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*Investor Update*

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BSE: 506690	NSE: UNICHEMLAB	Reuters: UNLB.BO	Bloomberg: UN@IN
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Mumbai, January 23, 2012

**UNICHEM LABORATORIES LIMITED**

**Q3, 2011-12 – Financial Performance**

*Table of Contents*

**Financial Highlights**

**AWACS Ranking**



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*Investor Update*

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**Financial Highlights:**

**Q3 2011-12:**

**REVENUE**

- The company's standalone revenue from operations stood at Rs.222.62 crs for the quarter ended December 31, 2011 against Rs. 197.10 crs recorded during the corresponding quarter of the previous year reflecting 12.9% growth. On sequential quarter revenue grew by 12.0%.
- Domestic Branded Formulations grew negatively by 6.1% compared to the corresponding quarter of the previous year, while on sequential quarter it grew negatively by 2.1%.
- The International Formulation Business grew by 84.1% compared to the corresponding quarter of the previous year, while on sequential quarter it grew by 49.2%.
- API business grew by 83.1% during this quarter compared to the corresponding quarter of the previous year, while on sequential quarter it grew by 54.5%.

**EBIDTA**

- The company's EBIDTA margins for the quarter ended December 31, 2011 is 16.5% (*corresponding quarter previous year: 20.0%*) due to higher operating expenses on Manufacturing, Sales, Marketing and Distribution, and Personnel Cost. On sequential quarter EBITDA margins improved by 1.2%.

**PBT & PAT**

- Profit before tax for the quarter ended December 31, 2011 stood at Rs. 31.80 crs (*corresponding quarter previous year: Rs. 33.64 crs*) and consequently the net profit for the quarter stood at Rs. 24.47 crs (*corresponding quarter previous year: Rs. 25.60 crs*). On sequential quarter Profit before tax grew by 22.2% and Net profit by 27.8%.
- The EPS-Diluted for the current quarter stood at Rs. 2.70 (*corresponding quarter previous year: Rs. 2.82*).



## Investor Update

### Standalone Financials

Analysis of Quarterly and Annual Financial results for Quarter and Nine months ended 31st Dec, 2011.

Rs. In Lacs except EPS

Particulars	STAND ALONE FINANCIALS						
	For three months ended Dec 31, 2011	For three months ended Dec 31, 2010	% Growth	For nine months ended Dec 31, 2011	For nine months ended Dec 31, 2010	% Growth	Year ended Mar 31, 2011
<b>Sales Income from Operations:</b>							
<i>Domestic Operations</i>							
Formulations	13,993.43	14,908.64	-6.1%	42,205.93	45,357.24	-6.9%	57,576.46
API	569.88	565.55	0.8%	1,517.52	1,641.92	-7.6%	2,202.40
<i>International Operations</i>							
Formulations	4,941.34	2,684.05	84.1%	10,753.31	7,688.16	39.9%	11,175.87
API	2,473.00	1,350.39	83.1%	5,877.72	3,473.50	69.2%	4,826.75
Other Operating Income	284.99	201.88	41.2%	666.89	502.86	32.6%	692.26
<b>Total Income</b>	<b>22,262.64</b>	<b>19,710.51</b>	<b>12.9%</b>	<b>61,021.37</b>	<b>58,663.68</b>	<b>4.0%</b>	<b>76,473.74</b>
<b>Expenditure:</b>							
Material Consumption	8,280.81	6,708.56	23.4%	22,389.64	19,162.54	16.8%	25,676.17
% Sales Income	<b>37.20%</b>	<b>34.04%</b>		<b>36.7%</b>	<b>32.67%</b>		<b>33.58%</b>
Staff Cost	3,016.89	2,776.99	8.6%	9,020.63	8,123.74	11.0%	10,553.86
Depreciation	672.40	686.80	-2.1%	2,037.14	2,014.68	1.1%	2,721.77
Other Expenditure	7,281.78	6,285.50	15.9%	20,186.43	17,589.01	14.8%	24,093.04
Interest	43.70	17.25	153.3%	83.92	59.68	40.6%	58.82
<b>Total Expenditure</b>	<b>19,295.58</b>	<b>16,475.10</b>	<b>17.1%</b>	<b>53,717.76</b>	<b>46,949.65</b>	<b>14.4%</b>	<b>63,103.66</b>
% Total Income	<b>86.67%</b>	<b>83.59%</b>		<b>88.03%</b>	<b>80.03%</b>		<b>82.52%</b>
<b>Operating Income</b>	<b>2,967.06</b>	<b>3,235.41</b>	<b>-8.3%</b>	<b>7,303.61</b>	<b>11,714.03</b>	<b>-37.7%</b>	<b>13,370.08</b>
% Total Income	<b>13.33%</b>	<b>16.41%</b>		<b>11.97%</b>	<b>19.97%</b>		<b>17.48%</b>
Other Income	212.60	128.72	65.2%	634.07	459.57	38.0%	660.22
Exceptional Items (Gain/-Loss)	-	-		-	-		-
<b>Profit before Tax</b>	<b>3,179.66</b>	<b>3,364.13</b>	<b>-5.5%</b>	<b>7,937.68</b>	<b>12,173.60</b>	<b>-34.8%</b>	<b>14,030.30</b>
% Total Income	<b>14.28%</b>	<b>17.07%</b>		<b>13.01%</b>	<b>20.75%</b>		<b>18.35%</b>
Prior period expenses / (income)	-	0.04		-	1.31		1.31
Income Tax	733.01	804.00	-8.8%	2,015.03	2,807.00	-28.2%	3,159.00
Excess / (short) provision for tax of earlier year	-	-		-	-		20.21
<b>Net Profit</b>	<b>2,446.65</b>	<b>2,560.09</b>	<b>-4.4%</b>	<b>5,922.65</b>	<b>9,365.29</b>	<b>-36.8%</b>	<b>10,849.78</b>
% Total Income	<b>10.99%</b>	<b>12.99%</b>		<b>9.71%</b>	<b>15.96%</b>		<b>14.19%</b>
Earning Per Share - Basic (Rs.)	2.71	2.84	-4.6%	6.56	10.38	-36.8%	12.03
Earning Per Share - Diluted (Rs.)	2.70	2.82	-4.3%	6.53	10.32	-36.7%	11.95

