

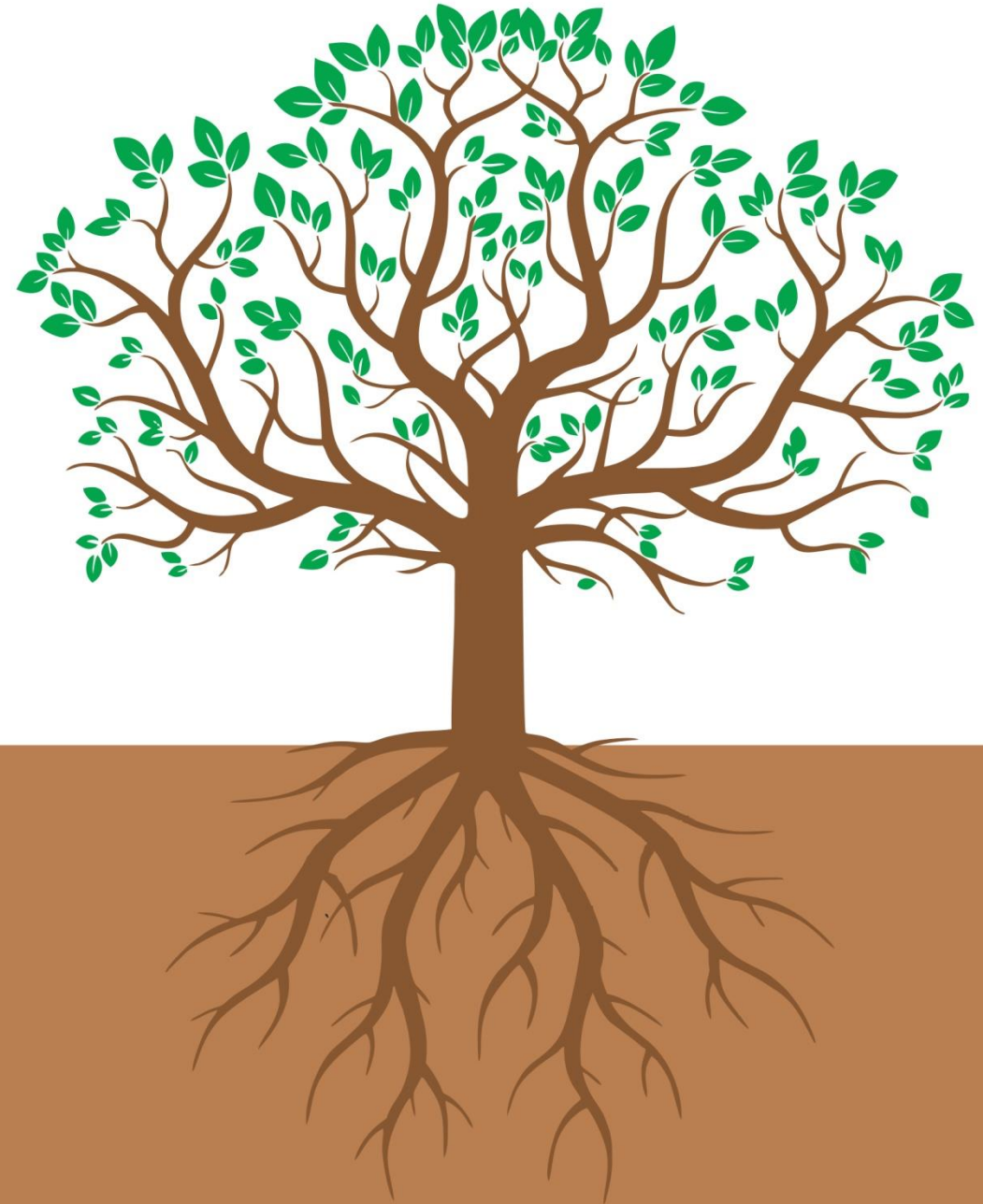


Vivimed

First Quarter FY2017

Earnings Presentation

August 13, 2016



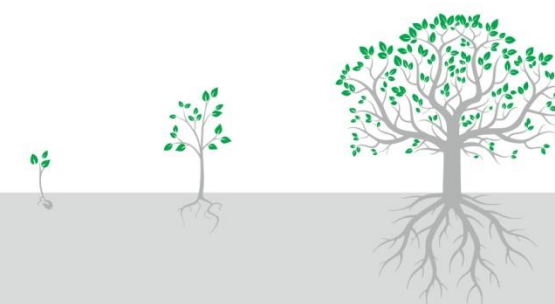
Transitioning into the Next Phase of Growth



This presentation contains statements that contain "forward looking statements" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Vivimed