

Alembic Pharmaceuticals Limited Investors Update – Q2FY12

- **Net sales up 24% at Rs 398 crores against Rs. 321 crores in corresponding quarter last year**
- **Domestic formulations up 10% at Rs. 227 crores against Rs. 207 crores in corresponding quarter last year**
- **International Generics up by 79% to Rs. 71 crores vis-à-vis Rs. 40 crores last year**
- **Total API sales up 47% at Rs. 82 crores against Rs. 56 crores in corresponding quarter last year**
- **Profit before tax up by 47% at Rs. 45.04 crores against Rs. 30.60 crores in corresponding quarter in last year**
- **41 Cumulative ANDA filings, 15 approvals in place. Cumulative DMF filings at 56**

Management Discussion – Q2FY11

Alembic Pharmaceuticals Limited, the pharmaceutical major, today reported a 24% increase in revenues to Rs 398.05 crores for the quarter ended 30th September 2011, compared to Rs 321.17 crores in the corresponding quarter last year.

The Company posted an impressive 47% growth in profit before tax at Rs. 45.04 crores for the quarter ended September 2011 against Rs 30.60 crores posted in corresponding quarter last fiscal.

➤ Domestic Formulations

The domestic formulation business is a very critical component of Alembic's business. Alembic has built an important relationship with doctors and is known as the leading company in Macrolides as well as other acute therapies. Alembic has now made a mark in some specialized therapies such as Diabetology, Cardiology and Gynaecology as well.

The domestic formulation business posted sales of Rs. 226.92 crores against Rs. 206.83 crores registering 10% growth over the corresponding quarter last year.

Alembic has maintained a market share of 1.86%. The positive impact of the restructuring undertaken in the recent past is evident from the encouraging numbers.

(ORG IMS – August Growth %)

Therapy	2010			2011		
	Market Share	Therapy Growth	Alembic Growth	Market Share	Therapy Growth	Alembic Growth
Gastro	2.00%	20%	24%	2.08%	14%	16%
Cardio	1.02%	21%	26%	1.08%	15%	22%
Anti Diabetic	1.19%	31%	36%	1.18%	23%	22%
Gynaec	1.69%	22%	-3%	1.87%	14%	25%
Ophthal	0.84%	21%	450%	1.14%	17%	60%
Ortho	1.41%	21%	18%	1.19%	13%	-5%
Cold & Cough	5.19%	24%	28%	5.33%	7%	8%
Anti Infective	4.66%	19%	12%	4.39%	9%	3%

The company continues to make efforts in the domestic branded business, particularly with the newer specialty segments. Gastro, Cardio, Anti Diabetic, Gynaec and Ophthal are growing at higher than respective market growth.

The positive impact of the restructuring undertaken in the recent past is evident from the encouraging numbers. The Company is confident of improved performance in the ensuing quarters as well.

Alembic has four brands in the list of top 300 brands of the industry i.e. 'Azithral' , 'Roxid', 'Althrocin', and 'Wikoryl'.

Brands	Rank MAT August '10	Rank MAT August '11
Azithral	17	22
Althrocin	36	38
Roxid	64	83
Wikoryl	148	122
Zeet	259	

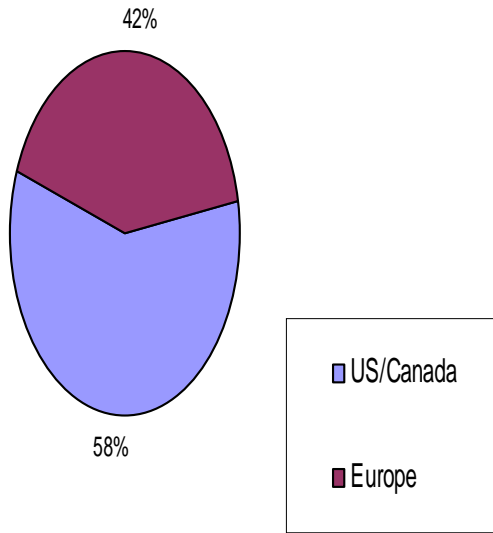
➤ **International Generics**

International generics grew by 79% to Rs. 71.38 crores from Rs. 39.79 Crores over corresponding quarter last year

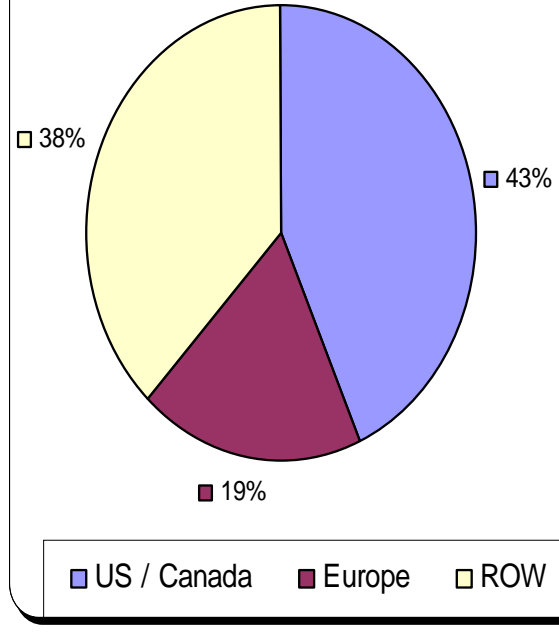
Alembic's strategy is to partner with International Generic companies and leverage on their marketing and sales capabilities.

Regulatory filings till date total 41 ANDAs with 15 approvals.

