



**UNICHEM
LABORATORIES LTD.**

Fax No : 91 (22) 2678 4391 / 5198
Tel. No. : 91 (22) 66888333
Website : <http://www.unichemlabs.com>
CIN : L99999MH1962PLC012451.

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

4.2.2016

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 financial results for the quarter and nine months ended December 31, 2015.

Please take the above on record.

For UNICHEM LABORATORIES LIMITED

Neema Thakore
Head - Legal & Company Secretary

Unichem Laboratories Limited



Investor Presentation
Q3 & 9M 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

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 ~59% of Consolidated Revenues
 - International Operations contribute ~41% 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 Dec, 2015*)
 - Largest brand / brand extensions in excess of Rs170Cr
 - 19 brands with Rs. 10cr + Revenues
 - 15 brands with Rs. 5cr + Revenues and 25 brands waiting to cross this threshold
 - In 16 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

- Zero debt company and cash generating business
 - Since many years Company has Net Cash position after reasonable dividend payout

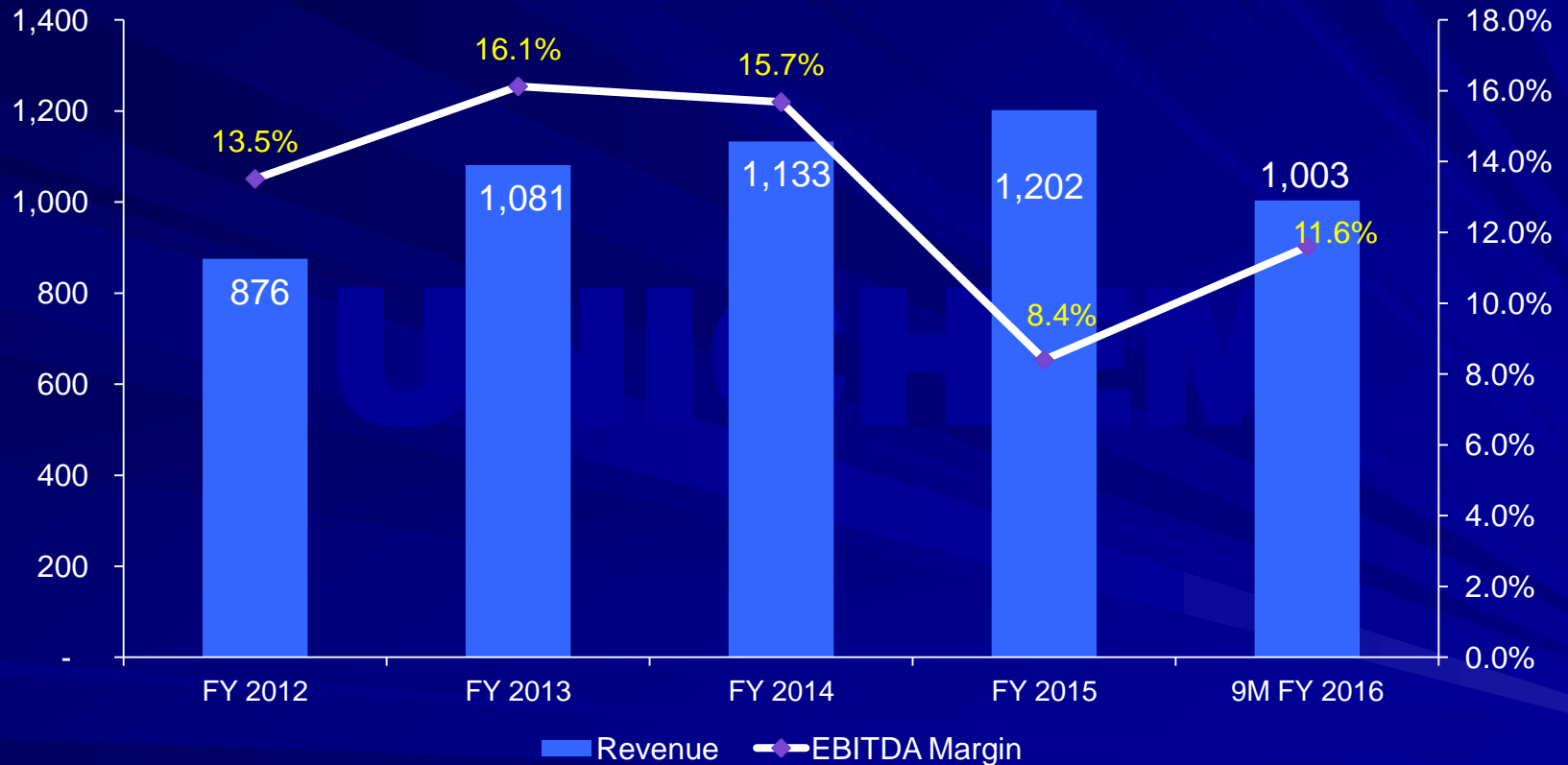
History - Key Milestones (Last 10 Years)

-
- 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
-
- 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

