NEWS RELEASE

3rd November 2010, Hyderabad, India

Aurobindo Pharma Q2 2010-11 Unaudited Results

Strong Performance; ₹5/- per share Interim dividend and 1:5 Share split announced

- **Q2 FY11 Consolidated Operating Income up 26.1% to ₹1112.6 Crores**
- **Operating Profit (EBIDTA) before Fx up 22.8% to ₹ 254.2 Crores**
- **PBT before Fx higher by 24.4% to ₹ 204.8 Crores**
- **PAT before Fx higher by 14.3% to ₹122.1 Crores**
- **5 ANDAs filed in USA in Q2 FY11, cumulative filings 185**
- **Interim dividend of ₹ 5/- per share (100%) declared**
- **Sub-division of equity shares of the face value of ₹ 5/- each into equity shares of the face value of ₹1/- each**

Aurobindo Pharma Limited is pleased to announce the unaudited financial results for the second quarter (Q2) FY 2010-11.

- Financials Consolidated:
  - Total Operating Income up by 26.1% to ₹1112.6 Crores (₹882.6 Crores)
  - Operating Profit before Fx up 22.8% to ₹254.2Crores (₹207.0 Crores)
  - Operating Margin before Fx is 22.9% (23.5%).
  - PBT before Fx up 24.4% to ₹204.8 Crores (₹164.6 Crores)
  - PAT before Fx up 14.3% to ₹122.1 Crores (₹106.8 Crores)
  - Basic & diluted EPS (not annualized) ₹34.37 (₹19.19) & ₹30.92 (₹15.96)
- Formulation Sales up by 38.3% to ₹615.7 Crores (₹445.2 Crores)
- Formulations Sales constitute 57.7% (51.3%) of gross sales
- 5 ANDA filings in USA in Q2FY 2010-11, cumulative filings 185.
- 33 Dossier filings in Europe in Q2 FY 2010-11, cumulative filings 852
- Interim dividend of ₹5/- per share (100%) declared.
- Board has approved sub-division of equity shares of the face value of ₹5/- each in the Company into equity shares of the face value of ₹1/- each

Commenting on the Company's performance, Mr. Ramprasad Reddy, Chairman, Aurobindo Pharma said: "Our business have been progressing satisfactorily and resulted in improved performance during the quarter. The recent commercialization of the large formulations Units in Jedcherla SEZ near Hyderabad and New Jersey will further strengthen the operations of the company going forward."

Consolidated Q2 2010-11 :

The Company has registered a total Operating Income of ₹1112.6 Crores (₹882.6 Crores) up by 26.1%. The Operating Profit before Fx stands ₹254.2 Crores (₹207.0 Crores), up by 22.8%.

PBT before Fx has been at ₹204.8 Crores (₹164.6 Crores) thus growing by 24.4%. PBT stands at ₹281.0 Crores (₹161.0 Crores).

PAT before Fx has been at ₹122.1 Crores (₹106.8 Crores) thus growing by 14.3%. PAT stands at ₹ 198.3 Crores (₹ 103.2 Crores).

Stand Alone Q2 2010-11 :

The Company has registered a total Operating Income of ₹1050.4 Crores (₹826.3 Crores) up by 27.1%. The Operating Profit before Fx stands ₹267.3 Crores (₹206.7 Crores), up by 29.3%.

PBT before Fx has been at ₹222.8 Crores (₹180.2 Crores) thus growing by 23.6%. PBT stands at ₹286.3 Crores (₹185.7 Crores)

PAT before Fx has been at ₹150.5 Crores (₹122.8 Crores) thus growing by 22.6%. PAT stands at ₹214.0 Crores (₹128.3 Crores).

Foreign exchange items:

This includes gain of ₹21.0 Crores (Loss of ₹3.7 Crores) on account of the restatement of the Foreign Currency Convertible Bonds both in case of consolidated and stand alone financials.

Domestic and Export breakup of Gross Sales (Stand Alone) :

(₹ in Crores)

Particulars	Q2 FY 10-11	Q2 FY 09-10	Change	H1FY 10-11	H1 FY 09-10	Change
Domestic	284.4	245.9	15.7%	509.9	445.6	14.4%
Export	742.8	557.6	33.2%	1373.5	1124.6	22.1%
Total Sales	**1027.2**	**803.5**	**27.8%**	**1883.4**	**1570.2**	**19.9%**

Breakup of Gross Operating Income (Consolidated) :

The Total Operating Income consists of the company's businesses from formulations, active ingredients and dossier licensing & supply arrangement

(₹ in Crores)

