



**UNICHEM
LABORATORIES LTD.**

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CIN : L99999MH1962PLC012451.

Registered & Corporate Office : Unichem Bhavan, Prabhat Estate, S. V. Road, Jogeshwari (West), Mumbai-400102, INDIA.

1.6.2016

Department of Corporate Services
Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001

Mr. Hari K.
Asst. Vice President- Operations
National Stock Exchange of India Ltd
Exchange Plaza, Bandra - Kurla Complex
Bandra (East), Mumbai - 400 051

Ref: BSE Scrip Code: 506690 : NSE Symbol - UNICHEMLAB

Dear Sir,

Please find enclosed the investor presentation on the audited financial results for the quarter and year ended March 31, 2016.

Please take the above on record.

For UNICHEM LABORATORIES LIMITED

Neema Thakore
Head - Legal & Company Secretary

Unichem Laboratories Limited



Investor Presentation
Q4 & FY 2016

Safe Harbor Statement

This presentation may include certain forward-looking statements and information that involve risks, uncertainties and assumptions based on current expectations, within the meaning of applicable laws and regulations. Forward-looking statements are all statements that concern plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are other than statements of historical fact, including, but not limited to, those that are identified by the use of words such as “anticipates,” “believes,” “estimates,” “expects,” “intends,” “plans,” “predicts,” “projects” and similar expressions. Actual results could differ materially from those projected in forward looking statements and the company does not guarantee realization of these statements. Any forward looking statement or information contained in this presentation speaks only as of the date of the statements. The company also disclaims any obligation to revise any forward looking statements.

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Agenda

1. Profile & History
2. Growth & Profitability
3. Business Operations
 - Domestic Operations
 - International Operations
 - API Operations
4. Research & Development
5. Management & Governance
6. Financials

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Profile

- One of the India's leading integrated Pharmaceutical Companies with a strong presence in domestic formulations market
 - Ranked 26th in the Domestic Formulations market as per AWACS MAT December 2015
 - Amongst the top # 18 companies in representative (covered) market
 - Domestic Operations contribute ~57% of Consolidated Revenues
 - International Operations contribute ~43% of Consolidated Revenues
 - US revenues showing a robust growth
 - Dedicated focus on International operations –gaining momentum
- 4 brands featuring among top 300 brands (AWACS MAT March, 2016)
 - Largest brand / brand extensions in excess of Rs170Cr
 - 20 brands with Rs. 10cr + Revenues
 - 22 brands with Rs. 5cr + Revenues and 25 brands waiting to cross this threshold
 - In 18 therapeutic sub-groups Unichem's brand is No 1 brand, over all Unichem's brands rank in the top 5 in 50 therapeutic sub-groups
- Uninterrupted Dividend track record and cash generating operations

History - Key Milestones (Last 10 Years)

- USFDA certification of Goa Plant
- Acquisition of 100% stake in Niche Generics
- USFDA certification of Ghaziabad Plant
- EDQM certification of Roha Plant
- USFDA certification of API plant at Pithampur
- USFDA re-certification of Goa Plant & Roha Plant
- Commencement of Sikkim & Baddi – Formulation Plant
- Commencement of US sales
- Expansion of Packaging facility at Goa Plant
- Construction of R & D Centre at Goa started
- Re-location of R&D from Mumbai to Goa (CoE). Filings commissioned from new R&D Centre
- Sale of Indore SEZ plant to Mylan Laboratories Ltd.
- USFDA re-certification of API plant Pithampur
- USFDA's surprise inspection at 3 plants
- EIR received, thereby enabling business continuity in US

2005-06

2007-08

2009

2010-11

2012

2013-14

2015-16

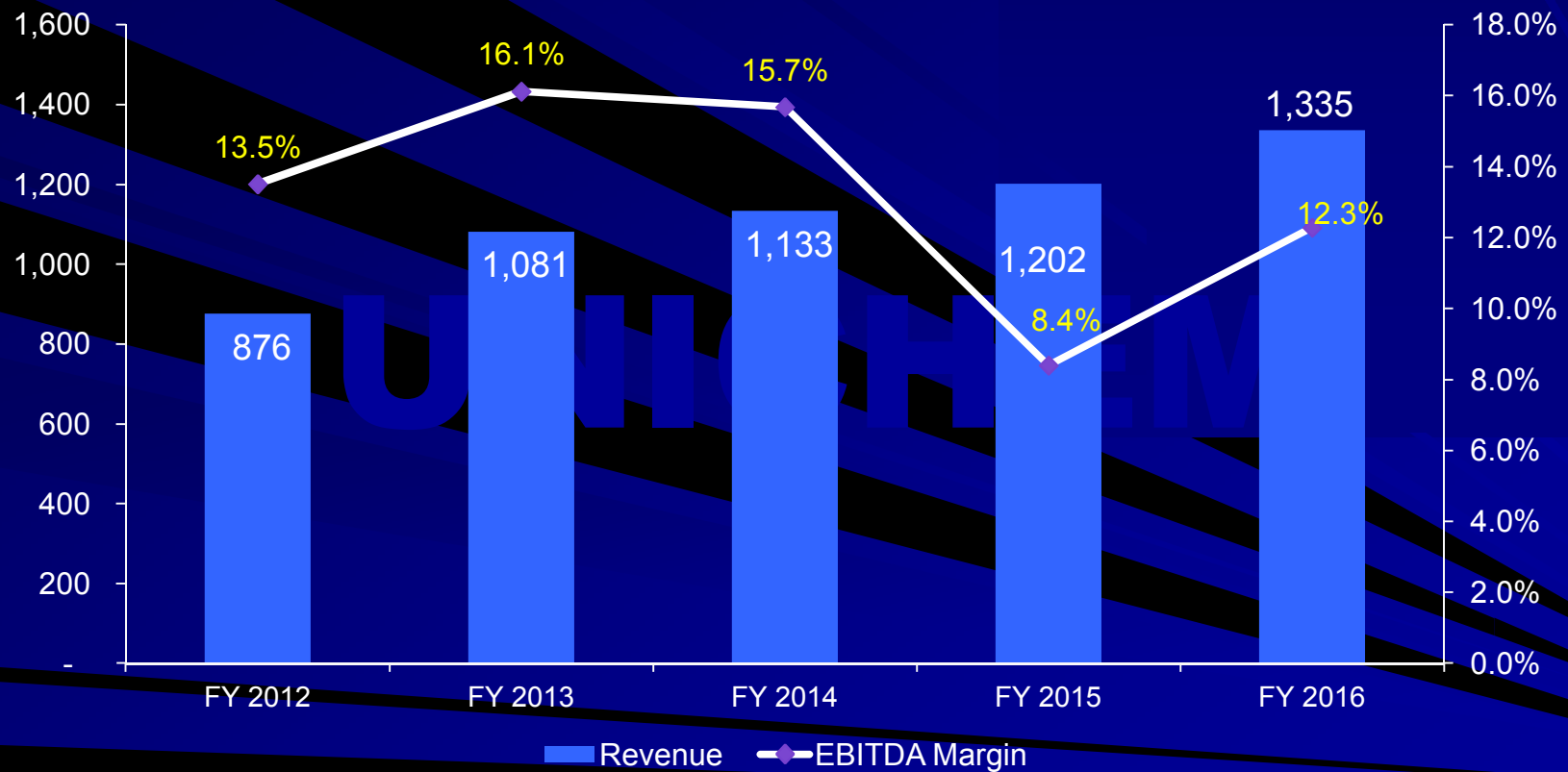
- New PTD at Goa
- Baddi II commissioned
- Acquisition of API plant at Pithampur
- Goa BioScience R&D commissioned
- Launch of Unikare - Derma Division
- Sikkim Factory construction started
- Establishment of packing unit at Ireland
- Modernization of Betalactum Plant - Baddi
- SEZ Pithampur construction started
- Reorganization of Acute Business
- Purchase of additional land at Goa
- Realignment of Chronic business.
- Commenced further sub divisionalization with increased focus on Chronic, launching new division on Cardio & Neuro.
- Commencement of expansion at API facility in Pithampur
- Acquiring API facility in Kolhapur, Maharashtra

