

Passion for Innovation.  
Compassion for Patients.™



# Top Management Presentation

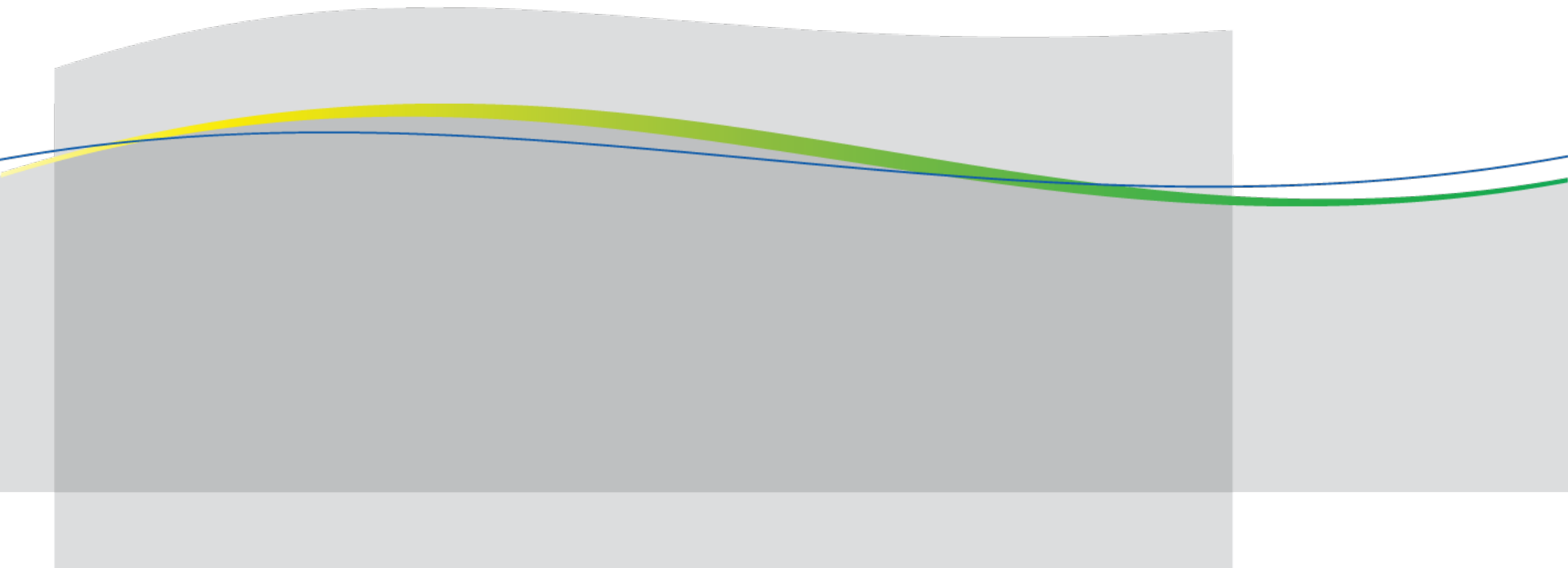
Financial Results for Fiscal 2011

(April 1, 2011 to March 31, 2012)

Monday, May 14, 2012

Joji Nakayama, President and CEO

# Financial Overview



# Overview of FY2011 Results and FY2012 Forecast



## Overview of Income Statement

	FY2010 Results	FY2011 Results	FY2012	
			Forecast	YoY
Net Sales	967.4	938.7	980.0	413
Cost of Sales	281.7	268.6	297.0	284
SG&A Expenses	563.5	571.9	583.0	111
R&D Expenses	194.3	185.1	193.0	79
Other Expenses	369.2	386.8	390.0	32
Operating Income	122.1	98.2	100.0	18
Ordinary Income	131.8	76.2	100.0	238
Net Income	70.1	10.4	50.0	396

## Ranbaxy Group

Note : Figures of Ranbaxy are pre-adjusted before consolidation

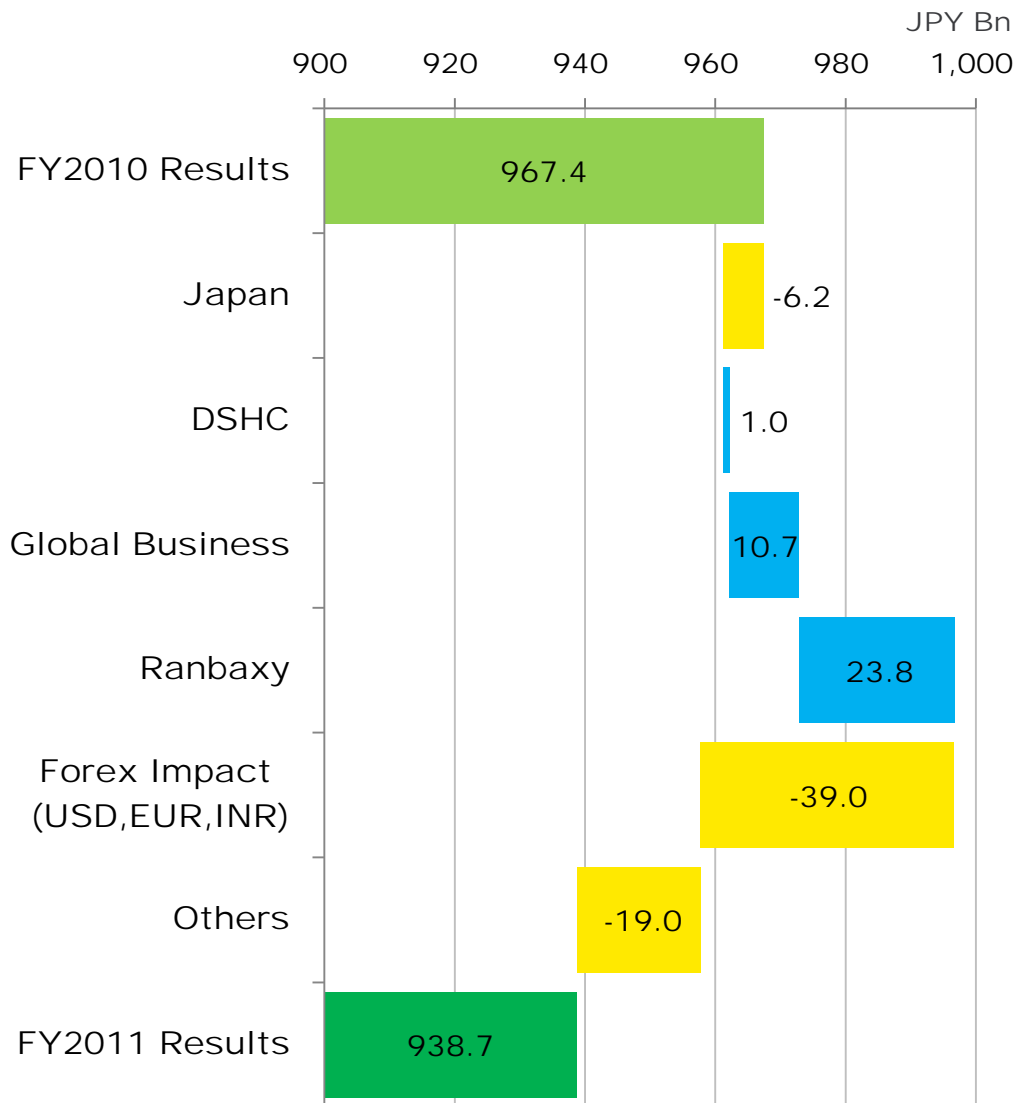
2010 (Jan-Dec) Results	2011 (Jan-Dec) Results	2012(Jan-Dec)	
		Forecast	YoY
173.1	176.6	179.0	2.4
79.8	81.7		
65.6	74.4		
12.0	9.3		
53.5	65.1		
27.7	20.4		
40.0	-3.4		
23.3	-33.7		

JPY Bn

# Overview of FY2011 Results

- compared with FY2010 results -

Net Sales factors



### Japan

- Existing products:  
Olmotec -1.4, Calblock -1.6  
Mevalotin -5.0, Loxonin +6.8
- Contribution of new products:  
Rezaltas +8.8,  
Memyry +9.8, Nexium +3.9
- Return of sales rights -24.0

### Global business

- Daiichi Sankyo Inc. (DSI) +7.3  
Olmesartan +0.8, Welchol +0.6  
Effient alliance revenue +5.2
- Luitpold Pharmaceuticals, Inc. (LPI) -5.4  
Venofer -3.7
- Daiichi Sankyo Europe GmbH (DSE) +6.5  
Olmesartan +6.8
- Asia, South and Central America (ASCA) +2.3

