

NEWS RELEASE

14th November 2016, Hyderabad, India

Aurobindo Pharma Ltd Q2 FY16-17 financial results ending 30th September 2016

Company has adopted Indian Accounting Standards (Ind AS) from 1st April 2016 and hence the financials are prepared in accordance with the reporting structure prescribed by Section 133 of the Company's Act 2013. For comparison purpose Q2 FY15-16 financials are also restated as per Ind AS.

Amount in INR Cr	Q2 FY16-17	Q2 FY15-16	% Change
Consolidated Operating Income (incl excise duty)*	3,775.5	3,365.1	12.2%
EBITDA before Forex	929.2	778.6	19.3%
EBITDA %	24.6%	23.1%	150bps
PBT	829.9	630.6	31.6%
PAT (after JV share, minority interest and OCI)	602.6	452.5	33.2%

*As per Ind AS excise duty is a part of raw material cost; OCI: Other Comprehensive Income

Consolidated Performance for Q2 FY16-17 on YoY basis:

- Operating Income up by 12.2% to INR 3,775.5 Cr vs INR 3,365.1 Cr.
- Operating Profit (EBITDA) before Forex up 19.3% to INR 929.2 Cr vs INR 778.6 Cr; EBITDA margin at 24.6%.
- PBT up by 31.6% to INR 829.9 Cr vs INR 630.6 Cr.
- PAT after JV share, minority interest and OCI up by 33.2% to INR 602.6 Cr vs INR 452.5 Cr.
- Basic & Diluted EPS is INR 10.4 per share.
- Formulations business registered a growth 12.4% at INR 3,004 Cr (80% of Gross Sales).
- API business registered 11.3% growth at INR 7,688 Cr (20% of Gross Sales).
- 15 ANDAs received Final approval from USFDA.
- Interim Dividend @ 125% i.e., INR 1.25 per equity share of INR 1/- has been approved by the Board for the FY16-17.

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

"We witnessed satisfactory quarter on a year on year basis with enhanced cost efficiencies. The company continue to invest for long term growth by creating niche, differentiated products using newer technologies."

AUROBINDO PHARMA LIMITED

(CIN :L24239TG1986PLC015190)

PAN No. AABCA7366H

Corp off.: The Water Mark Building, Plot No.11, Survey No.9, Hi-tech City, Kondapur, Hyderabad – 500 084 T.S., INDIA Tel : +91 40 6672 5000 / 1200 Fax : +91 40 6707 4059

Regd. Off. : Plot No. 2, Maitrivihar, Ameerpet, Hyderabad - 500 038 T.S., INDIA Tel : +91 40 2373 6370 Fax : +91 40 2374 7340, Email : info@aurobindo.com

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Operational Performance (Consolidated):

Gross Sales (Amt in INR Cr)	Q2 FY16-17	Q2 FY15-16	% Chg (YoY)
Formulations			
USA	1,735.1	1,472.7	17.8%
Europe	813.4	764.3	6.4%
Emerging Markets	176.8	156.0	13.3%
ARV	278.5	280.2	-0.6%
Total Formulations	3,003.8	2,673.1	12.4%
Active Pharmaceuticals Ingredients (API)			
Betalactum	511.3	427.5	19.6%
Non Betalactum	257.5	263.6	-2.3%
Total API	768.8	691.0	11.3%
Consolidated Gross Sales	3,772.6	3,364.1	12.1%
Dossier Income	2.8	0.9	
Gross Operating Income	3,775.5	3,365.1	12.2%

The formulations business contributed 80% to the total revenues and witnessed 12.4% YoY growth during the quarter. The broad base growth across all the markets led to an increase in the formulations revenue.

US Formulations: The business contributed 46% to the gross sales and witnessed 17.8% growth YoY in Q2 FY16-17. This is due to the volume increase and the new launches in both oral and injectable segment

EU Formulations: Contributed 21.6% to the gross sales and registered 6.4% growth YoY during the quarter. The acquired business continue to see profitability during the quarter.