Agenda

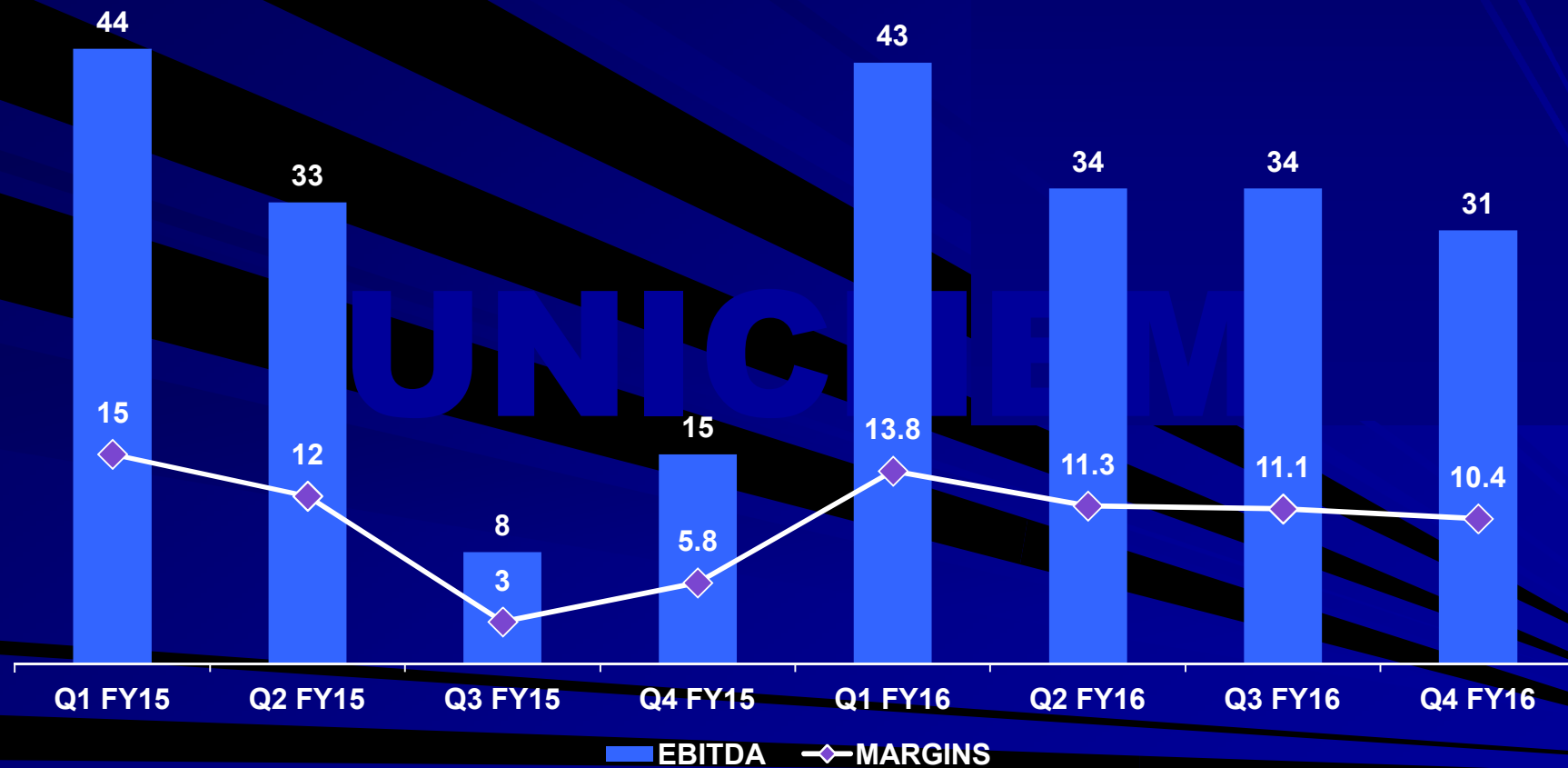
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Unichem Consolidated Financials {Rs. Crores}



Standalone EBITDA Profile from FY 15 onwards



Agenda

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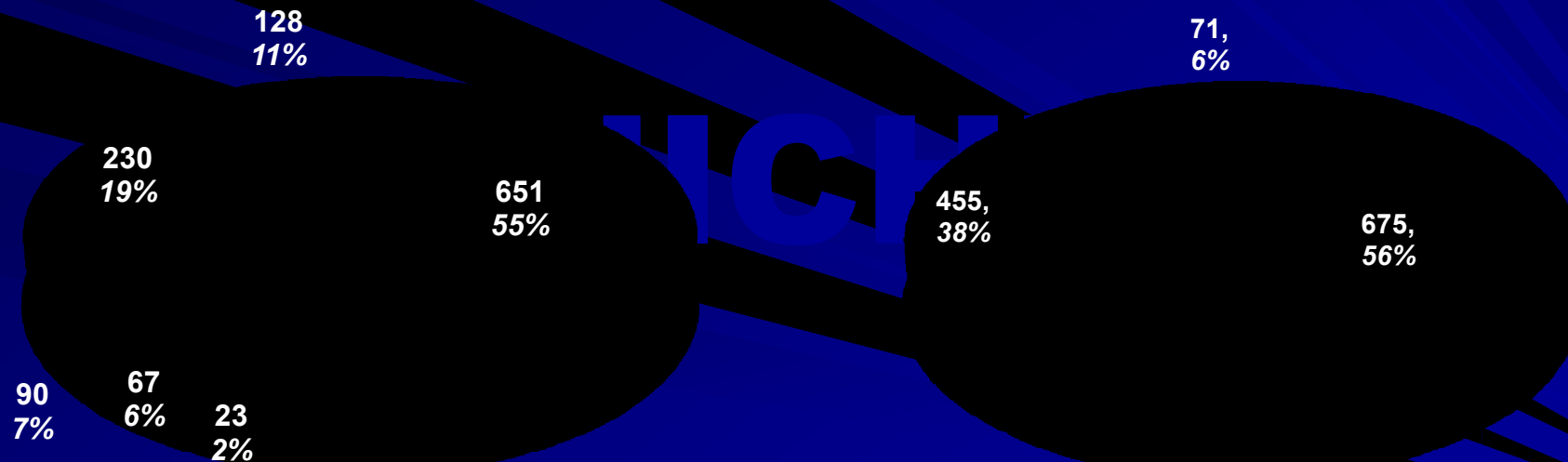
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Revenue & Business areas break-up

