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*Investor Update*

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Mumbai, May 14, 2012

**UNICHEM LABORATORIES LIMITED**

**Quarter 4 & Full Year 2011-12 – Financial Performance**

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**AWACS Ranking**



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**Financial Highlights:**

**Q4 2011-12:**

**REVENUE**

- The company's standalone revenue from operations stood at Rs.192.97 crs for the quarter ended March, 2012 against Rs. 178.10 crs recorded during the corresponding quarter of the previous year reflecting 8.4 % growth. On sequential quarter revenue grew negatively by 13.3 %.
- Domestic Branded Formulations grew negatively by 8.9% compared to the corresponding quarter of the previous year, while on sequential quarter it grew negatively by 20.5 %.
- The International Formulation Business grew by 55.8% compared to the corresponding quarter of the previous year, while on sequential quarter it grew by 10.0 %.
- API business grew by 29.35% during this quarter compared to the corresponding quarter of the previous year, while on sequential quarter it grew negatively by 18.64 %.

**EBIDTA**

- The company's EBIDTA margins for the quarter ended March 31, 2012 is 17.1% compared to the corresponding quarter of the previous year. On sequential quarter EBIDTA margins improved by 0.6 %.

**PBT & PAT**

- Profit before tax for the quarter ended March 31, 2012 stood at Rs. 25.87 crs (*corresponding quarter previous year: Rs. 18.46 crs*) and consequently the net profit for the quarter stood at Rs. 23.23 crs (*corresponding quarter previous year: Rs. 14.84 crs*). On sequential quarter Profit before tax grew negatively by 18.6 % and Net profit negatively by 5 %.
- The EPS-Diluted for the current quarter stood at Rs. 2.56 (*corresponding quarter previous year: Rs. 1.64*).



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**FY 2011-12:**

**REVENUE**

- The company's standalone revenue from operations stood at Rs. 803.2 crs for the year ended Mar 31, 2011 against Rs. 764.7 crs recorded during the corresponding period of the previous year, reflecting overall growth of 5.0 %.
- Domestic Branded Formulations grew negatively by 7.4 %, essentially due to inventory normalization. The International Formulation Business grew at 44.9 %.

**EBIDTA**

- The company's EBIDTA margins for the current year is 15.9 % (*previous year: 21.1 %*) due to increased material cost and adverse product mix, higher spending on Sales & Marketing expenses, and increased headcount related expenses.

**PBT & PAT**

- Profit before tax for the year stood at Rs. 105.2 crs (*previous year: Rs. 140.2 crs*) and consequently the net profit for the year stood at Rs. 82.5 crs (*Previous year: Rs. 108.5 crs*).
- The EPS-Diluted for the current year stood at Rs.9.09 (*previous year: Rs. 11.95*).



*Investor Update*

**Standalone Financials**

UNICHEM LABORATORIES LTD						
Analysis of unaudited Quarterly and Full Year Financial results for the year ended 31st Mar, 2012.						
Particulars	For three months ended Mar 31, 2012	For three months ended Mar 31, 2011	% Growth	Full Year ended Mar 31, 2012	Full Year ended Mar 31, 2011	% Growth
<b>Sales Income from Operations:</b>						
Domestic Operations						
Formulations	11,125.95	12,219.22	-8.9%	53,331.88	57,576.46	-7.4%
API	572.10	560.48	2.1%	2,089.62	2,202.40	-5.1%
International Operations						
Formulations	5,435.09	3,487.71	55.8%	16,188.40	11,175.87	44.9%
API	1,903.34	1,353.25	40.6%	7,781.06	4,826.75	61.2%
Other Operating Income	260.88	189.40	37.7%	927.77	692.26	34.0%
Contract Manufacturing						
<b>Total Income</b>	<b>19,297.36</b>	<b>17,810.06</b>	<b>8.4%</b>	<b>80,318.73</b>	<b>76,473.74</b>	<b>5.0%</b>
<b>Expenditure:</b>						
Material Consumption	7,127.11	6,513.63	9.4%	29,516.75	25,676.17	15.0%
<b>% Sales Income</b>	<b>36.9%</b>	<b>36.6%</b>		<b>36.7%</b>	<b>33.6%</b>	
Staff Cost	2,871.41	2,430.12	18.2%	11,892.04	10,553.86	12.7%
Other Expenditure	6,006.52	6,515.03	-7.8%	26,165.93	24,104.04	8.6%
<b>EBIDTA</b>	<b>3,292.32</b>	<b>2,351.28</b>	<b>40.0%</b>	<b>12,744.01</b>	<b>16,139.67</b>	<b>-21.0%</b>
<b>% Total Income</b>	<b>17.1%</b>	<b>13.2%</b>		<b>15.9%</b>	<b>21.1%</b>	
Interest	75.41	51.06	47.7%	329.85	194.82	69.3%
Depreciation	791.67	707.09	12.0%	2,828.81	2,721.77	3.9%
<b>Total Expenditure</b>	<b>16,872.12</b>	<b>16,216.93</b>	<b>4.0%</b>	<b>70,733.38</b>	<b>63,250.66</b>	<b>11.8%</b>
<b>% Total Income</b>	<b>87.4%</b>	<b>91.1%</b>		<b>88.1%</b>	<b>82.7%</b>	
<b>Operating Income</b>	<b>2,425.24</b>	<b>1,593.13</b>	<b>52.2%</b>	<b>9,585.35</b>	<b>13,223.08</b>	<b>-27.5%</b>
<b>% Total Income</b>	<b>12.6%</b>	<b>8.9%</b>		<b>11.9%</b>	<b>17.3%</b>	
Other Income	161.90	252.57	-35.9%	939.47	796.22	18.0%
Exceptional Items (Gain/-Loss)	-					
Profit before Tax	2,587.14	1,845.70	40.2%	10,524.82	14,019.30	-24.9%
<b>% Total Income</b>	<b>13.4%</b>	<b>10.4%</b>		<b>13.1%</b>	<b>18.3%</b>	
Prior period expenses / (income)	1.40	-		1.40	1.31	
Income Tax	265.97	341.00	-22.0%	2,281.00	3,148.00	-27.5%
Excess /(short ) provision for tax of earlier year	3.78	(20.21)		3.78	(20.21)	-118.7%
<b>Net Profit</b>	<b>2,323.55</b>	<b>1,484.49</b>	<b>56.5%</b>	<b>8,246.20</b>	<b>10,849.79</b>	<b>-24.0%</b>
<b>% Total Income</b>	<b>12.0%</b>	<b>8.3%</b>		<b>10.3%</b>	<b>14.2%</b>	
Earning Per Share- Basic	2.57	1.65		9.13	12.03	
Earning Per Share- Diluted	2.56	1.64		9.09	11.95	