Labs' future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Vivimed Labs undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

Conference Call Details: Wednesday, August 17, 2016 at 4:00 PM IST

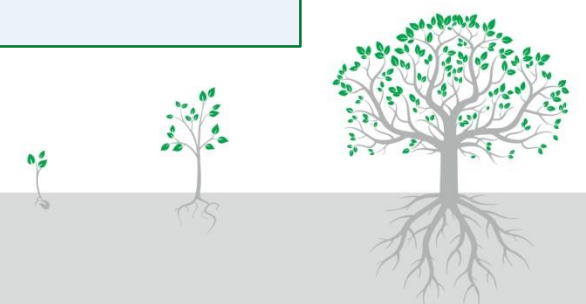
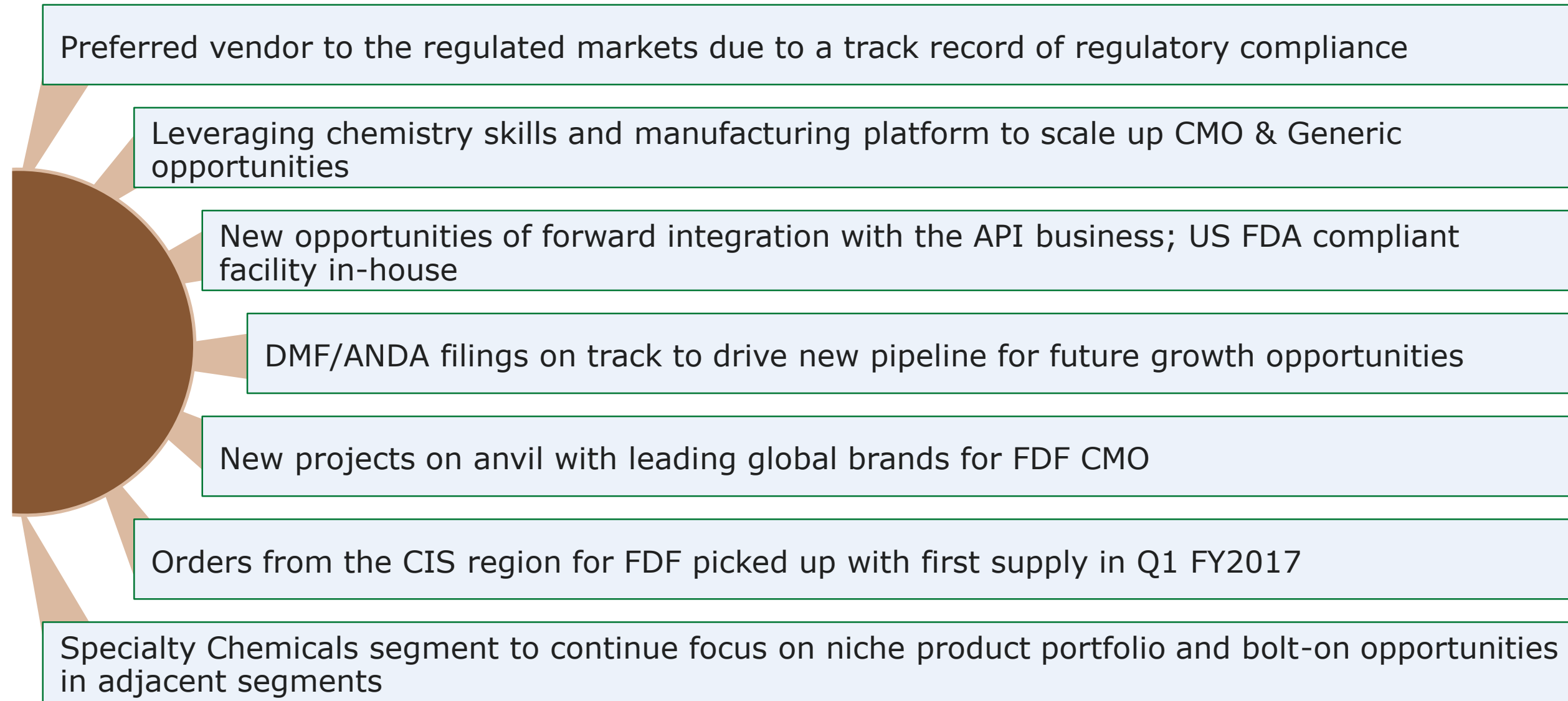
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Transitioning into the Next Phase of Growth



