Cipla

10th February 2016

(1) BSE 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

(3) SOCIETE DE LA BOURSE DE LUXEMBERG
Societe Anonyme
11, av de la Porte-Neuve,
L-2227 Luxemberg

Dear Sirs,

Please find enclosed investor presentation dated 10th February 2016.

Kindly acknowledge the receipt.

Thank you,

Yours faithfully,
For Cipla Limited

M. A. Sanghvi

Mital Sanghvi
Company Secretary

Encl: as above

Investor Presentation

Q3 FY 16 Earnings Release

10 February 2016

Disclaimer

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."

Business Update

In Q3, Cipla achieved income from operations of Rs 3,107 crores; 12.3% growth vs. last year. Growth remains on track

- Impact to revenue due to change of distribution policy
- Excluding impact of distribution policy changes, our domestic business has grown at ~11%
- Export business growth of 28% driven by strong performance in South Africa and Emerging Markets; growth of tender business resulting in adverse product mix at gross margin level
- Quarter includes base level of Esomeprazole that is expected to continue
- YTD FY 2015-16 income from operations of Rs. 10,412 Cr; 26.2% growth over last year

Q3 FY 2015-16 EBITDA margin of 14.6%, as compared to 20% in Q3 FY 2014-15 as Company invests for the future

- Base business EBITDA margin level of 17-18%
- R&D project expenses up ~85% yoy; R&D at ~8% of revenue for quarter 2015-16 vs. ~6% last year
- YTD FY 2015-16 EBITDA margin of 21.9%, as compared to 20% in YTD FY 2014-15

Outlook for FY 2015-16 remains unchanged

- Focus on complexity reduction and enhancing base business profitability through portfolio rationalization, pricing improvement and cost optimization
- Accelerated investment in R&D, Consumer Healthcare and Biologics

Financial Performance Summary – Q3 FY 16

	Q3 FY 2015-16	
	Consolidated	
	Actuals *(Rs Cr.)*	vs Q3 FY 15
Income from Operations	3,107	12.3%
Domestic Revenue	1,194	-0.4%
Exports Revenue	1,833	28.5%
PAT	343	4.7%
PAT %	11%	-0.9%

Financial Performance Summary – YTD FY 16

	YTD 2015-16	
	Consolidated	
	Actuals *(Rs Cr.)*	vs YTD FY 15
Income from Operations	10,412	26.2%
Domestic Revenue	3,853	3.1%
Exports Revenue	6,313	51.6%
EBITDA	2,282	38%
EBITDA %	21.9%	1.9%
PAT	1,425	54.7%
PAT %	13.7%	2.5%

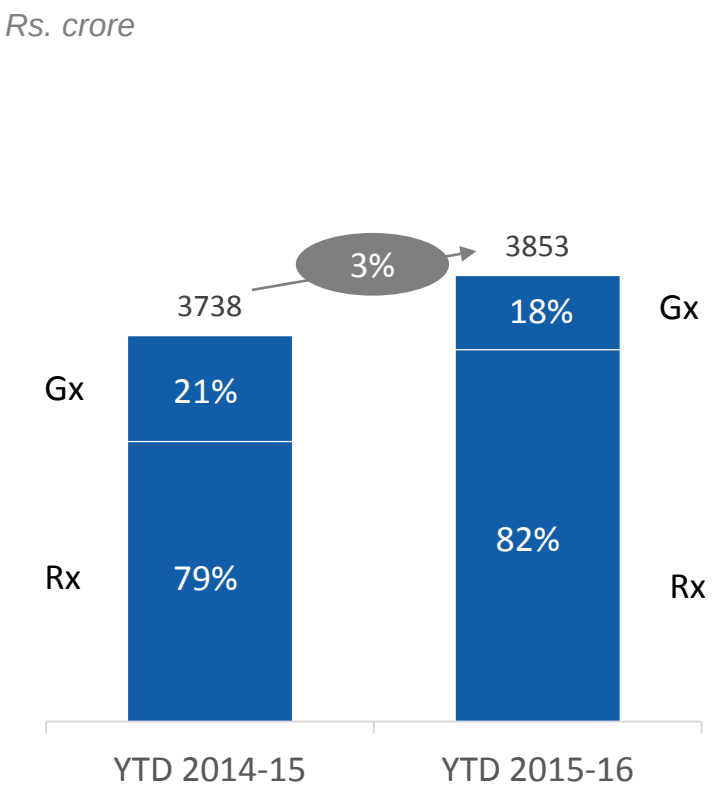
Base business EBITDA margin level of ~18%

	Q3 FY 2015	Q3 FY 2016
Reported EBITDA (Rs. Crore)	554	454
EBITDA Margin (%)	**20%**	**14.6%**
Adjustments (%)		
Impact of Distribution Policy Change	-	~2.5%
Currency Impact (Largely due to ZAR)	-	~0.7%
One off impact	(2%)	-
EBITDA post R&D expense*	**18%**	**18%**

Core R&D project related spend for this quarter has increased by ~85% year-on-year, and R&D expense now stands at approximately 8% of revenue compared to approximately 6% last year

Performance Summary (1/4)