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Niche Generics Limited, the 100% UK Subsidiary recorded sales of **GBP 10.32 Million** (*Previous year: GBP 10.04 Million*) and Net Loss of **GBP 0.19 Million** (*Previous Year: GBP 0.79 Million*) for the year ended March 31, 2012.

Unichem Pharmaceuticals USA Inc., the 100% US Subsidiary recorded sales of **USD 5.43 Million** (*Previous year: USD 2.98 Million*) and Net Loss of **USD 0.75 Million** (*Previous year: USD 0.92 Million*) for the year ended March 31, 2012.

Unichem Pharmaceuticals Do Brasil Ltda, Our Brazil Subsidiary recorded sales of **Brazilian Reals 0.009 Million** and Net Loss of **Brazilian Reals of 2.48 Million** for the year ended March 31, 2012.



*Investor Update*

**Standalone Financials:**

**UNICHEM LABORATORIES LTD**

*Analysis of Sequential Quarters Unaudited Financial Results for Quarter ended 31st March, 2012*

<b>STAND ALONE FINANCIALS</b>			
<b>Particulars</b>	<b>For three months ended Mar 31, 2012</b>	<b>For three months ended Dec 31, 2011</b>	<b>% Growth</b>
<b>Sales Income from Operations:</b>			
<i>Domestic Operations</i>			
Formulations	11,125.95	13,993.43	-20.5%
API	572.10	569.88	0.4%
<i>International Operations</i>			
Formulations	5,435.09	4,941.34	10.0%
API	1,903.34	2,473.00	-23.0%
Other Operating Income	260.88	284.99	-8.5%
<b>Total Income</b>	<b>19,297.36</b>	<b>22,262.64</b>	<b>-13.3%</b>
<b>Expenditure:</b>			
Material Consumption	7,127.11	8,280.81	-13.9%
<b>% Sales Income</b>	<b>36.9%</b>	<b>37.2%</b>	
Staff Cost	2,871.41	3,016.89	-4.8%
Other Expenditure	6,006.52	7,281.78	-17.5%
<b>EBIDTA</b>	<b>3,292.32</b>	<b>3,683.16</b>	<b>-10.6%</b>
<b>% Total Income</b>	<b>17.1%</b>	<b>16.5%</b>	
Interest	75.41	43.70	72.6%
Depreciation	791.67	672.40	17.7%
<b>Total Expenditure</b>	<b>16,872.12</b>	<b>19,295.58</b>	<b>-12.6%</b>
<b>% Total Income</b>	<b>87.4%</b>	<b>86.7%</b>	
Operating Income	<b>2,425.24</b>	<b>2,967.06</b>	<b>-18.3%</b>
<b>% Total Income</b>	<b>12.6%</b>	<b>13.3%</b>	
Other Income	161.90	212.60	-23.8%
Exceptional Items (Gain/-Loss)	-	-	
<b>Profit before Tax</b>	<b>2,587.14</b>	<b>3,179.66</b>	<b>-18.6%</b>
<b>% Total Income</b>	<b>13.4%</b>	<b>14.3%</b>	
Prior period expenses / (income)	1.40	-	
Income Tax	265.97	733.01	-63.7%
Excess / (short) provision for tax of earlier year	3.78		
<b>Net Profit</b>	<b>2,323.55</b>	<b>2,446.65</b>	<b>-5.0%</b>
<b>% Total Income</b>	<b>12.0%</b>	<b>11.0%</b>	
Earning Per Share- Basic	2.57	1.65	
Earning Per Share- Diluted	2.56	1.64	