### Ranbaxy (RLL)

- Contribution of Donepezil and Atorvastatin

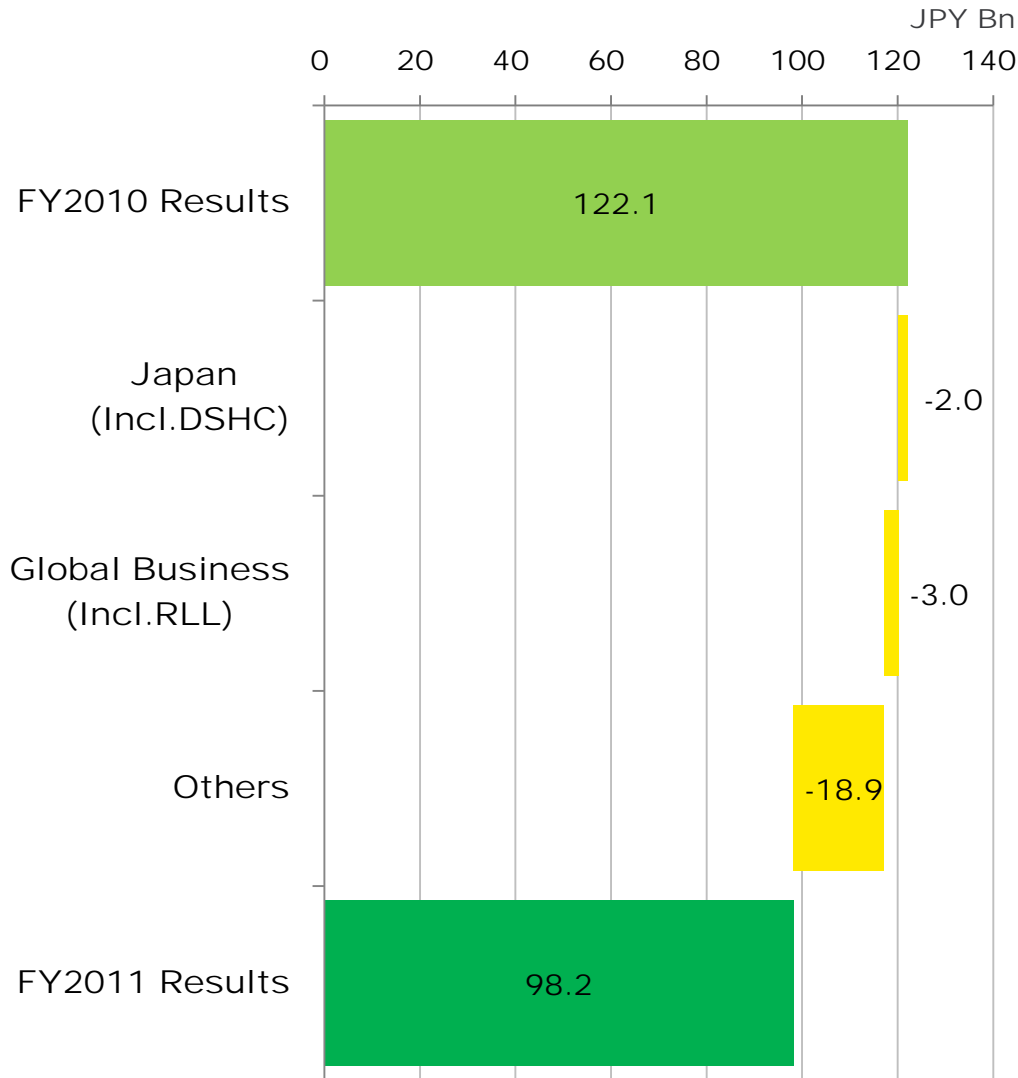
### Others

- Decrease in export of Levofloxacin - 20.0

# Overview of FY2011 Results

- compared with FY2010 results -

Operating Income Factors



**Japan**

- Concentration on promotion of new products, decreased sales

**Global business**

- Increase factors:  
Sales increases at DSI and DSE, cost cutting
- Decrease factors:  
Sales decrease at LPI, contribution from Valacyclovir in FY2010 at RLL

**Others**

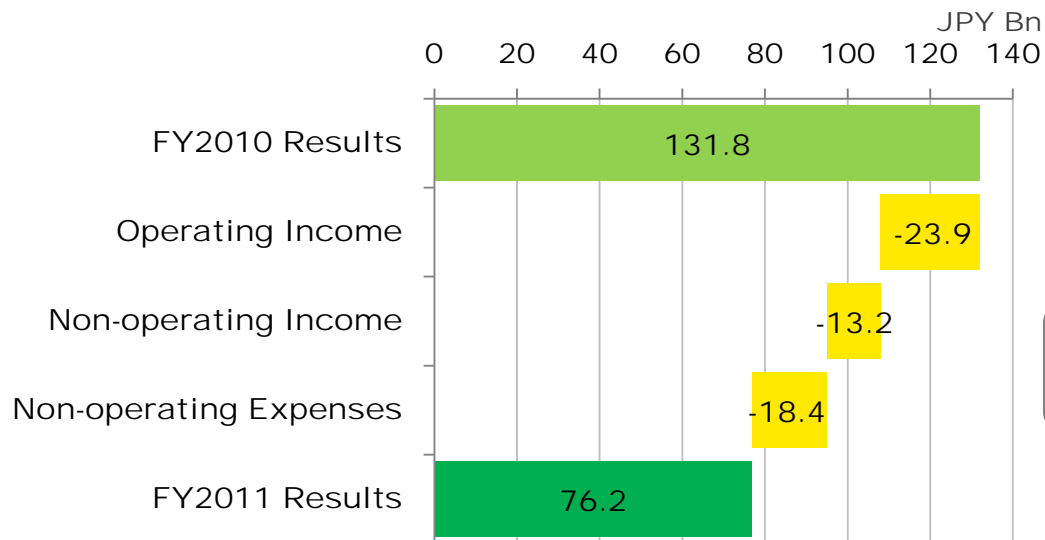
- Increase factors:  
Esomeprazole in-license cost in FY2010
- Decrease factors: Decrease in export of Levofloxacin, milestone payment of Denosumab in FY2010

**Forex Impact**  
Appreciation of JPY to USD, EUR and INR negatively affected the FY2011 operating income by -4.0

# Overview of FY2011 Results

## - compared with FY2010 results -

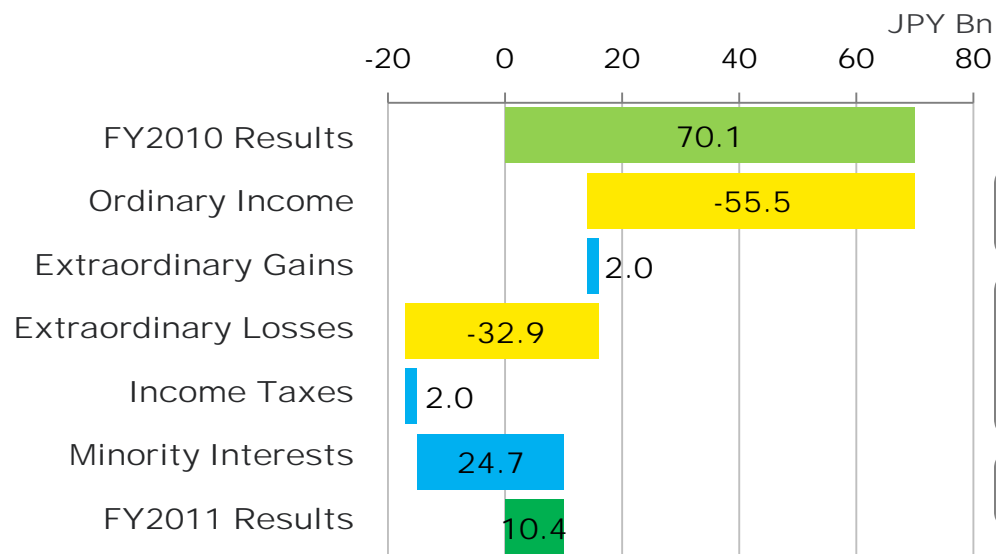
### Ordinary Income factors



**Non-operating income/expenses**

- Increases in forex losses and loss on valuation of derivatives of RLL

### Net Income factors



**Extraordinary losses**

- Provision for settlement expenses

**Worsened effective tax rate**

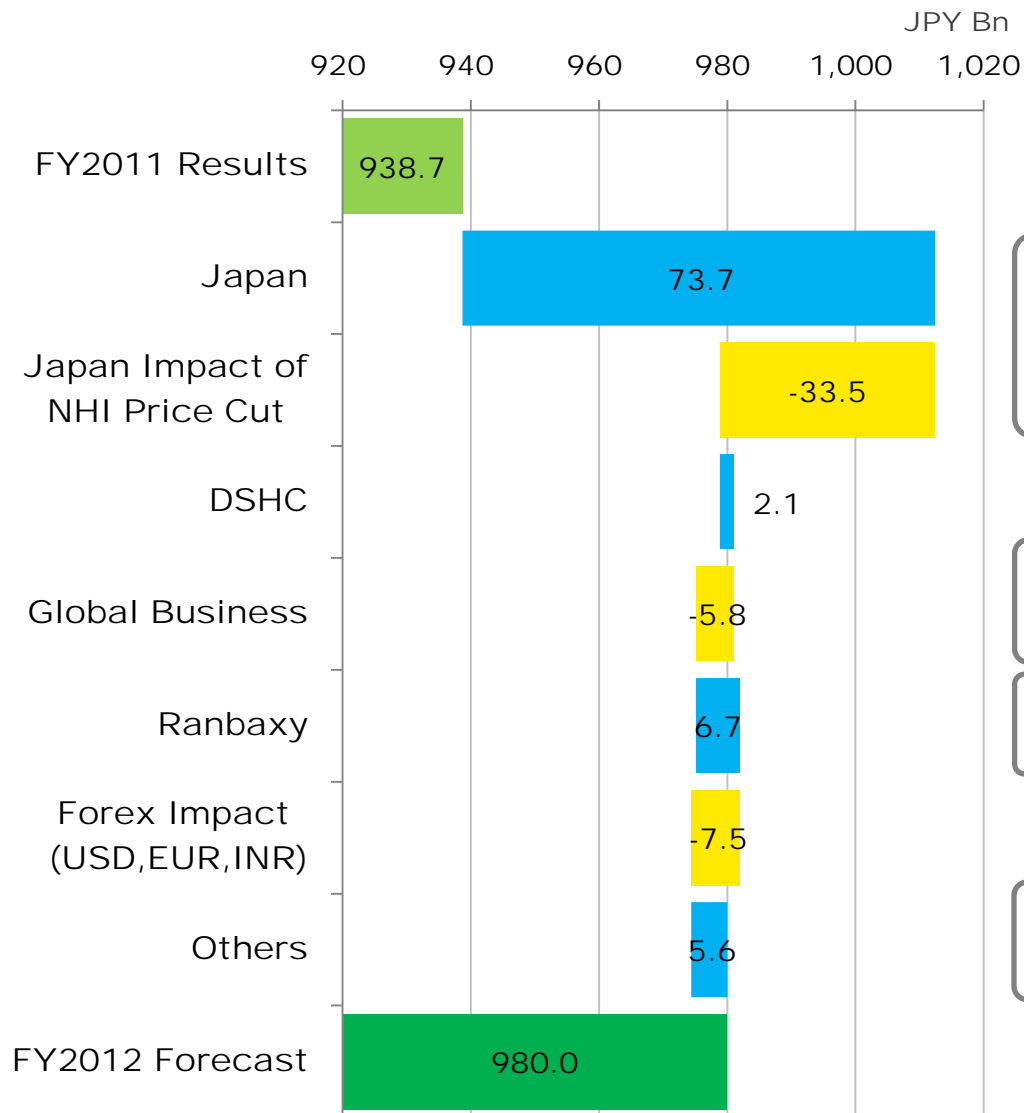
- Provision for settlement expenses not tax deductible
- Reversal in deferred tax asset following the cut in income tax rate in Japan

**Minority interests on provision for settlement expenses**

# Overview of FY2012 Forecast - compared with FY2011 results -



Net Sales factors



**Japan**

- New products:  
Memary +16.2, Nexium +25.1, Ranmark +5.0
- Existing products:  
Olmetec, Rezaltas, Calblock +6.2  
Loxonin +1.0, Mevalotin -7.1, Artist -3.5