Consolidated – FY 2015

Revenue Break-up by Segment
Rs. Crores

Revenue Break-up by Region
Rs. Crores



■ Formulation - Domestic

■ API - Domestic

■ Formulation - Exports

■ API - Exports

■ International Business -US/Brazil

■ International Business - Niche/EU

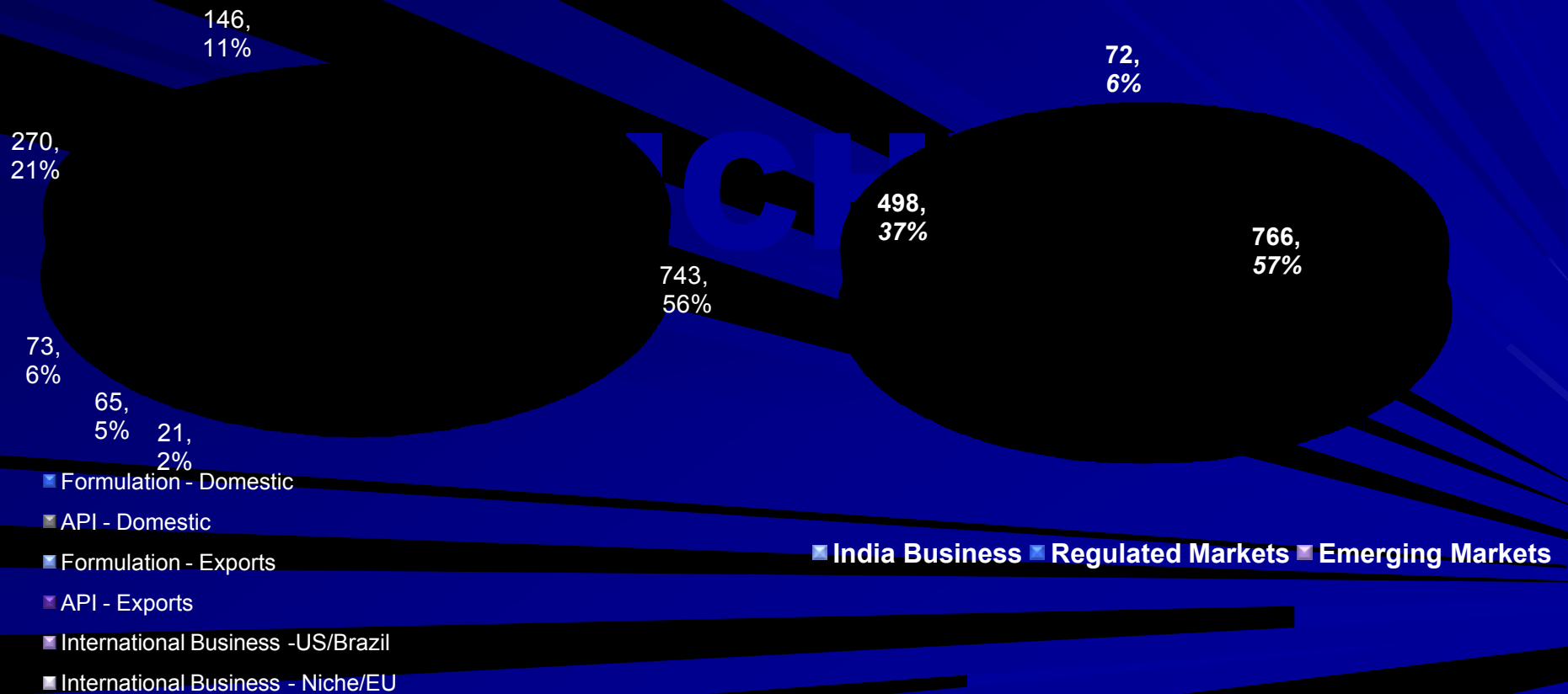
■ India Business ■ Regulated Markets ■ Emerging Markets

Revenue & Business areas break-up

Consolidated – FY 2016

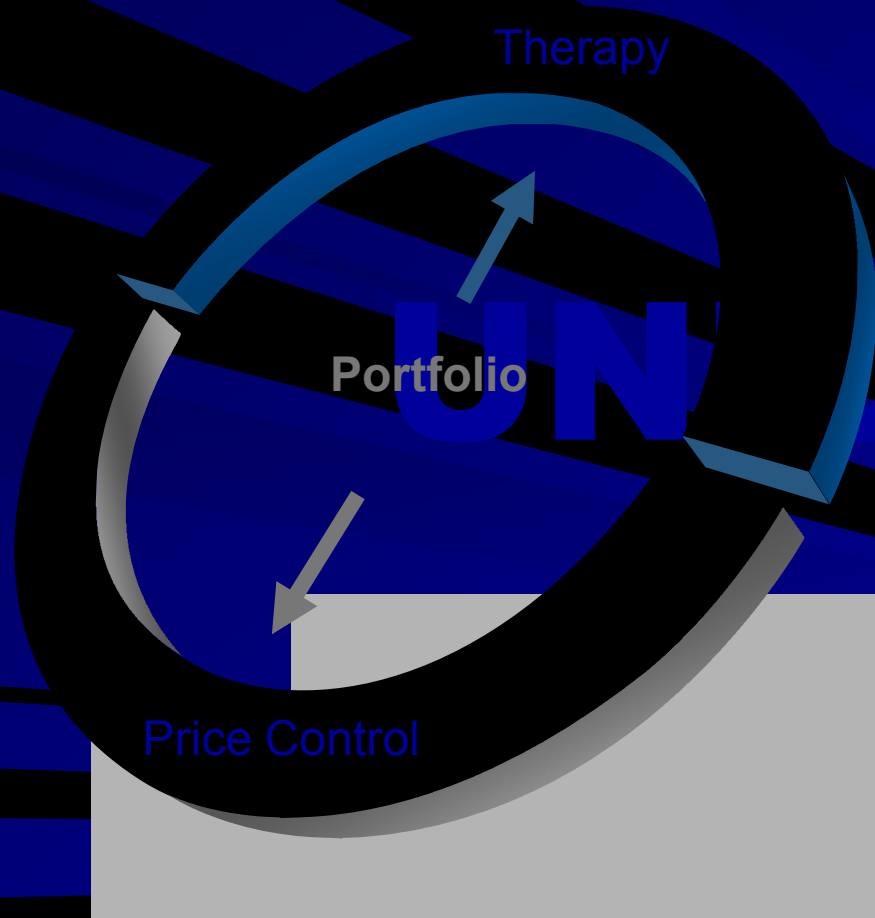
Revenue Break-up by Region
Rs. Crores

Revenue Break-up by Region
Rs. Crores



Portfolio Therapy Dominance & Price Control

SCENE



Therapy

- Major Revenue contributors:
 - Chronic care accounts for ~57%* of Domestic Formulation Revenues
 - Acute portfolio accounts for ~43%* of Domestic Formulation Revenues

Price Control

- Less than 20% of Domestic Portfolio (in value terms) are under DPCO 2013.

