



UNICHEM
LABORATORIES LIMITED

Investor Update

BSE: 506690

NSE: UNICHEMLAB

Reuters: UNLB.BO

Bloomberg: UN@IN

Mumbai, October 24, 2011

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Financial Highlights:

Q2 2011-12:

REVENUE

- The company's standalone revenue from operations stood at Rs.198.84 crs for the quarter ended September 30, 2011 against Rs. 202.03 crs recorded during the corresponding quarter of the previous year. On sequential quarter ended June 30 2011 revenue grew by 5.3%.
- Domestic Branded Formulations grew negatively by 9.2% compared to the corresponding quarter of the previous year, while on sequential quarter it grew by 2.6%. The International Formulation Business grew by 12.5% compared to the corresponding quarter of the previous year, while on sequential quarter it grew by 32.4%. API business grew 58.4% during this quarter compared to the corresponding quarter of the previous year and 5.9% negatively compared to sequential quarter ended June 30, 2011.

EBIDTA

- The company's EBIDTA margins for the quarter ended September 30, 2011 is 15.3% (corresponding quarter previous year: 24.5%) due to higher operating expenses on Sales & Marketing, R & D, Personnel Cost. On sequential quarter ended June 30, 2011 EBITDA margins improved by 1%.

PBT & PAT

- Profit before tax for the quarter ended September 30, 2011 stood at Rs. 26.02 crs (corresponding quarter previous year: Rs. 44.72 crs) and consequently the net profit for the quarter stood at Rs. 19.14 crs (corresponding quarter previous year: Rs. 34.70 crs). On sequential quarter ended June 30, 2011, Profit before tax grew by 20.7% and Net profit by 22.6%.
- The EPS-Diluted for the current quarter stood at Rs. 2.11 (corresponding quarter previous year: Rs. 3.82).



Investor Update

Standalone Financials

Analysis of Quarterly and Half yearly Unaudited Financial results for Quarter ended 30th Sep, 2011.

| Particulars | STAND ALONE FINANCIALS | | | | | | |
|--|-------------------------------------|-------------------------------------|---------------|-----------------------------------|-----------------------------------|---------------|-------------------------|
| | For three months ended Sep 30, 2011 | For three months ended Sep 30, 2010 | % Growth | For six months ended Sep 30, 2011 | For six months ended Sep 30, 2010 | % Growth | Year ended Mar 31, 2011 |
| | Rs. Lakhs | Rs. Lakhs | | Rs. Lakhs | Rs. Lakhs | | Rs. Lakhs |
| Sales Income from Operations: | | | | | | | |
| <i>Domestic Operations</i> | | | | | | | |
| Formulations | 14,287.88 | 15,732.37 | -9.2% | 28,212.44 | 30,448.60 | -7.3% | 57,576.46 |
| API | 509.90 | 393.42 | 29.6% | 947.64 | 1,076.37 | -12.0% | 2,202.40 |
| <i>International Operations</i> | | | | | | | |
| Formulations | 3,310.88 | 2,943.25 | 12.5% | 5,811.97 | 5,004.11 | 16.1% | 11,175.87 |
| API | 1,600.32 | 938.52 | 70.5% | 3,404.78 | 2,123.11 | 60.4% | 4,826.75 |
| Other Operating Income | 174.90 | 196.13 | -10.8% | 381.90 | 300.98 | 26.9% | 692.26 |
| Total Income | 19,883.88 | 20,203.69 | -1.6% | 38,758.73 | 38,953.17 | -0.5% | 76,473.74 |
| Expenditure: | | | | | | | |
| Material Consumption | 7,134.46 | 6,468.84 | 10.3% | 14,108.83 | 12,453.98 | 13.3% | 25,676.17 |
| % Sales Income | 35.9% | 32.0% | | 36.4% | 32.0% | | 33.6% |
| Staff Cost | 3,029.06 | 2,763.99 | 9.6% | 6,003.74 | 5,346.75 | 12.3% | 10,553.86 |
| Depreciation | 690.71 | 670.04 | 3.1% | 1,364.74 | 1,327.88 | 2.8% | 2,721.77 |
| Other Expenditure | 6,673.46 | 6,011.45 | 11.0% | 12,904.65 | 11,303.51 | 14.2% | 24,093.04 |
| Interest | 23.04 | 17.03 | 35.3% | 40.22 | 42.43 | -5.2% | 58.82 |
| Total Expenditure | 17,550.73 | 15,931.35 | 10.2% | 34,422.18 | 30,474.55 | 13.0% | 63,103.66 |
| % Total Income | 88.3% | 78.9% | | 88.8% | 78.2% | | 82.5% |
| Operating Income | 2,333.15 | 4,272.34 | -45.4% | 4,336.55 | 8,478.62 | -48.9% | 13,370.08 |
| % Total Income | 11.7% | 21.1% | | 11.2% | 21.8% | | 17.5% |
| Other Income | 269.33 | 200.43 | 34.4% | 421.47 | 330.85 | 27.4% | 660.22 |
| Exceptional Items (Gain/-Loss) | 0.00 | 0.00 | | 0.00 | 0.00 | | 0.00 |
| Profit before Tax | 2,602.48 | 4,472.78 | -41.8% | 4758.02 | 8,809.47 | -46.0% | 14,030.30 |
| % Total Income | 13.1% | 22.1% | | 12.3% | 22.6% | | 18.3% |
| Prior period expenses / (income) | - | 1.27 | | - | 1.27 | | 1.31 |
| Income Tax | 688.27 | 1,001.00 | -31.2% | 1,282.02 | 2,003.00 | -36.0% | 3,159.00 |
| Excess / (short) provision for tax of earlier year | - 0.00 | - | | - 0.00 | - | | - 20.21 |
| Net Profit | 1,914.21 | 3,470.51 | -44.8% | 3,476.00 | 6,805.20 | -48.9% | 10,849.78 |
| % Total Income | 9.6% | 17.2% | | 9.0% | 17.5% | | 14.2% |
| Earning Per Share - Basic (Rs.) | 2.12 | 3.85 | | 3.85 | 7.54 | | 12.03 |
| Earning Per Share - Diluted (Rs.) | 2.11 | 3.82 | | 3.83 | 7.50 | | 11.95 |

