Cipla
Cipla Ltd.
Mumbai Central
Mumbai 400 008

4th February, 2011

(1) Bombay Stock Exchange Ltd
Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

Scrip Code: 500087

(2) National Stock Exchange of India Ltd
Listing Department
Exchange Plaza, 5th floor,
Plot no. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051

Scrip Code: CIPLA EQ

Dear Sirs,

Please find enclosed copy of the note displayed on our website www.cipla.com for your reference.

Kindly acknowledge the receipt.

Thank you,

Yours faithfully,
For Cipla Limited

M. A. Sanghvi

Mital Sanghvi
Company Secretary

Encl: as above

Phone : (9122) 23082891, 23095521 • Fax : (9122) 23070013, 23070393, 23070385

Financial Review – Period ended December 2010 *(Rupees in crore)*

	Quarter Ended			Nine Months Ended		
	31/12/2010	31/12/2009	% change	31/12/2010	31/12/2009	% change
Domestic	733.97	659.21	11.3%	2165.53	1942.53	11.5%
Exports - Formulations	643.18	575.76	11.7%	1932.81	1704.83	13.4%
APIs & others	138.60	122.90	12.8%	447.03	433.88	3.0%
Total Exports	781.78	698.66	11.9%	2379.84	2138.71	11.3%
% of exports to total sales	51.6%	51.5%		52.4%	52.4%	
Total Sales	1515.76	1357.87	11.6%	4545.37	4081.24	11.4%
Other operating income						
Technology knowhow/fees	15.14	70.27		42.99	146.74	
Others	37.17	24.07		97.17	67.98	
Total	52.31	94.34	-44.6%	140.16	214.72	-34.7%
Income from Operations	1568.06	1452.21	8.0%	4685.53	4295.96	9.1%
Material Cost	695.84	624.75		2114.77	1870.97	
% to total sales	45.9%	46.0%		46.5%	45.8%	
Operating margin	318.18	379.88	-16.2%	1035.34	1102.24	-6.1%
% to income from operations	20.3%	26.2%		22.1%	25.7%	
Profit before tax	275.69	347.68	-20.7%	907.12	982.38	-7.7%
% to income from operations	17.6%	23.9%		19.4%	22.9%	
Profit after tax	232.69	289.03	-19.5%	753.12	806.48	-6.6%
% to income from operations	14.8%	19.9%		16.1%	18.8%	

During the quarter, the company posted a growth of 8% in income from operations. However, operating margins and profits are lower by about 16% and 20% respectively primarily on account of increased factory overheads at Indore SEZ and appreciation of the Indian rupee by about 4% on a year-on-year basis which has adversely affected export turnover as well as realizations.

Domestic sales grew by more than 11%. Inspite of a rupee appreciation of about 4%, export sales grew by about 12%. Technical knowhow/fees for the quarter has decreased by about Rs. 55 cr on account of a one-time fees received in third quarter of 2009-10 resulting in a high base on a year-on-year basis.

Material cost has been maintained at similar levels on a year-on-year basis. The increase in staff cost (Rs. 46 cr) is due to increase in manpower particularly at Indore SEZ, regrouping of contractual staff at Goa facilities and annual increments. Interest cost has decreased due to repayment of short-term working capital loans availed by the company. Depreciation has increased by about Rs. 20 cr due to additions to fixed assets mainly on account of commissioning of Indore SEZ factory. Other expenditure has increased mainly due to increase in selling expenses and factory expenditure, in particular at Indore SEZ, such as repairs & maintenance, power & fuel, stores & spares, etc.