**Global business**

- DSI -13.4, LPI -1.3
- DSE +0.6, ASCA +8.3

**RLL**

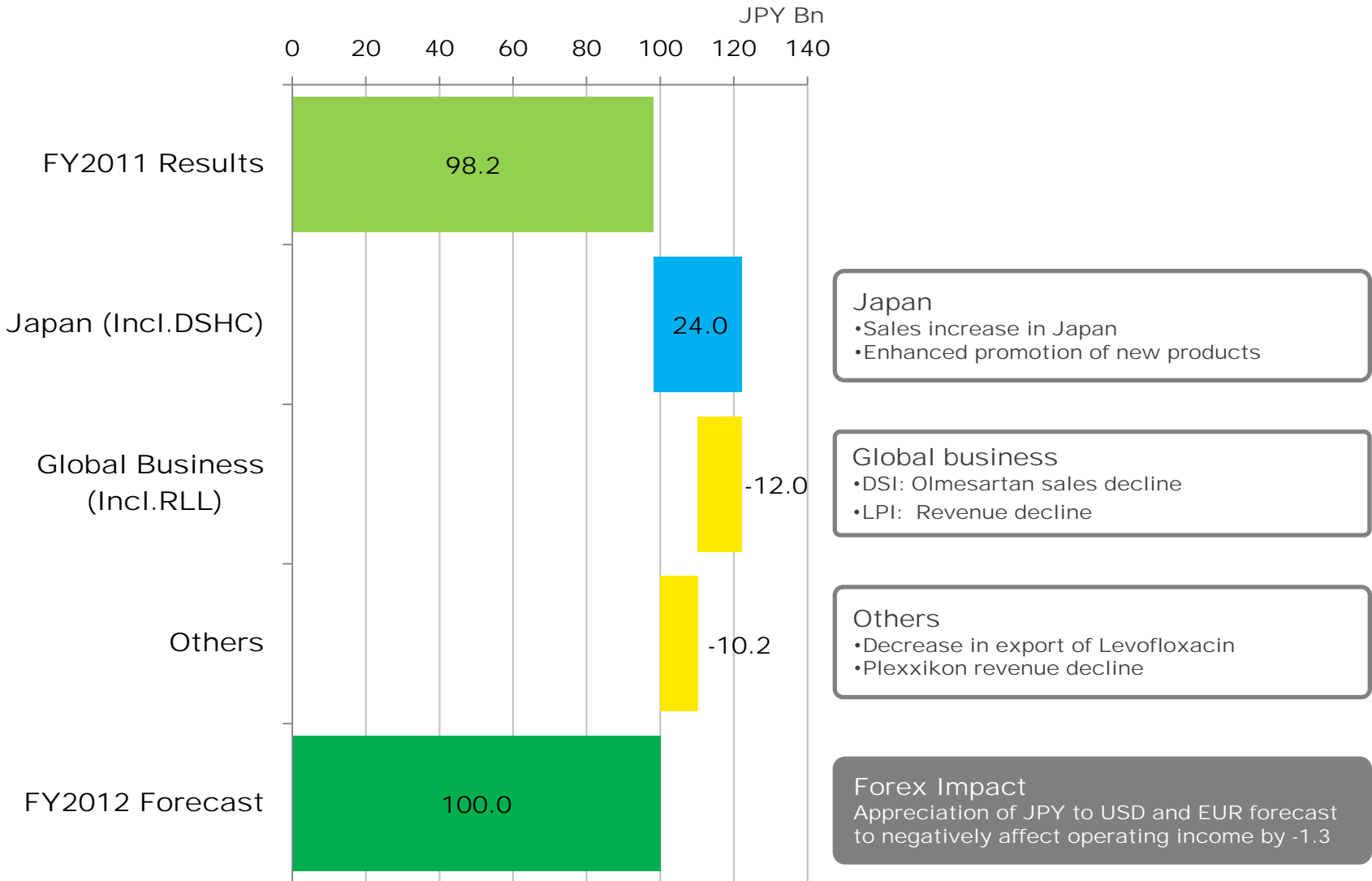
- Contribution of Atorvastatin

**Others**

- Decrease in export of Levofloxacin
- Sales increase from launch of Japan Vaccine

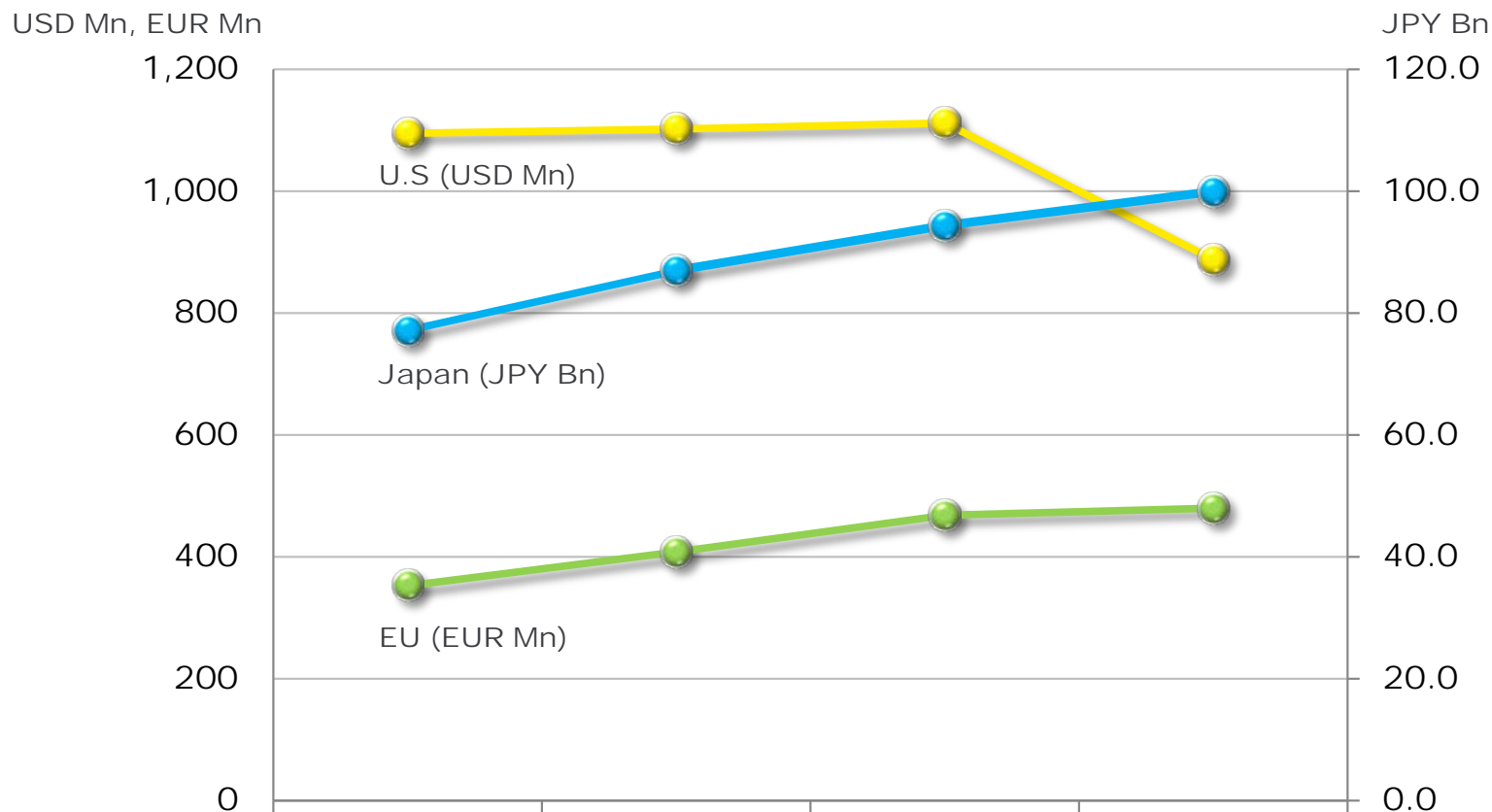
# Overview of FY2012 Forecast - compared with FY2011 results -

Operating Income factors





# Sales of Olmesartan (Local Currency Basis)



Japan (JPY Bn)	77.2	87.0	94.4	100.0
U.S. (USD Mn)	1,095	1,102	1,112	888
EU (EUR Mn)	353	408	468	480