Particulars	Q2 FY 10-11	Q2 FY 09-10	Change	H1FY 10-11	H1 FY 09-10	Change
USA	295.5	229.4	28.8%	511.6	460.5	11.1%
Europe	86.0	55.6	54.7%	160.5	102.0	57.4%
ARV	171.7	115.6	48.5%	318.2	253.1	25.7%
Rest of the World	62.5	44.6	40.1%	118.8	98.6	20.5%
Formulations	**615.7**	**445.2**	**38.3%**	**1109.1**	**914.2**	**21.3%**
Dossier Income	**69.9**	**40.2**	**73.9%**	**108.6**	**83.3**	**30.4%**
SSPs	160.2	170.7	(6.2%)	292.2	322.3	(9.3%)
Cephs	206.2	165.3	24.7%	391.4	304.3	28.6%
ARVs & Others	85.3	86.4	(1.3%)	179.8	153.5	17.1%
Active Ingredients	**451.7**	**422.4**	**6.9%**	**863.4**	**780.1**	**10.7%**

Global Regulatory filings :

Filings	Q2 FY 10-11	Cumulative Filings as on 30.09.2010
ANDAs (USA) (includes filings made from AuroLife Pharma LLC, USA)	5	185
DMFs (USA)	3	151
Formulations Dossiers in other key regulated markets (includes Multiple registration into EU)	48	1111
API DMF/COS filings in other key regulated markets	80	1599
Patents	13	442

As on 30.09.2010, 126 ANDAs have been approved in USA including 29 tentative approvals. The Company has commercialized 67 products in the USA market during the quarter.

During the quarter the company has received USFDA approvals for the following:

- Ranitidine Syrup (Ranitidine Oral Solution USP) 15 mg/mL (75 mg/5 mL) GI - Final
- Ampicillin for Injection USP 10 g Anti-Infective - Final
- Ampicillin for Injection USP 125 mg, 250 mg, 500 mg, 1 g and 2 g Anti-Infective - Final
- Atomoxetine Hydrochloride Capsules 10, 18, 25, 40, 60, 80 and 100 mg ADH – Final (earlier tentatively approved)
- Ampicillin & Sulbactam for Injection USP (Standard Vial) 1.5 and 3.0 g Anti-Infective - Final
- Ampicillin & Sulbactam for Injection USP (Infusion Vial) 1.5 and 3.0 g Anti-Infective - Final
- Ampicillin & Sulbactam for Injection USP (Pharmacy Bulk Package) 15 g Anti-Infective - Final

About Aurobindo Pharma Limited

Aurobindo Pharma Limited (www.aurobindo.com), headquartered at Hyderabad, India, manufactures generic pharmaceuticals and active pharmaceutical ingredients. The company's manufacturing facilities are approved by several leading regulatory agencies like US FDA, UK MHRA, WHO, Health Canada, MCC South Africa, ANVISA Brazil. The company's robust product portfolio is spread over 6 major therapeutic/product areas encompassing Antibiotics, Anti-Retrovirals, CVS, CNS, Gastroenterologicals, and Anti-Allergics. The Company is marketing these products globally, in over 100 countries.

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AUROBINDO PHARMA LIMITED

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Unaudited Financial Results for the Quarter & Half year ended 30th September, 2010

(Rs.in lakhs)

