items

	₹Cr.	
	Sep 11	June 11
Cash & Cash Equivalents	760	547
Trade & Other receivables	2,057	1,714
Inventories	1,859	1,740
Property, plant & equipment	3,145	3,052
Loans & borrowings (current & non current)	3,130	2,394
Trade accounts payable	894	843

Net Debt – Equity ratio at 0.49 in Sep 11 from 0.38 as of June 11