ARV formulations: The ARV business de-grew by 0.6% during the quarter vs the same quarter previous year with revenue contribution of 7.4% to gross sales.

Emerging Markets formulations: The Emerging Markets formulation business constitutes 4.7% of the gross sales of the company. The business registered 13.3% growth YoY during Q2 FY16-17.

API: The Active Pharmaceuticals Ingredients business contributed 20% to the gross sales and witnessed a growth of 11.3% YoY in gross sales. The company sells API to domestic as well as the global market.

During the quarter, the gross sales to the international markets stood at INR 3,327.9 Cr and the domestic sales were at INR 444.7 Cr representing 88% and 12% respectively.

Global Regulatory Filings:

During Q2 FY16-17, the company filed 9 ANDA with USFDA including 6 in the Oral Category and 3 in the Injectable category. On H1 FY16-17 basis the company filed 14 ANDAs with USFDA including 9 in Oral and 5 in Injectable segment. The company during the quarter received 17 ANDA approvals from USFDA including 15 Final approvals (2 tentative approvals received final approvals) and 2 tentative approvals. On a cumulative basis the company received 284 approvals from USFDA including 41 tentative* approvals.

*Tentative approvals include 21 ANDAs approved under PEPFAR.

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Filings	Q2 FY16-17	Cumulative Filings as on 30 th Sept 2016
ANDAs (including filings made from Aurobindo USA)	9	412
DMFs (including filings made from AuroNext and AuroPeptide)	4	210
Formulations Dossiers in other key advanced markets (incl. Multiple registrations into Europe. South Africa and Canada)	65	2,881
API DMF/COS filings in other key regulated markets (incl. Multiple registrations)	23	2,567

For Europe Formulations, as on 30th Sept 2016 additional 1,645 MAs have been transferred from Actavis

USFDA approvals received in Q2 FY16-17:

Final Approvals

- | | |
|---|---------------------|
| 1. Methenamine Hippurate Tab (Gx Hiprex®) 1g | Genitourinary |
| 2. Granisetron Hydrochloride Inj, 1mg/mL & 4 mg/4mL | Gastrointestinal |
| 3. Norgestimate and Ethinyl Estradiol Tab (Gx Ortho Tri-Cyclen®) 0.180 mg/0.035 mg, 0.215 mg/0.035 mg and 0.250 mg/0.035 mg | Oral Contraceptive |
| 4. Norgestimate and Ethinyl Estradiol Tab (Gx Ortho Cyclen®) 0.250 mg/0.035 mg | Oral Contraceptive |
| 5. Ropivacaine Hydrochloride Inj (Gx Naropin®) 0.2,0.5,0.75 & 1% | CNS |
| 6. Rosuvastatin Calcium Tab (Gx Crestor®) 5,10,20 & 40mg | CVS |
| 7. Linezolid Inj (Gx Zyvox®) 600mg/300mL (2mg/mL) | Anti Infective |
| 8. Galantamine Hydrobromide ER Cap (Gx Razadyne®) 8,16 & 24mg | CNS |
| 9. Esomeprazole Sodium for Inj (Gx Nexium®) 20 & 40mg/Vial | Gastrointestinal |
| 10. Omeprazole & Sodium Bicarbonate Cap (Gx Zegerid®) 20/1100mg & 40/1100mg | Gastrointestinal |
| 11. Eszopiclone Tablets (Gx Lunesta®) 1,2 & 3mg | CNS |
| 12. Darifenacin ER Tab (Gx Enablex®) 7.5 & 15mg | Genitourinary Drugs |
| 13. Levonorgestrel and Ethinyl Estradiol Tab (Gx Nordette®) 0.15/0.03 mg | Oral Contraceptive |
| 14. Norethindrone Tablets USP (Gx Nor-QD®) 0.35mg | Oral Contraceptive |
| 15. Zoledronic Acid Injection (Gx Zometa®) 4 mg/5 mL (0.8 mg/mL) | Calcium Regulator |

