NEWS RELEASE

5th February 2011, Hyderabad, India

Aurobindo Pharma Q3 2010-11 Unaudited Results

Growing formulations business drives margins

- **Q3 FY11 Consolidated Operating Income up 30.3% to ₹ 1192.2 Crores**
- **Operating Profit (EBIDTA) before Fx up 31.6% to ₹ 319.5 Crores**
- **Operating Margin before Fx improves to 26.8% (26.5%)**
- **PBT before Fx higher by 35.6% to ₹ 270.6 Crores**
- **PAT before Fx (excluding exceptional items) higher by 32.9% to ₹192.3 Crores**
- **15 ANDAs filed in USA in Q3 FY11, cumulative filings 200**

Aurobindo Pharma Limited is pleased to announce the unaudited financial results for the third quarter (Q3) FY 2010-11.

- Financials Consolidated:
  - Total Operating Income up by 30.3% to ₹1192.2 Crores (₹915.2 Crores)
  - Operating Profit before Fx up 31.6% to ₹319.5 Crores (₹242.7 Crores)
  - Operating Margin before Fx improves to 26.8% (26.5%)
  - PBT before Fx up 35.6% to ₹270.6 Crores (₹199.6 Crores)
  - PAT before Fx (excluding exceptional items) up 32.8% to ₹192.3 Crores (₹144.8 Crores)
  - Basic & diluted EPS (not annualized) ₹32.40 (₹31.90) & ₹29.18 (₹26.57)
- Formulation Sales up by 53.3% to ₹643.8 Crores (₹419.9 Crores)
- Formulations Sales constitute 58.6% (50.2%) of gross sales
- 15 ANDA filings in USA in Q3FY 2010-11, cumulative filings 200.
- 54 Dossier filings in Europe in Q3 FY 2010-11, cumulative filings 906
- Disinvestment of Aurobindo (Datong) Bio-Pharma, China will strengthen the overall cashflow and operating margins

Commenting on the Company's performance, Mr. Ramprasad Reddy, Chairman, Aurobindo Pharma said: "Aurobindo continues to deliver on encouraging performance. We have recently unlocked our non-core asset in China having a positive impact on our profitability and cash flows and we continue to see a strong momentum in our formulations business with the scaling up of operations of the large formulations Units in Jedcherla SEZ near Hyderabad, India and New Jersey, USA"

Consolidated Q3 2010-11:

The Company has registered a total Operating Income of ₹1192.2 Crores (₹915.2 Crores) up by 30.3%. The Operating Profit before Fx stands ₹319.5 Crores (₹242.7 Crores), up by 31.6%.

PBT before Fx has been at ₹270.6 Crores (₹199.6 Crores) thus growing by 35.6%. PBT stands at ₹274.6 Crores (₹224.4 Crores).

PAT before Fx (excluding exceptional items) has been at ₹192.3 Crores (₹144.8 Crores) thus growing by 32.8%. PAT stands at ₹188.6 Crores (₹ 171.8 Crores).

Stand Alone Q3 2010-11:

The Company has registered a total Operating Income of ₹1156.6 Crores (₹811.1 Crores) up by 42.6%. The Operating Profit before Fx stands ₹331.8 Crores (₹210.9 Crores), up by 57.3%.

PBT before Fx has been at ₹287.9 Crores (₹178.3 Crores) thus growing by 61.5%. PBT stands at ₹290.7 Crores (₹200.8 Crores)

PAT before Fx (excluding exceptional items) has been at ₹209.8 Crores (₹123.6 Crores) thus growing by 69.7%. PAT stands at ₹183.9 Crores (₹148.3 Crores).

Foreign exchange items:

This includes gain of ₹3.2 Crores (gain of ₹29.8 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	Q3 FY 10-11	Q3 FY 09-10	Change	9M FY 10-11	9M FY 09-10	Change
Domestic	316.4	266.0	18.9%	826.3	711.7	16.1%
Export	741.3	519.9	42.6%	2114.8	1644.4	28.6%
Total Sales	**1057.7**	**785.9**	**34.6%**	**2941.1**	**2356.1**	**24.8%**

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	Q3 FY 10-11	Q3 FY 09-10	Change	9M FY 10-11	9M FY 09-10	Change
USA	328.2	221.1	48.4%	839.8	681.5	23.2%
Europe	67.7	49.7	36.2%	228.2	151.7	50.4%
ARV	174.5	106.5	63.8%	492.7	359.6	37.0%
Rest of the World	73.4	42.6	72.3%	192.2	141.2	36.1%
Formulations	**643.8**	**419.9**	**53.3%**	**1752.9**	**1334.0**	**31.4%**
Dossier Income	**120.4**	**90.7**	**32.7%**	**229.0**	**174.0**	**31.6%**
SSPs	136.6	144.3	-5.3%	428.8	466.8	-8.1%
Cephs	223.2	189.9	17.5%	614.7	494.2	24.4%
ARVs & Others	95.8	82.6	16.0%	275.6	236.0	16.8%
Active Ingredients	**455.6**	**416.8**	**9.3%**	**1319.1**	**1197.0**	**10.2%**