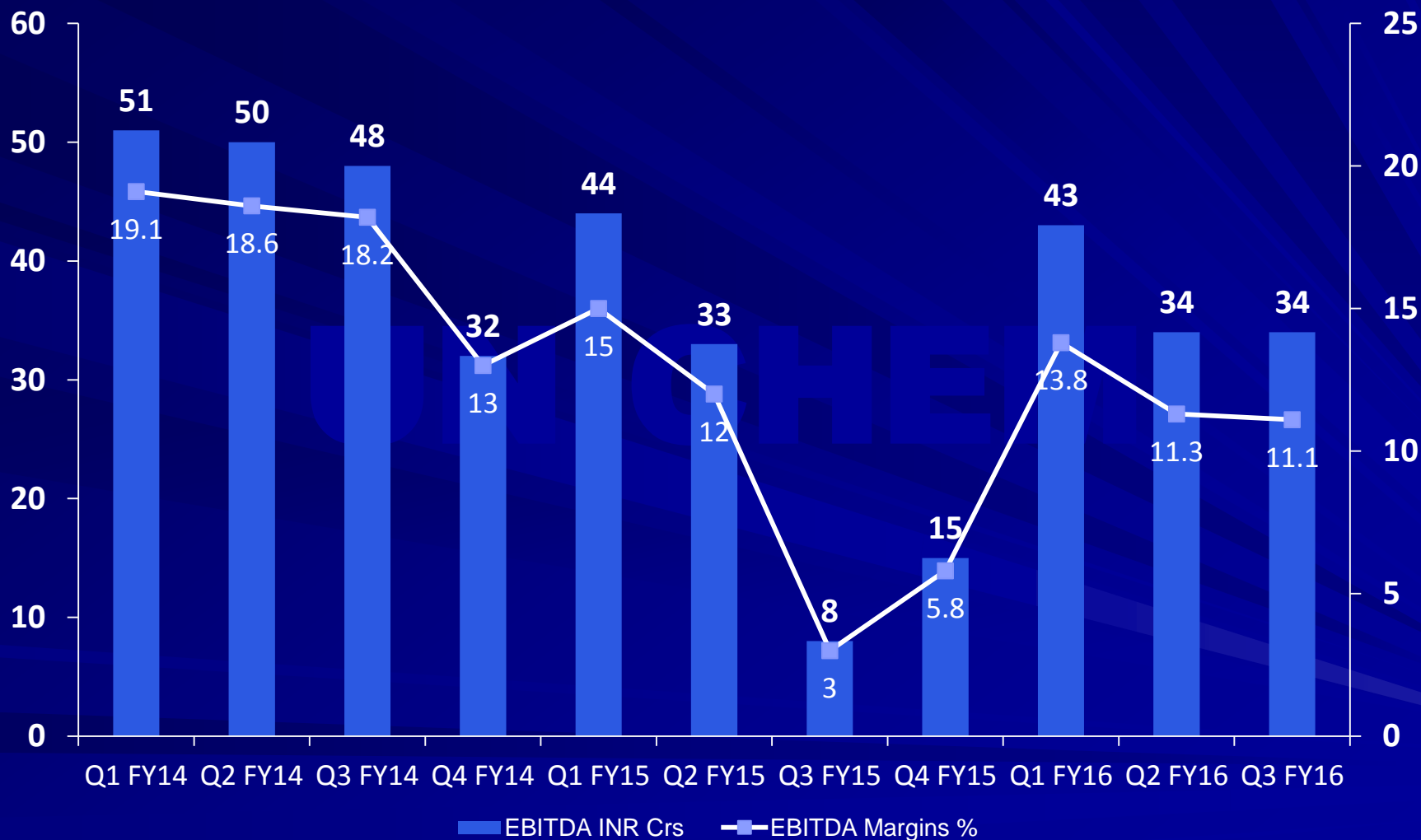
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Unichem Consolidated Financials {Rs. Crores}



Standalone EBITDA Profile from FY 14 onwards



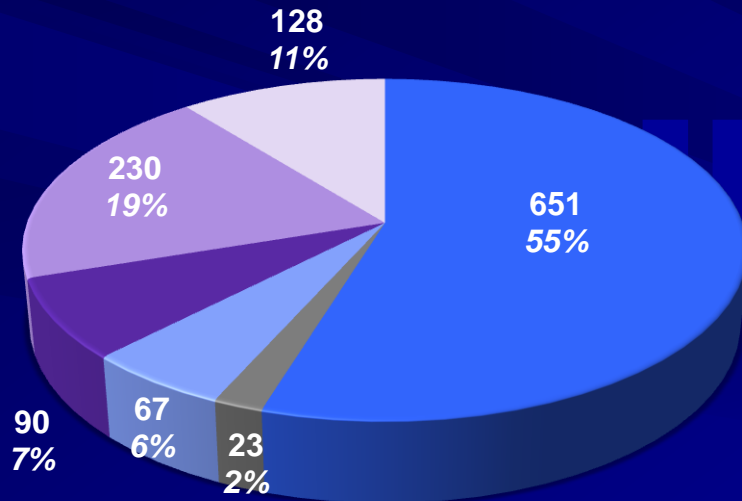
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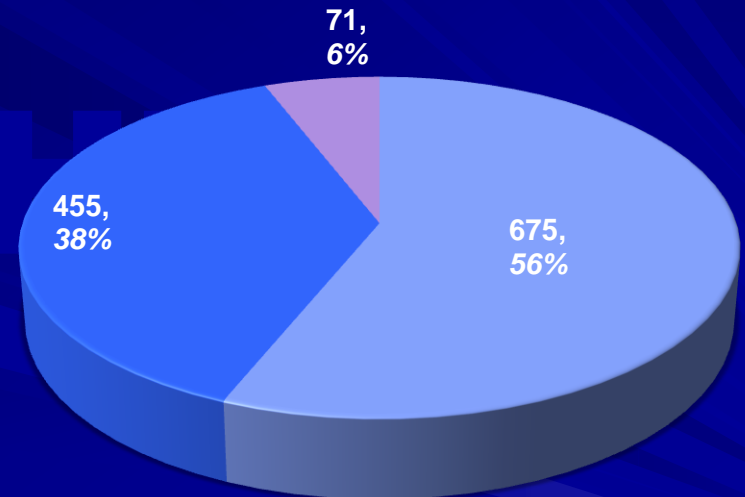
Revenue & Business areas break-up

