



NEWS RELEASE

7th November 2013, Hyderabad, India

Aurobindo Pharma Q2/H1 2013-14 Unaudited Results

	Q2FY14 ₹ Crores	Q2FY13 ₹ Crores	Y-o-Y Variance	Q1FY14 ₹ Crores	Q-o-Q Variance	
Consolidated Net Operating Income	1913.9	1500.4	+27.6%	1715.6	+11.6%	↑
Operating Profit (EBIDTA) before Fx	438.4	250.3	+75.1%	307.7	+42.5%	↑
PBT before Fx	342.3	163.5	+109.4%	214.3	+59.7%	↑

Financials Consolidated Financials during Q2FY2013-14 on Y-o-Y basis:

- Total Operating Income up by 27.6% to ₹1913.9Crores (₹1500.4Crores)
- Operating Profit (EBIDTA) before Fx improves to 22.9% (16.7%)
- Operating Profit (EBIDTA) before Fx up 75.1% to ₹438.4Crores (₹250.3Crores)
- PBT before Fx up by 109.4% to ₹342.3Crores (₹163.5Crores)
- PAT up by 5.7% to ₹235.0 Crores (₹222.4 Crores)
- Basic & diluted EPS (not annualized) is ₹8.07 and ₹8.06 respectively for the current quarter.
- Formulation Sales up by 36.1% to ₹1228.3 Crores (₹902.8 Crores)
- API Sales up by 15.4% to ₹718.0 Crores (₹622.1 Crores)
- Formulations Sales constitute 63.1% (59.2%) and API 36.9% (40.8%) of gross sales
- Interim Dividend @ 125% i.e., ₹1.25 per equity share has been approved by the Board
- The National Long-term Fitch Rating of the Company has been maintained at 'AA-(ind)' indicating stable outlook of the Company.

The EBITDA during the quarter on Y-o-Y basis has improved by 620bps due to Improved business mix resulting in decrease in materials consumption, staff cost and other expenses to net operating income by 2.4%, 0.9% and 2.9% respectively.

Commenting on the Company's performance, **Mr. N. Govindarajan, Managing Director** of the company said:

"The integrated business in generic Formulations is auguring well to drive the operating performance of the company. We are also investing in specific new, differentiated products offerings such as Oncology, Hormones, Peptides and OTC business which we believe will complement our business in the coming years."

Segmental Breakup of Sales (Consolidated) :

(₹ in Crores)						
Particulars	Q2 FY13-14	Q2 FY12-13	Change	H1 FY13-14	H1 FY12-13	Change
USA	730.8	424.9	+72.0%	1355.5	753.2	+80.0%
ARV	233.1	252.2	(7.6%)	425.0	392.5	+8.3%
Europe & Row	264.4	225.7	+17.1%	548.3	411.8	+33.1%
Formulations	1228.3	902.8	+36.1%	2328.8	1557.5	+49.5%
Dossier Income	6.3	11.7	(46.2%)	9.2	18.5	(50.3%)
SSPs	242.9	184.6	+31.6%	465.1	363.6	+27.9%
Cephs	206.7	225.5	(8.3%)	423.0	448.6	(5.7%)
Non-Pen Non -Cephs	268.4	212.0	+26.6%	476.9	397.0	+20.1%
Active Ingredients	718.0	622.1	+15.4%	1365.0	1209.2	+12.9%



Domestic and Export breakup of Gross Sales (Stand Alone):

(₹ in Crores)

Particulars	Q2 FY13-14	Q2 FY12-13	Change	H1 FY13-14	H1 FY12-13	Change
Domestic	405.1	375.4	+7.9%	783.4	724.6	+8.1%
Export	1226.4	1047.8	+17.0%	2492.3	1858.5	+34.1%
Total Sales	1631.5	1423.2	+14.6%	3275.7	2583.1	+26.8%

Global Regulatory filings:

Filings	Q2 FY13-14	Cumulative Filings as on 30 th Sep 2013
ANDAs (USA) (net of 8FA and 2TA ANDA filings withdrawn in 2QFY14)	13	294
DMFs (USA)	8	175
Formulations Dossiers in other key advanced markets (incl. Multiple registration into EU, South Africa, Australia and Canada)	34	1859
API DMF/COS filings in other key regulated markets	47	2186
Patents	6	545

Following approvals in USA (184 cumulative approvals including 27 tentative by USFDA, net of 8FA and 2TA ANDA filings withdrawn in 2QFY14), South Africa (64 cumulative approvals by MCC-SA), Australia (46 cumulative approvals by TGA) and Canada (39 cumulative approvals by Health Canada)) were received during the quarter ended 30th September 2013:

USA

1. Rizatriptan Benzoate Orally Disintegrating Tablets 5mg and 10mg (for acute Migrain) - Final
2. Oxycodone and Acetaminophen Tablets 2.5mg/325mg, 5mg/325mg, 7.5mg/325mg and 10mg/325mg (Sch II Cont. Sub) - Final
3. Dextroamphetamine Sulfate Tablets 5mg and 10mg (Sch III Cont. Sub) – Final

South Africa

1. Citalopram Tablets (AURO CITALOPRAM) 10mg and 40mg
2. Donepezil Tablets (ZEPANALZ) 5mg and 10mg
3. Valaciclovir Tablets (VOLIRET) 500mg and 1g

Australia

1. Meloxicam Tablets 7.5 mg & 15 mg
2. Risedronate Sodium Tablets 5 mg, 30 mg & 35 mg
3. Rabeprazole Sodium DR Tablets 10 mg & 20 mg

Canada

1. Lamivudine Tablets 150mg and 300mg
2. Mirtazapine Tablets 15mg, 30mg, 45mg
3. Ceftiofur Sodium for Injection 1g & 4g

About Aurobindo Pharma Limited:

Aurobindo Pharma Limited (www.aurobindo.com), headquartered at Hyderabad, India, manufactures generic pharmaceuticals and active pharmaceutical ingredients. The company's manufacturing facilities are approved by several leading regulatory agencies like US FDA, UK MHRA, WHO, Health Canada, MCC South Africa, ANVISA Brazil. The company's robust product portfolio is spread over 6 major therapeutic/product areas encompassing Antibiotics, Anti-Retrovirals, CVS, CNS, Gastroenterologicals, and Anti-Allergics. The Company is marketing these products globally, in over 100 countries.

For further information, please contact:

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PART I												Rs. in lakhs
STATEMENT OF STAND ALONE/CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER & HALF YEAR ENDED 30.09.2013												
Particulars	Stand alone						Consolidated					
	Three months ended			Six months ended			Three months ended			Six months ended		
	30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013	30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Income from operations												
(a) Net sales/income from operations (Net of excise duty)	158,162	159,578	137,248	317,740	248,504	535,291	189,748	169,960	148,105	359,708	267,849	578,312
(b) Other operating income	1,638	1,596	1,879	3,234	3,576	7,219	1,638	1,596	1,939	3,234	3,636	7,219
Total income from operations (net)	159,800	161,174	139,127	320,974	252,080	542,510	191,386	171,556	150,044	362,942	271,485	585,531
2 Expenses												
(a) Cost of material consumed	80,838	79,559	80,547	160,397	146,719	305,364	85,166	78,693	75,052	163,859	131,887	309,144
(b) Purchase of stock-in-trade	429	1,884	1,502	2,313	3,909	7,809	2,838	5,173	11,995	8,011	25,652	16,958
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,855	5,658	(2,684)	7,513	(8,632)	(12,108)	3,917	5,262	(11,396)	9,179	(17,150)	(27,025)
(d) Employee benefits expense	11,964	12,346	10,809	24,310	21,021	43,142	19,596	18,891	16,703	38,487	32,130	66,331
(e) Depreciation and amortisation expense	4,703	4,393	4,213	9,296	8,317	17,139	7,662	7,192	5,983	14,854	11,867	24,874
(f) Provision for decline in the value of long-term investment	2,500	-	1,800	2,500	1,800	6,900	-	-	-	-	-	-
(g) Other expenses	26,185	24,901	23,431	51,086	45,005	95,597	36,034	32,766	32,662	68,800	59,963	131,216
Total expenses	128,474	128,941	119,618	257,415	218,139	463,843	155,213	147,977	130,999	303,190	244,349	521,498
3 Profit/(Loss) from operations before other income, finance costs, foreign exchange (gain)/loss and exceptional items (1-2)	31,326	32,233	19,509	63,559	33,941	78,667	36,173	23,579	19,045	59,752	27,136	64,033
4 Other Income	205	287	622	492	730	1,501	511	392	659	903	881	2,854
5 Profit/(Loss) from ordinary activities before finance costs, foreign exchange (gain)/loss and exceptional items (3+4)	31,531	32,520	20,131	64,051	34,671	80,168	36,684	23,971	19,704	60,655	28,017	66,887
6 Finance costs (refer note 6)	1,969	2,073	2,999	4,042	6,029	11,474	2,458	2,539	3,350	4,997	6,661	13,133
7 Foreign exchange (Gain)/Loss (refer note 6)	7,838	13,953	(12,485)	21,791	6,840	12,382	6,829	17,241	(11,767)	24,070	8,878	16,344
8 Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6-7)	21,724	16,494	29,617	38,218	21,802	56,312	27,397	4,191	28,121	31,588	12,478	37,410
9 Exceptional item	-	-	-	-	-	-	-	-	12	-	12	-
10 Profit/(Loss) from ordinary activities before tax (8-9)	21,724	16,494	29,617	38,218	21,802	56,312	27,397	4,191	28,109	31,588	12,466	37,410
11 Tax expense/(credit)	3,754	2,131	5,816	5,885	2,985	6,713	4,011	2,445	5,913	6,456	3,173	8,271
12 Net Profit/(Loss) for the period (10-11)	17,970	14,363	23,801	32,333	18,817	49,599	23,386	1,746	22,196	25,132	9,293	29,139
13 Minority Interest	(109)	(114)	(39)	(223)	(51)	(246)	(109)	(114)	(39)	(223)	(51)	(246)
14 Net Profit/(Loss) after taxes and minority interest (12-13)	17,970	14,363	23,801	32,333	18,817	49,599	23,495	1,860	22,235	25,355	9,344	29,385
15 Paid-up Equity Share Capital (Face value Re. 1 per share)	2,912	2,912	2,911	2,912	2,911	2,912						
16 Reserves excluding Revaluation Reserve						290,998						
17 Earnings per share of Re.1/- each (not annualised)												
(a) Basic	6.17	4.93	8.17	11.10	6.46	17.04	8.07	0.64	7.64	8.71	3.21	10.09
(a) Diluted	6.16	4.93	8.17	11.09	6.46	17.02	8.06	0.64	7.64	8.70	3.21	10.09