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Q1 FY2017 vs. Q1 FY2016

Net Sales

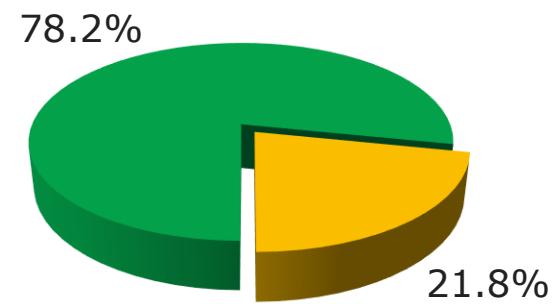
Rs. 3,686 mn

10.7%

Net Profit

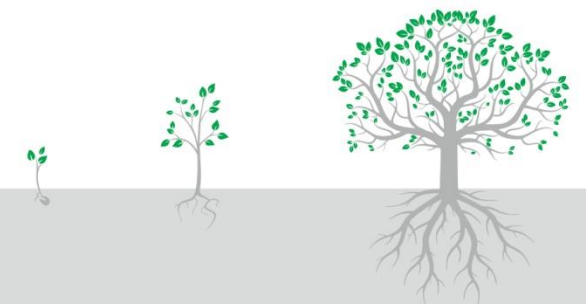
Rs. 279 mn

+15.2%



■ Healthcare ■ Specialty Chemicals

Net Profit Margin:
7.6%
+30 bps





Commenting on the performance, **Mr. Santosh Varalwar, Managing Director of Vivimed Labs** said:

“Our focus on consolidating our core strengths last year has started to bear fruits which is clearly reflected in our Q1 FY2017 results. During the quarter, we recorded a strong top-line growth of around 11% y-o-y, primarily driven by a robust performance of the API segment. In the generic API business, due to our competitive market positioning, we continued to gain market share. We have also qualified with new customers and expect the supplies to start by the end of the year. Ramp up of our CMO business also contributed to this strong growth. We have a strong CMO pipeline with new projects from existing clients as well as new customers. The Company is on track with our filing pipeline and expect to complete 5-6 DMF filings during the year from our Spain and Mexico operations.

In the formulations business, we strategically exited from the branded ophthalmology products at Klar Sehen. This transaction will further enhance our financial flexibility as we transition into the next phase of growth. Going forward our focus will be on CMO and US generic business.

The prospects of our healthcare business remains encouraging as the API business continues to capitalize on the prevailing opportunities in the sector. In the Specialty Chemicals business, we continue to focus on a differentiated product mix and continue to look for opportunities to drive growth.

