



UNICHEM
LABORATORIES LIMITED

INVESTOR UPDATE

BSE: 506690	NSE: UNICHEMLAB	Reuters: UNLB.BO	Bloomberg: UN@IN
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Mumbai, January 19, 2010

UNICHEM LABORATORIES LIMITED

Q3 FY 09-10: Financial Performance

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Financial Highlights:

Q3 – FY 2009-10

- The company's revenue from operations stood at Rs. 172.76 crs for the quarter ended Dec 31, 2009 against Rs. 152.22 crs recorded during the corresponding quarter of the previous year, reflecting overall growth of 13.5%. The growth is essentially driven by domestic operations. Domestic Formulation business grew at 18.6% and API business grew at 26.3% compared to the corresponding quarter of the previous year.
- The company continued to improve its operating margins during the quarter under review.
- The company posted Profit before tax of Rs. 41.54 crs for the quarter ended Dec 31, 2009 compared to Rs. 32.53 crs during the corresponding quarter of the previous year, reflecting growth of 27.7%.
- The net profit for the quarter ended Dec 31, 2009 stood at Rs. 33.68 crs compared to Rs. 28.11 crs during the corresponding quarter of the previous year, reflecting growth of 19.8%. The lower net profit growth is due to increased tax provision on account of higher rate of MAT.



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UNICHEM LABORATORIES LTD

Analysis of Quarterly and Year-To-Date Financial results for the year ended 31st December, 2009.

Particulars	For three months ended Dec 31, 2009	For three months ended Dec 31, 2008	% Growth	For nine months ended Dec 31, 2009	For nine months ended Dec 31, 2008	% Growth
Sales Income from Operations:						
Domestic Operations						
Formulations	13,425.62	11,323.97	18.6%	40,419.67	38,619.21	4.7%
API	406.47	321.72	26.3%	1,419.17	1,199.19	18.3%
International Operations						
Formulations	1,975.02	1,971.71	0.2%	6,315.72	6,378.13	-1.0%
API	1,329.02	1,297.08	2.5%	3,070.63	4,198.84	-26.9%
Other Operating Income	140.30	307.92	-54.4%	449.49	652.56	-31.1%
Contract Manufacturing						
Total Income	17,276.43	15,222.40	13.5%	51,674.68	51,047.93	1.2%
Expenditure:						
Material Consumption	5,675.33	5,298.46	7.1%	17,738.42	19,321.67	-8.2%
% Sales Income	32.85%	34.81%		34.33%	37.85%	
Staff Cost	2,241.12	1,996.20	12.3%	6,587.92	6,005.12	9.7%
Depreciation	536.50	511.24	4.9%	1,588.88	1,384.66	14.7%
Other Expenditure	4,767.55	4,251.20	12.1%	13,565.52	13,387.44	1.3%
Interest	9.20	48.08	-80.9%	43.04	111.02	-61.2%
Total Expenditure	13,230.03	12,105.53	9.3%	39,524.12	40,210.29	-1.7%
% Total Income	76.58%	79.52%		76.49%	78.77%	
Operating Income	4,046.40	3,116.87	29.8%	12,150.55	10,837.63	12.1%
% Total Income	23.42%	20.48%		23.51%	21.23%	
Other Income	107.75	136.41	-21.0%	320.77	724.66	-55.7%
Profit before Tax	4,154.15	3,253.28	27.7%	12,471.32	11,562.29	7.9%
% Total Income	24.05%	21.37%		24.13%	22.65%	
Prior period expenses / (income)	-	-		0.75	-	
Income Tax	786.00	386.00	103.6%	2,444.00	1,850.00	32.1%
Excess / (short) provision for tax of earlier year	-	(55.84)	-100.0%	(22.00)	(55.84)	-60.6%
Net Profit	3,368.15	2,811.44	19.8%	10,004.57	9,656.45	3.6%
% Total Income	19.50%	18.47%		19.36%	18.92%	
Earning Per Share						
Basic EPS - Rs.	9.34	7.80		27.74	26.79	
Diluted EPS- Rs.	9.29	7.80		27.60	26.78	

Niche Generics Limited, the 100% UK subsidiary recorded sales of GBP 2.55 million for the quarter ended Dec 31, 2009 and GBP 7.59 million for the nine months ended Dec 31, 2009 as compared to GBP 2.37 million for the quarter ended Dec 31, 2008 and GBP 8.26 million for the nine months ended Dec 31, 2009.