PART II						
SELECT INFORMATION FOR THE QUARTER & HALF YEAR ENDED 30.09.2013						
Particulars	Three months ended			Six months ended		Year Ended
	30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
A PARTICULARS OF SHAREHOLDING						
1 Public Shareholding						
- Number of Shares	131,514,694	131,514,694	131,708,307	131,514,694	131,708,307	131,514,844
- Percentage of Shareholding	45.16	45.16	45.24	45.16	45.24	45.16
2 Promoters and promoter group Shareholding						
a) Pledged/ Encumbered						
- Number of Shares	33,293,797	30,005,297	34,300,902	33,293,797	34,300,902	37,461,297
- Percentage of Shares (as a % of the total shareholding of promoter & promoter group)	20.85	18.79	21.52	20.85	21.52	23.46
- Percentage of Shares (as a % of the total share capital of the company)	11.43	10.30	11.78	11.43	11.78	12.86
b) Non-encumbered						
- Number of Shares	126,402,799	129,691,299	125,112,081	126,402,799	125,112,081	122,235,149
- Percentage of Shares (as a % of the total shareholding of promoter & promoter group)	79.15	81.21	78.48	79.15	78.48	76.54
- Percentage of Shares (as a % of the total share capital of the company)	43.41	44.54	42.98	43.41	42.98	41.97
B INVESTOR COMPLAINTS						
Pending at the beginning of the quarter	Nil					
Received during the quarter	53					
Disposed of during the quarter	53					
Remaining unresolved at the end of the quarter	Nil					



NOTES:

- 1 The above unaudited financial results for the quarter and six months ended September 30, 2013 as reviewed by the Audit Committee have been approved by the Board at its meeting held on November 7, 2013. A Limited Review of the stand alone financial results for the quarter ended September 30, 2013 has been carried out by the Statutory Auditors.
- 2 The consolidated financial results have been prepared in accordance with AS - 21 on 'Consolidated Financial Statement' and AS-27 'Financial Reporting of Interests in Joint Ventures' and includes financial results of all Subsidiaries and Joint Venture.
- 3 The Company's operations fall within a single primary business segment viz. 'Pharmaceutical Products'.
- 4 Sales of standalone for the current quarter include exports Rs.122.642 lakhs(Quarter ended September 30, 2012: Rs.104,778 lakhs).
- 5 Net sales for the current quarter include dossier income in standalone of Rs.392 lakhs (Quarter ended September 30, 2012:Rs.428 lakhs) and in consolidated of Rs.625 lakhs (Quarter ended September 30, 2012: Rs.1166 lakhs).
- 6 Foreign exchange (gain)/loss for stand alone and consolidated includes exchange difference of Rs.4,920 lakhs, Rs.5,048 lakhs Rs.4,669 lakhs for three months ended September 30, 2013, June 30, 2013, September 30, 2012, respectively and Rs.9,968 lakhs, Rs.9,445 lakhs for the six months ended September 30, 2013 and September 30, 2012 respectively and Rs.13,532 lakhs for the year ended March 31, 2013 arising from foreign currency borrowings to the extent that they are regarded as an adjustment to finance cost as per para 4(e) of "AS 16" on Borrowing costs.
- 7 With effect from April 1, 2013, the Company has changed the accounting policy for valuation of cost of the inventory from 'first-in-first out' basis to 'moving average basis'. Accordingly, this has resulted in decrease in the value of inventory on standalone basis as at September 30, 2013 and June 30, 2013 by Rs. 694 lakhs and Rs.60 lakhs respectively, and on consolidated basis by Rs.713 lakhs and Rs. 158 lakhs respectively, and decrease in profit before tax on standalone basis for the quarter ended June 30, 2013 and September 30, 2013, and for the six months ended September 30, 2013 by Rs. 60 lakhs, Rs. 634 lakhs and Rs. 694 lakhs respectively, and on consolidated basis for the quarter ended June 30, 2013 and September 30, 2013, and for the six months ended September 30, 2013 by Rs. 44 lakhs Rs.554 lakhs and Rs. 598 lakhs respectively.
- 8 During the October, 2013 Hyacinths Pharma Pvt.Ltd., and Silicon Life Sciences Pvt.Ltd., have become a wholly owned subsidiary of the Company. During the quarter Aurobindo Pharma (Poland) Sp.z o.o. and Aurobindo Switzerland AG, the step down subsidiaries of the Company have been liquidated.
- 9 The Board has approved an interim dividend @125% i.e. Rs1.25(Rupee One and paise twenty five only) per equity share of Re1/- (Rupee One only) for the year 2013-14.
- 10 Previous period figures have been regrouped/rearranged wherever considered necessary to conform to the current period presentation.

By Order of the Board

Place: Hyderabad
Date : November 7, 2013

www.aurobindo.com

N.Govindarajan
Managing Director

Rs. In lakhs

Statement of Assets and Liabilities		Rs. In lakhs			
	Particulars	Stand alone		Consolidated	
		As At 30.09.2013	As At 31.03.2013	As At 30.09.2013	As At 31.03.2013
		Un audited	Audited	Un audited	Audited
A	EQUITY AND LIABILITIES				
1	Shareholders' funds				
	(a) Share capital	2,912	2,912	2,912	2,912
	(b) Reserves and surplus	319,074	290,998	290,047	257,665
	Sub-total - Shareholders' funds	321,986	293,910	292,959	260,577
2	Share application money pending allotment	-	-	-	-
3	Minority interest			2,329	1,100
4	Non-current liabilities				
	(a) Long-term borrowings	108,535	104,106	119,435	114,826
	(b) Deferred tax liabilities (net)	12,679	6,794	12,686	6,800
	(c) Long-term provisions	934	850	987	900
	Sub-total - Non-current liabilities	122,148	111,750	133,108	122,526
5	Current liabilities				
	(a) Short-term borrowings	168,000	173,390	231,148	223,612
	(b) Trade payables	110,151	90,128	137,943	96,074
	(c) Other current liabilities	16,788	6,304	20,195	15,087
	(d) Short-term provisions	9,308	6,475	11,325	8,009
	Sub-total - Current liabilities	304,247	276,797	400,611	343,582
	TOTAL - EQUITY AND LIABILITIES	748,381	682,457	829,007	727,785
B	ASSETS				
1	Non-current assets				
	(a) Fixed assets	212,866	217,824	284,396	280,195
	(b) Goodwill on consolidation			8,842	5,544
	(c) Non-current investments	73,808	70,794	2,702	2,224
	(d) Deferred tax assets (net)		-		
	(e) Long-term loans and advances	42,402	28,910	38,378	24,281
	(f) Other non-current assets	3,698	1,858	329	1,866
	Sub-total - Non-current assets	332,774	319,386	334,647	314,110
2	Current assets				
	(a) Current investments	4	4	4	4
	(b) Inventories	145,366	143,173	211,826	192,359
	(c) Trade receivables	222,633	173,059	203,023	159,698
	(d) Cash and cash equivalents	10,650	11,458	30,605	20,845
	(e) Short-term loans and advances	30,914	27,598	39,831	33,208
	(f) Other current assets	6,040	7,779	9,071	7,561
	Sub-total - Current assets	415,607	363,071	494,360	413,675
	TOTAL - ASSETS	748,381	682,457	829,007	727,785