Particulars	Stand alone					Consolidated				
	Three months ended		Six months ended		Year Ended	Three months ended		Six months ended		Year Ended
	30.09.2010	30.09.2009	30.09.2010	30.09.2009	31.03.2010	30.09.2010	30.09.2009	30.09.2010	30.09.2009	31.03.2010
	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Sales(including excise duty) & operating income	**107,501**	84,261	**196,158**	162,005	331,960	**113,725**	90,787	**208,114**	177,769	365,133
Less: Excise Duty	**2,458**	1,630	**4,364**	3,077	6,733	**2,463**	2,523	**4,627**	4,229	7,590
Net Sales	**105,043**	82,631	**191,794**	158,928	325,227	**111,262**	88,264	**203,487**	173,540	357,543
Expenditure										
a. (Increase)/Decrease in Stock	**(2,037)**	(1,974)	**(1,174)**	(2,577)	(14,748)	**(3,215)**	(2,523)	**(3,189)**	(3,541)	(18,492)
b. Material Consumed	**56,691**	44,629	**103,550**	87,176	187,775	**55,364**	41,242	**98,629**	81,373	177,927
c. Purchase of traded goods	**176**	924	**292**	1,271	1,936	**3,327**	3,454	**5,891**	6,480	12,673
d. Staff Cost	**7,358**	5,339	**14,260**	10,405	23,262	**10,737**	7,866	**20,586**	14,772	32,728
e. Depreciation/Amortisation	**3,145**	2,396	**5,884**	4,546	9,546	**4,071**	3,696	**8,078**	7,022	14,934
f. Other Expenditure	**16,124**	13,044	**30,990**	25,077	52,046	**19,627**	17,525	**38,975**	34,186	70,389
Total Expenditure	**81,457**	64,358	**153,802**	125,898	259,817	**89,911**	71,260	**168,970**	140,292	290,159
Profit from Operations before Other Income, interest, tax & exceptional income	**23,586**	18,273	**37,992**	33,030	65,410	**21,351**	17,004	**34,517**	33,248	67,384
Other Income	**261**	1,089	**391**	1,225	2,281	**1,058**	1,270	**1,369**	1,493	3,894
Profit before interest , tax & exceptional item	**23,847**	19,362	**38,383**	34,255	67,691	**22,409**	18,274	**35,886**	34,741	71,278
Interest (net)	**1,571**	1,344	**2,480**	3,125	5,233	**1,927**	1,819	**3,219**	4,087	6,779
Foreign Exchange (Gain)/Loss (net)	**(6,351)**	(554)	**(1,849)**	(3,358)	(8,558)	**(7,619)**	356	**(3,442)**	(5,399)	(10,726)
Profit from Ordinary Activities before tax & exceptional item	**28,627**	18,572	**37,752**	34,488	71,016	**28,101**	16,099	**36,109**	36,053	75,225
Provision for Taxation	**7,224**	5,742	**10,015**	9,047	18,659	**8,297**	5,778	**11,148**	9,087	19,136
Profit before Exceptional item & Minority Interest	**21,403**	12,830	**27,737**	25,441	52,357	**19,804**	10,321	**24,961**	26,966	56,089
Exceptional item (Net of tax)	**-**	-	**-**	-	219	**-**	-	**-**	-	219
Profit before Minority Interest	**21,403**	**12,830**	**27,737**	25,441	52,576	**19,804**	10,321	**24,961**	26,966	56,308
Minority Interest						**(28)**	2	**(21)**	(11)	(32)
Net Profit	**21,403**	**12,830**	**27,737**	25,441	52,576	**19,832**	10,319	**24,982**	26,977	56,340
Paid-up Equity Share Capital	**2,911**	**2,688**	**2,911**	2,688	2,786	**2,911**	2,688	**2,911**	2,688	2,786
(Face value Rs. 5/- per share)										
Reserves excluding Revaluation Reserve					188,651					180,122
Basic Earnings per share before & after Extraordinary items (Rs.) (not annualised)	**37.09**	23.86	**48.72**	47.32	97.09	**34.37**	19.19	**43.88**	50.18	104.04
Diluted Earnings per share before & after Extraordinary items (Rs.) (not annualised)	**33.37**	19.84	**43.78**	39.35	83.16	**30.92**	15.96	**39.43**	41.73	89.12
Public Shareholding										
- Number of Shares	**26,530,301**	22,049,529	**26,530,301**	22,049,529	24,027,998					
- Percentage of Shareholding	**45.57**	41.01	**45.57**	41.01	43.12					
Promoters and promoter group Shareholding										
a) Pledged/Encumbered										
- Number of Shares	**6,767,721**	10,139,000	**6,767,721**	10,139,000	6,792,721					
- Percentage of Shares (as a % of the total shareholding of promoter & promoter group)	**21.36**	31.97	**21.36**	31.97	21.43					
- Percentage of Shares (as a % of the total share capital of the company)	**11.62**	18.86	**11.62**	18.86	12.19					
b) Non-encumbered										
- Number of Shares	**24,923,536**	21,576,739	**24,923,536**	21,576,739	24,908,118					
- Percentage of Shares (as a % of the total shareholding of promoter & promoter group)	**78.64**	68.03	**78.64**	68.03	78.57					
- Percentage of Shares (as a % of the total share capital of the company)	**42.81**	40.13	**42.81**	40.13	44.69					

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STATEMENT OF ASSETS & LIABILITIES (Rs. In lakhs)