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Ratios

	Quarter ended Dec 30, 2009	Quarter ended Dec 30, 2008	Previous year ended March 31, 2009	Previous year ended March 31, 2008
Debt / Equity Ratio:	0.04	0.05	0.05	0.05
Net worth (Rs. Mn)	6,059.65	5,125.44	5,199.61	4,280.18
Total Debt (Rs. Mn)	236.22	253.84	255.32	233.63
Book Value (Rs./Share)	168.04	142.20	144.21	118.75
Net Sales / Net fixed assets ratio	0.48	0.44	1.84	1.88
Current assets ratios:	1.67	1.65	2.23	2.00
Net Current assets (Rs. Millions)	2,725.70	2,659.60	2,922.41	2,290.30
Current Liabilities (Rs. Millions)	1,634.90	1,612.70	1,312.36	1,146.88
ROCE %	30.10	28.30	30.20	24.70
RONW %	22.40	22.40	24.00	19.00



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India Formulation Business

Key Highlights

ORG-IMS

Domestic Formulation market on MAT November, 2009 is estimated at Rs. 39,289 crs by ORG-IMS, reflecting a growth of 15.7% over MAT November, 2008. Unichem Laboratories revenue is estimated at Rs. 585 crs (MAT Nov, 2009) and growing at 14.8% with a market share of 1.5%. Unichem's current ranking is 25.

The division-wise break-up is as follows:

	MAT- November'09		SEPT- NOVEMBER'09	
	Value (Rs.crs)	% Growth	Value (Rs.crs)	% Growth
Total Domestic Market	39189	15.7	10817	19.6
Total Unichem Labs	585	14.8	160	31.5
Cardiovascular Division	213	13.7	58	32.1
Pharma Division	192	15.1	52	27.7
Cardiovascular-Diabetology Division	68	23.4	19	41.9
Unikare Division	46	38.6	13	48.7
Neu-Foreva Division	41	18.2	11	36.5
Integra Division	18	(3.6)	5	17.8
Total Unichem Formulations Business	579	16.5	159	32.7
Others	6	(51.3)	1	(38.2)

Brand Position

Three Unichem brands feature among the top 100 Indian pharmaceutical brands during MAT November'09.

1. Ampoxin – Rs.82crs. (Rank 29th)
2. Losar-H – Rs.57crs. (Rank 59th)
3. Losar – Rs.53crs. (Rank 71st)



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Unichem Laboratories Represented Market

REPRESENTED MARKET							
	VALUE (Rs. Lakhs)			% Growth			
	MAT Nov '09	Oct'09	Nov'09	MAT Nov '09	Oct'09	Nov'09	
REPRESENTED MKT.	1320898	130019	123581	20.45	34.47	25.83	
CARDIAC CARE	270828	25073	24124	20.51	34.46	24.44	
ANTI-INFECTIVES	291644	30615	28671	21.21	33.29	31.16	
NEURO-PSYCHIATRY	88177	8226	7962	22.54	34.55	23.71	
GASTROENTEROLOGICALS	80731	7370	6694	19.58	28.73	16.25	
NUTRACEUTICALS	84449	8297	7911	18.54	37.81	27.97	
MUSCULOSKELETALS	121798	11432	10709	20.32	31.12	20.50	
ANTI-DIABETICS	94516	9036	8729	28.36	42.69	32.81	
RESPIRATORY	174675	18924	18532	13.58	34.64	25.23	
DERMATOLOGY	69005	6825	6560	30.81	47.83	28.99	
OTHERS	1801	131	159	(2.83)	(30.20)	(3.30)	
HAEMATINICS	43274	4090	3530	15.89	23.77	14.56	
UNICHEM LABORATORIES							
	VALUE (Rs. Lakhs)			% Growth			MS MAT Nov '09
	MAT Nov '09	Oct'09	Nov'09	MAT Nov '09	Oct'09	Nov'09	
UNICHEM	58492	5391	5019	14.8	43.5	26.5	4.1
CARDIAC CARE	24530	2318	2136	11.9	42.5	24.9	8.9
ANTI-INFECTIVES	12449	1109	1072	11.0	32.4	23.8	3.7
NEURO-PSYCHIATRY	6999	609	596	18.0	36.6	30.6	7.5
GASTROENTEROLOGICALS	3789	341	297	20.8	66.0	32.1	4.4
NUTRACEUTICALS	3458	313	281	15.3	62.8	33.2	3.6
MUSCULOSKELETALS	2445	251	232	17.5	38.7	17.1	2.2
ANTI-DIABETICS	1920	201	188	30.6	80.6	50.6	2.2
RESPIRATORY	1715	165	142	23.4	42.8	18.7	0.8
DERMATOLOGY	1083	79	71	53.4	88.1	32.0	1.1
OTHERS	45	5	5	(27.5)	592.4	89.5	3.0
HAEMATINICS	58	1	1	66.2	-	-	0.0

Unichem in Represented sub-segments

Unichem formulations are represented in 157 therapeutic sub-groups out of the total 1495 therapeutic sub-groups covered by ORG-IMS. These represented subgroups constitute appx 50% of the total market by value.



