



Investor Update

Mumbai, October 22, 2012

UNICHEM LABORATORIES LIMITED

Quarter 2, 2012-13 – Financial Performance

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AWACS Ranking



Investor Update

Financial Highlights:

Quarter 2, 2012-13:

REVENUE

- The company's standalone revenue from operations stood at Rs. 264.24 crs for the quarter ended September, 2012 against Rs.198.84 crs recorded during the corresponding quarter of the previous year reflecting 32.9 % growth. On sequential quarter revenue declined by 0.2 %.
- Domestic Branded Formulations grew by 20.5 % compared to the corresponding quarter of the previous year, while on sequential quarter it grew by 2.1 %.
- The International Formulation Business grew by 75.5 % compared to the corresponding quarter of the previous year; while on sequential quarter it declined by 11.5 %.
- Domestic API business declined by 11.5 % during this quarter compared to the corresponding quarter of the previous year; while on sequential quarter it declined by 40.8 %. The International API business grew by 65.2 % during this quarter compared to corresponding quarter of the previous year, while on sequential quarter it grew by 22.6 %.

EBITDA

- The company's EBITDA margins for the quarter ended September 30, 2012 stood at 20.0 % compared to 15.3 % in the corresponding quarter of the previous year. On sequential quarter EBITDA margins improved by 2.0 %.

PBT & PAT

- Profit before tax for the quarter ended September 30, 2012 stood at Rs. 46.24 crs (*corresponding quarter previous year: Rs. 25.96 crs*) and consequently the net profit for the quarter stood at Rs. 35.07 crs (*corresponding quarter previous year: Rs.19.14 crs*). On sequential quarter Profit before tax grew by 1.6 % and Net profit by 5.8 %.
- The EPS-Diluted for the current quarter stood at Rs.3.87 (*corresponding quarter previous year: Rs.2.11*).



Investor Update

Half Year Ended September 30, 2012:

REVENUE

- The company's standalone revenue from operations stood at Rs. 529.11 crs for the six months ended September, 2012 against Rs.387.59 crs recorded during the corresponding six months of the previous year reflecting 36.5 % growth.
- Domestic Branded Formulations grew by 20.7 % compared to the corresponding six months of the previous year.
- The International Formulation Business grew by 112.9 % compared to the corresponding six months of the previous year.
- Domestic API business grew by 28.1 % and International API business grew by 41.0 % for six months ended September, 2012 compared to the corresponding six months of the previous year.

EBITDA

- The company's EBITDA margins for the six months ended September 30, 2012 stood at 19.4 % compared to 14.8 % in the corresponding six months of the previous year reflecting 79.4 % growth.

PBT & PAT

- Profit before tax for the six months ended September 30, 2012 stood at Rs. 91.76 crs (*corresponding six months of the previous year: Rs. 47.48 crs*) and consequently the net profit for the six months stood at Rs. 68.21 crs (*corresponding six months of the previous year: Rs.34.76 crs*).
- The EPS-Diluted for the six months ended September 30, 2012 stood at Rs.7.52 (*corresponding six months of the previous year: Rs.3.83*).



Investor Update

Standalone Financials

UNICHEM LABORATORIES LTD						
Analysis of Quarterly & Half Yearly Financial Results for the period ended 30th Sept, 2012						
Particulars	For three months ended Sept 30, 2012	For three months ended Sept 30, 2011	% Growth	For six months ended Sep 30, 2012	For six months ended Sep 30, 2011	% Growth
Sales Income from Operations:						
Domestic Operations						
Formulations	17,210.69	14,287.88	20.5%	34,059.50	28,212.44	20.7%
API	451.51	509.90	-11.5%	1,214.06	947.64	28.1%
International Operations						
Formulations	5,810.61	3,310.88	75.5%	12,372.61	5,811.97	112.9%
API	2,643.76	1,600.32	65.2%	4,800.35	3,404.78	41.0%
				-		
Other Operating Income	308.11	174.90	76.2%	464.26	381.90	21.6%
Contract Manufacturing				-		
Total Income	26,424.68	19,883.88	32.9%	52,910.78	38,758.73	36.5%
Expenditure:						
Material Consumption	9,686.45	7,134.46	35.8%	19,972.11	14,108.83	41.6%
% Sales Income	36.7%	35.9%		37.7%	36.4%	
Staff Cost	3,593.61	3,029.06	18.6%	6,972.20	6,003.74	16.1%
Other Expenditure	7,851.71	6,679.73	17.5%	15,683.13	12,914.67	21.4%
EBITDA	5,292.91	3,040.63	74.1%	10,283.34	5,731.49	79.4%
% Total Income	20.0%	15.3%		19.4%	14.8%	
Interest	66.39	86.60	-23.3%	152.15	134.38	13.2%
Depreciation	820.87	690.71	18.8%	1,648.48	1,364.74	20.8%
Total Expenditure	22,019.03	17,620.56	25.0%	44,428.07	34,526.36	28.7%
% Total Income	83.3%	88.6%		84.0%	89.1%	
Operating Income	4,405.65	2,263.32	94.7%	8,482.71	4,232.37	100.4%
% Total Income	16.7%	11.4%		16.0%	10.9%	
Other Income	218.64	332.89	-34.3%	693.80	515.63	34.6%
Exceptional Items (Gain/-Loss)				-	-	
Profit before Tax	4,624.29	2,596.21	78.1%	9,176.51	4,748.00	93.3%
% Total Income	17.5%	13.1%		17.3%	12.3%	
Prior period expenses / (income)		-		-	-	
Income Tax	1,117.00	682.00	63.8%	2,355.00	1,272.00	85.1%
Excess / (short) provision for tax of earlier year	0.00	(0.00)		-	(0.00)	
Net Profit	3,507.29	1,914.21	83.2%	6,821.51	3,476.00	96.2%
% Total Income	13.3%	9.6%		12.9%	9.0%	
Earning Per Share- Basic	3.88	2.12		7.55	3.85	
Earning Per Share- Diluted	3.87	2.11		7.52	3.83	