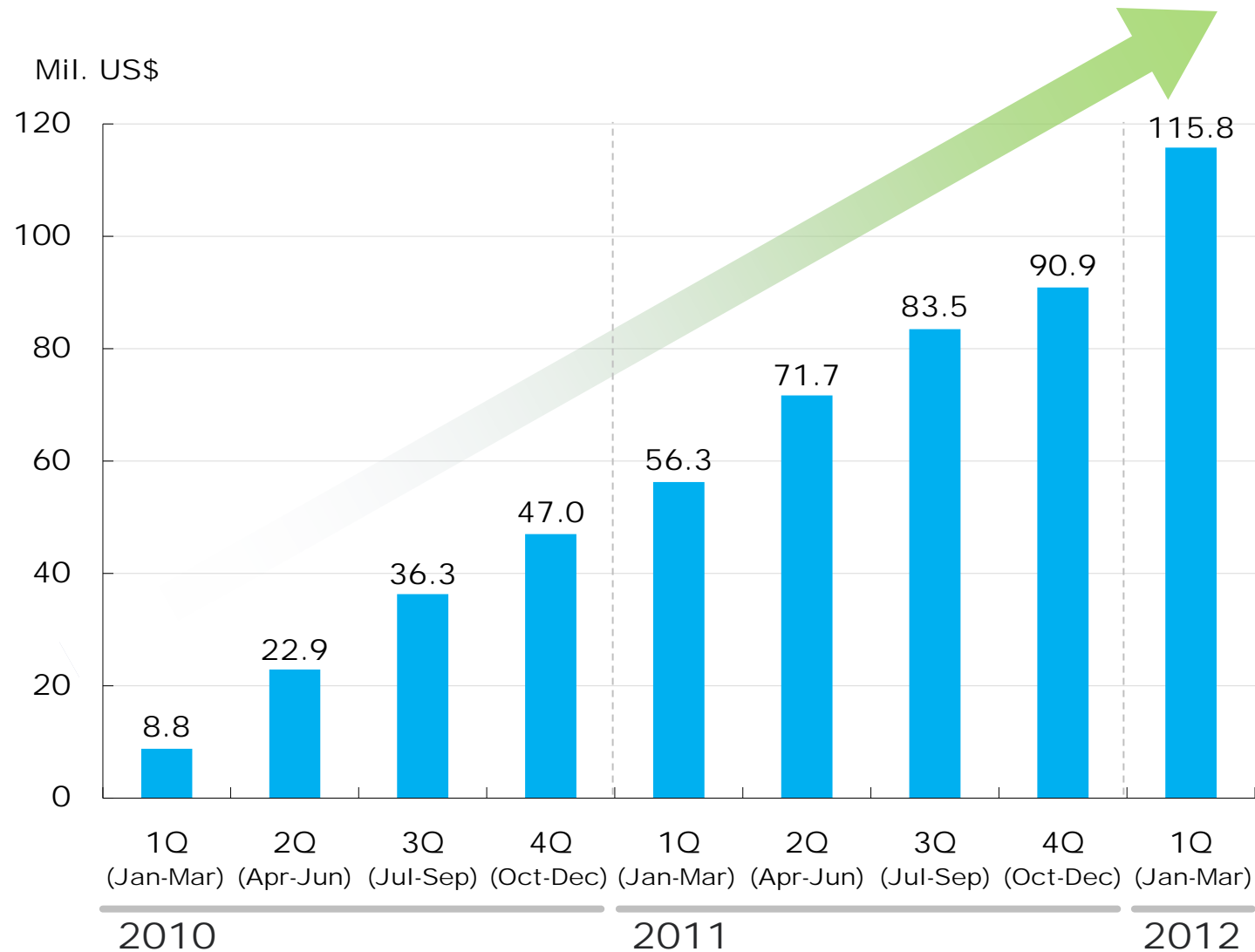
Breakdown for Olmesartan

Japan: Olmetec, Rezaltas

U.S.: Benicar, Benicar HCT, Azor, Tribenzor

Europe: Olmetec, Olmetec Plus, Sevikar, Sevikar HCT

# Effient/Efient Global Sales



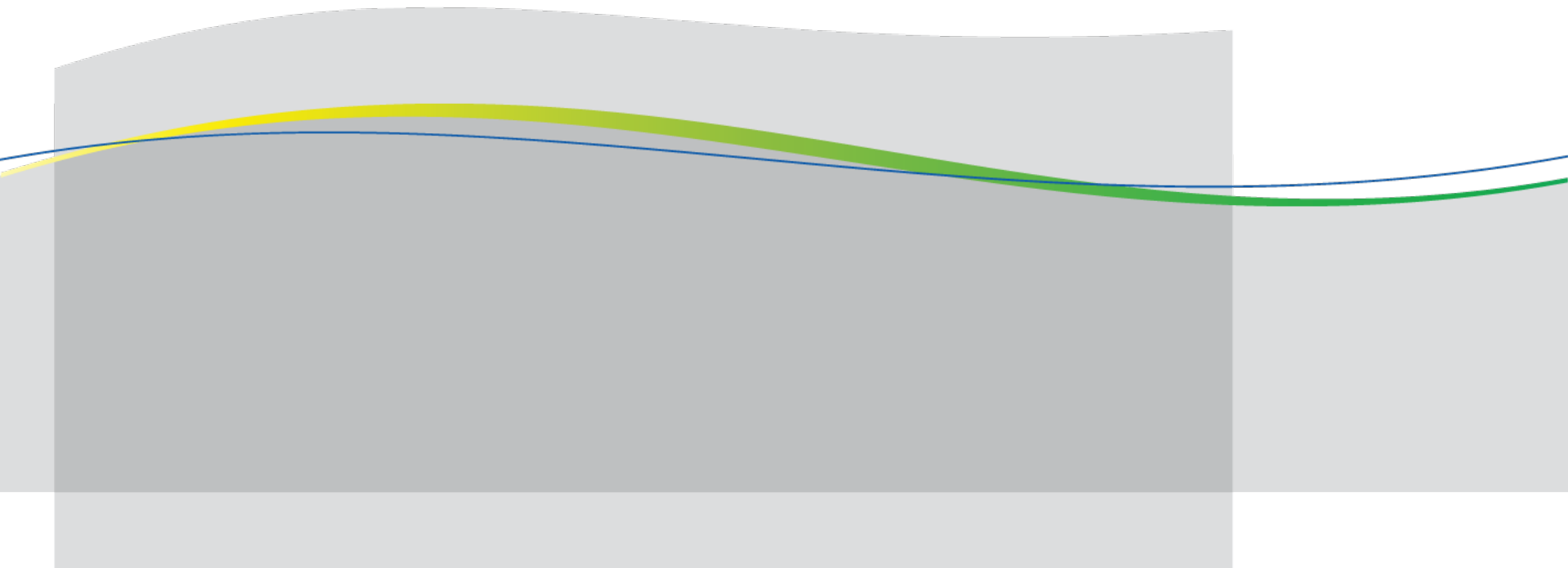
\*Source: financial announcements of Lilly

# Sales of Major Products

JPY Bn

		FY2010 Results	FY2011 Results	FY2012 Forecast	
Global	Olmesartan	241.5	249.7	237.0	-5.1%
	Levofloxacin	69.1	52.4	49.0	-6.5%
	Pravastatin	44.9	39.2	32.0	-18.3%
	Prasugrel (alliance revenue)	5.2	10.9	-	-
Japan	Loxonin	54.2	61.0	62.0	1.6%
	Nexium	-	3.9	29.0	642.5%
	Memary	-	9.8	26.0	164.3%
	Artist	23.7	24.5	21.0	-14.4%
	Omnipaque	25.0	23.5	18.0	-23.5%
	Calblock	14.0	12.4	13.0	5.0%
	Urief	10.1	11.0	11.0	0.1%
U.S.	Welchol	28.5	26.9	31.0	15.4%
	Venofer	30.7	24.8	23.0	-7.4%
Currency Rate	USD/JPY (average)	85.72	79.07	80.00	
	EUR/JPY (average)	113.13	108.96	100.00	

# Forecast for Second Mid-Term Business Management Plan and Future Management Issues



# Forecast for Second Mid-Term Business Management Plan

JPY Bn

	Second Mid-Term Business Management Plan (FY2012 Plan)	FY2012 Forecast	Difference
Net Sales	1150.0	980.0	-170.0
Contribution from Ranbaxy	270.0	179.0	
COG+SG&A	970.0	880.0	-90.0
R&D expenses	200.0	193.0	
Operating Income	180.0	100.0	-80.0

- Forex -85.0 (DS -55.0, RLL -30.0)
- Japan: New products +23.0
- Europe and U.S.:  
    Olmesartan, Effient/Efient -47.0
- RLL: -61.0

- Forex: -16.0
- Gross profit decrease from sales decline -57.0
- Promotion expenses from new product launches -5.0,  
    Extension of large-scale clinical trials -20.0
- Cost reduction +18.0

## Results

### 1. Strengthened Product Portfolio

- Global: Growth of Effient/Efient
- In Japan: New product launches of Rezaltas, Lixiana, Memary, Nexium and Ranmark

### 2. Strengthened R&D Pipeline

- Steady progress in development projects (additional indication for Effient/ Efient, Edoxaban AF, VTE)
- Strengthened oncology, acquired Plexxikon

### 3. Expanded Business Areas

- Developed “Established Businesses” in Japan (establishment of Daiichi Sankyo Espha)
- Developed “Vaccine Business” in Japan (establishment of Kitasato Daiichi Sankyo Vaccine and Japan Vaccine)

## Changes

### 1. Global Economic Stagnation

- Forex fluctuations (negative impact of yen appreciation)
- Weak market growth due to healthcare cost restraining in developed countries

### 2. Weak Growth of Olmesartan

- Negative impacts of price reductions in various countries and ARB generics in U.S.

### 3. Change in Scenario for Growth of Next-Generation Key Products

- Delay in growth of Effient/ Efient
- Extension of large-scale clinical trials for Edoxaban

### 4. Prolonged Negotiations Between Ranbaxy and FDA/DOJ

- Reduction in sales and income
- Delay in creation of synergy as Daiichi Sankyo Group

## Evolution of Innovative Business

- Improve profitability
- Maintain and promote key products growth
- Cultivate next-generation key products
- Stimulate R&D activities

## Evolution of Established Business

- Ensure implementation of Consent Decree and its swift resolution
- Promote steady growth in India and other developing countries
- Create new added value business
- Improve sales and profitability

## Evolution of Hybrid Business

- Optimize functions, roles and geographical strategy
- Create new added value
- Create cost synergy effects

Passion for Innovation.  
Compassion for Patients.™



# Global Research & Development

Monday, May 14, 2012

Glenn Gormley MD PhD

Global Head of R&D  
Senior Executive Officer



- ◆ Continue to develop and maintain world class Research and Development skills
- ◆ All members of R&D work together without boundaries or silos between Functions and Regions
- ◆ Every member of R&D feels comfortable respectfully challenging each other and Senior Management
- ◆ All R&D members understand our strategy and priorities

- ◆ Focus on developing strong leadership skills at all levels within R&D
- ◆ Speed up decision making by creating an Empowered Organization willing to take smart risks
- ◆ Continue the evolution of Daiichi Sankyo into a true Global Pharma Innovator
  - Establish a portfolio of first in class drugs that deliver value to patients, providers of health care and our shareholders
  - Become a leader in Personalized Medicine
  - Enhance Communication within and between Discovery and Development around the world

- ◆ Expand Japan's contribution to global drug development
  - Conduct Phase I clinical trials in Japan early to avoid delays
  - Enhanced participation in global Phase III trials (EU/US/Japan)
  
- ◆ Preserve Japan's strength in drug development
  - High quality standards
  - Focus on patient safety
  - Rapid recruitment of patients
  
- ◆ Participation in Japan-industry leading activities like JPMA, DIA, ICH
  
- ◆ Respect cultural differences between East and West Leaders

## Obtain regulatory approvals

4 NME\* / 3years  
FY 2010-2012



1 NME / year  
FY 2015

\*NME: New Molecular Entity

## Enrich portfolio in the areas of Oncology, CV-M and F/O\*\*

● 18 Clinical Projects  
by FY 2012



● 21 Clinical Projects  
by FY2015

● 4 New Clinical Projects per yr  
FY 2010-2012



● >6 New clinical Projects per yr  
FY2013 to 2015

\*\*F/O: Frontier Opportunity

Late Phase  
Portfolio

Early Phase  
Portfolio

- ◆ Deliver late-phase clinical project milestones on time
- ◆ Define potential of early clinical projects by obtaining proof-of-concept
- ◆ Initiate clinical trials of at least 4 new project
- ◆ Deliver Critical Non Project Objectives
  - Global integration of R&D
  - Enhanced efficiency (higher quality at lower cost)

