Alembic Pharmaceuticals Limited
Investors Update – Q1FY12

- **Net sales up 34% at Rs 345 crores for the quarter against Rs. 257 crores.**
- **Domestic formulations sales up 19% for the quarter at Rs. 172 crores against Rs. 145 crores in corresponding period previous year**
- **International generics up 127% at Rs. 61 crores against Rs. 27 crores for the quarter.**
- **EBIDTA increases to 14.6% from 11.4% at Rs. 50.43 crores**
- **Net profit after tax for the quarter at Rs. 27.56 crores**
- **Cumulative DMF filings at 54. Cumulative ANDA filings at 38. Cumulative ANDA approvals now stands at 15.**

Management Discussion – Q1FY12

Alembic Pharamaceuticals Limited reported sales for the quarter ended June 30 2011 at Rs 344.72 crores up by 34% compared to Rs 256.62 crores in corresponding quarter previous year, while profit before tax for the quarter ended June 30, 2011 is Rs. 35.47 crores against Rs 19.08 crores posted in corresponding quarter last fiscal.

Company posted net profit of Rs. 27.56 crores for quarter ended June 30, 2011.

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

➢ 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, gastroenterology and Gynecology as well.

Domestic formulations posted sales of Rs. 172.44 crores against Rs. 144.96 crores, registering 19% growth over the corresponding quarter of the previous year.

The positive impact of the restructuring undertaken in the recent past is evident from the encouraging numbers.

(ORG IMS – June Growth %)

Therapy	Market Share	Therapy Growth	Alembic Growth
Gastro	2.08%	10%	19%
Cardio	1.08%	14%	26%
Anti Diabetic	1.20%	21%	28%
Gynaec	1.90%	15%	34%
Opthal	1.12%	17%	24%

Gastro, Cardio, Anti Diabetic, Gynaec and Opthal 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’.

The company continues to make investment in the domestic branded business, particularly with the newer specialty segments. The Company has also renewed its focus on penetrating rural segment.

Alembic has four brands in the list of top 300 brands of the industry:

Brands	Rank MAT May ‘11
Azithral	21
Althrocin	35
Roxid	82
Wikoryl	128

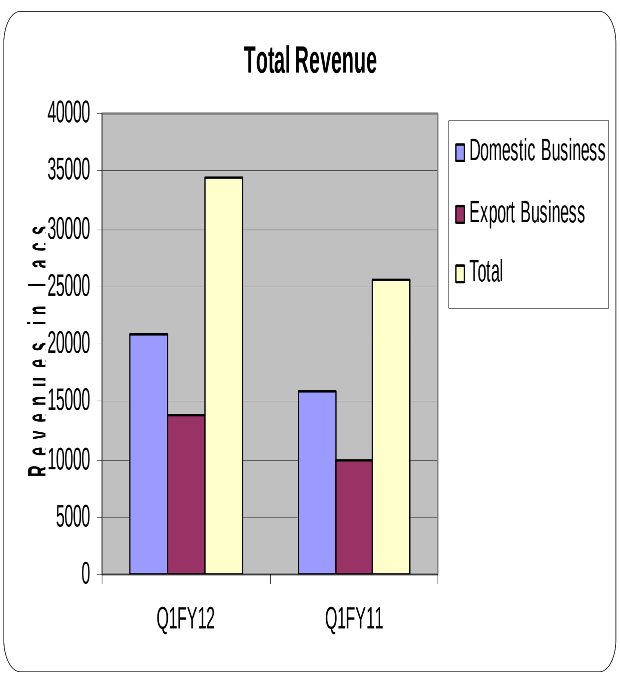
Last quarter witnessed overall growth in acute therapy over corresponding quarter last year. Chronic therapy also continued to grow at decent pace. Alembic is committed to invest in both segments. Overall, primary numbers grew by 19% in current quarter.