Niche Generics Limited, the 100% UK Subsidiary recorded sales of **GBP 5.02 Million** and Net Loss of **GBP 0.39 Million** for the six months ended Sept 30, 2011.

Unichem Pharmaceuticals USA Inc., the 100% US Subsidiary recorded sales of **USD 1.63 Million** and Net Loss of **USD 0.62 Million** for the six months ended Sept 30, 2011.

Unichem Pharmaceuticals Do Brasil Ltda, Our Brazil Subsidiary recorded sales of **Brazilian Reals 'Nil'** and Net Loss of **Brazilian Reals of 1.09 Million** for the six months ended Sept 30, 2011.



Investor Update

Standalone Financials – Sequential Quarter:

Analysis of Sequential Quarters Unaudited Financial results for Quarter ended 30th Sep, 2011.

| Particulars | STAND ALONE FINANCIALS | | |
|--|-------------------------------------|--------------------------------------|--------------|
| | For three months ended Sep 30, 2011 | For three months ended June 30, 2011 | % Growth |
| | Rs. Lakhs | Rs. Lakhs | |
| Sales Income from Operations: | | | |
| <i>Domestic Operations</i> | | | |
| Formulations | 14,287.88 | 13,924.56 | 2.6% |
| API | 509.90 | 437.74 | 16.5% |
| <i>International Operations</i> | | | |
| Formulations | 3,310.88 | 2,501.09 | 32.4% |
| API | 1,600.32 | 1,804.46 | -11.3% |
| Other Operating Income | 174.90 | 207.00 | -15.5% |
| Total Income | 19,883.88 | 18,874.85 | 5.3% |
| Expenditure: | | | |
| Material Consumption | 7,134.46 | 6,974.37 | 2.3% |
| % Sales Income | 35.9% | 37.0% | |
| Staff Cost | 3,029.06 | 2,974.68 | 1.8% |
| Depreciation | 690.71 | 674.03 | 2.5% |
| Other Expenditure | 6,673.46 | 6,231.19 | 7.1% |
| Interest | 23.04 | 17.18 | 34.1% |
| Total Expenditure | 17,550.73 | 16,871.45 | 4.0% |
| % Total Income | 88.3% | 89.4% | |
| Operating Income | 2,333.15 | 2,003.40 | 16.5% |
| % Total Income | 11.7% | 10.6% | |
| Other Income | 269.33 | 152.14 | 77.0% |
| Exceptional Items (Gain/-Loss) | - | - | |
| Profit before Tax | 2,602.48 | 2,155.54 | 20.7% |
| % Total Income | 13.1% | 11.4% | |
| Prior period expenses / (income) | - | | |
| Income Tax | 688.27 | 593.75 | 15.9% |
| Excess / (short) provision for tax of earlier year | | | |
| Net Profit | 1,914.21 | 1,561.79 | 22.6% |
| % Total Income | 9.6% | 8.3% | |
| Earning Per Share - Basic (Rs.) | 2.12 | 1.73 | |
| Earning Per Share - Diluted (Rs.) | 2.11 | 1.72 | |