Overall, we believe that the start of the fiscal year has been very exciting and going ahead we will continue to build on the growth momentum. The various initiatives undertaken by the management coupled with improvement in the financial flexibility will drive our performance in the medium to long term.”



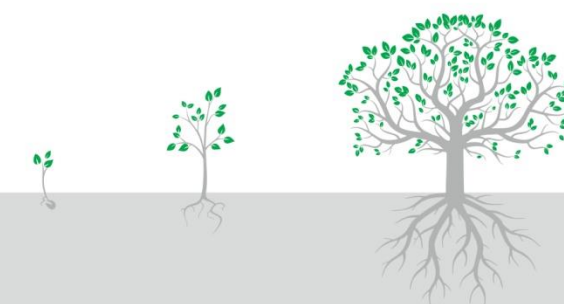


Consolidated financial summary

(Rs. million)	Q1		y-o-y	Q4	q-o-q
	FY2017	FY2016	Growth (%)	FY2016	Growth (%)
Net Sales ¹	3,686	3,330	10.7%	3,500	5.3%
EBITDA	668	672	(0.6)%	512	30.5%
<i>EBITDA Margin (%)</i>	18.1%	20.2%		14.6%	
Net Profit	279	242	15.2%	126	121.0%
<i>Net Profit Margin (%)</i>	7.6%	7.3%		3.6%	
Basic EPS ² (Rs.)	3.44	2.98	15.2%	1.56	121.0%

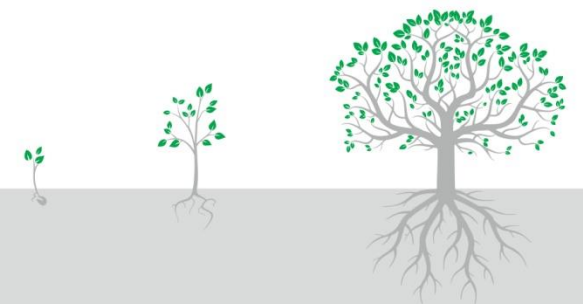
Note:

1. Net Sales includes Other Operating Income
2. EPS adjusted for 1:5 stock split



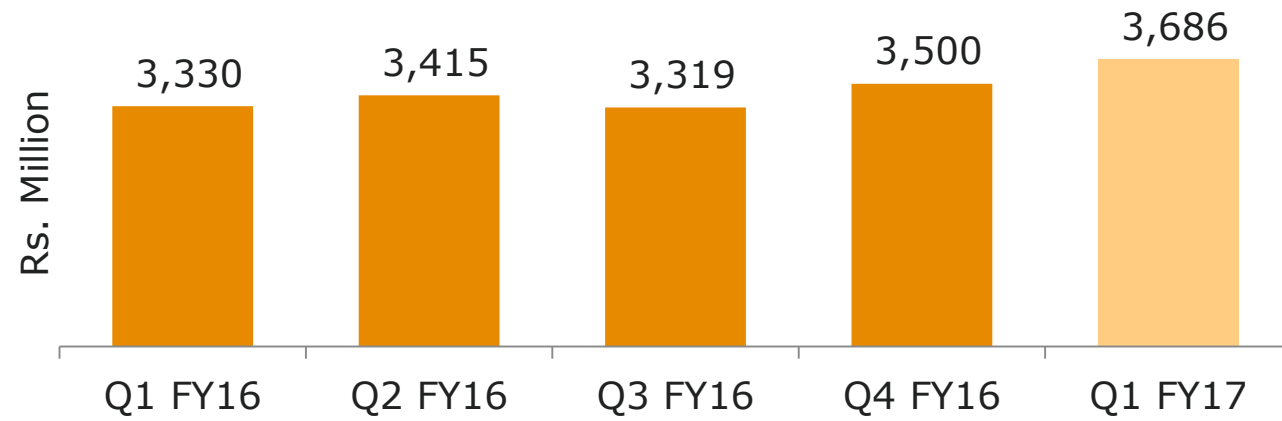
Q1 FY2017 vs. Q1 FY2016

- **Revenues** increased by 10.7% y-o-y to Rs. 3,686 million primarily due to robust performance of the API business
 - **Healthcare segment** recorded a strong growth of 21.7% y-o-y to reach Rs. 2,868 million. This growth was primarily driven by improved performance of the API segment offset to a certain extent by muted performance of the FDF segment
 - **Specialty Chemical** segment performance was muted at Rs. 800 million, a decline of 16.5% compared to Q1 FY2016. This was primarily due to the ongoing transaction closure. Despite the decline in revenues, Specialty Chemicals continued to sustain margins (Q1 FY2017 EBIT margin of 19.0%)
- **EBITDA** remained relatively flat at Rs. 668 million with margin of 18.1%
 - EBITDA for the quarter was impacted by subdued performance at one of the Company's subsidiaries
- **Finance cost** for Q1 FY2017 was Rs. 152 million, a decline of 20.1% compared to same period last year. This decline was due to scheduled repayment of long term debt
- **Net Profit** for Q1 FY2017 was Rs. 279 million up 15.2% vs. Q1 FY2016. Net Profit margin increased from 7.3% in Q1 FY2016 to 7.6% in Q1 FY2017