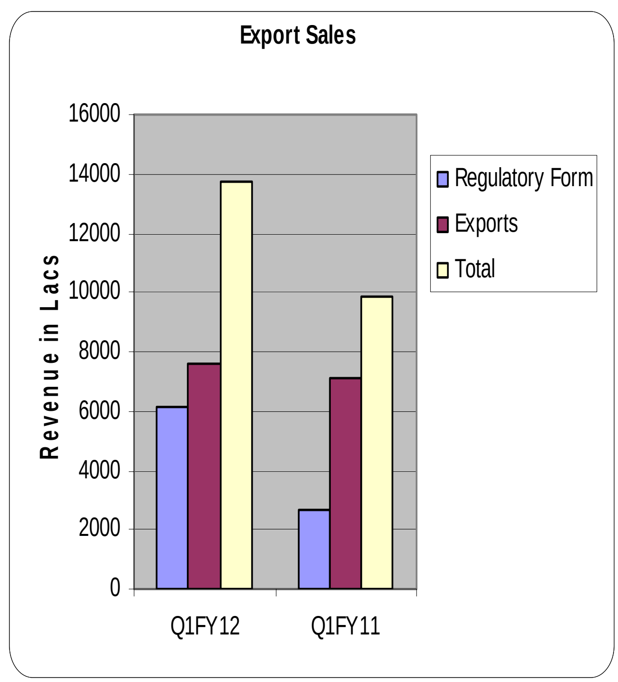
➢ International Generics

International generics sales to the regulated markets grew by 127% to Rs. 61.15 crores from Rs. 26.97 Crores over corresponding quarter last year

Branded formulations sales to semi regulated markets grew by 71% to Rs. 11.32 crores from Rs. 6.61 crores.

Cumulative ANDA filings at 38. Cumulative ANDA approvals now stands at 15.





➢ API Business

Total API sales up 26% at Rs. 95.48 crores against Rs. 75.96 crores in PY.

Domestic API increased 162% to Rs. 34.75 crores against Rs. 13.27 crores

Export API recorded sales of Rs. 60.73 crores against Rs. 62.69 crores in corresponding quarter last year.

One DMF filed during the quarter. Cumulative DMF filings at 54.

Site Inspections:

Four manufacturing plant undergo US FDA inspection during the quarter (3 API plants and 1 Formulation plant). During the quarter formulation plant also underwent ANVISA inspection.

Financial and Operating Result – Q1FY12

Financial and Operating Result – Q1FY12	
Particulars	**Rs. lacs**
Income from Operations	**34512**
Total Expenditure	**29477**
- (Increase) / decrease in stock	(1174)
- Consumption of Raw Material	11802
- Consumption of Traded Goods	6546
- Employee cost	3944
- Research and Development Expense	1208
- Excise Duty Exp	137
- Other expenditure	7014
Operating Profit	**5035**
Operating Margin %	**14.6%**
Interest	677
Depreciation	819
Profit from Operations	**3539**
Other Income	8
Profit / (Loss) for the period	**3547**
Provision from Tax - current	723
Provision from Tax - Deferred / earlier yr	68
Provision from Tax - Wealth tax	-
Profit after tax	**2756**

Summary of total revenue (consolidated) for the quarter is as under:

(Rs. in Lacs)

Particulars	Q1 FY12	Q1 FY11	% Change
Formulation			
Domestic	17244	14496	19%
International Branded	1132	661	71%
International Generics	6115	2697	127%
API			
Domestic	3475	1327	162%
International	6073	6269	(-)3%
Export incentives	433	212	104%
Total	**34472**	**25662**	**34%**

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.

The Profit break-up for the quarter:

(Rs. in Lacs)

Particulars	Consolidated		
	Q1 FY12	Q1 FY11	% Change
Operating Income	5043	2917	73%
Profit Before Tax	3547	1908	86%
Net Profit after Tax	2756		

Scheme of Rearrangement:

The Hon'ble High Court of Gujarat, vide order dated 24/01/2011, has approved the Scheme of Arrangement in the nature of demerger of the "Pharmaceutical Undertaking" of Alembic Limited and transfer of the same to Alembic Pharmaceuticals Limited (earlier known as "Alembic Pharma Limited") with effect from the appointed date i.e. 01/04/2010.

Company has allotted 13,35,15,914 equity shares of RS. 2 each to the shareholders of Alembic Limited on 15th Aprl 2011. Company has made application to BSE and NSE to list shares of Alembic Pharmaceuticals Ltd. Listing is expected to happen before end of July '11.

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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