Investor Update

Ratios	Quarter ended Sept 30, 2012	Quarter ended Sept 30, 2011	Year ended March 31, 2012	Year ended March 31, 2011
Debt / Equity Ratio:	0.03	0.07	0.06	0.04
Net worth (Rs. Crs)	799.13	713.41	761.59	678.02
Total Debt (Rs. Crs)	25.23	47.63	48.36	30.45
Book Value (Rs./Share)	88.35	79.00	84.32	75.14
Net Sales / Net fixed assets ratio	0.48	0.42	1.54	1.76
Current assets ratios:	1.86	2.36	2.32	1.63
Net Current assets (Rs. Crs)	420.00	365.00	412.24	363.43
Current Liabilities (Rs. Crs)	226.20	154.59	178.02	223.44
ROCE % (PBDIT BASIS)	27.0	17.7	17.8	23.7
RONW %	17.7	10.9	11.5	16.0

Niche Generics Limited, the 100% UK Subsidiary recorded sales of **GBP 4.63 Million** (corresponding six months of the previous year: **GBP 5.02 Million**) and Net Loss of **GBP 0.30 Million** (corresponding quarter previous year: **GBP 0.39 Million**) for the six months ended September 30, 2012.

Unichem Pharmaceuticals USA Inc., the 100% US Subsidiary recorded sales of **USD 3.89 Million** (corresponding six months of the previous year: **USD 1.63 Million**) and Net Loss of **USD 0.33 Million** (corresponding six months of the previous year: **USD 0.62 Million**) for the six months ended September 30, 2012.

Unichem Pharmaceuticals Do Brasil Ltda, the 100% Brazilian Subsidiary recorded sales of **Brazilian Reals 0.85 Million** (corresponding six months of the previous year: **Brazilian Reals 'NIL' Million**) and Net Loss of **Brazilian Reals of 1.44 Million** (corresponding six months of the previous year: **Brazilian Reals 1.09 Million**) for the six months ended September 30, 2012.



Investor Update

Standalone Financials:

UNICHEM LABORATORIES LTD			
<i>Analysis of Sequential Quarters Unaudited Financial Results for Quarter ended 30th Sept, 2012</i>			
STAND ALONE FINANCIALS			
Particulars	For three months ended Sept 30, 2012	For three months ended June 30, 2012	% Growth
Sales Income from Operations:			
<i>Domestic Operations</i>			
Formulations	17,210.69	16,848.80	2.1%
API	451.51	762.55	-40.8%
<i>International Operations</i>			
Formulations	5,810.61	6,562.00	-11.5%
API	2,643.76	2,156.59	22.6%
Other Operating Income	308.11	156.16	97.3%
Total Income	26,424.68	26,486.10	-0.2%
Expenditure:			
Material Consumption	9,686.45	10,285.66	-5.8%
% Sales Income	36.7%	38.8%	
Staff Cost	3,593.61	3,378.59	6.4%
Other Expenditure	7,851.71	8,041.58	-2.4%
EBITDA	5,292.91	4,780.27	10.7%
% Total Income	20.0%	18.0%	
Interest	66.39	85.76	-22.6%
Depreciation	820.87	827.61	-0.8%
Total Expenditure	22,019.03	22,619.20	-2.7%
% Total Income	83.3%	85.4%	
Operating Income	4,405.65	3,866.90	13.9%
% Total Income	16.7%	14.6%	
Other Income	218.64	685.32	-68.1%
Exceptional Items (Gain/-Loss)		-	
Profit before Tax	4,624.29	4,552.22	1.6%
% Total Income	17.5%	17.2%	
Prior period expenses / (income)		-	
Income Tax	1,117.00	1,238.00	-9.8%
Excess / (short) provision for tax of earlier year	-	-	
Net Profit	3,507.29	3,314.22	5.8%
% Total Income	13.3%	12.5%	
Earning Per Share- Basic	3.88	3.67	
Earning Per Share- Diluted	3.87	3.65	



Investor Update

India Formulation Business

Key Highlights

AWACS

Domestic Formulation market on MAT Aug, 2012 is estimated at Rs. 67,496 crs by AWACS, reflecting a growth of 16.9 % over MAT Aug, 2011.