Cash Generation – Pre R & D Expenses

Rs. Crores

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Cumulative
Positive Cash Flow	168.4	188.7	179.6	152.1	201.3	235.9*	166.5	194.2	1,487
Spending:									
R & D Expenditure	23.5	29.7	40.5	39.7	36.4	52.2	65.4	43.8	331
Capital Expenditure	45.5	44.3	84.2	106.5	76.1	86.3	78.6	137.9	659
Investment in Subs	19.0	10.0	11.0	14.2	20.6	7.6	7.2	6.7	96
Dividend Payments	21.1	33.8	42.1	29.4	31.5	90.0	42.4	43.7	334
Increase in Working Capital	42.7	19.1	54.9	(15.4)	1.3	82.3	8.2	25.4	219
Others (Incl Cash Equivalents and Deposits)	16.6	51.8	(53.1)	(22.3)	35.4	71.3	(35.4)	(63.5)	1

Note: * Excluding one time gain from sale of Indore SEZ plant to Mylan Laboratories Limited

Unichem in The Indian Pharma Market

Rs. Crores

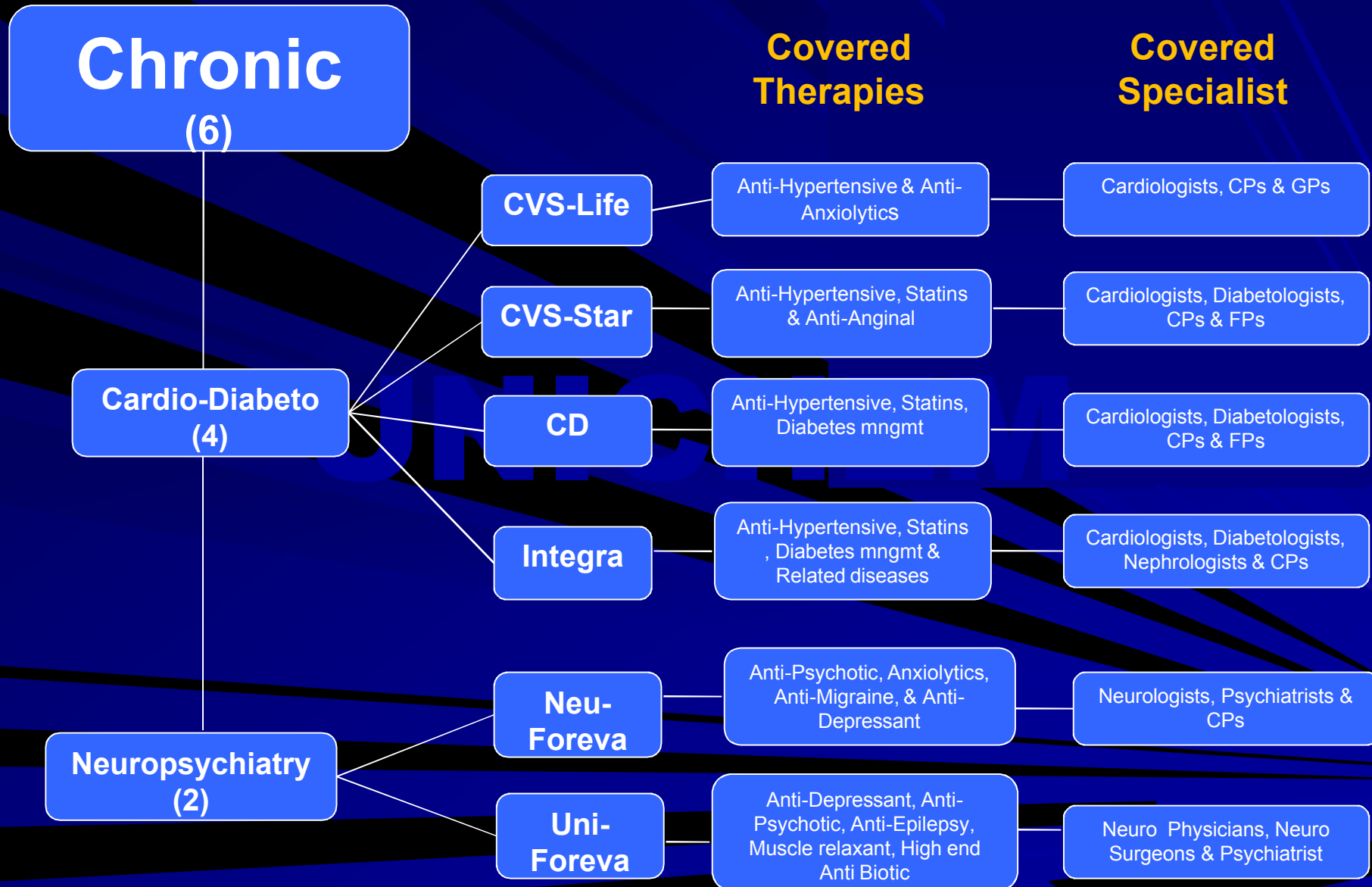
	Indian Pharmaceutical Market	MAT March, 2016	% Growth
	Total Size of the Market	98,414	12.6
	Unichem Represented (Covered) Market	47,609	11.5
Sr. No	Top Companies in Covered Market		
1	Sun Pharma + Ranbaxy	5,162	14.6
2	Alkem	2,595	9.9
3	Mankind	2,232	14.7
4	Zydus	2,057	7.6
5	Cipla	2,052	11.4
6	Lupin	1,986	13.1
7	Macleods	1,827	8.5
8	Abbott Healthcare	1,777	9.5
9	Aristo	1,622	13.9
10	Intas	1,504	18.3
18	Unichem Labs	896	13.7