Tentative Approvals

- | | |
|---|-----|
| 1. Dolutegravir Tab (Gx Tivicay®) 50mg | ARV |
| 2. Abacavir Sulfate and Lamivudine Tab (Gx Epzicom®) 600/300 mg | ARV |

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About Aurobindo Pharma Limited:

Aurobindo Pharma Limited (www.aurobindo.com), (NSE: AUROPHARMA, BSE: 524804, Reuters: ARBN.NS, Bloomberg: ARBP:IN) 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, EU, Japan PMDA, WHO, Health Canada, South Africa MCC, Brazil ANVISA. The company's robust product portfolio is spread over 6 major therapeutic/product areas encompassing Antibiotics, Anti-Retroviral, CVS, CNS, Gastroenterological, Pain management and Anti-Allergic, supported by an outstanding R&D set-up. The Company is marketing these products globally in over 150 countries.

For further information, please contact:

Investor Relations

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Disclaimer:

This press release contains statements that may constitute "forward looking statements" including and without limitation, statements relating to product characteristics and uses, sales potential and target dates for product launch, implementation of strategic initiatives, and other statements relating to our future business developments and economic performance. While these forward looking statements represent our judgment and future expectations concerning the development of our business, a number of risks, uncertainties and other factors could cause actual developments and results to differ materially from our expectations. The company undertakes no obligation to publicly revise any forward looking statements to reflect future events or circumstances and will not be held liable for any use of this information.

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(Rs. In lakhs)

STATEMENT OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER & HALF YEAR ENDED 30.09.2016					
Particulars	Consolidated				
	Quarter ended		30.09.2015 Unaudited Refer note 3 and 4	Half year ended	
	30.09.2016	30.06.2016		30.09.2016	30.09.2015
	Unaudited	Unaudited		Unaudited	Unaudited Refer note 3 and 4
1 Income from operations					
(a) Net sales/income from operations (Including excise duty)	371,358	370,460	331,175	741,818	659,370
(b) Other operating income	6,187	6,199	5,336	12,386	11,000
Total income from operations (net)	377,545	376,659	336,511	754,204	670,370
2 Expenses					
(a) Cost of material consumed	137,485	131,585	119,440	269,070	243,291
(b) Purchase of stock-in-trade	35,829	40,894	33,750	76,723	66,002
(c) Changes in inventories of finished goods, work-in- progress and stock-in-trade	(10,326)	(4,713)	(1,976)	(15,039)	(2,877)
(d) Employee benefits expense	42,658	43,208	37,303	85,866	73,422
(e) Depreciation and amortisation expense	11,020	10,624	9,263	21,644	18,162
(f) Other expenses	78,978	76,789	70,092	155,767	140,125
Total expenses	295,644	298,387	267,872	594,031	538,125
3 Profit/(Loss) from operations before other income, finance costs, foreign exchange (gain)/loss and exceptional items (1-2)	81,901	78,272	68,639	160,173	132,245
4 Other Income	828	1,589	1,219	2,417	4,156
5 Profit/(Loss) from ordinary activities before finance costs , foreign exchange (gain)/ loss and exceptional items (3+4)	82,729	79,861	69,858	162,590	136,401
6 Finance costs (refer note 7)	1,754	2,064	2,406	3,818	4,489
7 Foreign exchange (Gain)/Loss (refer note 7)	(2,019)	(704)	4,392	(2,723)	5,450
8 Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6-7)	82,994	78,501	63,060	161,495	126,462
9 Exceptional item	-	-	-	-	-
10 Profit /(Loss) from ordinary activities before tax (8-9)	82,994	78,501	63,060	161,495	126,462
11 Tax expense/(credit)	22,399	20,084	17,669	42,483	34,012
12 Net Profit /(Loss) for the period (10-11)	60,595	58,417	45,391	119,012	92,450
13 Share of(loss)/profit of joint ventures	(40)	73	(143)	33	(10)
14 Minority Interest	(9)	(6)	(107)	(15)	(160)
15 Net Profit/(Loss) after taxes, minority interest and share of loss/profit of joint ventures	60,564	58,496	45,355	119,060	92,600
16 Other Comprehensive income	(302)	(36)	(108)	(338)	(223)
17 Total Comprehensive income	60,262	58,460	45,247	118,722	92,377
18 Paid-up Equity Share Capital (Face value Re. 1 per share)	5,852	5,852	5,840	5,852	5,840
19 Earnings per share of Re.1/- each (not annualised)					
(a) Basic	10.41	9.99	7.77	20.40	15.86
(a) Diluted	10.40	9.99	7.76	20.40	15.85