Niche Generics Limited, the 100% UK Subsidiary recorded sales of **GBP 2.33 Million** and Net Loss of **GBP 0.05 Million** for the quarter ended Dec 31, 2011.

Unichem Pharmaceuticals USA Inc., the 100% US Subsidiary recorded sales of **USD 1.71 Million** and Net Loss of **USD 0.03 Million** for the quarter ended Dec 31, 2011.

Unichem Pharmaceuticals Do Brasil Ltda, Our Brazil Subsidiary recorded sales of **Brazilian Reals 'Nil'** and Net Loss of **Brazilian Reals of 0.60 Million** for the quarter ended Dec 31, 2011.



*Investor Update*

**Standalone Financials – Sequential Quarter:**

*Analysis of Sequential Quarters Unaudited Financial Results for Quarter ended 31st December, 2011*

<b>STAND ALONE FINANCIALS</b>			
<b>Particulars</b>	<b>For three months ended Dec 31, 2011</b>	<b>For three months ended Sep 30, 2011</b>	<b>% Growth</b>
<b>Sales Income from Operations:</b>			
<i>Domestic Operations</i>			
Formulations	13,993.43	14,287.88	-2.1%
API	569.88	509.90	11.8%
<i>International Operations</i>			
Formulations	4,941.34	3,310.88	49.2%
API	2,473.00	1,600.32	54.5%
Other Operating Income	284.99	174.90	62.9%
<b>Total Income</b>	<b>22,262.64</b>	<b>19,883.88</b>	<b>12.0%</b>
<b>Expenditure:</b>			
Material Consumption	8,280.81	7,134.46	16.1%
<b>% Sales Income</b>	<b>37.2%</b>	<b>35.9%</b>	
Staff Cost	3,016.89	3,029.06	-0.4%
Other Expenditure	7,281.78	6,673.46	9.1%
<b>EBIDTA</b>	<b>3,683.16</b>	<b>3,046.91</b>	<b>20.9%</b>
<b>% Total Income</b>	<b>16.5%</b>	<b>15.3%</b>	
Interest	43.70	23.04	89.6%
Depreciation	672.40	690.71	-2.7%
<b>Total Expenditure</b>	<b>19,295.58</b>	<b>17,550.73</b>	<b>9.9%</b>
<b>% Total Income</b>	<b>86.7%</b>	<b>88.3%</b>	
Operating Income	<b>2,967.06</b>	<b>2,333.15</b>	<b>27.2%</b>
<b>% Total Income</b>	<b>13.3%</b>	<b>11.7%</b>	
Other Income	212.60	269.33	-21.1%
Exceptional Items (Gain/-Loss)	-		
<b>Profit before Tax</b>	<b>3,179.66</b>	<b>2,602.48</b>	<b>22.2%</b>
<b>% Total Income</b>	<b>14.3%</b>	<b>13.1%</b>	
Prior period expenses / (income)	-	-	
Income Tax	733.01	688.27	6.5%
Excess / (short) provision for tax of earlier year	-	0.00	
<b>Net Profit</b>	<b>2,446.65</b>	<b>1,914.21</b>	<b>27.8%</b>
<b>% Total Income</b>	<b>11.0%</b>	<b>9.6%</b>	
Earning Per Share- Basic	2.71	2.12	
Earning Per Share- Diluted	2.70	2.11	



## *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 December, 2011 is estimated at Rs. 60,375 crs by AWACS, reflecting a growth of 14.9 % over MAT December, 2010.