Consolidated – FY 2015

Revenue Break-up by Segment
Rs. Crores



Revenue Break-up by Region
Rs. Crores



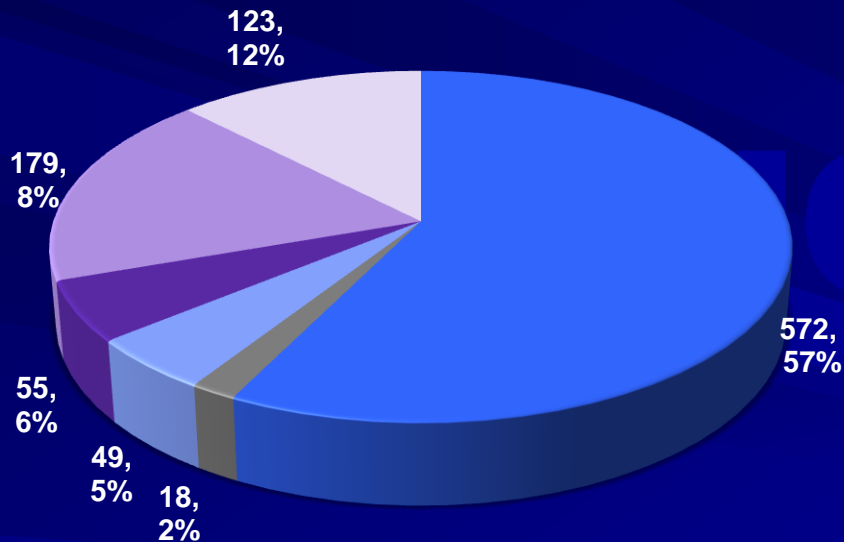
- Formulation - Domestic
- API - Domestic
- Formulation - Exports
- API - Exports
- International Business - US/Brazil
- International Business - Niche/EU

- India Business
- Regulated Markets
- Emerging Markets

Revenue & Business areas break-up

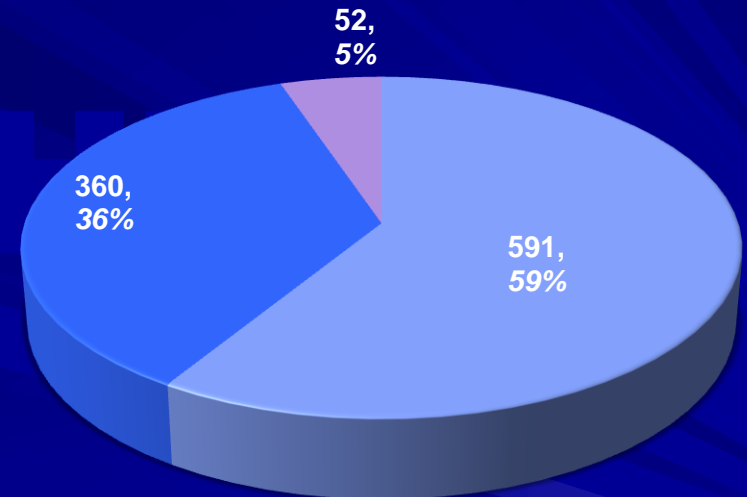
Consolidated – 9M FY 2016

Revenue Break-up by Region
Rs. Crores



- Formulation - Domestic
- API - Domestic
- Formulation - Exports
- API - Exports
- International Business - US/Brazil