# Major R&D Pipeline

Therapeutic area	Phase 1	Phase 2	Phase 3	Application
Cardiovascular-Metabolics	<ul style="list-style-type: none"> <li>■ CS-3150 (Anti-hypertensive)</li> <li>■ DS-7309 (Anti-diabetes)</li> <li>■ DS-7250 (Anti-diabetes)</li> </ul>	<ul style="list-style-type: none"> <li>■ CS-747 (US) (Prasugrel / Sickle cell disease / anti-platelet agent)</li> </ul>	<ul style="list-style-type: none"> <li>■ DU-176b (Global) (Edoxaban / AF / oral factor Xa inhibitor)</li> <li>■ DU-176b (Global) (Edoxaban / VTE / oral factor Xa inhibitor)</li> <li>■ CS-747 (Global*) (Prasugrel / ACS-MM / anti-platelet agent)</li> <li>■ CS-747 (JP) (Prasugrel / PCI / anti-platelet agent)</li> <li>■ CS-747 (JP) (Prasugrel / ischemic stroke / anti-platelet agent)</li> </ul>	
Oncology	<ul style="list-style-type: none"> <li>■ U3-1565 (Anti-HB-EGF antibody)</li> <li>■ DS-2248 (Hsp90 inhibitor)</li> <li>■ DS-7423 (PI3K/mTOR inhibitor)</li> <li>■ ARQ 092 (AKT inhibitor)</li> <li>■ DS-3078 (mTOR inhibitor)</li> </ul>	<ul style="list-style-type: none"> <li>■ U3-1287 (Anti-HER3 antibody)</li> <li>■ CS-1008 (Tigatuzumab / anti-DR5 antibody)</li> <li>■ CS-7017 (Efatutazone / PPAR<math>\gamma</math> agonist)</li> <li>■ DE-766 (Nimotuzumab / anti-EGFR antibody)</li> <li>■ PLX3397 (Fms/Kit/Flt3-ITD inhibitor)</li> <li>■ PLX4032 (Vemurafenib / BRAF inhibitor)</li> </ul>	<ul style="list-style-type: none"> <li>■ ARQ 197 (Global*) (Tivantinib / NSCLC / c-Met inhibitor)</li> <li>■ AMG 162 (JP) (Denosumab / breast cancer adjuvant / Anti-RANKL antibody)</li> </ul>	
Others	<ul style="list-style-type: none"> <li>■ CS-8958 (Laninamivir / anti-influenza / Outlicensing with Biota)</li> <li>■ CS-4771 (Anti-sepsis)</li> <li>■ DS-8587 (Broad spectrum antibacterial agent)</li> <li>■ PLX5622 (Rheumatoid arthritis)</li> <li>■ CS-0777 (Immuno-modulator)</li> <li>■ SUN13837 (Spinal cord injury)</li> </ul>	<ul style="list-style-type: none"> <li>■ AMG 162 (JP) (Denosumab / rheumatoid arthritis / anti-RANKL anti-body)</li> <li>■ SUN13834 (US) (Atopic Dermatitis / Chymase inhibitor)</li> <li>■ DS-5565 (Global) (Chronic pain / <math>\alpha 2\delta</math> ligand)</li> </ul>	<ul style="list-style-type: none"> <li>■ CS-8958 (JP) (Laninamivir / anti-influenza, prophylactic / Neuraminidase inhibitor)</li> <li>■ DD-723-B (JP) (Perflubutane / Contrast enhanced ultrasonography for prostate tumor / ultrasound contrast agent)</li> </ul>	<ul style="list-style-type: none"> <li>■ DD-723-B (JP) (Perflubutane / Contrast enhanced ultrasonography for breast tumor / ultrasound contrast agent)</li> <li>■ AMG 162 (JP) (Denosumab / osteoporosis / Anti-RANKL antibody)</li> </ul>

The most advanced stages are described here in oncology area  
 \* Study on-going outside Japan

- ◆ Denosumab (AMG 162)
  - SRE\* indication approved, and launched in April as RANMARK<sup>®</sup>  
\*Skeletal-Related Event from bone metastases
  - Osteoporosis indication, NDA filed in March 2012
  
- ◆ Prasugrel (CS-747)
  - Japan ACS-PCI Ph3: Top-Line-Results 2H FY2012
  - TRILOGY ACS, Phase 3 study for ACS-MM\*: Data to be presented in 2H 2012  
\*Acute Coronary Syndrome, medical management
  
- ◆ Edoxaban (DU-176b)
  - HOKUSAI VTE, Phase 3 study for VTE, last patient-last visit 2H FY2012
  
- ◆ Tivantinib (ARQ 197)
  - Phase 2 results for 2<sup>nd</sup> line Hepatic Carcinoma presented at ASCO June 2012
  - MARQUEE, Phase 3 study for 2<sup>nd</sup>/3<sup>rd</sup> line Non Small Cell Lung Cancer, enrollment to be completed in 1H FY2012