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 August, 2011 is estimated at Rs. 57,175 crs by AIOCD AWACS, reflecting a growth of 14.4 % over MAT August, 2010.

Further, for the quarter ended August 30, 2011 {June to August} the Domestic Formulation Market stood at Rs. 15,322 crs reflecting a growth of 12.3% over quarter ended August, 2010.

Unichem Laboratories revenue is estimated at Rs. 650 crs (AWACS MAT August, 2011) and growing at 7.6% with a market share of 1.1 %.

The division-wise break-up is as follows:

| | MAT AUG.'11 | | APR'11- AUG'11 | |
|---|----------------|-------------|----------------|-------------|
| | VALUE (Rs.Crs) | % GROWTH | VALUE (Rs.Crs) | % GROWTH |
| Total Domestic Market | 57175 | 14.4 | 24874 | 13.0 |
| Total Unichem Laboratories | 650 | 7.6 | 275 | 3.2 |
| Unisearch - Cardiovascular Division | 258 | 10.8 | 110 | 5.7 |
| UVA Division | 124 | 0.4 | 51 | (8.3) |
| Unisearch - Cardiovascular Diabetology Division | 78 | 5.4 | 33 | 1.2 |
| Unikare Division | 58 | 20.7 | 24 | 11.2 |
| Neu-Foreva - Neuro-Psychiatry Division | 55 | 6.3 | 23 | 1.9 |
| Pharma Division | 44 | (6.3) | 18 | (2.9) |
| Unisearch - Integra (Nephrology) Division | 23 | 18.7 | 10 | 17.3 |
| Total Unichem Formulations Business | 640 | 7.3 | 270 | 2.1 |
| Others | 10 | 33.9 | 5 | 125.3 |



Investor Update

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. 71 crs. (Rank 67th)
2. Losar – Rs. 63 crs. (Rank 93rd)

Unichem Laboratories Represented / Covered Market

| | VALUE (Rs. Crs.) | | % GROWTH | |
|---------------------------------|------------------|--------------|-------------|-------------|
| | MAT AUG'11 | APR-AUG'11 | MAT AUG'11 | APR-AUG'11 |
| UNICHEM REP MKT | 28700 | 12481 | 13.7 | 12.6 |
| ANTI-INFECTIVES | 7346 | 3044 | 11.0 | 7.7 |
| CARDIAC | 4388 | 1946 | 19.4 | 19.2 |
| GASTRO INTESTINAL | 3568 | 1627 | 12.4 | 8.6 |
| NEURO / CNS | 2409 | 1059 | 15.8 | 15.3 |
| VITAMINS / MINERALS / NUTRIENTS | 2362 | 1070 | 12.8 | 13.0 |
| PAIN / ANALGESICS | 1823 | 775 | 10.5 | 6.7 |
| ANTI DIABETIC | 1639 | 746 | 25.7 | 25.7 |
| RESPIRATORY | 1338 | 499 | 11.8 | 8.5 |
| DERMA | 993 | 444 | 16.3 | 15.1 |
| HAEMATINICS | 896 | 416 | 14.1 | 13.7 |
| GYNAECOLOGICAL | 718 | 321 | 16.7 | 18.0 |
| SEX STIMULANTS / REJUVENATORS | 578 | 260 | 16.9 | 18.0 |
| ANTI-PARASITIC | 269 | 112 | 7.1 | 3.4 |
| HORMONES | 184 | 75 | 4.2 | 2.5 |
| ANTI-TUBERCULAR | 103 | 56 | 50.4 | 122.7 |
| ANTI-NEOPLASTICS | 56 | 21 | 16.3 | 3.8 |
| OPHTHAL / OTOLOGICALS | 29 | 11 | 20.9 | (1.6) |
| STOMATOLOGICALS | 1 | 0 | 20.6 | 8.0 |