Unichem's Therapy Gaps in the market

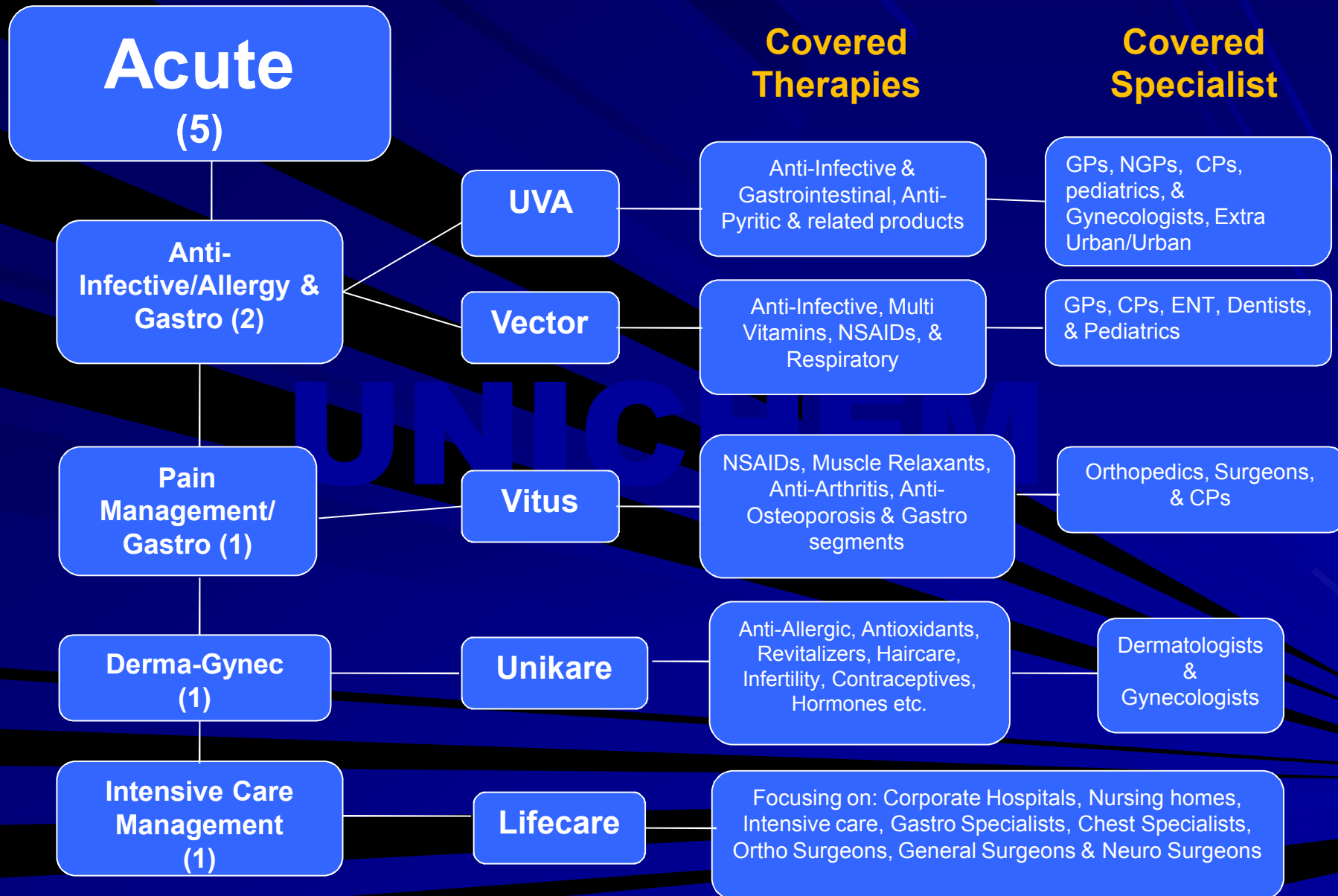
	MAT Mar' 16 Value Rs. Crs	% of Total Value	No. of Sub- Segments	% of Total No. of Segments
Unichem Non-Represented Segments	50,805	51.6%	2,582	87.6%
Unichem Represented Segments	47,609	48.4%	365	12.4%
Total Market	98,414	100.0%	2,947	100.0%

- Unichem is represented in 365 sub-segments (*about ~12 % of total sub-segments*), but covers nearly half of the IPM in value terms
- *However, opportunity does exist for more Unichem introductions in high growth non-represented segments*
- **Opportunity exists in the following Therapeutic Segments:**
 - Hospital Products
 - Women Health
 - Dermatology
 - Nutritional
 - Augmenting product portfolio of -
 - Acute Therapy
 - CNS & Nephrology

Domestic Formulations: Divisions



Domestic Formulations: Divisions



Domestic Business: Customer Coverage

■ Penetration

- 6 Chronic Verticals manned by ~1500 + CBAs
- 5 Acute verticals manned by ~1200 + CBAs

■ Doctor Coverage: Over 100,000 doctors covered

■ Chronic Coverage

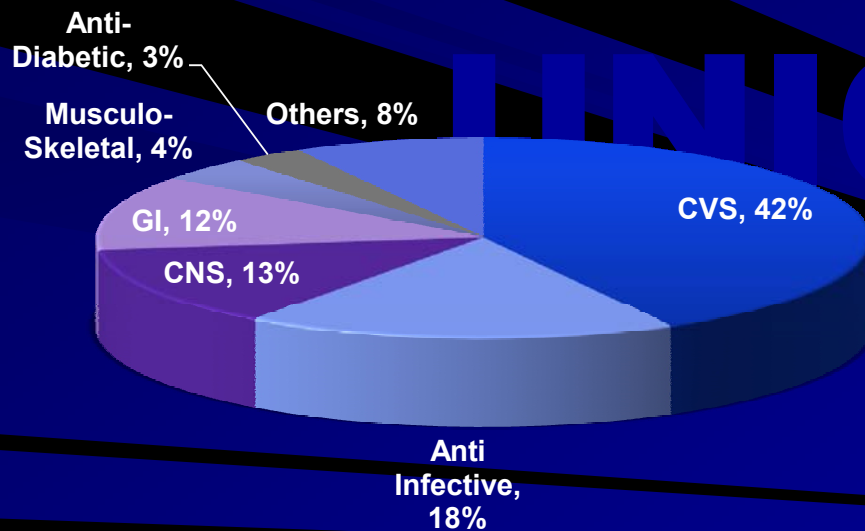
Cardiologists, Diabetologists, Neurologists, Psychiatrists, Nephrologists, Gynaecologists (Infertility treatment), CPs, GPs etc.

■ Acute Coverage

GPs, CPs, NGPs, ENTs, Dentists, Surgeons, Paediatrics, Gynaecologists (General), Dermatologists, etc.

