

Alembic Pharmaceuticals Limited Investors Update – Q3FY12

Quarter ended 31st December 2011

- Net sales up 15% at Rs 382 crores against Rs. 331 crores in corresponding quarter last year
- Domestic formulations up 8% at Rs. 199 crores against Rs. 184 crores in corresponding quarter last year
- International Generics up by 13% to Rs. 58 crores vis-à-vis Rs. 52 crores last year
- Total API sales up 43% at Rs. 109 crores against Rs. 76 crores in corresponding quarter last year
- Profit before tax up by 18% at Rs. 53.53 crores against Rs. 45.40 crores in corresponding quarter in last year

Nine month ended 31st December 2011

- Domestic sales grew by 13%, Exports grew by 46%
- Total sales grew by 24%
- Profit before tax up by 43% at Rs. 134.04 crores against Rs. 93.82 crores in last year
- Profit after tax up by 46% at Rs. 109.81 crores against Rs. 75.11 crores in last year
- EBIDTA margins 16% at Rs. 179.29 crores against 15% at Rs. 133.11 crores in last year
- 41 Cumulative ANDA filings, 17 approvals in place. (2 ANDA approvals received in current quarter). Cumulative DMF filings at 59.

Management Discussion – Q3FY12

Alembic Pharmaceuticals Limited, the pharmaceutical major, today reported a 15% increase in revenues to Rs 382.82 crores for the quarter ended 31st December 2011, compared to Rs 331.54 crores in the corresponding quarter last year.

The Company posted an impressive 18% growth in profit before tax at Rs. 53.53 crores for the quarter ended December 2011 against Rs 45.40 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. 198.78 crores against Rs. 184.24 crores registering 8% growth over the corresponding quarter last year.

Alembic has maintained a market share of 1.75%. The positive impact of the restructuring undertaken in the recent past is evident from the encouraging numbers.

(ORG – January 12)

Therapy	2011			2010		
	Therapy Growth	Market Share	Alembic Growth	Therapy Growth	Market Share	Alembic Growth
Gastro	15	2.14	23	17	2	13
Cardio	17	1.08	22	17	1.04	17
Anti Diabetic	26	1.15	23	25	1.18	20
Gynaec	17	1.83	23	18	1.74	-2
Ophthal	12	1.13	27	22	0.99	210
Ortho	13	1.13	-5	17	1.34	2
Cold & Cough	13	5.19	10	13	5.34	14
Anti Infective	9	4.4	6	15	4.51	6

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.

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

Brands	Rank Dec MAT 11	Rank Dec MAT 10
Azithral	25	19
Althrocin	40	34
Roxid	96	75
Wikoryl	121	142

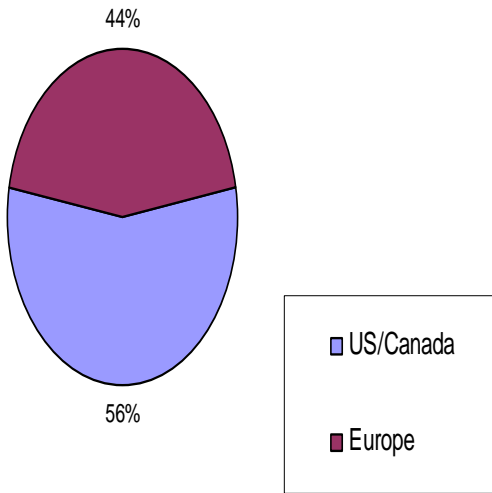
➤ **International Generics**

International generics grew by 13% to Rs. 58.45 crores from Rs. 51.72 Crores over corresponding quarter last year

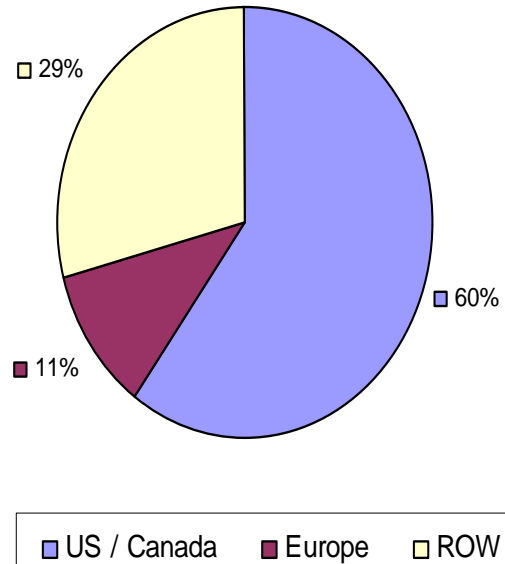
Alembic’s strategy is to partner with International Generic companies and leverage on their marketing and sales capabilities.

Regulatory filings till date total 41 ANDAs with 17 approvals. Company received two approvals in current quarter for, Clonidine Hydrochloride Tablets USP and Leflunomide Tablets USP

International Generics Sales - Regionwise in %



API Export Sales - Region wise in %



➤ **API Business**

Export API sales grew 112% at Rs. 89.90 crores against Rs. 42.38 crores.

Domestic API sales degrew 44% at Rs. 18.73 crores against Rs. 33.68 crores of PY.

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



Total Sales	Q3FY12	Q3FY11
Domestic Business	21766	21795
Export Business	16516	11359
Total	38282	33154

Export Sales	Q3FY12	Q3FY11
Regulatory Sales	9066	5923
ROW Sales	7450	5436
Total	16516	11359

Interest

Net Interest costs during the quarter were at Rs. 6.98 crores which translates to around 8.00% p.a. of average cost of borrowing.

Operating Result

Financial and Operating Result – Q3FY12	
Particulars	Rs. lacs
Income from Operations	38361
Total Expenditure	31514
- (Increase) / decrease in stock	250
- Consumption of Raw Material	12916
- Purchase of Traded Goods	5775
- Employee cost	3982
- Research and Development Expense	909
- Excise Duty Exp	112
- Other expenditure	7570
Operating Profit	6847
Operating Margin %	17.84%
Interest	698
Depreciation	809
Profit from Operations	5340
Other Income	13
Profit / (Loss) for the period	5353
Provision from Tax - current	965
Provision from Tax - Deferred / earlier yr	(33)
Provision from Tax – other tax / Wealth tax	-
Profit after tax	4421

Summary of total revenue (consolidated) for the quarter:

(Rs. in Lacs)

Particulars	Consolidated		
	Q3 FY12	Q3 FY11	% Change
Formulation			
Domestic	19878	18424	8%
International Branded	1560	1504	4%
International Generics	5845	5172	13%
API			
Domestic	1873	3368	(-)44%
International	8990	4238	112%
Export incentives & others	136	448	
Total	38282	33154	15%

The Profit break-up for the quarter:

(Rs. in Lacs)

Particulars	Consolidated		
	Q3 FY12	Q3 FY11	% Change
Operating Income	6847	5943	15%
Profit Before Tax	5353	4540	18%
Net Profit after Tax	4421		

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:

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