Further, for the quarter ended December, 2011 {September to December} the Domestic Formulation Market stood at Rs. 16,542 crs reflecting a growth of 16.9% over quarter ended December, 2010.

Unichem Laboratories revenue is estimated at Rs. 658 crs (AWACS MAT December, 2011) and growing at 1.7% with a market share of 1.1 % (in covered market 2.1%).

The division-wise break-up is as follows:

	MAT Dec.'11		APR'11- Dec'11	
	VALUE (Rs.Crs)	% GROWTH	VALUE (Rs.Crs)	% GROWTH
<b>Total Domestic Market</b>	<b>60375</b>	<b>14.9</b>	<b>47121</b>	<b>15.0</b>
<b>Total Unichem Laboratories</b>	<b>658</b>	<b>1.7</b>	<b>500</b>	<b>1.0</b>
Unisearch - Cardiovascular Division	258	(0.2)	196	(0.7)
UVA Division	125	1.7	96	(0.2)
Unisearch - Cardiovascular Diabetology Division	80	4.7	61	4.8
Unikare Division	59	7.3	45	2.7
Neu-Foreva - Neuro-Psychiatry Division	55	(5.5)	42	(7.6)
Pharma Division	44	1.6	34	8.2
Unisearch - Integra (Nephrology) Division	24	12.1	19	11.7
Unifem - Gynac Division	1	*	1	*
<b>Total Unichem Formulations Business</b>	<b>645</b>	<b>1.6</b>	<b>492</b>	<b>0.9</b>
OTHERS	13	4.1	8	9.9

#### **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 78<sup>th</sup>)
2. Losar – Rs. 63 crs. (Rank 97<sup>th</sup>)



## Investor Update

### Unichem Laboratories Represented / Covered Market

Therapy Market Segment	Representative Market		Unichem Laboratories		
	MAT Dec, 2011 Size (Rs. Crs)	% Growth	MAT Dec, 2011 Sales (Rs. Crs)	% Share	% Growth
Cardiac Care	4654	19.0	302	6.5	12.7
Anti-infectives	8619	9.9	106	1.2	(0.7)
Neuro-Psychiatry	1884	15.5	86	4.6	3.9
Gastroenterologicals	4031	10.8	55	1.4	5.4
Nutraceuticals	3051	14.3	19	0.6	(8.8)
Musculoskeletal	2510	9.4	24	1.0	(2.5)
Anti-Diabetic	1782	26.6	23	1.3	4.0
Respiratory	1388	10.1	21	1.5	12.6
Dermatologicals	1094	17.8	14	1.3	57.6
Haematinics	939	14.8	1	0.1	58.7
Others	1236	18.3	6	0.5	55.1
<b>Total</b>	<b>31189</b>	<b>13.7</b>	<b>658</b>	<b>2.1</b>	<b>1.7</b>

### Brand Group Scenario

	MAT DECEMBER'11			APRIL-DECEMBER'11		
	Value (Rs.crs)	% SHARE	% GROWTH	Value (Rs.crs)	% SHARE	% GROWTH
LOSAR Group	152.8	30.3	(2.1)	115.3	29.4	(3.3)
AMPOXIN Group	57.8	29.2	(5.6)	43.5	28.2	(9.6)
TRIKA Group	34.8	22.8	(10.7)	26.5	20.8	(8.4)
TELSAR Group	32.2	5.2	21.1	24.8	5.1	19.4
UNIENZYME	28.5	10.3	3.8	22.0	10.0	4.3
OLSAR Group	22.5	10.9	47.0	17.8	8.6	47.6
TG-TOR Group	19.0	2.0	(13.4)	13.8	1.9	(17.5)
VIZYLAC	17.2	27.0	12.2	13.6	27.4	12.8
METRIDE Group	16.3	1.7	5.4	12.6	1.7	8.0
SERTA	13.0	27.6	(9.0)	9.9	26.5	(9.9)

### 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).

#### Contacts:

Mr. M Gundu Rao  
Tel: +912266888380  
Cell: +919820228944  
e-Mail: [gundurao@unichemlabs.com](mailto:gundurao@unichemlabs.com)

Mr. Rakesh Parikh  
Tel: +912266888414  
Cell: +919892925555  
e-Mail: [rparikh@unichemlabs.com](mailto:rparikh@unichemlabs.com)

Mr. K Subharaman  
Tel: +912266888404  
Cell: +919833031121  
e-Mail: [subharamank@unichemlabs.com](mailto:subharamank@unichemlabs.com)

*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.*