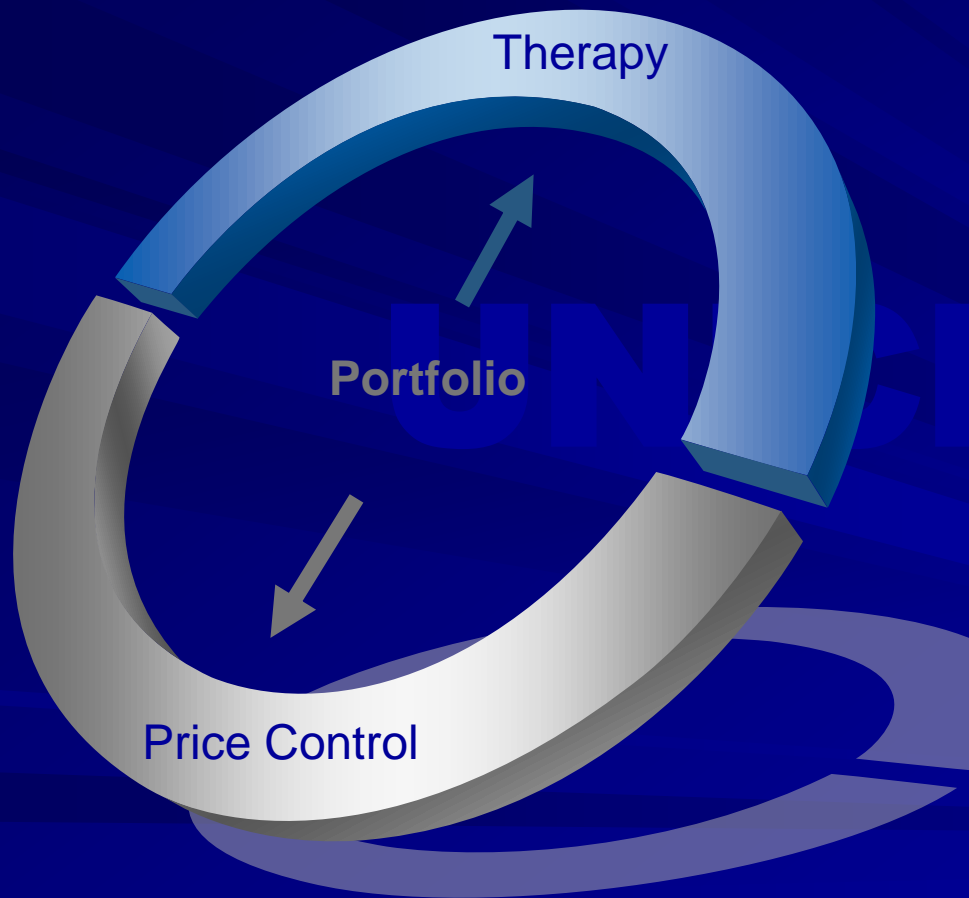
Revenue Break-up by Region
Rs. Crores



- India Business
- Regulated Markets
- Emerging Markets

Portfolio Therapy Dominance & Price Control

SCENE



Therapy

- Major Revenue contributors:
 - Chronic care accounts for ~56%* of Domestic Formulation Revenues
 - Acute portfolio accounts for ~44%* of Domestic Formulation Revenues

Price Control

- Appx 15% of Domestic Portfolio (in value terms) are under NLEM.
 - Major products are: Losartan, Alprozolam, Atorvastatin, Cetrizine, Metoprolol and Tramadol.
- Under the old DPCO, the coverage was Approx 13% in value terms.

Cash Generation – Pre R & D Expenses

Rs. Crores

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	9M FY 2016	Cumulative
Positive Cash Flow	168.4	188.7	179.6	152.1	201.3	235.9*	166.5	152.2	1,445
Spending:									
R & D Expenditure	23.5	29.7	40.5	39.7	36.4	52.2	65.4	40.7	328
Capital Expenditure	45.5	44.3	84.2	106.5	76.1	86.3	78.6	103.3	625
Investment in Subs	19.0	10.0	11.0	14.2	20.6	7.6	7.2	5.4	95
Dividend Payments	21.1	33.8	42.1	29.4	31.5	90.0	42.4	21.9	312
Increase in Working Capital	42.7	19.1	54.9	(15.4)	1.3	82.3	8.2	(3.1)	190
Others <i>(Incl Cash Equivalents and Deposits)</i>	16.6	51.8	(53.1)	(22.3)	35.4	71.3	(35.4)	(15.9)	48

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

Unichem in The Indian Pharma Market

Rs. Crores

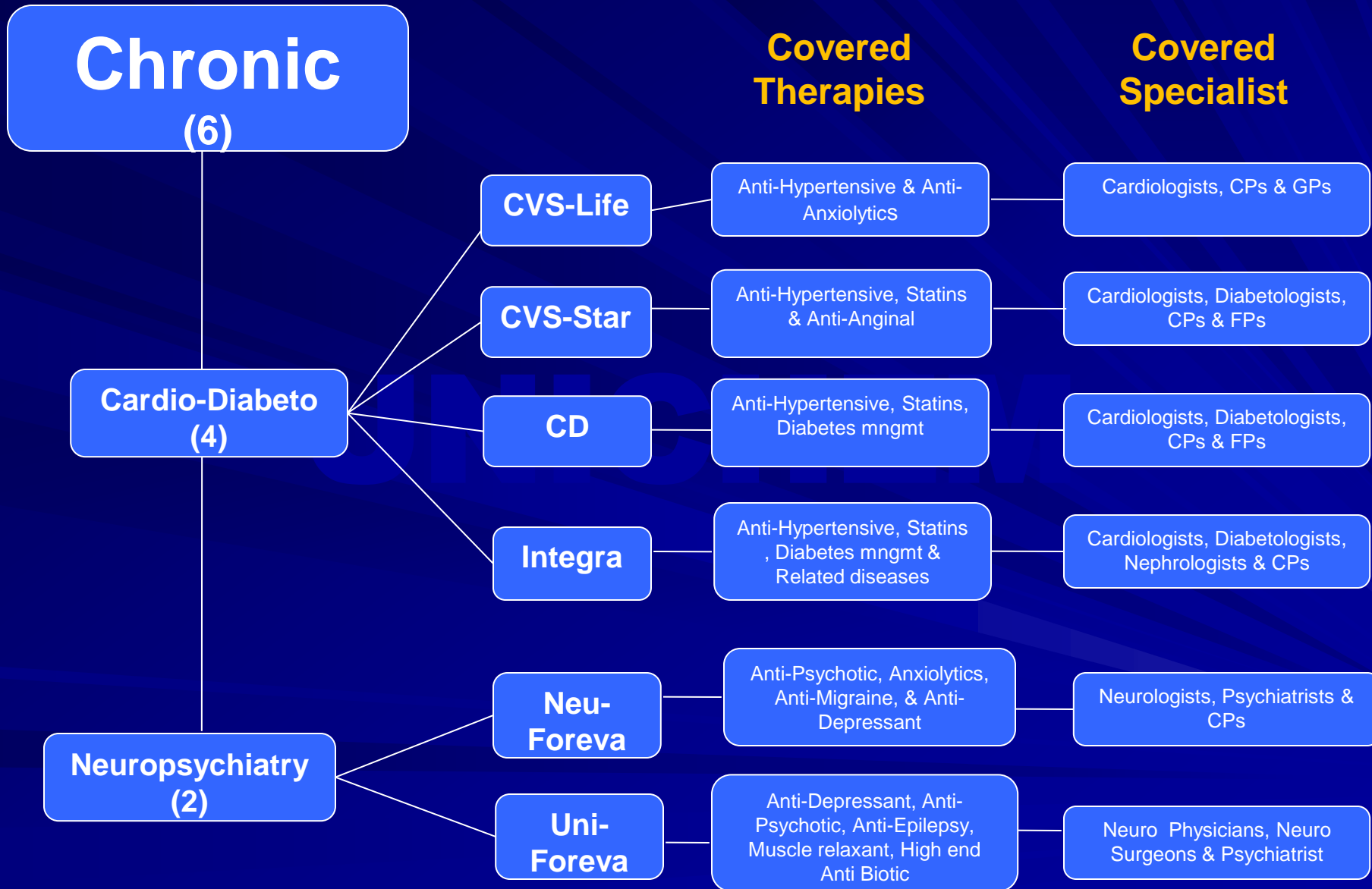
	Indian Pharmaceutical Market	MAT Dec, 2015	% Growth
	Total Size of the Market	96,289	14.4
	Unichem Represented (Covered) Market	46,611	12.7
Sr. No	Top Companies in Covered Market		
1	Sun Pharma + Ranbaxy	5,070	13.7
2	Alkem	2,549	13.2
3	Mankind	2,159	14.8
4	Cipla	2,035	13.7
5	Zydus	2,006	6.6
6	Lupin	1,904	14.5
7	Macleods	1,787	13.5
8	Abbott Healthcare	1,735	11.1
9	Aristo	1,600	18.4
10	Intas	1,449	18.9
18	Unichem Labs	889	11.1