Domestic Formulations Business

Therapeutic Segment-wise break-up



- Leadership position in key participated segments
 - Largest brand / brand extensions in excess of Rs170cr
- # 4 Brands in Top 300 brands
 - Losar H, Ampoxin, Losar & Unienzyme
- In 18 therapeutic groups Unichem's brand is No 1 brand
- Over all Unichem's brands rank in the top 5 in 50 therapeutic sub-groups
- Healthy balance between chronic (~57%) & acute (~43%)

Brand Building – Focus Brand Portfolio

- # Top 10 Brands contributes ~47% of the company's domestic revenues
 - *Losar H, Ampoxin, Losar, Unienzyme, Vizylac, Trika, Serta, Telsar, Unistar, and Arkamin*

- Top 50 Brands contributes ~80% of the company's domestic revenues
 - # 4 - Rs. 50+ crore brands
 - # 1 - Rs. 30 - 50 crore brand
 - # 2 - Rs. 20 - 30 crore brands
 - # 13- Rs.10 - 20 crore brands
 - # 46 - Rs. 3 - 10 crore brands

Top 10 Product Groups Performance

Rs. Crores

	MAT March, 2016	% Growth	% Market Share	% Contribution to Revenue
Total Revenue	896	13.7	0.9	100.0
Losar Group	173	9.3	34.8	19.3
Ampoxin Group	79	9.9	34.2	8.8
Unienzyme	62	11.8	16.3	6.9
Telsar Group	54	12.3	3.1	6.0
Olsar Group	35	13.9	5.3	3.9
Vizylac	32	16.9	13.1	3.6
Trika Group	28	-1.9	20.1	3.1
Pregaba Group	25	35.0	5.5	2.8
Serta	22	12.2	28.8	2.4
Metride Group	20	6.8	0.8	2.2

AWACS Data – MAT March, 2016

Therapy Market Segment	Representative Market		Unichem Laboratories		
	Size (Rs. Crs)	% Growth	Sales (Rs. Crs)	% Share	% Growth
Cardiac Care	7,838	13.8	373	4.8	9.4
Anti-Infectives	11,031	5.2	157	1.4	12.4
Neuro-Psychiatry	3,461	15.7	118	3.4	20.1
Gastro Intestinal	6,132	14.7	112	1.8	15.0
Musculosketetals	4,030	12.6	36	0.9	25.4
Anti – Diabetic	3,600	17.3	31	0.9	14.0
Others	11,517	11.3	69	0.6	23.4
TOTAL	47,609	11.5	896	1.9	13.7

AWACS Data Quarterly Sales & MAT

Indicators	Market Size (Crs)	Value Growth (%)	Unichem (Crs)	Value Growth (%)
Q4 FY 16	24,093	9.3	219	6.6
Q3 FY 16	24,979	14.3	224	12.7
Q2 FY 16	25,218	15	221	4.6
Q1 FY 16	23,800	14.8	232	15.1
Q4 FY 15	21,984	17.3	212	12.1
Q3 FY 15	21,597	10.3	199	(3.4)
Q2 FY 15	22,122	12.3	215	13.0
Q1 FY 15	20,065	8.8	202	10.7
Q1 FY 14	18,426	8.3	184	6.0
Q2 FY 14	19,357	3.2	187	0.1
Q3 FY 14	19,028	4.9	203	11.9
Q4 FY 14	18,228	6.6	190	4.8
Q1 FY 13	17,016	16.9	174	7.2
Q2 FY 13	18,755	13.6	187	9.2
Q3 FY 13	18,137	8.9	182	8.1
Q4 FY 13	17,083	8.1	181	8.4

Globally Accredited State of the art Manufacturing Facilities

■ Formulations

- Baddi (HP) – essentially catering to domestic and developing regulated market
 - Regulatory approvals – MHRA & ANVISA
- Ghaziabad (UP) – for catering to regulated and developing regulated markets
 - Regulatory approvals – USFDA (Re-Certified recently), ANVISA, TGA, MHRA
- Goa – for catering both to regulated and developing regulated markets
 - Regulatory approvals – USFDA (Re-Certified recently), MHRA, ANVISA, TGA
- Sikkim Plant – catering to domestic market
- Ireland – Packaging facility in Baldoyle
 - Regulatory Approvals – Irish Medical Board and Kazakhstan Regulatory Authority

■ APIs

- Roha (Maharashtra) – Multiple plants
 - Regulatory approvals – USFDA (Re-Certified recently), EDQM, PMDA, EU GMP, KFDA, ISO, OHSAS
- Pithampur (MP) – Multiple plants
 - Regulatory approvals – USFDA , EUGMP, COFEPRIS

Unichem is built on the foundation of "Quality & Reliability"

Domestic Market – Management Focus

■ Domestic Market

- Enhancing relationship with customers and Focus on Field Productivity
- Brand building through ‘Focused Brand approach’
- Increased coverage and compliance
- Entry into unrepresented / uncovered market segments
 - Entered Hospital and Gynecology segments in 2011-12. Currently focusing on portfolio augmentation for enhanced coverage
- Optimal use of Manufacturing Assets
- **Key risks:**
 - Higher competition in the domestic market
 - Regulatory hurdles
 - High concentration risk (*Three products generate ~25% of sales*)

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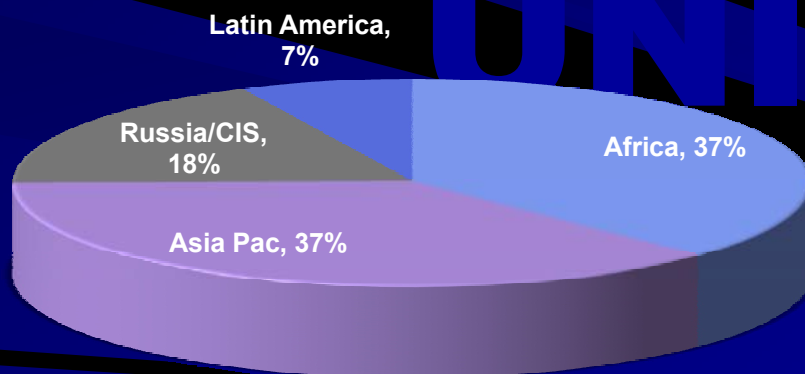
International Formulation Business

- Company has made significant investments in building infrastructure which includes new R&D centre and API plants for captive consumption to support international business
- Company is in process of further augmenting its API & Formulation capacities for expected future growth
- Regulatory Approvals
 - Goa Plant - USFDA (Re-Certified recently), MHRA, ANVISA, TGA
 - Ghaziabad Plant - USFDA (Re-Certified recently), MHRA, ANVISA, TGA
- More than # 800 product registrations across the world
- # 36 US ANDAs filed so far and # 20 of which already approved
 - Many more filings in the pipeline
- Total R & D spending of ~5 % of sales
 - More than # 300 Scientists (including # 30 PhDs) in R & D activities