Investor Update

Unichem in Represented / Covered sub-segments

| | VALUE (Rs. Crs.) | | % GROWTH | |
|---------------------------------|------------------|------------|------------|------------|
| | MAT AUG'11 | APR-AUG'11 | MAT AUG'11 | APR-AUG'11 |
| UNICHEM LABORATORIES LTD | 650 | 275 | 7.6 | 3.2 |
| CARDIAC | 301 | 128 | 12.7 | 7.2 |
| ANTI-INFECTIVES | 100 | 40 | (0.9) | (5.1) |
| NEURO / CNS | 88 | 38 | 4.6 | 2.1 |
| GASTRO INTESTINAL | 55 | 25 | 5.4 | 0.4 |
| PAIN / ANALGESICS | 24 | 10 | (2.3) | (9.3) |
| ANTI DIABETIC | 23 | 10 | 4.0 | 0.9 |
| RESPIRATORY | 20 | 8 | 12.6 | 4.2 |
| VITAMINS / MINERALS / NUTRIENTS | 17 | 6 | (13.1) | (19.5) |
| DERMA | 14 | 7 | 54.5 | 62.7 |
| ANTI-PARASITIC | 4 | 2 | 4.8 | 9.7 |
| GYNAECOLOGICAL | 2 | 1 | 51.6 | 112.3 |

Total Represented / Covered Market growth and Unichem Growth Progression

| | MAT Aug.'11 | Sep'10 | Oct'10 | Nov'10 | Dec'10 | Jan'11 | Feb'11 | Mar'11 | Apr'11 | May'11 | Jun'11 | Jul'11 | Aug.'11 |
|----------------------------------|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| Represented Market Size (Rs.Crs) | 28700 | 2494 | 2375 | 2368 | 2391 | 2236 | 2166 | 2190 | 2417 | 2357 | 2393 | 2547 | 2767 |
| % Value Growth | 13.7 | 21.9 | 10.6 | 17.4 | 15.8 | 14.6 | 12.5 | 11.5 | 12.8 | 14.1 | 11.9 | 8.9 | 12.9 |
| Unichem Formulations (Rs.Crs) | 650 | 57 | 54 | 53 | 55 | 54 | 52 | 51 | 56 | 53 | 53 | 55 | 58 |
| % Value Growth | 7.6 | 8.9 | 9.3 | 19.0 | 19.9 | 7.4 | 7.6 | 6.8 | 6.4 | 1.1 | 2.0 | 1.0 | 5.4 |

Brand Group Scenario

| | MAT AUGUST'11 | | | APRIL-AUGUST'11 | | |
|---------------|----------------|---------|--------|-----------------|---------|--------|
| | Value (Rs.crs) | % SHARE | % GRTH | Value (Rs.crs) | % SHARE | % GRTH |
| LOSAR Group | 153.1 | 30.7 | 12.1 | 64.8 | 30.8 | 6.2 |
| AMPOXIN Group | 61.0 | 30.2 | (8.3) | 23.0 | 28.3 | (19.6) |
| TRIKA Group | 34.5 | 23.6 | (4.1) | 14.9 | 24.8 | (4.5) |
| TELSAR Group | 30.1 | 5.6 | 27.0 | 12.9 | 5.1 | 19.4 |
| UNIENZYME | 27.1 | 10.2 | 7.6 | 12.0 | 9.8 | (2.4) |
| TG-TOR Group | 20.1 | 2.4 | (4.6) | 7.7 | 2.1 | (17.9) |
| OLSAR Group | 19.6 | 8.8 | 61.2 | 9.5 | 8.6 | 61.2 |
| VIZYLAC | 15.8 | 25.6 | 5.4 | 7.5 | 25.9 | 2.6 |
| METRIDE Group | 15.6 | 1.9 | 2.8 | 6.8 | 1.8 | 0.7 |
| SERTA | 12.9 | 27.8 | (1.3) | 5.5 | 28.4 | (4.8) |



Investor Update

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.