Unichem's Therapy Gaps in the market

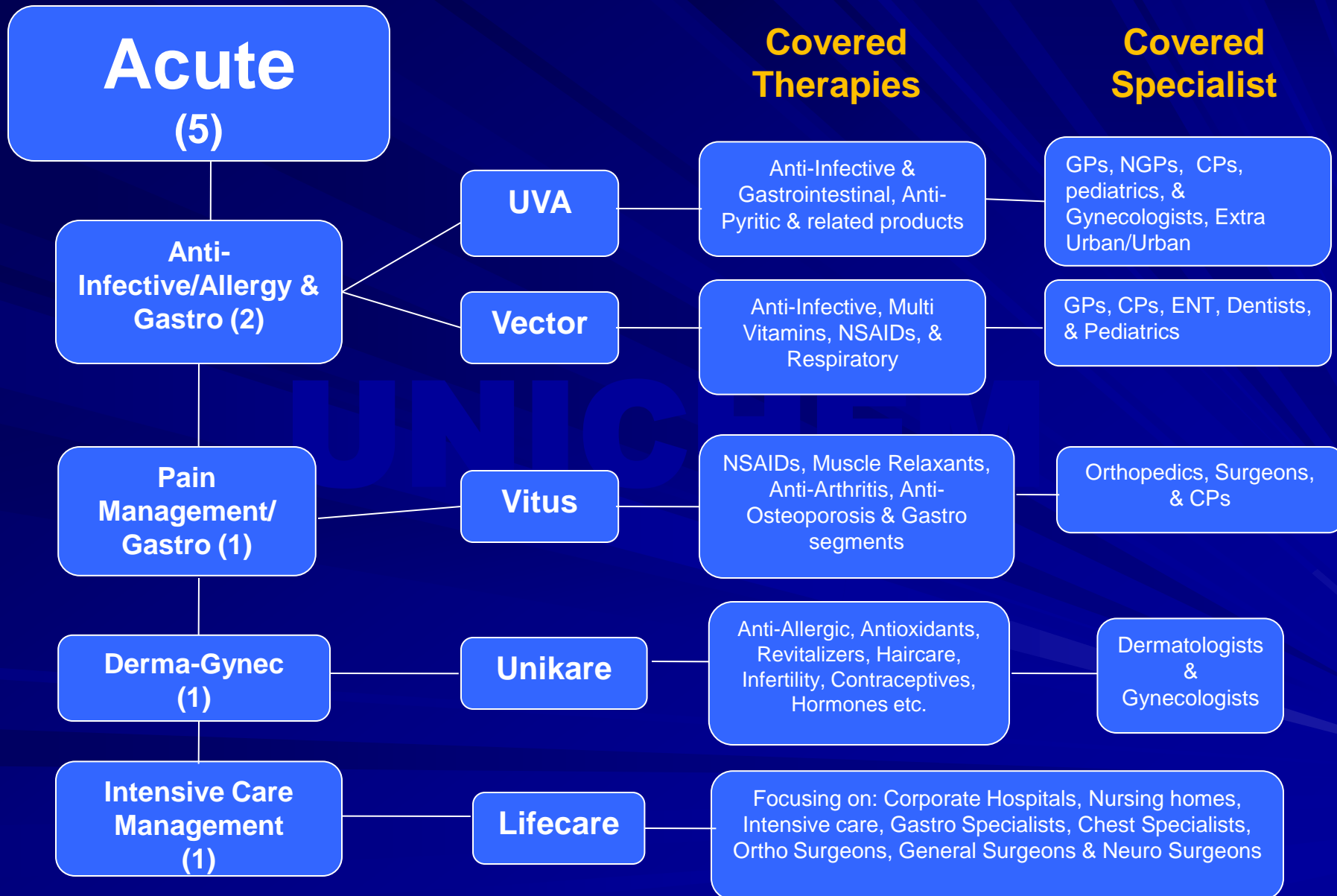
	MAT Dec' 15 Value Rs. Crs	% of Total Value	No. of Sub- Segments	% of Total No. of Segments
Unichem Non-Represented Segments	49,678	51.6%	2,601	87.7%
Unichem Represented Segments	46,611	48.4%	365	12.3%
Total Market	96,289	100.0%	2,966	100.0%