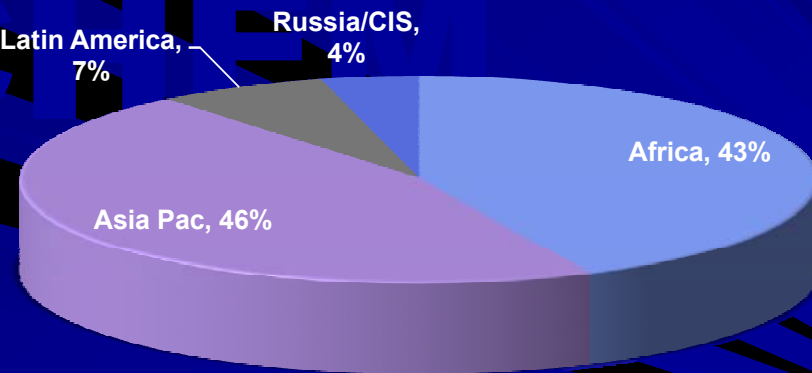
International Business – Formulations

Zone 1 : Emerging Global Markets

Geographic Mix – FY 2015



Geographic Mix – FY 2016



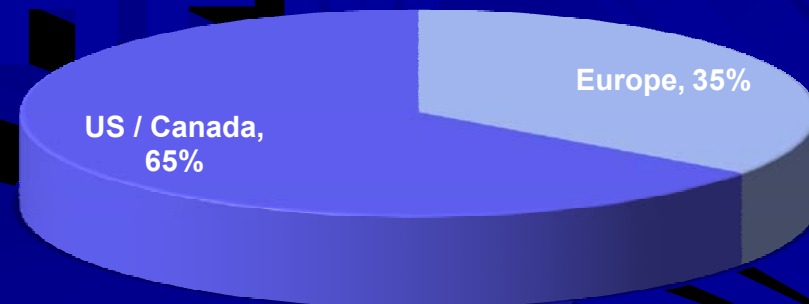
International Business – Formulations

Regulated Markets

Geographic Mix – FY 2015



Geographic Mix – FY 2016



International Business – Formulations

Regulated Markets - USA and LATAM

UNITED STATES:

- UNICHEM PHARMACEUTICALS (USA) Inc - wholly owned subsidiary to manage ANDA filings and Business Development
 - Business model is based on leveraging Unichem's technical expertise and production capability with integrated end-to-end value chain
 - Longstanding relationship with large wholesalers and retail chains for products launched
 - Total number of ANDAs filed # 36 and development in progress for further filings
 - Total ANDAs approved so far # 20 including the recent #1 PARA IV approval
- Increase in R & D Investments to support the anticipated further growth
- Company's strategy is to scale-up operations for sustained growth over time

International Business – Formulations

Regulated Markets

EUROPE

- European presence through 100% subsidiary - Niche Generics, UK
- The subsidiary sells these regulatory dossiers and supply agreements to third party companies
 - Total # 37 products {(Own:# 34; In-Licensing: # 3) (Direct marketing by Niche#23)}
 - Packing facility at Ireland
- The subsidiary has direct sales operations in the U.K.
- The subsidiary trades across Europe and also looking to extend into other geographies
- The subsidiary to focus on developing markets for generics and identifying potential products that can drive the business in in UK and Europe
- Direct (Unichem) presence through contract manufacturing and supply agreements
- 2012-13 : Established 100% subsidiary in Ireland

International Market – Management Focus

■ United States

- Develop long term relationships with distributors, retailers and wholesalers
- Finalize tie-ups for launching ANDA approved products
- ANDA filings and approvals
- Capitalize end-to-end value chain
- Moving towards less competitive products which are - high value, going off patent, complex generics

■ European Union

- Align with existing Key Regional Players across Europe
- Identify and support new players in emerging CEE Markets & Australia
- Develop and manage own commercial capability in UK, and Ireland

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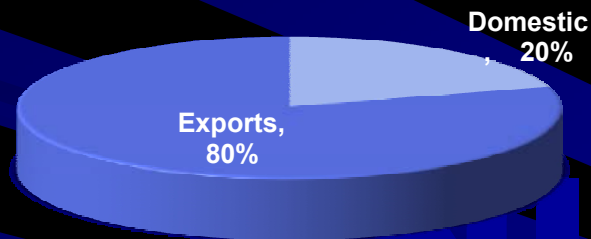
API-World class Manufacturing Facilities and Infrastructure

- Roha (Maharashtra) – Multiple plants
 - Regulatory Approvals – USFDA (Re-Certified recently), EDQM, PMDA, EU GMP, KFDA, ISO, OHSAS
- Pithampur (MP) – Multiple plants
 - Regulatory Approvals – USFDA (Re-Certified recently), EUGMP, COFEPRIS
- More than # 500 Regulatory filings (DMFs, EDMFs, e-CTDs, ACTDs etc)
- Total R & D spending of ~5 % of sales
 - More than # 300 Scientists (including # 30 PhDs) in R & D activities

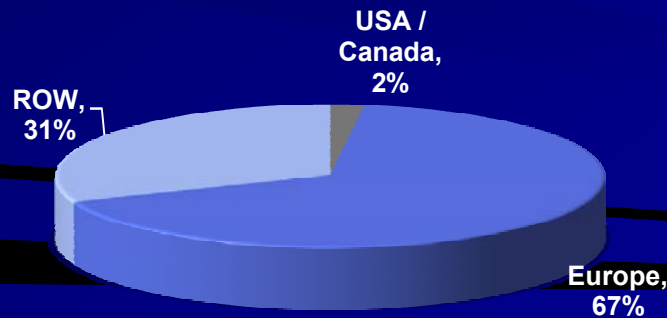
API - Total Revenue (Excluding Captive)