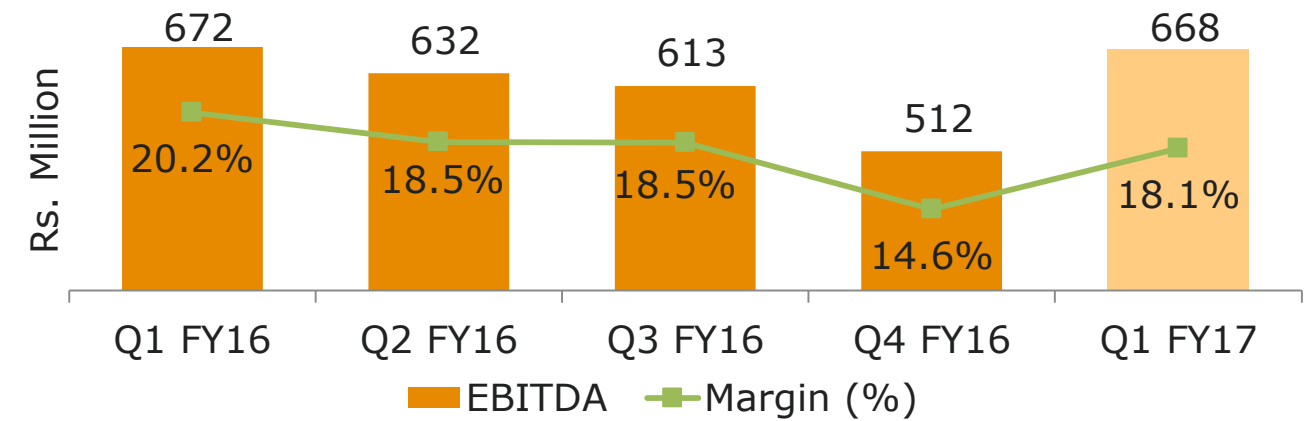




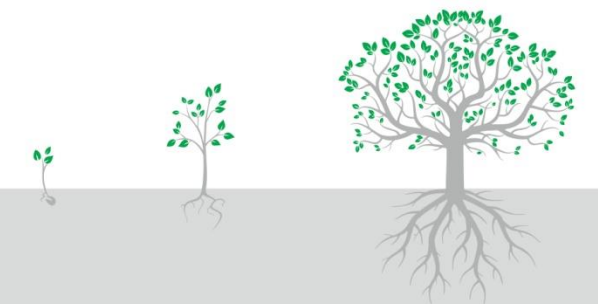
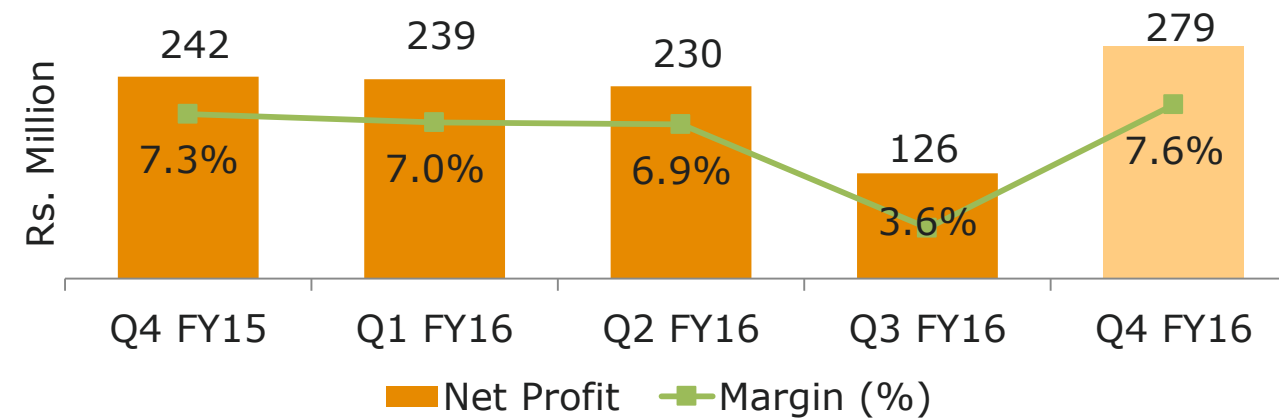
Net Sales



EBITDA and Margins



Net Profit and Margins



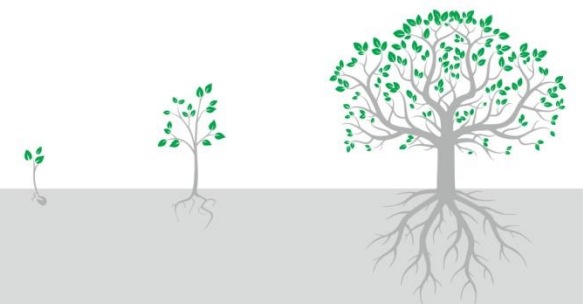


Sale of Klar Sehen Private Limited

- In July 2016, Vivimed transferred and sold identified products along with their associated trademarks by its wholly owned subsidiary Company, Klar Sehen Private Limited (“Klar Sehen”) to Ordain Healthcare Global Private Limited (“Ordain Healthcare”)
- Ordain Healthcare is a subsidiary of Spain based Chemo Espana S.A.
- As part of the transaction, Klar Sehen will provide contract manufacturing services for the divested products to the buyer for an agreed period of time from its two plants located at Hyderabad and Kolkata
- The total consideration for the identified product lines was Rs. 730 million

Update on the Clariant Transaction

- In January 2016, the Company successfully closed the first stage of the transaction; received proceeds of Rs. 2,580 million
- Expect to receive the balance consideration by September 2016