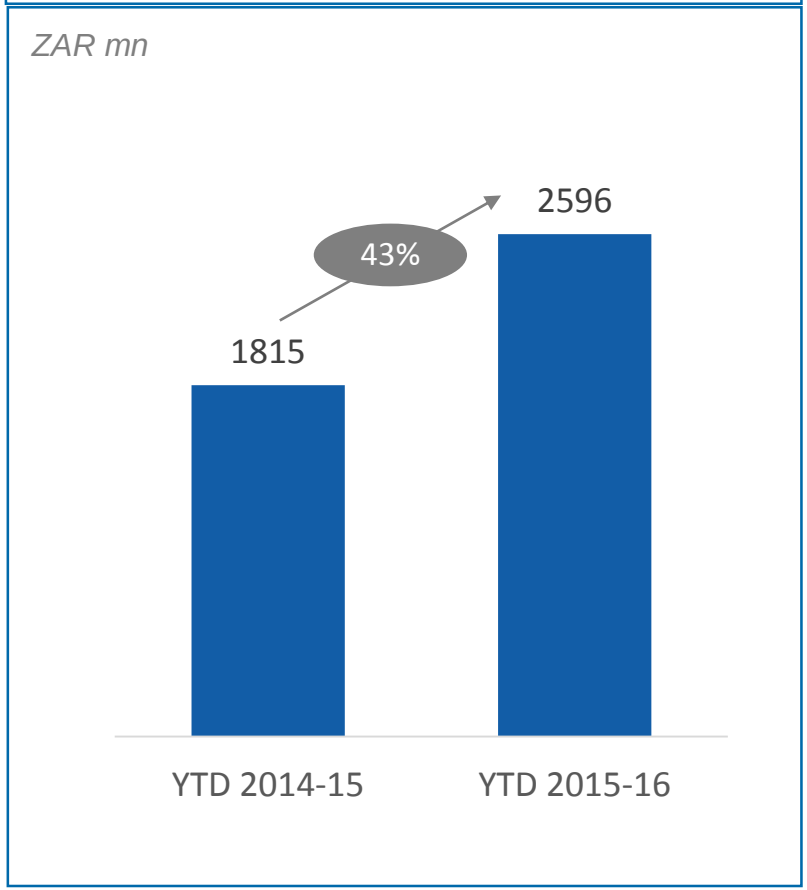
India YTD Sales (Rx and Gx)



- India Rx and Gx Business impacted due to distribution policy changes
- Excluding impact of distribution policy changes, YTD the Rx business has grown ~13% and the Gx business has declined ~9% yoy
- 18 out of 22 brands of Cipla in top 300 have outperformed the respective markets.
- Strong respiratory performance with gain in MDI market share
- New introduction contribution in Rx continues to increase qoq from 3% in Q1 to 3.6% in Q3.
- Continue to build on our launch excellence and robust pipeline in Hepatitis C portfolio with HepCvir + Ledipasvir / Daclatasvir combinations
- Therapies such as Gastro, Urology, Derma and Pediatrics identified as strategic focus areas
- Partnerships marked Cipla's entry in new areas – Cutisera in cosmetology, Nasovac S in Vaccines , Reteplase in Anti-Thrombolytic

Performance Summary (2/4)

South Africa YTD Sales



- Strong sales growth across both private market & tender business
- Tender business ~30% of YTD revenues; significant growth in Q3
- TEVA agreement gaining traction; strong performance on products like Copaxone
- Continue to capitalise on our strong respiratory base
  - Low Respiratory Tract volume market share of ~40% in the MDI segment.
  - Seroflo shows strong growth across both MDI and DPI segments.
- Recently invested in a state-of-the-art Distribution Centre facility, doubling our existing capacity. In-house distribution is a competitive advantage, helping improve customer service levels, enhance compliance, as well as reducing cost of distribution
- Through an exclusive agreement with Serum Institute, Cipla has introduced low cost vaccines into the SA market.

Performance Summary (3/4)

Area	Highlights
North America	• Including impact of one-offs, overall YTD growth of 138% as compared to FY 2014-15 • Entered into a definitive agreement to acquire 100% stake in InvaGen Pharmaceutical Inc. and Exelan Pharmaceuticals Inc; transaction is expected to be completed in Q4 • Supply of Esomeprazole and Budesonide respules continues • Q3 includes base level of Esomeprazole that is expected to continue, which is significantly lower than that captured in the first half of the year.
Europe	• Overall YTD growth of 32% as compared to FY 2014-15 • Strong top line growth across B2B markets • Launch of Mometasone in Belgium, Fluticasone in Italy and Spain, and Ipratropium Salbutamol Respules in Romania
International	• Overall YTD growth of 20% as compared to FY 2014-15 • Strong momentum in front end markets • Stable growth in partner markets • Slower than expected offtake in Cipla Global Access business • Closely monitoring situation in Yemen
API & Vet	• Overall YTD growth of 33% as compared to FY 2014-15

*Growth % estimated in local currency

Performance Summary (4/4)

Area	Highlights
Operational Performance	• Capacity enhancement initiatives on track • New capacity build underway for ARV products – expected completion in H1 FY 2016-17
R&D Pipeline	• >200 formulation development projects underway • Top 50 projects address a market size of $30 bn based on innovator sales • Formulation filings: US (4), Europe (24), International (1087) • Expect to file 3-4 products per quarter in the US going forward
Organisation	• Announced the creation of a six member Management Council to simplify decision making and improve operational excellence • Umang Vohra appointed as Global Chief Operating Officer • Samina Vaziralli, Executive Director, will be the company's Global Head for Strategy, M&A, Cipla New Ventures and key partner relationships
Quality, Risk & Compliance	• Continue to maintain Cipla's high standards of quality and safety