Particulars	Stand alone		Consolidated	
	As at 30-09-2010	As at 31-03-2010	As at 30-09-2010	As at 31-03-2010
	Unaudited	Audited	Unaudited	Audited
SHAREHOLDERS FUNDS:				
(a) Capital	2,911	2,786	2,911	2,786
(b) Reserves and Surplus	225,787	188,651	215,059	180,122
LOAN FUNDS	206,196	194,478	224,160	215,457
MINORITY INTEREST	-	-	549	433
DEFERRED TAX LIABILITY (Net)	10,354	9,507	9,964	9,118
TOTAL	445,248	395,422	452,643	407,916
FIXED ASSETS (Net) including Capital Work in progress	171,393	154,481	252,054	228,093
INVESTMENTS	45,599	37,091	29	28
CURRENT ASSETS, LOANS AND ADVANCES:				
(a) Inventories	104,806	94,482	122,268	110,245
(b) Sundry Debtors	136,311	115,135	112,027	95,601
(c) Cash and Bank balances	2,023	456	9,441	7,283
(d) Other current assets	788	466	788	334
(e) Loans and Advances	54,448	57,298	38,780	37,131
Less: Current Liabilities and Provisions				
(a) Liabilities	(64,531)	(60,883)	(75,550)	(67,280)
(b) Provisions	(5,589)	(3,104)	(7,194)	(3,519)
Net Current Assets	228,256	203,850	200,560	179,795
MISCELLANEOUS EXPENDITURE (Not written off or adjusted)	-	-		-
PROFIT AND LOSS ACCOUNT	-	-		-
TOTAL	445,248	395,422	452,643	407,916

NOTES:

1. The above unaudited financial results were reviewed by the Audit Committee and have been approved by the Board at its meeting held on November 3, 2010. A Limited Review of the above stand alone financial results has been carried out by the Statutory Auditors.
2. The Consolidated financial results, which are optional, have been presented by the Company, so as to provide additional information.
3. The consolidated financial results have been prepared in accordance with AS - 21 on 'Consolidated Financial Statement', AS-27 ' Financial Reporting of Interests in Joint Ventures' and includes financial results of all subsidiaries and Joint Ventures.
4. The Company's operations fall within a single primary business segment viz. 'Pharmaceutical Products'.
5. Investor complaints pending at the beginning of the quarter: Nil, received: 61, resolved: 61 and lying unresolved at the end of the quarter: Nil.
6. Sales for the quarter include exports of Rs.74,275 lakhs (Rs.55,757 lakhs). Stand alone sales also include dossier income of Rs. 4,784 lakhs (Rs.3,913 lakhs) and Consolidated sales include dossier income of Rs.6,988 lakhs (Rs.4,024 lakhs).
7. Foreign Exchange (Gain)/Loss represents exchange differences arising on all foreign currency transactions. This includes gain during the quarter due to restatement of Foreign Currency Convertible Bonds (net of Deposits) Rs.2,102 lakhs (Loss of Rs.367 lakhs).
8. In respect of matters referred to in the limited review report by the Auditors for the quarter ended June 30, 2010 and September 30, 2010 relating to non- provision of premium on redemption of outstanding USD 139.20 Million Zero Coupon Foreign Currency Convertible Bonds (FCCBs), the management is of the opinion that it is contingent in nature, as the determination and crystallisation of liability is dependent upon the outcome of uncertain future events or actions, not wholly within the control of the Company.
9. The paid up share capital of the Company has increased during July-September 2010 to Rs. 2911.08 lakhs. This is due to allotment of 1,741,394 Equity Shares of Rs.5/- each for cash at premium of Rs. 517.036 upon request received for conversion of FCCBs worth USD 20.95 million, out of USD 60 million issue in terms of the offer document, and allotment of 27,007 Equity shares of Rs.5/- each at a premium of Rs. 357.60 per under ESOP 2004 Scheme by the Compensation Committee of the Company at their meeting held on July 19, 2010.
10. The outstanding FCCBs worth USD 2,118,000 (forming part of USD 60 Million issue) were redeemed on due date i.e. August 11, 2010.
11. During the quarter, the Company has incorporated new step down subsidiaries viz., Aurobindo Pharma (Singapore) Pte Limited in Singapore and Aurobindo Pharma BV in Netherlands.
12. Aurobindo Pharma Aps, Denmark, a step down subsidiary has been liquidated effective September 16, 2010.
13. The Company has presented for the first time the "Statement of Assets and Liabilities" as on September 30, 2010 in accordance with amendment of clause 41 to the listing agreement effective April 2010 and as such disclosure of Statement of Assets and liabilities as on September 30, 2009 has not been made.
14. The Board in its meeting held on November 3, 2010 has approved an interim dividend of 100% i.e Rs.5/- per equity share of Rs.5/- each. Consequently, the amount of interim dividend would be Rs. 2,911.08 lakhs
15. The Board in its meeting held on November 3, 2010, has approved the sub-division of equity shares of the face value of Rs. 5/- each in the Company into equity shares of the face value of Rs.1/- each. The sub-division would be subject to the approval of the shareholders and such other approvals as may be necessary.
16. Figures for the previous periods/year have been rearranged/regrouped wherever necessary.

By Order of the Board

Place: Hyderabad
Date: November 3, 2010

www.aurobindo.com

K.Nithyananda Reddy
Managing Director