# RANBAXY

Trusted medicines. Healthier lives

## DAIICHI SANKYO DAY



Daiichi-Sankyo



### Mission

Enriching lives globally, with quality and affordable pharmaceuticals

14 May 2012

Tokyo, Japan

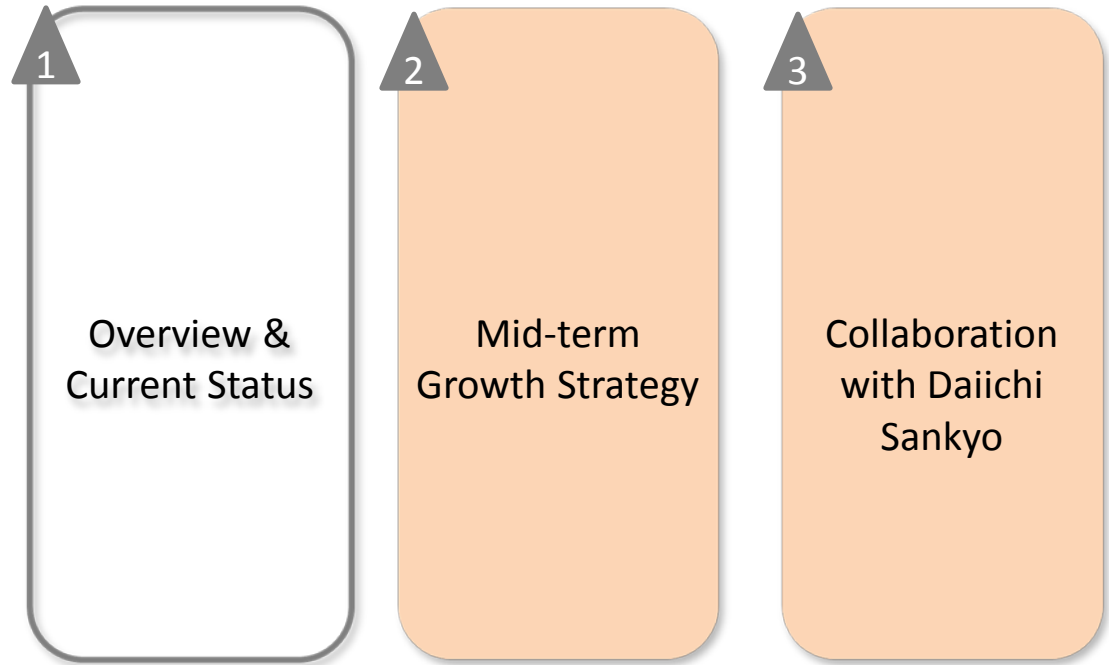
**Arun Sawhney: CEO & MD, Ranbaxy**



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

## Agenda



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

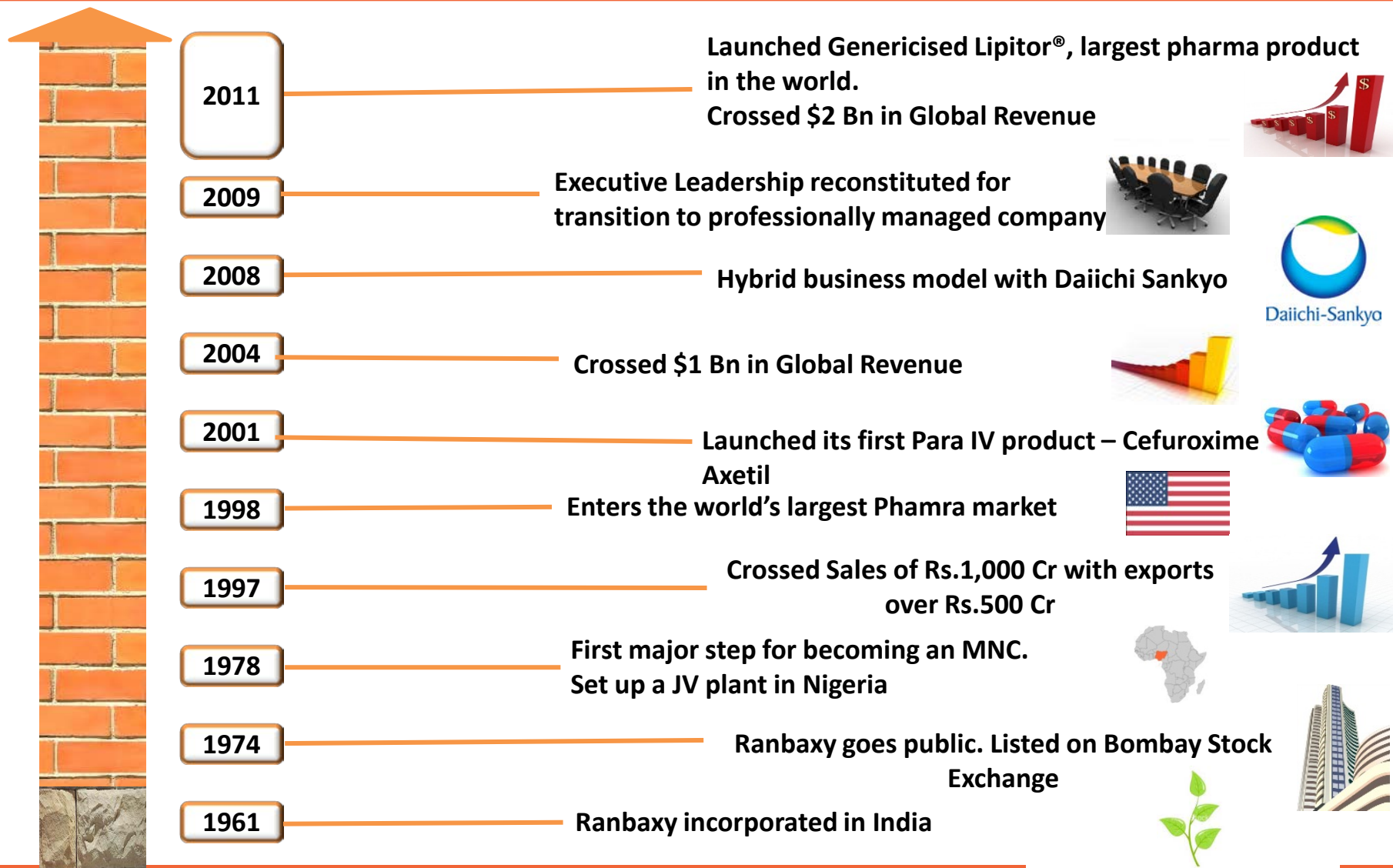
## Global Presence



- Amongst the top global Gx companies
- Sales in over 150 countries
  - 2011 Sales: over \$2.1 Bn
  - ~80% International
- Ground presence in 43 countries
- Global team with expertise in multiple markets
- 14,000 employees; over 50 nationalities

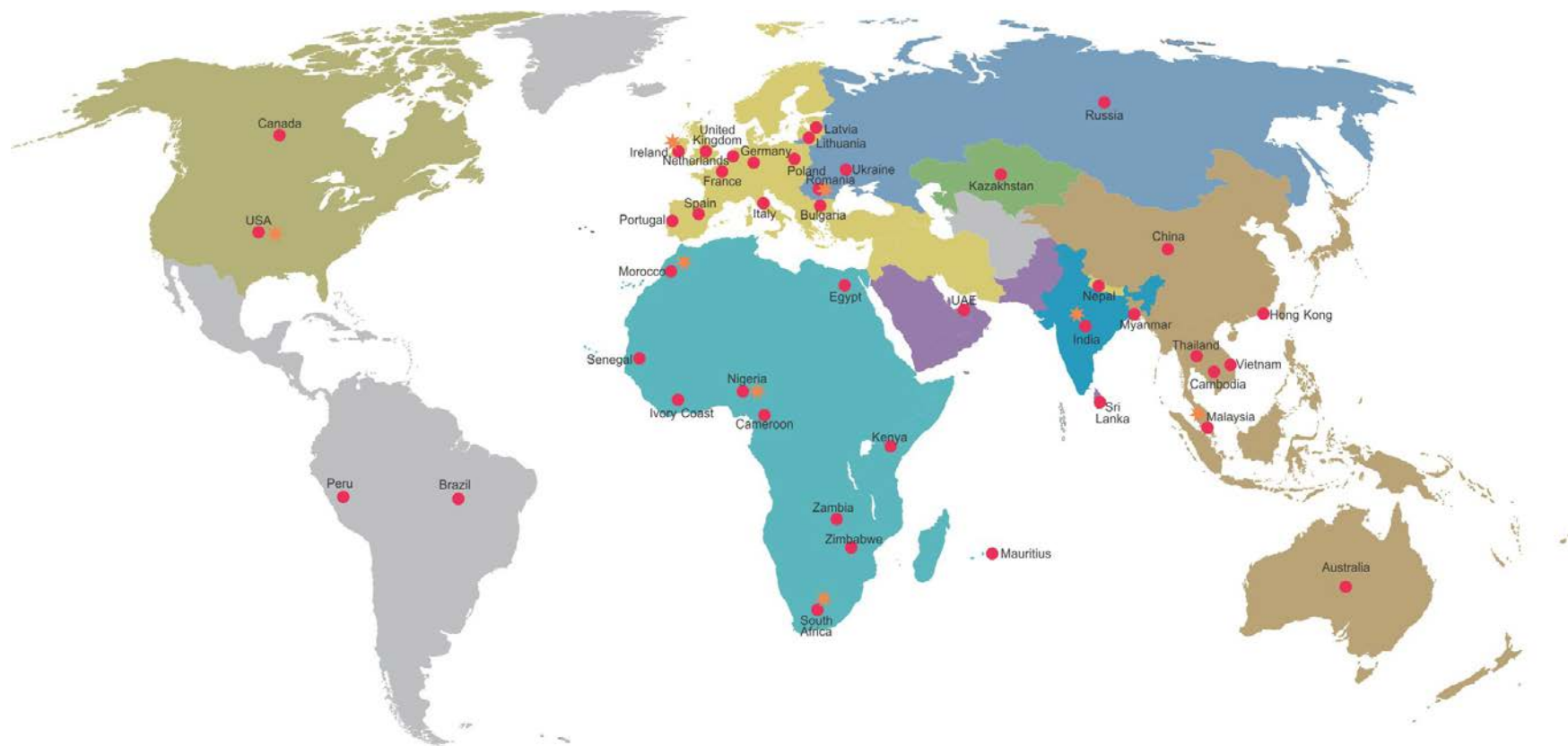
# Timelines

Ranbaxy has been a trendsetter for the Indian Pharma Industry



# Global Presence

Ground presence in 43 countries and products sold in over 150 countries

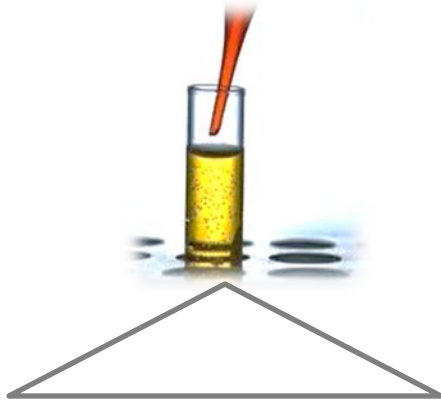


Mohali SEZ, India is the latest manufacturing facility to receive USFDA approval

- Ground Presence in 43 countries
- ★ Manufacturing Facilities in 8 countries

# Research & Development - Overview

Ranbaxy has an attractive portfolio of ANDAs and FTF pipeline



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

Amongst the highest R&D spend in Indian Cos.

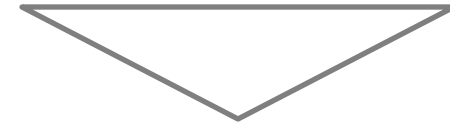
Investment

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

People

Dedicated facility for Gx Research

Infrastructure



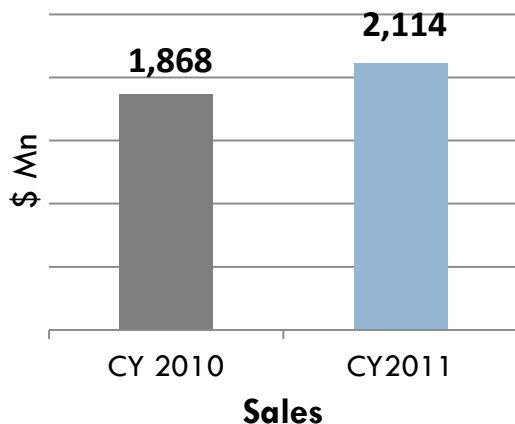
Amongst the most attractive FTF pipeline in the industry → Ability to monetize FTF opportunities in the past

# Key Achievements/ Financial Position for 2011

Robust overall business performance; Launched Atorvastatin; Healthy profit margins on base business

## Financial

- Strong business performance
- Monetized exclusivity opportunities in the year



Base business sales and profitability grew year-on-year

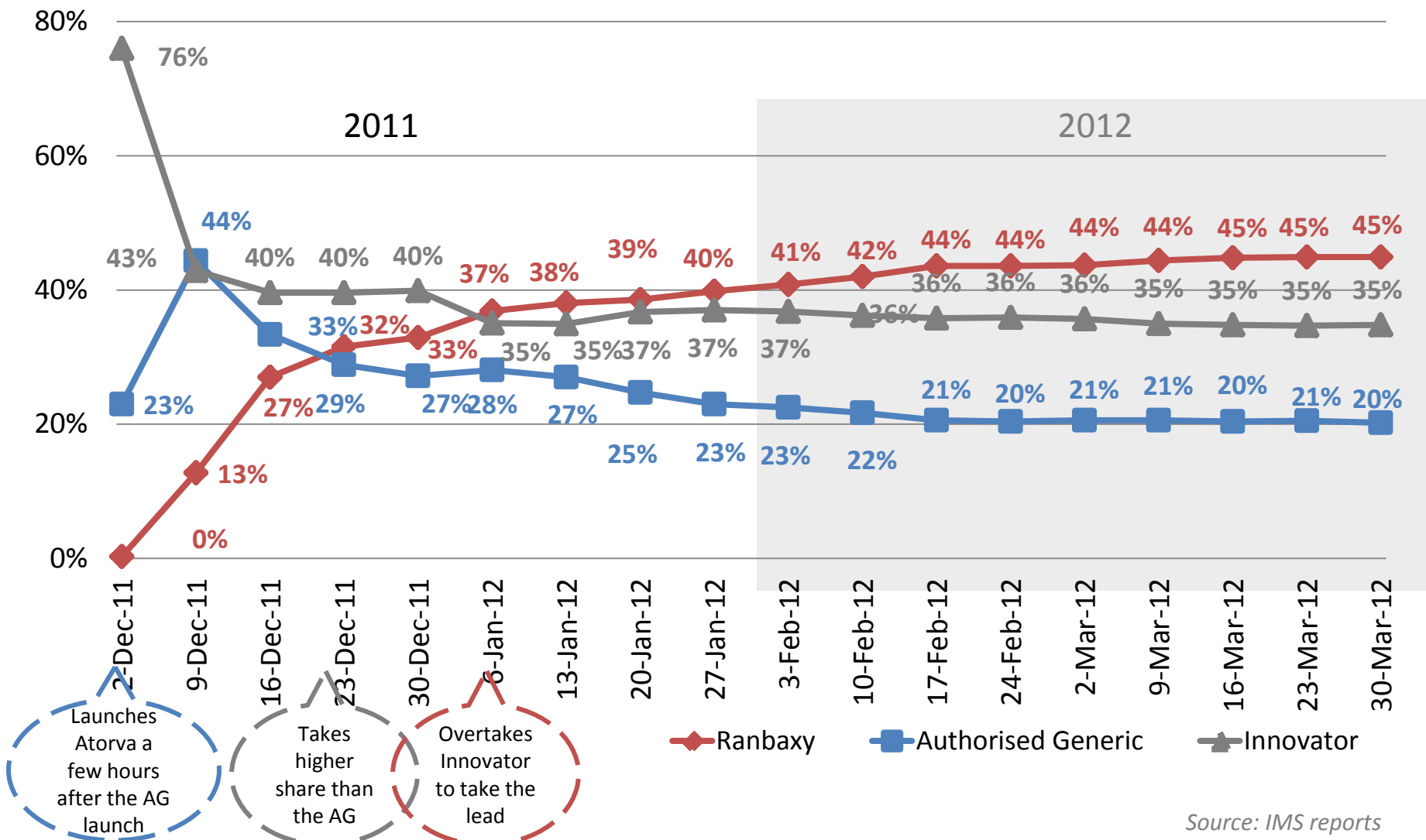
- Emerging market sales \$1,003 Mn for CY 11
- Developed market sales \$966 Mn for CY 11