F Y 2015

Revenue Break-up by Segment



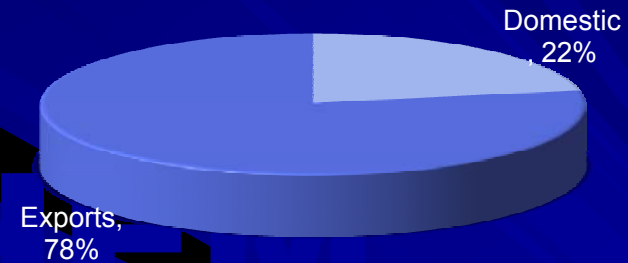
Export Revenue Break-up by Region



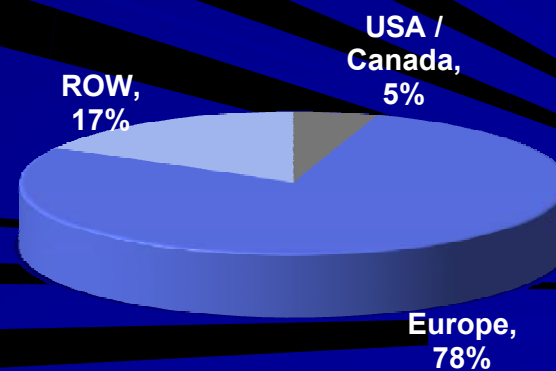
Total API Revenue : Rs.113 Crores

F Y 2016

Revenue Break-up by Segment



Export Revenue Break-up by Region



Total API Revenue : Rs. 93 Crores

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Focus

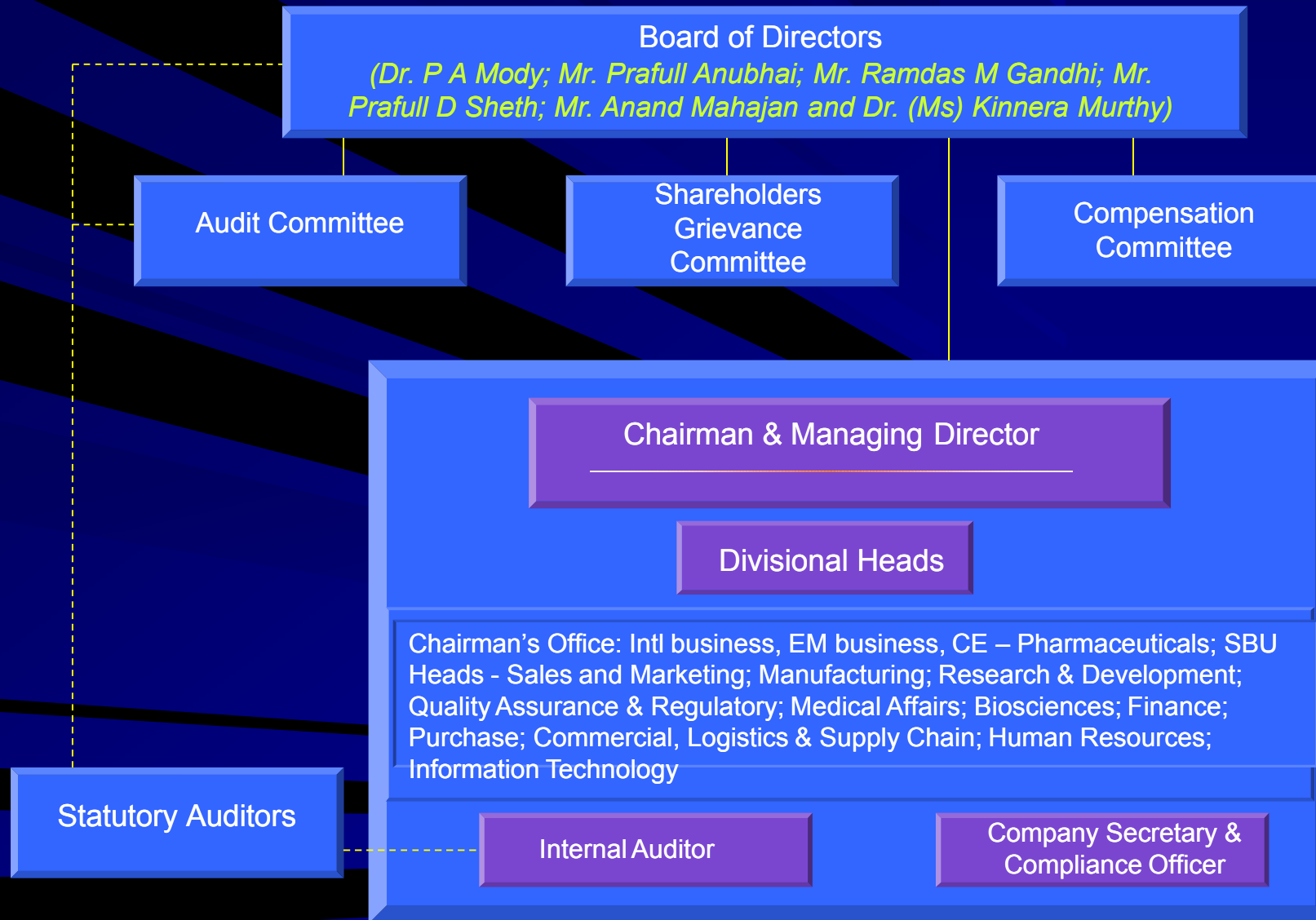
- Unichem has a two fold R&D strategy
 - Development of patent non-infringing processes for APIs
 - Development of Novel Drug Delivery Systems (NDDS)
- Chemical R&D
 - Centre of Excellence at Goa offering the most conducive environment for value added research
 - Developed novel, innovative & efficient processes for 45 new generation molecules in various therapeutic categories
 - Strong synthesis & analytical team fully equipped with latest facilities
- Formulations R&D
 - State-of-the-art Pharma R & D facilities to undertake formulation development of Tablets, Capsules, Liquid Orals, Creams, Ointments & Injectibles
 - Separate facilities for antibiotics
 - Pre-formulation laboratories to carry out drug-excipient compatibility studies and physical characterization of API regarding compressibility and flow characteristics
 - Formulation services on contract research and development projects for a number of leading European companies
 - Formulation Development and ANDA filings following QbD protocol
- Biosimilar products at various stages of development
 - Recombinant DNA Technique
 - Fermentation based products
 - Monoclonal Anti Bodies

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Management & Governance



Maintains high standards of Corporate Governance

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Standalone Financials (INR Lakhs)

STAND ALONE FINANCIALS						
Particulars	Three months ended March 31, 2016	Three months ended March 31, 2015	% Growth	Year ended March 31, 2016	Year ended March 31, 2016	% Growth
Sales Income from Operations:						
<i>Domestic Operations</i>						
Formulations	17,126	14,622	17%	74,293	65,096	14%
API	276	474	-42%	2,063	2,315	-11%
<i>International Operations</i>						
Formulations	10,075	8,281	22%	36,806	31,283	18%
API	1,737	1,678	4%	7,272	8,996	-19%
Other Operating Income	938	543	73%	1,806	1,409	28%
Total Income	30,152	25,599	18%	122,241	109,098	12%
Expenditure:						
Material Consumption	10,781	9,658	12%	45,201	42,784	6%
% Sales Income	35.8%	37.7%		37.0%	39.2%	
Staff Cost	5,629	4,630	22%	22,580	19,139	18%
Other Expenditure	10,621	9,829	8%	40,219	37,018	9%
EBITDA	3,121	1,482		14,241	10,158	
% Total Income	10.4%	5.8%		11.6%	9.3%	
Interest	78	42	85%	228	237	-4%
Depreciation	881	798	10%	3,499	3,768	-7%
Total Expenditure	27,990	24,957	12%	111,728	102,945	9%
% Total Income	92.8%	97.5%		91.4%	94.4%	
Operating Income	2,162	642		10,513	6,153	
% Total Income	7.2%	2.5%		8.6%	5.6%	
Other Income	583	551	6%	2,266	1,997	13%
Exceptional Items (Gain/-Loss)				(278)		
Profit before Tax	2,745	1,193	130%	12,501	8,150	53%
% Total Income	9.1%	4.7%		10.2%	7.5%	
Income Tax	(70)	211	-133%	2,444	1,710	43%
Net Profit before Exceptional Items	2,815	982	187%	10,335	6,440	60%
% Total Income	9.3%	3.8%		8.5%	5.9%	
Net Profit after tax excluding exceptional items	2,815	982	187%	10,057	6,440	56%
% Total Income	9.3%	3.8%		8.2%	5.9%	
Earning Per Share- Basic-Before Exceptional Item	3.10	1.08	187%	11.38	7.10	60%
Earning Per Share- Diluted-After Exceptional Item	3.09	1.08	186%	11.36	7.08	60%
Earning Per Share- Basic	3.10	1.08	187%	11.07	7.10	56%
Earning Per Share- Diluted	3.09	1.08	186%	11.05	7.08	56%

Notes: The previous period figures have been regrouped wherever necessary.

Thank You