



Investor Presentation

Q1 FY 15 Earnings Release

14 Aug 2014

Except for the historical information contained herein, statements in this presentation and the subsequent discussions 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, our ability to obtain regulatory approvals, technological changes, cash flow projections, our exposure to market risks as well as other risks. Cipla Limited does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof."

Topline growth of 7.3% QoQ

- Strong India business performance - 17% vs. ~10% for the industry
- Tender wins in South Africa
- North America and Europe plans on track

Increased EBITDA margins QoQ – 20% as compared to 16% in Q4 FY 14

- Positive product mix impact
- Focused cost management in manufacturing and procurement expenses

Strong Balance Sheet

- Effective Capex management
- Reduction in cash conversion cycle
- Strong operating cash flow

Financial Performance Summary – Q1 FY 15

| | Quarterly Numbers | | | | | |
|----------------|---------------------|-------------|-------------|---------------------|-------------|-------------|
| | Standalone | | | Consolidated | | |
| | Actuals (Rs Cr.) | vs Q1 FY 14 | vs Q4 FY 14 | Actuals (Rs Cr.) | vs Q1 FY 14 | vs Q4 FY 14 |
| Revenue | 2,474 | -0.5% | 7.4% | 2,720 | 8.3% | 7.3% |
| Domestic sales | 1,291 | 16.9% | 45.6% | 1,289 | 17.0% | 41.9% |
| Exports sales | 1,111 | -16.2% | -7.7% | 1,358 | 10.5% | -11.6% |
| EBITDA | 533 | -20.9% | 48.6% | 542 | -21.4% | 32.4% |
| EBITDA % | 21.5% | -5.6% | 6.0% | 19.9% | -7.5% | 3.8% |
| PAT | 332 | -30.1% | 20.1% | 295 | -39.3% | 13.0% |
| PAT % | 13.4% | -5.7% | 1.4% | 10.8% | -8.5% | 0.5% |

Performance Summary (1/2)

| Area | Highlights |
|--------------------------------|--|
| Financial Performance | <ul style="list-style-type: none">• Consolidated Sales: Rs 2,720 cr, 8.3% above Q1 FY 14 and 7.3% above Q4 FY 14.• EBITDA : Rs 542 cr, 21% below Q1 FY 14 (when there was a one off impact of Dymista) and 32% above Q4 FY 14.• EBITDA margin: 20% as compared to 16% in Q4 FY 14• PAT: Rs 295 cr, 39% below Q1 FY 14 and 13% above Q4 FY 14• Reduction in cash conversion cycle by 20 days• Strong cost management: Manufacturing and procurement cost savings |
| R&D Pipeline | <ul style="list-style-type: none">• >80% of critical launches on track• >220 formulation development projects underway• Formulations filings on track: >300 International filings; 5 Europe and 7 North America filings |
| Operational Performance | <ul style="list-style-type: none">• Strong India business performance<ul style="list-style-type: none">• Market share of 5.2%• Continue to outpace market growth: 17% vs ~10% for the industry• Global Fund Artemisinin-Combination Therapies (ACT) tender: Cipla wins 30% share• South Africa tender wins: Respiratory, Mental Health, Cardiovascular and Women's Health categories• Europe Respiratory launch plans on track: Ipratropium MDI (UK), Mometasone nasal (Netherlands) launches• Long term network optimization effort underway |

Performance Summary (2/2)

| Area | Highlights |
|-------------------------------------|---|
| Strategy | <ul style="list-style-type: none">• Front end presence in Yemen and Sri Lanka, integration underway• Continue to assess opportunities to build front ends in select international markets• BioQuiddity partnership in Europe for selling post-surgical pain management products• Darbopoetin and Raltegravir licensing deals completed for India domestic market; sub-licensing agreements from Medicine Patent Pool (MPP) to make generic versions of the HIV medicine Dolutegravir.• Completed acquisition of biotech firm Mabpharm |
| Organisation | <ul style="list-style-type: none">• Performance management system rolled out throughout organisation |
| Quality, Risk and Compliance | <ul style="list-style-type: none">• Several external regulatory audits successfully completed• Continue to maintain Cipla's high standards of quality and safety |