- 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

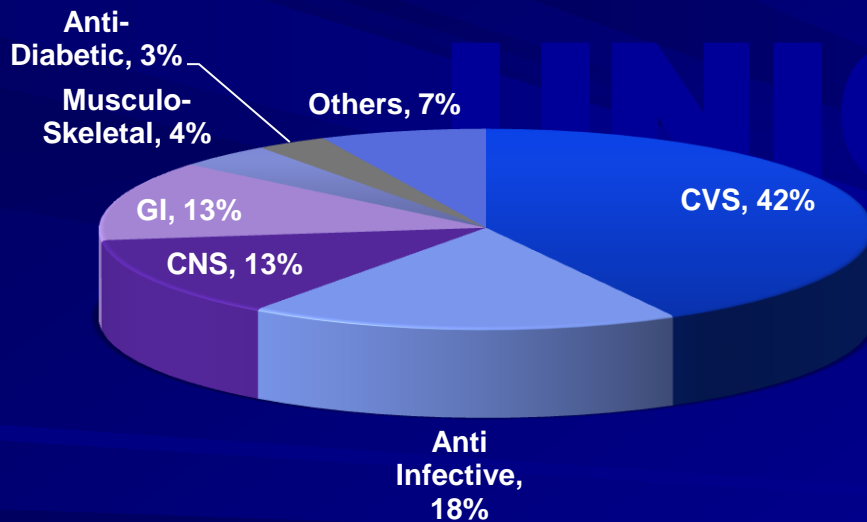
Cardiologists, Diabetologists, Neurologists, Psychiatrists, Nephrologists, Gynaecologists (Infertility treatment), CPs, GPs etc.

■ 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, Unienzyme & Losar
- In 16 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 (~56%) & acute (~44%)

Brand Building – Focus Brand Portfolio

- # Top 10 Brands contributes ~48% of the company's domestic revenues
 - *Losar H, Ampoxin, Unienzyme, Losar, Vizylac, Trika, Serta, Unistar, Telsar, and Telsar-H*

- Top 50 Brands contributes ~81% of the company's domestic revenues
 - # 4 - Rs. 50+ crore brands
 - # 1 - Rs. 30 - 50 crore brand
 - # 2 - Rs. 20 - 30 crore brands
 - # 10 - Rs. 10 - 20 crore brands
 - # 43 - Rs. 3 - 10 crore brands

Top 10 Product Groups Performance

Rs. Crores

	MAT Dec, 2015	% Growth	% Market Share	% Contribution to Revenue
Total Revenue	889	11.1	0.9	100.0
Losar Group	175	13.4	34.8	20.0
Ampoxin Group	81	11.8	45.4	9.1
Unienzyme	66	14.8	17.4	7.4
Telsar Group	52	6.1	3.2	5.9
Olsar Group	34	5.0	5.3	3.8
Vizylac	33	16.3	13.9	3.7
Trika Group	31	9.9	22.0	3.5
Pregaba Group	25	39.4	5.7	2.8
Serta	21	9.9	28.5	2.4
Metride Group	19	-1.6	0.8	2.2

AWACS Data – MAT Dec, 2015

Therapy Market Segment	Representative Market		Unichem Laboratories		
	Size (Rs. Crs)	% Growth	Sales (Rs. Crs)	% Share	% Growth
Cardiac Care	7636	14.9	369	4.8	7.3
Anti-Infectives	10980	8.3	158	1.4	10.3
Gastroenterologicals	5961	15.2	116	2.0	17.2
Neuro-Psychiatry	3229	14.5	116	3.6	17.4
Musculoskeletal	3938	12.9	34	0.9	16.4
Anti – Diabetic	3459	17.3	29	0.8	-0.1
Others	11408	12.6	67	0.6	16.6
TOTAL	46611	12.7	889	1.9	11.1

AWACS Data Quarterly Sales & MAT

Indicators	Market Size (Cr₹)	Value Growth (%)	Unichem (Cr₹)	Value Growth (%)
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 # 851 product registrations across the world

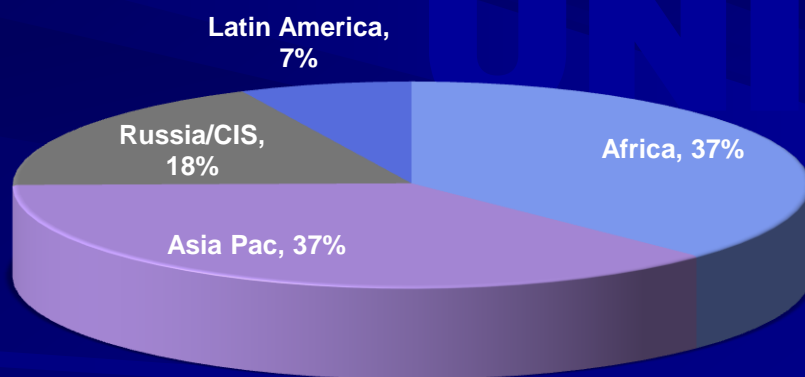
- # 35 US ANDAs filed so far and # 20 of which already approved (*including #1 tentative approvals*)
 - Many more filings in the pipeline

- Total R & D spending of ~5 % of sales
 - More than # 275 Scientists (including # 28 PhDs) in R & D activities