Global Regulatory filings :

Filings	Q3 FY 10-11	Cumulative Filings as on 31.12.2010
ANDAs (USA) (includes filings made from AuroLife Pharma LLC, USA)	15	200
DMFs (USA)	3	154
Formulations Dossiers in other key regulated markets (includes Multiple registration into EU)	64	1175
API DMF/COS filings in other key regulated markets	125	1724
Patents	15	457

As on 31.12.2010, 128 ANDAs have been approved in USA including 30 tentative approvals. The Company has commercialized 69 products in the USA market during the quarter.

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

- Losartan Postassium Tablets 25, 50 and 100 mg CVS - Final
- Losartan Potassium and HCLZ Tablets 50 mg/12.5 mg, 100 mg/12.5 mg and 100 mg/25 mg CVS - Final
- Duloxetine Hydrochloride Delayed Release Capsules 20 mg, 30 mg and 60 mg CNS - Tentative

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, supported by an outstanding R&D set-up. The Company is marketing these products globally, in over 125 countries.

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AUROBINDO

AUROBINDO PHARMA LIMITED

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Unaudited Financial Results for the Quarter ended December 31 , 2010

(Rs.in lakhs)

Particulars	Stand alone					Consolidated				
	Three months ended		Nine months ended		Year Ended	Three months ended		Nine months ended		Year Ended
	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.03.2010	31.12.2010	31.12.2009	31.12.2010	31.12.2009	31.03.2010
	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Sales(including excise duty) & operating income	**118,421**	82,887	**314,579**	244,892	331,960	**121,980**	92,737	**330,095**	270,505	365,133
Less: Excise Duty	**2,760**	1,781	**7,124**	4,858	6,733	**2,760**	1,213	**7,387**	5,442	7,590
Net Sales	**115,661**	81,106	**307,455**	240,034	325,227	**119,220**	91,524	**322,708**	265,063	357,543
Expenditure										
a. (Increase)/Decrease in Stock	**(8,339)**	(7,604)	**(9,513)**	(10,181)	(14,748)	**(10,687)**	(9,773)	**(13,876)**	(13,315)	(18,492)
b. Material Consumed	**66,100**	48,296	**169,650**	135,472	187,775	**63,609**	47,157	**162,238**	128,530	177,927
c. Purchase of traded goods	**372**	661	**664**	1,932	1,936	**4,161**	3,528	**10,053**	10,007	12,673
d. Staff Cost	**7,691**	6,312	**21,951**	16,717	23,262	**10,804**	9,013	**31,390**	23,785	32,728
e. Depreciation/Amortisation	**3,476**	2,424	**9,360**	6,970	9,546	**4,335**	4,037	**12,413**	11,059	14,934
f. Other Expenditure	**16,659**	12,351	**47,649**	37,428	52,046	**19,385**	17,334	**58,361**	51,521	70,389
Total Expenditure	**85,959**	62,440	**239,761**	188,338	259,817	**91,607**	71,296	**260,579**	211,587	290,159
Profit from Operations before Other Income, interest, tax & exceptional item	**29,702**	18,666	**67,694**	51,696	65,410	**27,613**	20,228	**62,129**	53,476	67,384
Other Income	**105**	209	**496**	1,434	2,281	**588**	1,001	**1,957**	2,494	3,894
Profit before interest , tax & exceptional item	**29,807**	18,875	**68,190**	53,130	67,691	**28,201**	21,229	**64,086**	55,970	71,278
Interest & Finance charges (net)	**1,020**	1,044	**3,500**	4,169	5,233	**1,146**	1,266	**4,365**	5,353	6,779
Foreign Exchange (Gain)/Loss (net)	**(278)**	(2,250)	**(2,127)**	(5,608)	(8,558)	**(408)**	(2,481)	**(3,850)**	(7,880)	(10,726)
Profit from Ordinary Activities before tax & exceptional item	**29,065**	20,081	**66,817**	54,569	71,016	**27,463**	22,444	**63,571**	58,497	75,225
Provision for Taxation	**7,809**	5,474	**17,824**	14,521	18,659	**7,825**	5,488	**18,972**	14,575	19,136
Profit before Exceptional item & Minority Interest	**21,256**	14,607	**48,993**	40,048	52,357	**19,638**	16,956	**44,599**	43,922	56,089
Exceptional item	**(2,871)**	219	**(2,871)**	219	219	**(766)**	219	**(766)**	219	219
Profit before Minority Interest	**18,385**	14,826	**46,122**	40,267	52,576	**18,872**	17,175	**43,833**	44,141	56,308
Minority Interest						**9**	(2)	**(12)**	(13)	(32)
Net Profit	**18,385**	14,826	**46,122**	40,267	52,576	**18,863**	17,177	**43,845**	44,154	56,340
Paid-up Equity Share Capital (Face value Rs. 5/- per share)	**2,911.21**	2,699.92	**2,911.21**	2,699.92	2,786.44	**2,911.21**	2,699.92	**2,911.21**	2,699.92	2,786.44
Reserves excluding Revaluation Reserve					188,651					180,122
Basic Earnings per share before & after Extraordinary items (Rs.) (not annualised)	**31.57**	27.53	**80.40**	74.86	97.09	**32.40**	31.90	**76.44**	82.08	104.04
Diluted Earnings per share before & after Extraordinary items (Rs.) (not annualised)	**28.44**	22.93	**72.30**	62.34	83.16	**29.18**	26.57	**68.74**	68.36	89.12
Public Shareholding										
- Number of Shares	**26,552,359**	22,297,580	**26,552,359**	22,297,580	24,027,998					
- Percentage of Shareholding	**45.60**	41.29	**45.60**	41.29	43.12					
Promoters and promoter group Shareholding										
a) Pledged/Encumbered										
- Number of Shares	**5,967,721**	9,364,000	**5,967,721**	9,364,000	6,792,721					
- Percentage of Shares (as a % of the total shareholding of promoter & promoter group)	**18.84**	29.54	**18.84**	29.54	21.43					
- Percentage of Shares (as a % of the total share capital of the company)	**10.25**	17.34	**10.25**	17.34	12.19					
b) Non-encumbered	.		.							
- Number of Shares	**25,704,178**	22,336,839	**25,704,178**	22,336,839	24,908,118					
- Percentage of Shares (as a % of the total shareholding of promoter & promoter group)	**81.16**	70.46	**81.16**	70.46	78.57					
- Percentage of Shares (as a % of the total share capital of the company)	**44.15**	41.37	**44.15**	41.37	44.69					