Further, for the quarter ended August, 2012 {June to Aug} the Domestic Formulation Market stood at Rs. 17,893 crs reflecting a growth of 15.3 % over quarter ended August, 2011.

Unichem Laboratories revenue on MAT August, 2012 is estimated at Rs. 690 crs and growing at 5.1 % with a market share of 1.02 % (*in covered market 2.23 %*). For the quarter ended August, 2012 {June to August} revenue is estimated at Rs. 180 crores reflecting a growth of 5.6 % over quarter ended August, 2011. For the period April 2012 to August 2012 the revenue is estimated at Rs. 296 crores reflecting a growth of 7.9% over the corresponding period of the previous year.

The division-wise break-up is as follows:

	MAT Aug '12		Jun '12- Aug '12		Apr '12- Aug '12	
	Value (Rs.Crs)	% Growth	Value (Rs.Crs)	% Growth	Value (Rs.Crs)	% Growth
Total Domestic Market	67496	16.9	17893	15.3	29187	16.2
Total Unichem Laboratories	690	5.1	180	5.6	296	7.9
Unisearch - Cardiovascular Division	223	2.8	60	12.7	98	7.4
UVA Division	140	13.5	38	20.4	63	24.9
Unisearch - Cardiovascular Diabetology Division	100	4.6	25	7.0	42	5.9
Neu-Foreva - Neuro-Psychiatry Division	62	(6.5)	15	(4.2)	25	(6.6)
Unikare Division	55	0.9	13	(0.9)	23	0.5
Unisearch - Integra (Nephrology) Division	54	12.6	13	0.9	22	3.7
Pharma Division	47	12.4	13	17.9	21	15.1
Unifem (Gynaecology) Div.	1.1	-	0.3	-	0.5	-
Criticare (Hospital) Div.	0.59	-	0.12	-	0.21	-
Total Unichem Formulations Business	682	5.6	179	10.2	294	9.0
Others	7	(28.2)	1	(84.5)	2	(62.7)



Investor Update

Brand Position

Four Unichem brands feature among the top 300 Indian pharmaceutical brands.

1. Losar-H – Rs. 73 crs. (Rank 90th)
2. Losar Rs. 65 crs. (Rank 108th)
3. Ampoxin Rs. 57 crs. (Rank 136th)
4. Unienzyme Rs. 38 crs. (Rank 262nd)

Unichem Laboratories Represented / Covered Market

Therapy Market Segment	MAT August, 2012		MAT August, 2012		
	Representative Market		Unichem Laboratories		
	Sales (Rs. Crs)	% Growth	Sales (Rs. Crs)	% Share	% Growth
Cardiac Care	4806	21.1	322	6.7	5.2
Anti-infectives	8550	12.4	106	1.2	1.6
Neuro-Psychiatry	1984	16.6	87	4.4	(2.9)
Gastroenterologicals	3492	15.5	72	2.1	30.2
Anti-Diabetic	2041	26.9	24	1.2	7.7
Respiratory	1094	14.2	22	2.0	8.3
Musculoskeletal	2608	12.7	21	0.8	(12.7)
Nutraceuticals	3058	16.1	17	0.6	3.3
Dermatologicals	1165	23.5	14	1.2	(6.6)
Heamatinics	1023	13.7	1	0.1	(23.9)
Others	1076	13.9	4	0.4	249.7
Total	30898	16.2	690	2.2	5.1



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Brand Group Scenario

	MAT Aug.'12 (Rs. Crs)	Apr'12- Aug.'12 (Rs. Crs)	% Market Share	% Growth	% Contribution
Total Revenue	690	296	1.02	7.9	100.0
LOSAR GROUP	158	69	30.3	0.7	23.0
AMPOXIN GROUP	57	23	30.1	(3.4)	8.2
UNIENZYME	38	20	15.3	40.0	5.5
TELSAR GROUP	38	17	5.1	26.7	5.5
TRIKA	34	15	21.5	(4.7)	5.0
OLSAR GROUP	26	11	7.9	30.5	3.8
VIZYLAC	21	10	16.4	33.3	3.0
METRIDE GROUP	18	8	1.6	15.9	2.6
TG-TOR GROUP	17	7	1.8	(14.3)	2.5
CLODREL GROUP	9	3	2.9	(15.8)	1.3

About Unichem Laboratories Limited.

Unichem Laboratories Limited is an international, integrated, specialty pharmaceutical company. It manufactures and markets a large basket of pharmaceutical formulations as branded generics as well as generics in India and several other markets across the world. In India, the company is a leader in niche therapy areas of cardiology, neurology, orthopedics and anti-infectives. The company has strong skills in product development, process chemistry and manufacturing of complex API as well as dosage forms. More information about the company can be found at www.unichemlabs.com.

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This press release includes forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially. Such factors include, but are not limited to, changes in local and global economic conditions, our ability to successfully implement our strategy, the market acceptance of and demand for our products, our growth and expansion, technological change and our exposure to market risks. By their nature, these expectations and projections are only estimates and could be materially different from actual results in the future.