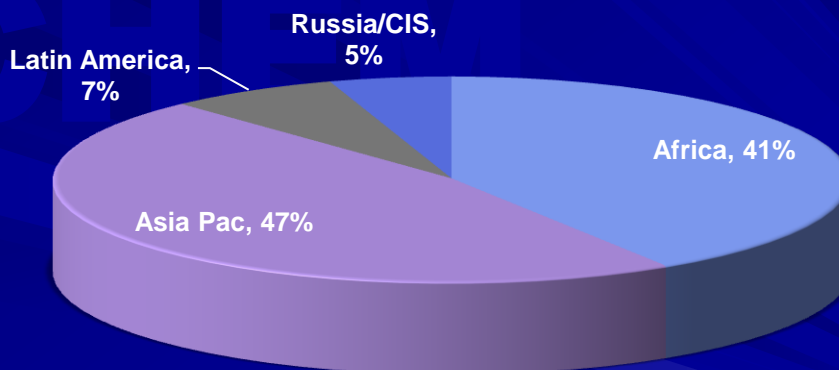
International Business – Formulations

Zone 1 : Emerging Global Markets

Geographic Mix – FY 2015



Geographic Mix – 9M FY 2016



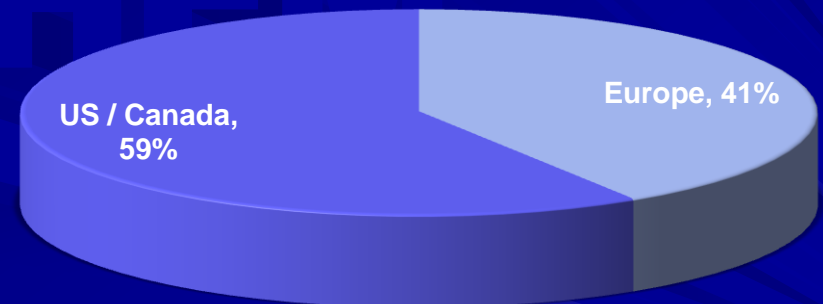
International Business – Formulations

Regulated Markets

Geographic Mix – FY 2015



Geographic Mix – 9M 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
 - Tied with large wholesalers and retail chains for products launched
 - Total number of ANDAs filed # 35 and development in progress for further filings
 - Total ANDAs approved so far # 20 (Including #1 tentative approvals)
- Unichem's investments in R & D is increasing every year 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 has extended its operations into South Africa, 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

■ 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

■ Brazil

- Additional product registrations

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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 # 275 Scientists (including # 28 PhDs) in R & D activities

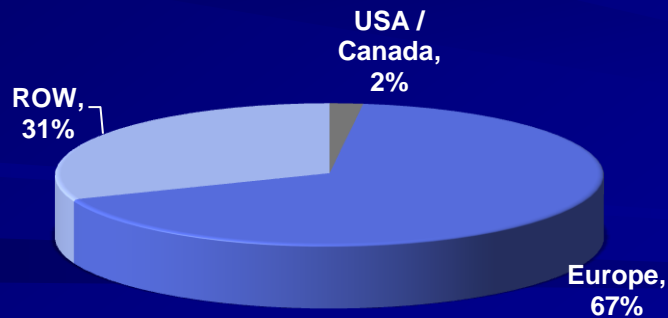
API - Total Revenue

F Y 2015

Revenue Break-up by Segment



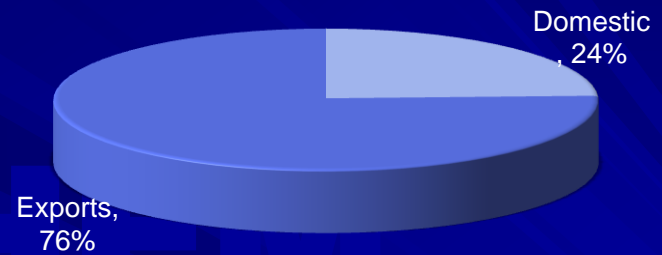
Export Revenue Break-up by Region



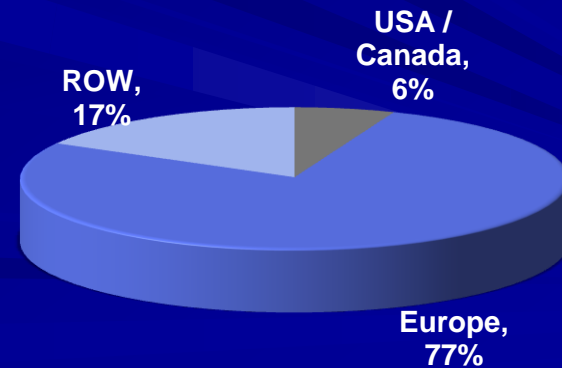
Total API Revenue : Rs.113 Crores

9M F Y 2016

Revenue Break-up by Segment



Export Revenue Break-up by Region



Total API Revenue : Rs. 73 Crores

Management Focus

- API's for Generic Markets
 - Improve Profitability of API Business
 - Focus on profitable Generic APIs to
 - New customers in existing Regulated Markets
 - Penetrate into New Regulated Markets
 - Achieve cost leadership in 3~4 molecules
 - Captive supplies to meet growing formulations demand in regulated market
 - Long term Supply Contracts with customers in Regulated Markets for Generic API's
 - Marketing globally all API's primarily developed as a in-house source for Generic Dosage Form foray for US, South American markets, and also for UK subsidiary for Europe
 - To become most cost efficient manufacturer for identified APIs