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Brand Group Scenario

		<i>All India MAT-November'09</i>		
	<i>Brand Groups</i>	<i>Value (Rs.crs)</i>	<i>Val M.S.%</i>	<i>Gr. %</i>
1	Losar group	126	31.0	9.0
2	Ampoxin group	84	43.7	16.1
3	Trika group	33	23.1	13.3
4	Unienzyme	23	9.4	24.0
5	TG-TOR group	23	3.7	4.9
6	Telsar group	22	8.5	43.3
7	Vizylac group	15	33.2	21.9
8	Metride group	14	3.2	29.4
9	Corvadil group	11	2.6	(3.1)
10	Clodrel group	11	5.6	0.8

Prescription audit - CMARC

As per the latest CMARC 4-monthly July-October'09 report, Unichem ranks 25th corporate in terms of overall prescriptions generation.

Unichem is ranked 5th among Psychiatrists.



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Major Brands of the Company

LOSAR

LOSAR-The flagship brand of Unisearch CV (Cardiovascular Division) continues to excel in antihypertensive market with a strong showing in Q3, 2009-10. LOSARBETA, the combination with Atenolol attains LEADERSHIP in Losartan & Atenolol combination market and thereby extends the LEADERSHIP across all SKUs (LOSAR, LOSAR H, LOSAR A and LOSARBETA). Overall, LOSAR has 31% Market Share in the Losartan group. The growth has also improved significantly in Q-3, clocking double digit growth consistently and thereby improving the MAT growth from 6 % in March MAT to 9% in November MAT.

The successful retention of prescribers at Cardiologist level together with the initiation of aggressive expansion at Family Physician level is driving the growth of LOSAR.

TGTOR:

TGTOR – This is the Atorvastatin brand of Unichem promoted by Unisearch CV (Cardiovascular Division). TGTOR achieved all time high revenue in quarter 3, 2009. It has also improved its standing in terms of prescription generation from 10th position to 9th position. TGTOR Lipid camps helped in higher generation of prescription for the product.

TRIKA

TRIKA continues to be the # 1 Alprazolam brand prescribed by Specialists like Cardiologists and Psychiatrists. TRIKA is showing a growth of 15% while the major competitor Alprax is showing 11% growth. There is a positive monthly trend of TRIKA and the gap with leading brand Alprax has reduced.

Co-promotion with all Unisearch-CV brands has increased the in-clinic time for TRIKA and is showing positive results. One day exclusive promotion - TRIKA TRANQUILITY DAY is being conducted every month to pledge our continued support to doctors in alleviate anxiety and bring back tranquility.

SERTA

Serta (Sertraline) is used in all depressive disorders and it is highly safe & efficacious. Besides psychiatric disorders, it is also used in underlying depression with other concomitant disorders.

Serta contributes around 23% to Neuro Psychiatry (Neu Foreva) division and has crossed Rs. 10 crores revenue as per ORG-IMS MAT November, 2009. Serta is growing higher than the market growth in its operative segment. Although, in rupee terms it is the number 2 brand, while in volumes it is the top brand.



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Ampoxin Group

Ampoxin is an anti infective and participates in the Ampicillin + Cloxacillin market. Ampoxin is ranked 29 among the Top # 100 brands of the industry. Ampoxin is the #1 brand in the market growing at 14% with a market share of 41%. Major competitors are Megapen (Aristo) growing at 22.6% and Ampilox (Biochem), which is growing at 0.9%

Unienzyme group

Unienzyme is a digestive enzyme preparation. Unienzyme is ranked 259 among the Top # 300 brands of the industry. Unienzyme is the # 1 brand in the solid market with 21.7% market share growing by 24%. Top 3 brands i.e., Unienzyme (Unichem), Creon (Solvay) and Pepfiz (Ranbaxy Consumer Health Care) drive the entire digestive enzyme market.

Vizylac

Vizylac is a Lactobacillus preparation. Vizylac is # 1 brand in this market with 34% market share and growing at 12%. Major Competitors are Sporlac (Unisankyo) growing at 19%, while Nutrolin B (Cipla) has degrown at -0.2%

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.unichemindia.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.

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