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 February 5, 2011. 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: 105, resolved: 105 and lying unresolved at the end of the quarter: Nil.
6. Sales for the quarter include exports of Rs.74,130 lakhs (Rs.51,988 lakhs). Stand alone sales also include dossier income of Rs. 12,651 lakhs (Rs.4,295 lakhs) and Consolidated sales include dossier income of Rs. 12,036 lakhs (Rs.9,070 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.320 lakhs (Rs.2,977 lakhs).
8. In respect of matter referred to in the limited review report by the Auditors for the quarter ended December 31, 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 October-December 2010 to Rs. 2911.21 lakhs as a result of allotment of 2,700 Equity shares of Rs.5/- each at a premium of Rs. 357.60 per share under ESOP 2004 Scheme by the Compensation Committee of the Company at their meeting held on December 30, 2010.
10. During the quarter, the Company has incorporated new step down subsidiaries viz., Aurobindo Pharma (Romania) s.r.l in Romania, Aurobindo Pharma (Poland) Sp.z.o.o. in Poland and Aurobindo Pharma Limited, s.r.l, in Dominican Republic.
11. SIA Aurobindo Baltics, Latvia, a step down subsidiary has been liquidated effective November 26, 2010.
12. The Group has sold its entire stake in Cephazone Pharma LLC, a Joint Venture of one of its overseas subsidiaries in USA. Also, the Company has entered into a definitive agreement to divest its 80.50 % stake in one of its 100 % subsidiaries namely Aurobindo Datong Bio Pharma Co. Ltd., China (ADBPL) effective November 30, 2010. Thus, the Company's balance stake of 19.50% in ADBPL will be strategic in nature to ensure uninterrupted supply of raw materials at competitive prices. The impact of the above two arrangements has been disclosed as an exceptional item.
13. The members of the company in Extraordinary General Meeting held on December 23, 2010 have approved as a Special resolution for 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 Company has fixed February 11, 2011 as record date for the said purpose.
14. Figures given in brackets in the Notes represent amount of the corresponding quarter of the previous year. Figures for the previous periods/year have been rearranged/regrouped wherever necessary.

Date: February 5 , 2011
Place: Hyderabad

By Order of the Board

K.Nithyananda Reddy
Managing Director