UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED 30th JUNE, 2008

(Rupees in crores)

	Quarter Ended		Year Ended
	30.06.2008	30.06.2007	31.03.2008 (Audited)
1. Gross Sales & Income from Operations	1223.34	928.83	4309.11
Less: Excise Duty	16.22	27.00	90.66
Net Sales & Income from Operations	1207.12	901.83	4218.45
2. Other Income	17.02	9.97	52.68
3. Total Income (1+2)	1224.14	911.80	4271.13
4. Expenditure			
a) (Increase)/decrease in Stock-in-trade and work in progress	(48.10)	(20.22)	(41.37)
b) Consumption of Materials	450.37	369.35	1642.39
c) Purchase of Traded Goods	161.29	100.09	458.94
d) Employees Cost	84.50	64.57	255.45
e) Foreign Exchange (Gain)/Loss	74.66	(8.57)	(67.08)
f) Depreciation	38.23	30.25	130.68
g) Other Expenditure	288.99	227.35	1042.07
h) Total	1049.94	762.82	3421.08
5. Interest	3.66	0.82	11.69
6. Profit (+) / Loss (-) before Tax (3)-(4+5)	170.54	148.16	838.36

7. Tax Expense a) Current Tax b) Deferred Tax c) Fringe Benefit Tax	21.50 7.25 1.75	21.15 6.25 1.00	94.00 36.50 6.43
8. Net Profit (+) / Loss (-) after Tax (6-7)	140.04	119.76	701.43
9. Paid-up Equity Share Capital (Face Value Rs.2 per share)	155.46	155.46	155.46
10. Reserves excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year			3591.39
11. Earning per Share (Rs.) *Not Annualised	*1.80	*1.54	9.02
12. Public Shareholding - Number of Shares - Percentage of Shareholding	465708166 59.91	462912409 59.55	465708166 59.91

Notes:

1. The Company is essentially in the pharmaceutical business segment.
2. The Directors at their meeting held today recommended payment of dividend of Rs.2 per equity share (face value Rs.2) for the year 2007-2008 amounting to Rs.155.46 crores.
3. No investor grievances were pending at the beginning of the quarter. During the quarter ended 30th June, 2008, nine investor grievances were received. As of 30th June, 2008 all grievances have been suitably replied to.
4. During the quarter ended 30th June, 2008, the Company has commenced commercial production at its state-of-the-art facility in Sikkim for manufacture of formulations.
5. The Company had challenged the inclusion of the drugs – Salbutamol, Theophylline, Ciprofloxacin, Cloxacillin and Norfloxacin – within the ambit of price control. The petition filed by the Company had been decided in favour of the Company by the Bombay High Court, which held that the said drugs were outside the ambit of price control. However, on an appeal filed by the government, the Supreme Court remanded the matter to the Bombay High Court for further

and more detailed examination in the light of the principles laid down by the Supreme Court. Pending this, the Supreme Court also gave liberty to government to recover 50% of the amount that they had claimed was overcharged. The government had sent notices to the Company demanding an aggregate of Rs.180.37 crores in respect of the said drugs, which, according to them, was 50% of the amount allegedly overcharged by the Company till July 2003. The Company had not deposited the amount demanded, as in another petition challenging the price fixation notifications of these drugs, the Karnataka High Court had granted an interim stay against the government. Subsequently, in separate proceedings on the same basis as before the Karnataka High Court, the Allahabad High Court had ruled that the prices fixed by the government in respect of a number of drugs including the above drugs were ultra vires, illegal and void. On an appeal filed by the government against this ruling, the Supreme Court stayed the judgment of the Allahabad High Court but directed that no prosecution should be launched or coercive action taken against the Company for recovery, till the appeal was finally decided. The Company has, subsequently, in April 2007 received demand notices for the entire 100% of the aforesaid amount along with interest, aggregating Rs.748.27 crores - contrary to the orders of the Supreme Court. In addition during the financial year 2007- 2008, the Company has received from the government further demand notices inclusive of interest for Rs.362.12 crores which according to the government was allegedly overcharged by the Company for the period upto March 2007 in respect of the aforesaid drugs. Further the Company has in March 2008 received a demand notice from the government for an amount of Rs.0.32 crores inclusive of interest allegedly overcharged in respect of the drug Doxycycline. The Company has received legal advice that none of these demand notices of the government is tenable or sustainable.

6. The consolidated figures of the Company and its fully owned subsidiary, Cipla FZE, for the year ended 31st March, 2008 are as under:

a) Consolidated turnover : Rs. 4321.59 crore

b) Consolidated profit after tax : Rs. 701.04 crore

c) Consolidated EPS : Rs. 9.02

7. The figures of the previous year have been regrouped/recast to render them comparable with the figures of the current year.

8. The above results after being reviewed by the Audit Committee were approved at the meeting of the Board of Directors held on 18th July, 2008.

By order of the Board

For **CIPLA LIMITED**

Mumbai

18th July, 2008

M. K. Hamied

Joint Managing Director

Financial Review - Period ended June 2008

Financial performance:

(Rupees in crores)

	Q1 FY0809	Q1 FY0708	% change
Domestic	585.50	505.35	15.9%
Exports			
Formulations	424.15	320.34	32.4%
Bulk Drugs & Chemicals	177.33	81.58	117.4%
Total Exports	**601.48**	**401.92**	**49.7%**
% of exports to total sales	50.7%	44.3%	
Total Sales	1186.98	907.27	30.8%
Other operating income			
Technology know-how/fees	15.55	11.34	
Others	20.81	10.22	
Total	**36.36**	**21.56**	**68.6%**
Income from Operations	1223.34	928.83	31.7%
Operating margin*	270.07	160.69	68.1%
% to income from operations	22.1%	17.3%	
Profit before tax	170.54	148.16	15.1%

% to income from operations	13.9%	16.0%	
Profit after tax	140.04	119.76	16.9%
% to income from operations	11.4%	12.9%	

During the quarter, domestic sales grew by about 16% and export sales grew by 50%. This was mainly due to a 117% growth in bulk drugs & intermediates and chemicals exports as well as a 32% growth in formulations.

Material cost (as a percent to income from operations) has decreased during the quarter mainly due to improved export realisations on account of depreciation of the rupee and changes in product mix.

There has been an increase of 31% in staff cost (Rs. 20 cr) on account of annual increments/bonus and addition of manpower at the new Sikkim unit. Other expenditure has also gone up by 27% on account of overall increase in manufacturing expenses (Rs. 7 cr), processing charges (Rs. 14 cr), power and fuel cost (Rs. 7 cr) and sales promotion expenses (Rs. 11 cr).

The Company has provided Rs.75 crore on account of net loss for the quarter on revaluation of forward contracts, outstanding debtors & foreign currency loans consequent to the depreciation of the rupee against the USD.

During the quarter ended 30th June 2008, the Company has commenced commercial production at its state-of-the-art facility in Sikkim for manufacture of formulations.

Tax for the quarter as a percentage of profit before tax is lower because of tax incentives availed for EOUs, Baddi and Sikkim. However, deferred tax liability for the quarter is higher due to increased depreciation claim as per income tax.

*Excluding foreign exchange loss/gain