## *Investor Update*

### **India Formulation Business**

#### **Key Highlights**

***We have discontinued our subscription to IMS and effective April, 2011; we are following the secondary sales market data of AWACS, which may be at variance with IMS in terms of overall market size, representative market size and accordingly the market share.***

#### **AWACS**

Domestic Formulation market on MAT March, 2012 is estimated at Rs. 62,904 crs by AWACS, reflecting a growth of 16.0 % over MAT March, 2011.

Further, for the quarter ended March, 2012 {January to March} the Domestic Formulation Market stood at Rs. 15,751 crs reflecting a growth of 19.1% over quarter ended March, 2011.

Unichem Laboratories revenue is estimated at Rs. 667 crs (AWACS MAT March, 2012) and growing at 2.5% with a market share of 1.1 % (in covered market 2.2%).

The division-wise break-up is as follows:

	MAT Mar '12		Jan - Mar '12	
	VALUE (Rs.Crs)	% GROWTH	VALUE (Rs.Crs)	% GROWTH
<b>Total Domestic Market</b>	<b>62904</b>	<b>16.0</b>	<b>15751</b>	<b>19.1</b>
<b>Total Unichem Laboratories</b>	<b>667</b>	<b>2.5</b>	<b>167</b>	<b>7.2</b>
Unisearch CV - Cardiovascular Division	218	(0.2)	55.1	6.0
UVA Division	127	2.1	32.0	9.7
Unisearch CD - Cardiovascular Diabetology Division	98	0.5	25.2	6.7
Unikare Division	49	3.6	11.5	(0.3)
Neu-Foreva - Neuro-Psychiatry Division	53	(6.1)	12.6	(3.4)
Pharma Division	43	12.5	10.8	15.9
Unisearch - Integra (Nephrology) Division	55	22.6	14.0	17.9
Unifem - Gynac Division	1	*	0.6	*
<b>Total Unichem Formulations Business</b>	<b>645</b>	<b>2.7</b>	<b>162</b>	<b>7.5</b>
OTHERS	22	(3.4)	5	(0.8)

#### **Brand Position**

Four Unichem brands feature among the top 300 Indian pharmaceutical brands and out of which two brands are in the top 100.

1. Losar-H – Rs. 72 crs. (Rank 83<sup>rd</sup>)
2. Losar – Rs. 63 crs. (Rank 100<sup>th</sup>)



## Investor Update

### Unichem Laboratories Represented / Covered Market

Therapy Market Segment	Representative Market		Unichem Laboratories		
	Size (Rs. Crs)	% Growth	Sales (Rs. Crs)	% Share	% Growth
Cardiac Care	4718	21.1	312	6.6	3.4
Anti-infectives	8800	10.3	103	1.2	(0.1)
Neuro-Psychiatry	1966	15.7	86	4.4	(3.6)
Gastroenterologicals	3882	12.7	62	1.6	11.0
Nutraceuticals	1521	24.7	20	1.3	19
Musculoskeletal	2578	11.0	22	0.8	(13.2)
Anti-Diabetic	1876	27.9	24	1.3	7.4
Respiratory	1041	3.8	21	2.0	9.2
Dermatologicals	1175	18.9	15	1.3	22.9
Heamatinics	970	15.7	2	0.2	10.9
Others	1176	16.9	1	0.1	115.5
<b>Total</b>	<b>29703</b>	<b>14.8</b>	<b>667</b>	<b>2.2</b>	<b>2.5</b>

### Brand Group Scenario

	MAT Mar '12			Jan-Mar'12		
	Value (Rs.crs)	% SHARE	% GROWTH	Value (Rs.crs)	% SHARE	% GROWTH
Total Revenue	667		2.5	167		7.2
LOSAR Group	153.7	30.5	(2.0)	38.4	30.1	2.3
AMPOXIN Group	56.7	29.0	(9.1)	13.2	29.0	(7.4)
TRIKA Group	35.2	22.7	(5.4)	8.8	22.1	5.1
TELSAR Group	34.5	5.1	22.5	9.7	5.0	31.2
UNIENZYME Group.	30.4	10.3	9.3	8	11.7	28.6
OLSAR Group	24.6	8.6	46.6	6.8	8.5	43.9
TG-TOR Group	18.1	2.0	(17.1)	4.4	1.9	(15.8)
VIZYLAC Group	18.1	40.3	18.5	5	41.8	27.3
MTRIDE Group	17.1	1.7	11.2	4.5	1.7	21.6
SERTA	13.1	28.1	(6.9)	3.2	27.5	3.8

### 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](http://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.*