Strong Emerging markets sales, Developed markets supported by FTFs in the year



# Atorvastatin (Lipitor®) Market Share

Robust marketing capability; demonstrated through successful launch of FTFs & strong OTC and Rx brands in key markets



Source: IMS reports

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Trusted medicines. Healthier lives

# Forex

Ranbaxy has forex exposure on (1) Net Exports and (2) Foreign currency denominated loans

## Trade

- Exports (non-India) sales: 75%-80%
- Imports: 20%-25%

Net export earner  
Majority of the exposure  
in US\$/Rs.

## Derivatives Position

Current Position

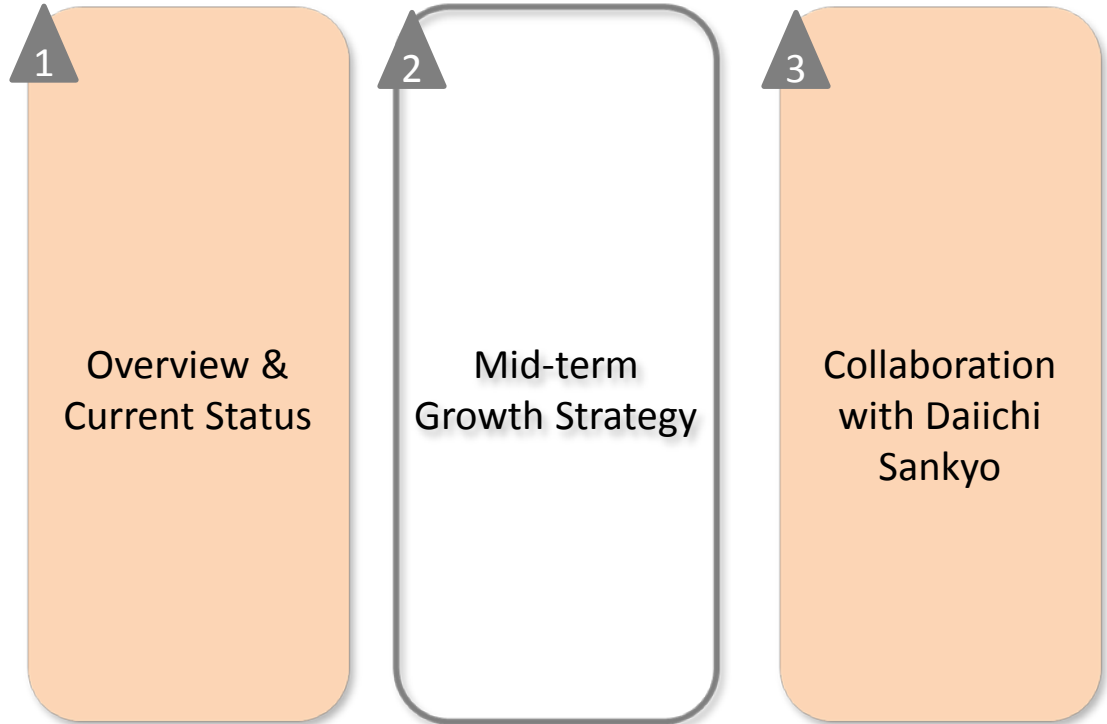
- ~\$1.5Bn “Calls” sold @ Rs.44/\$1
  - Maturity by 2016
- Marked-to-Market @ Rs. 51/\$1 as at 31 Mar 2012

Future  
Impact

- Marked-to-Market change on INR depreciation > Rs. 51
- Actual Loss on maturities (2012 maturity \$350 Mn)

# RANBAXY

## Agenda



# 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**

- Atorvastatin post exclusivity
- FTFs
- Products with High value exclusivity

Focused approach on high Emerging and value added markets.

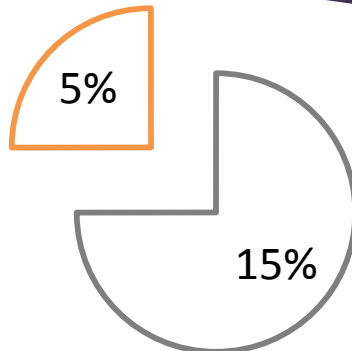
## Emerging Market/ Brand Focus

- 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

# R&D and Manufacturing

Innovative, competitive and commercially viable; Deliver service excellence and enhance productivity/ capability



## R&D and Manufacturing

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

### **R&D: Harmonize product development and work to effectively utilize technology platforms**

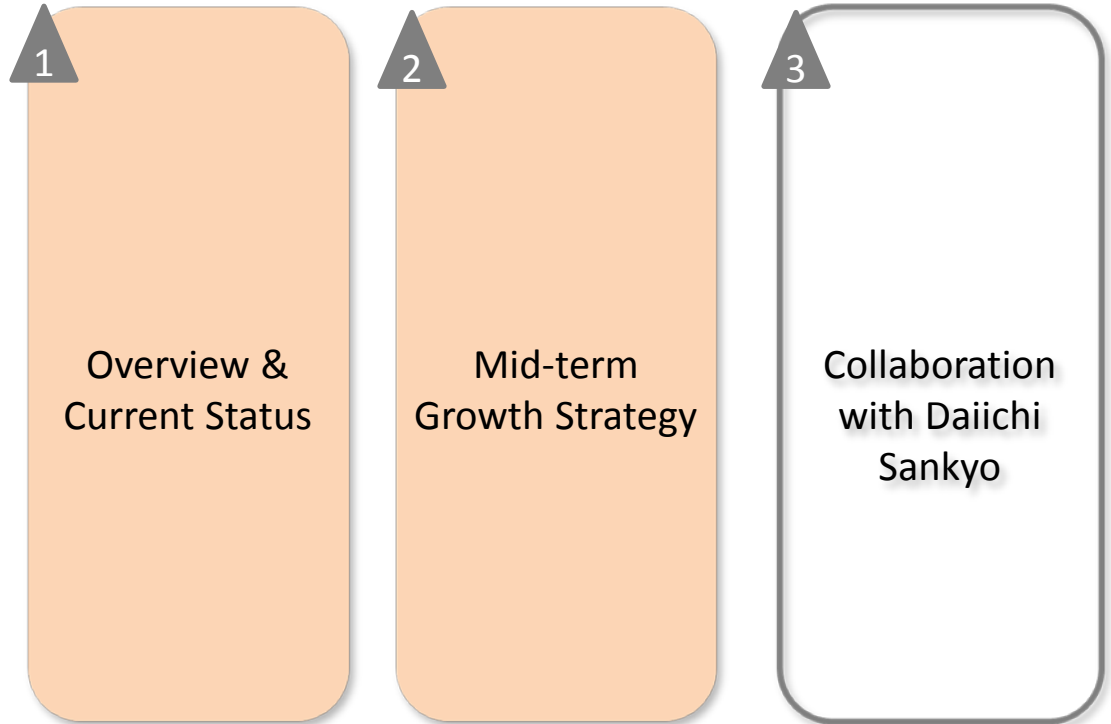
- Differentiated product development
- Work towards global leadership on key products globally
- Strengthen processes, improve productivity
- Continue to work on better technologies & capabilities
- Quality by Design

### **Manufacturing: Optimum capacity utilization and productivity improvement**

- Plan for manufacturing in strategic locations and based on local strategies and compulsions
- Create flexibility in manufacturing
- Highest standards of compliance
- Quality by Design