Consolidated Quarterly P&L Statement



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Profit & Loss Statement (Rs. million)	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16	Q1 FY17
Revenues					
Net Sales / Income from Operations (Net of Excise Duty)	3,315	3,370	3,299	3,472	3,668
Other Operating Income	14	45	20	29	18
Total Revenues	3,330	3,415	3,319	3,500	3,686
Total expenses	2,657	2,784	2,706	2,988	3,017
Operating Profit (EBITDA)	672	632	613	512	668
Depreciation and Amortization Expenses	148	164	155	148	158
EBIT	524	468	458	365	510
Finance Costs	190	188	192	245	152
PBT	334	280	266	120	358
Tax Expenses	92	41	36	(7)	79
PAT	242	239	230	126	279
Basic EPS (Rs)	14.92	14.73	14.20	7.78	3.44
Margins (%)					
<i>Gross Margins</i>	55.5%	53.3%	54.6%	52.7%	53.4%
<i>EBITDA margins</i>	20.2%	18.5%	18.5%	14.6%	18.1%
<i>PAT margins</i>	7.3%	7.0%	6.9%	3.6%	7.6%
Y-o-Y Growth (%)					
<i>Total Revenues</i>	(9.5)%	7.8%	(3.7)%	(1.9)%	10.7%
<i>EBITDA</i>	15.8%	22.0%	1.6%	(2.6)%	(0.6)%
<i>PAT</i>	41.1%	45.5%	11.9%	(29.8)%	15.2%
Q-o-Q Growth (%)					
<i>Total Revenues</i>	(6.7)%	2.6%	(2.8)%	5.5%	5.3%
<i>EBITDA</i>	27.7%	(6.0)%	(3.0)%	(16.4)%	30.5%
<i>PAT</i>	34.7%	(1.2)%	(3.6)%	(45.2)%	121.0%
<i>Effective Tax Rate</i>	27.6%	14.7%	13.4%	nm	22.2%



Consolidated Segment Performance

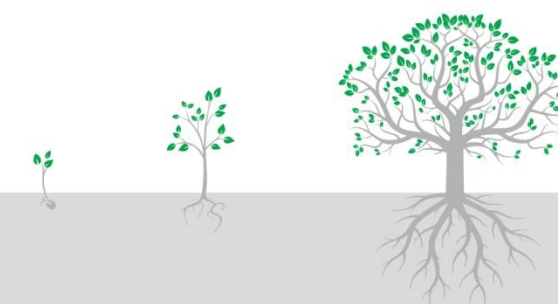


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(Rs. million)	Q1		y-o-y	Q4	q-o-q
	FY2017	FY2016	Growth (%)	FY2016	Growth (%)
Segment Revenue	3,668	3,315	10.6%	3,472	5.7%
Specialty chemicals	800	958	(16.5)%	945	(15.4)%
Healthcare	2,868	2,358	21.7%	2,527	13.5%

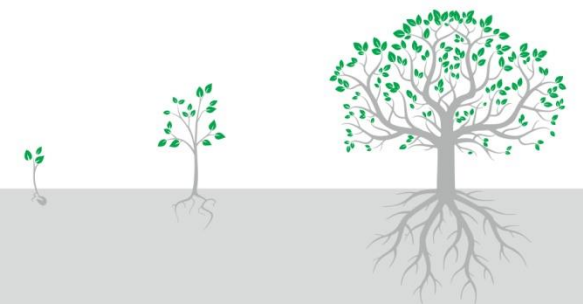
EBIT	510	524	(2.7)%	365	39.9%
Margin (%)	13.9%	15.8%		10.5%	
Specialty chemicals	152	174	(12.7)%	121	25.3%
Margin (%)	19.0%	18.2%		12.8%	
Healthcare	358	350	2.2%	243	47.1%
Margin (%)	12.5%	14.9%		9.6%	

Capital Employed	15,800	14,996	5.4%	15,540	1.7%
Specialty chemicals	7,828	8,117	(3.6)%	8,454	(7.4)%
Healthcare	7,973	6,879	15.9%	7,086	12.5%





- ANDA: Abbreviated New Drug Application
- API: Active Pharmaceutical Ingredients
- CEP: Certificates of Suitability to the monographs of European Pharmacopoeia
- CMO: Contract Manufacturing Organization
- DMF: Drug Master File
- FDF: Finished Dosage Formulation
- GMP: Good Manufacturing Practices
- H&PC: Home and Personal Care
- MRs: Medical Representatives
- MA: Marketing Authorization





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