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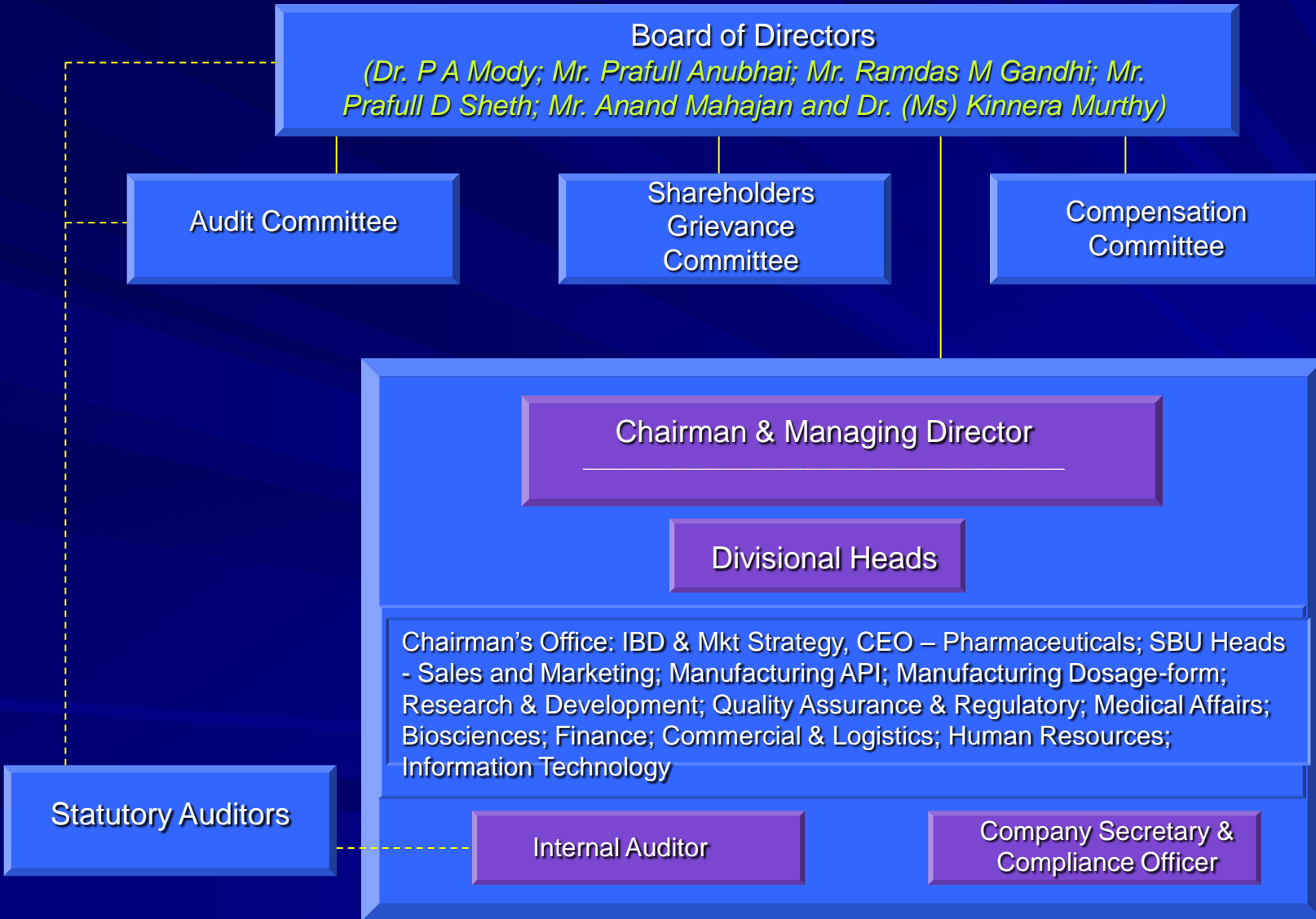
Focus

- 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-exceptient 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 Dec 31, 2015	Three months ended Dec 31, 2014	% Growth	Nine months ended Dec 31, 2015	Nine months ended Dec 31, 2014	% Growth
Sales Income from Operations:						
<i>Domestic Operations</i>						
Formulations	18,892	15,812	19%	57,167	50,474	13%
API	402	527	-24%	1,788	1,841	-3%
<i>International Operations</i>						
Formulations	9,379	7,648	23%	26,731	23,002	16%
API	1,721	2,302	-25%	5,536	7,318	-24%
Other Operating Income	233	296	-21%	868	865	0%
Total Income	30,626	26,585	15%	92,089	83,499	10%
Expenditure:						
Material Consumption	10,837	10,628	2%	34,421	33,126	4%
% Sales Income	35.4%	40.0%		37.4%	39.7%	
Staff Cost	5,894	4,902	20%	16,951	14,509	17%
Other Expenditure	10,486	10,211	3%	29,598	27,315	8%
EBITDA	3,410	844		11,120	8,550	
% Total Income	11.1%	3.2%		12.1%	10.2%	
Interest	44	65	-32%	150	195	-23%
Depreciation	872	1,049	-17%	2,618	2,970	-12%
Total Expenditure	28,133	26,856	5%	83,738	78,114	7%
% Total Income	91.9%	101.0%		90.9%	93.6%	
Operating Income	2,493	(270)		8,352	5,385	
% Total Income	8.1%	-1.0%		9.1%	6.4%	
Other Income	459	497	-8%	1,683	1,572	7%
Exceptional Items (Gain/-Loss)						
Profit before Tax	2,952	227	1200%	10,034	6,957	44%
% Total Income	9.6%	0.9%		10.9%	8.3%	
Income Tax	620	21	2852%	2,514	1,499	68%
Net Profit	2,332	206	1032%	7,520	5,458	38%
% Total Income	7.6%	0.8%		8.2%	6.5%	
Exceptional Items	353.00	0.00		353.00	0.00	
Tax on exceptional item	-75.00	0.00		-75.00	0.00	
Net Profit after tax excluding exceptional items	2,054	206	897%	7,242	5,458	33%
% Total Income	6.7%	0.8%		7.9%	6.5%	
Earning Per Share- Basic-Before Exceptional Item						
	2.57	0.23	1017%	8.28	6.02	38%
Earning Per Share- Diluted-After Exceptional Item						
	2.56	0.23	1013%	8.26	6.00	38%
Earning Per Share- Basic						
	2.26	0.23	883%	7.98	6.02	33%
Earning Per Share- Diluted						
	2.26	0.23	883%	7.96	6.00	33%

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

Thank You