**RANBAXY**

## Agenda





# 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

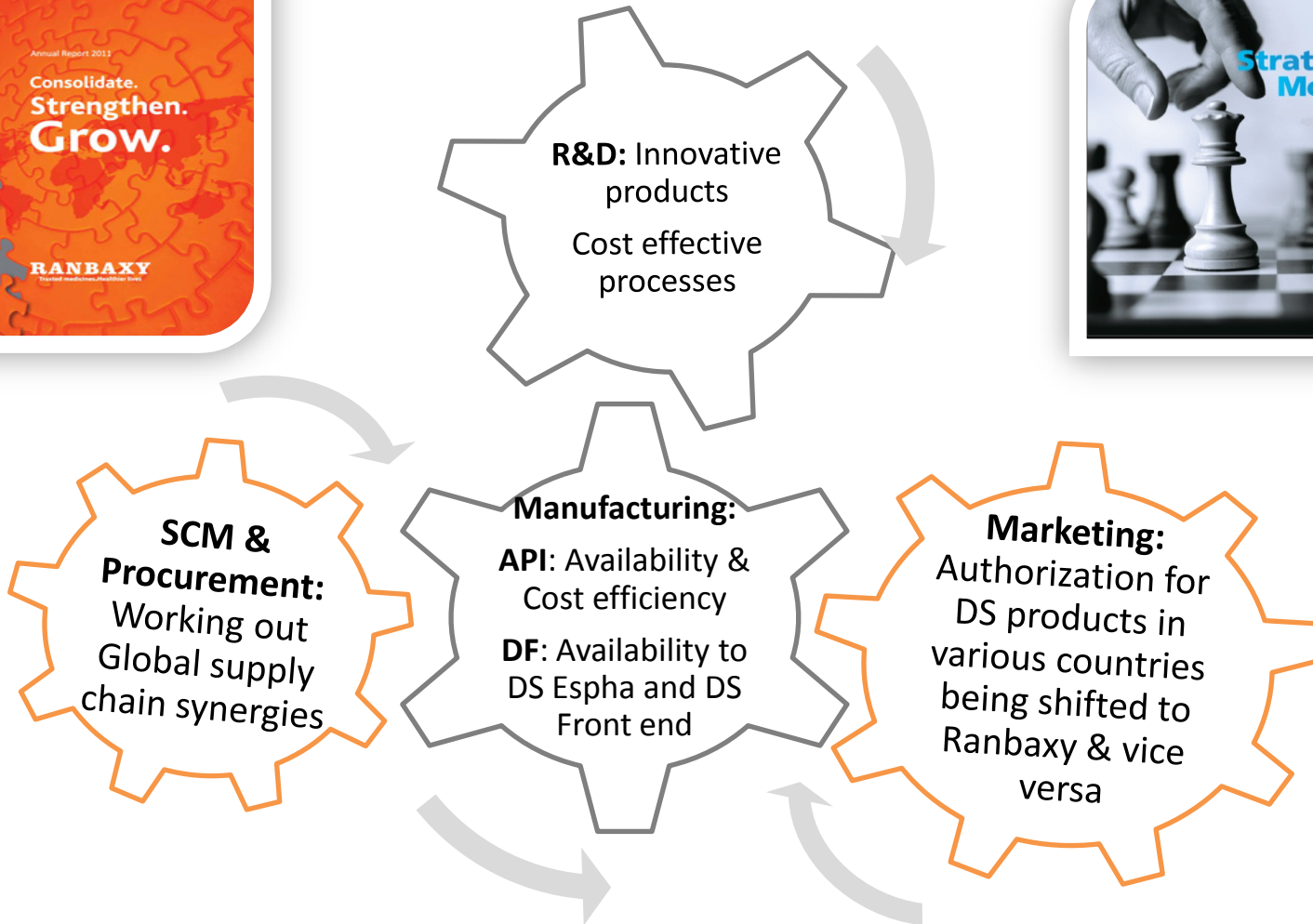
**Hybrid Business**

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

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

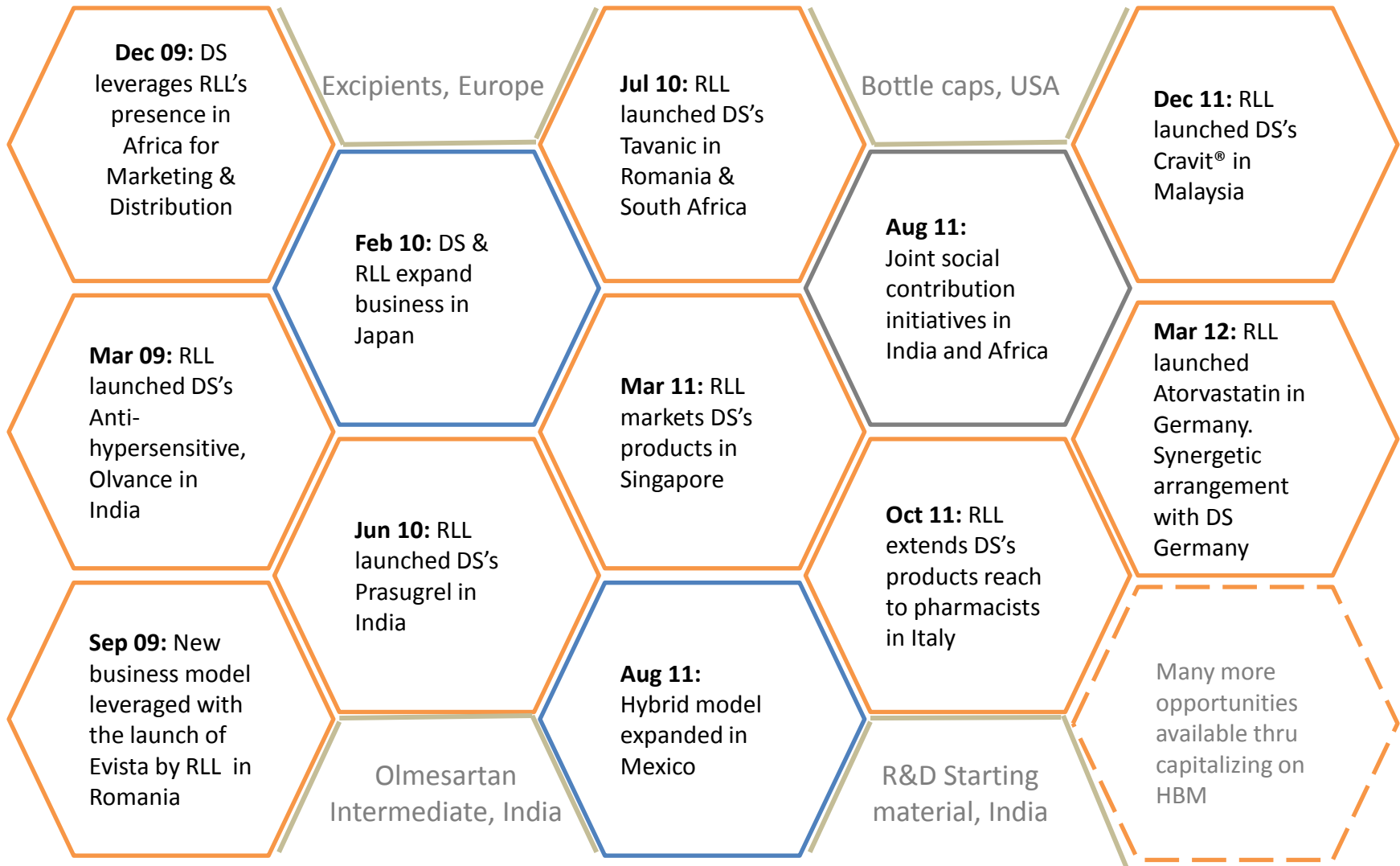
# Daiichi Sankyo Partnership – Functional Synergies

Hybrid Business Model: Some examples of synergies delivered thus far



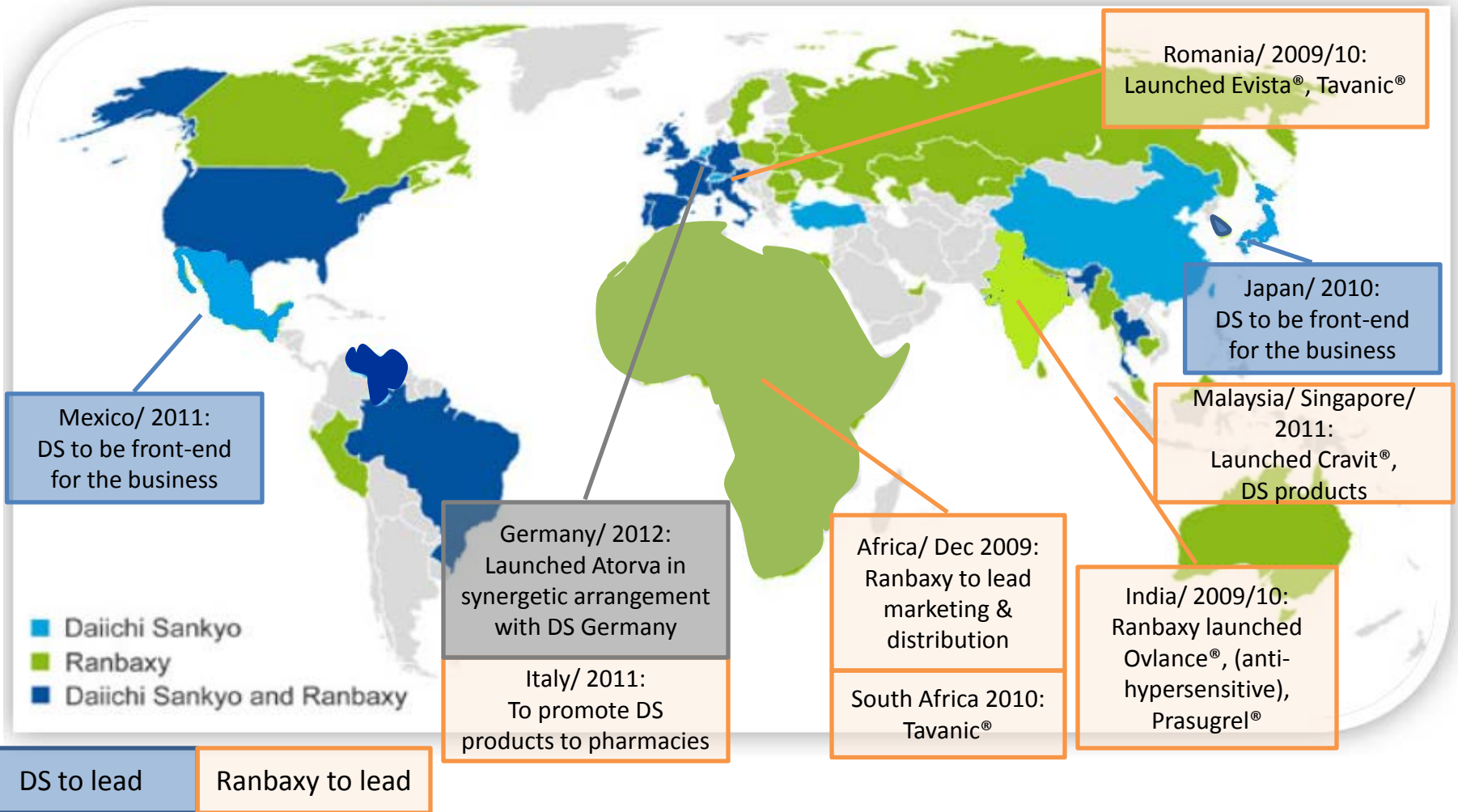
# Daiichi Sankyo Partnership

## Hybrid Business Model: Examples of synergies



# Daiichi Sankyo Partnership

## Hybrid Business Model: Examples of synergies



# RANBAXY

Thank You

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NSE: RANBAXY

BOM: 500359

Reuters: RANB.NS / RANB.BO

Bloomberg: RBXY:IN

Website: <http://www.ranbaxy.com>

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**Some of the major Analysts that track Ranbaxy**

Barclays

Citigroup

Daiwa

ICICI Securities

Morgan Stanley

Nomura

SBI Capital Markets

Standard Chartered

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