International Generics Sales - Regionwise in %



API Export Sales - Region wise in %

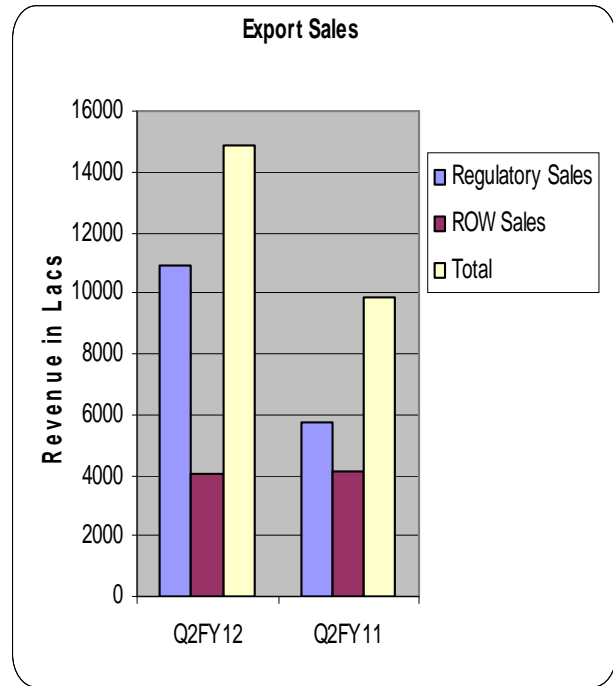
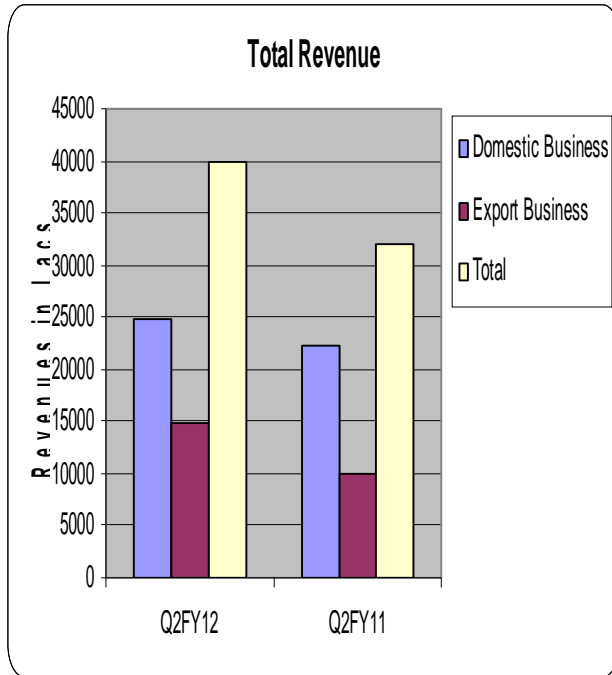


➤ **API Business**

Domestic API sales grew 40% at Rs. 22.01 crores against Rs. 15.69 crores of PY.

Export API sales grew 50% at Rs. 60.44 crores against Rs. 40.41 crores.

56 Drug Master files (DMF) have been filed till date.



Total Sales	Q2FY12	Q2FY11
Domestic Business	24902	22256
Export Business	14903	9861
Total	39805	32117

Export Sales	Q2FY12	Q2FY11
Regulatory Sales	10887	5777
ROW Sales	4016	4084
Total	14903	9861

Interest

Net Interest costs during the quarter were at Rs. 7.08 crores which translates to around 9.00% p.a. of average cost of borrowing.

Financial and Operating Result – Q2FY12	
Particulars	Rs. lacs
Income from Operations	39799
Total Expenditure	33752
- (Increase) / decrease in stock	(2085)
- Consumption of Raw Material	15422
- Consumption of Traded Goods	6036
- Employee cost	3715
- Research and Development Expense	1309
- Excise Duty Exp	243
- Other expenditure	9112
Operating Profit	6047
Operating Margin %	15.19%
Interest	708
Depreciation	845
Profit from Operations	4494
Other Income	10
Profit / (Loss) for the period	4504
Provision from Tax - current	910
Provision from Tax - Deferred / earlier yr	(210)
Provision from Tax – other tax / Wealth tax	-
Profit after tax	3804

Summary of total revenue (consolidated) for the quarter:

(Rs. in Lacs)

Particulars	Consolidated		
	Q2 FY12	Q2 FY11	% Change
Formulation			
Domestic	22692	20683	10%
International Branded	1204	1495	(-)19%
International Generics	7138	3979	79%
API			
Domestic	2201	1569	40%
International	6044	4041	50%
Export incentives	526	350	50%
Total	39805	32117	24%

The Profit break-up for the quarter:

(Rs. in Lacs)

Particulars	Consolidated		
	Q2 FY12	Q2 FY11	% Change
Operating Income	6047	4243	43%
Profit Before Tax	4504	3060	47%
Net Profit after Tax	3804	2521	51%

The previous year's figures are approx. and unaudited numbers of relevant businesses which were then part of Alembic Limited. These are given just for comparison purpose.

About Alembic Pharmaceuticals Limited

Alembic Pharmaceuticals Limited is a leading pharmaceutical company in India. The company is vertically integrated with the ability to develop, manufacture and market pharmaceutical products, pharmaceutical substances and Intermediates. Alembic is the market leader in Macrolides segment of anti-infective drugs in India.

Alembic's manufacturing facilities are located in Vadodara and Baddi in Himachal Pradesh. The Panelav facility houses the API and formulation manufacturing (both US FDA approved) plants. The plant at Baddi, Himachal Pradesh manufactures formulations for the domestic and non-regulated export market. The company has a state of the art Research Centre at Vadodara.

For more information:

Alembic Pharmaceuticals Limited

Mitanshu Shah

0265 – 3007630

mitanshu.shah@alembic.co.in