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NOTES:

- 1 These consolidated unaudited financial results relate to Aurobindo Pharma Limited ('the Holding Company'), its Subsidiaries (together constitute 'the Group') and Joint Ventures and are prepared by applying Ind AS 110 - "Consolidated Financial Statements" and Ind AS 28 - "Investments in Associates and Joint ventures".
- 2 The Group and joint ventures have adopted Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder. The date of transition to Ind AS is April 01, 2015 and accordingly, these unaudited financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" and the other accounting principles generally accepted in India. The impact of transition has been accounted for in the opening reserves and the comparative period figures have been reinstated accordingly.
- 3 The above consolidated financial results as reviewed by the audit committee have been approved by board of directors at its meeting held on November 14, 2016. A limited review of the consolidated financial results for the quarter and half year ended September 30, 2016 have been carried out by the Statutory Auditors. The financial results and other financial information for the quarter and half year ended September 30, 2015 have not been audited or reviewed by the statutory auditors. However, the management has exercised necessary due diligence to ensure that the unaudited financial results provide a true and fair view of the Company's affairs.
- 4 There is a possibility that these quarterly financial results may require adjustment before constituting the final Ind AS financial statements as of and for the year ending 31 March 2017 due to changes in financial reporting requirements arising from new or revised standards or interpretations issued by MCA or changes in the use of one or more optional exemptions from full retrospective application as permitted under Ind AS 101.
- 5 The reconciliation of Net profit as previously reported (referred to as "Previous GAAP") and Ind AS is as under:

Particulars	Quarter ended September 30, 2015	Half year ended September 30, 2015
Net profit under previous GAAP	45,176	88,419
Impact on deferred tax (including on unrealised intragroup profits on inventories)	(1,450)	842
Impact of foreign currency exchange differences	1,310	2,877
Difference in measurement of employee benefit expenses	99	290
Other Ind AS adjustments	220	173
Net profit for the period under Ind AS	45,355	92,600

- 6 The Group has only one reportable segment namely 'Pharmaceuticals'.
- 7 Foreign exchange (gain)/loss for standalone results includes exchange difference of Rs.Nil lakhs, Rs. 3,652 lakhs and Rs. 7,396 lakhs for quarter ended September 30, 2016, June 30, 2016 and September 30, 2015 respectively and Rs.Nil lakhs, Rs.13,819 lakhs for the half year ended September 30, 2016 and September 30, 2015 respectively arising from foreign currency borrowings to the extent that they are regarded as an adjustment to finance cost as per para 6(e) of "Ind AS 23" on Borrowing costs.
- 8 The Board of Directors at their meeting held on September 12, 2013 decided to transfer its injectable unit of the Company on a going concern basis comprising assets and liabilities pertaining to the said unit to its wholly owned subsidiary Curepro Parenterals Limited w.e.f. April 1, 2014. The same is subject to requisite consent, approval or permission of the statutory or regulatory authorities. Pending such approvals, no effect of this scheme has been given in the above results.
- 9 The Board has approved an interim dividend @125% i.e. Re.1.25 (One Rupee and Paise twenty five only) per equity share of Re1/- (Rupee One only) for the year 2016-17.

By Order of the Board

Place: Hyderabad
Date : November 14, 2016

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N.Govindarajan
Managing Director

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Statement of consolidated assets and liabilities

(Rs. In lakhs)

Sl. No.	PARTICULARS	As at
		30.09.2016 (Unaudited)
A	ASSETS	
1	Non-current assets	
	Property, plant and equipment	361,487
	Capital work-in-progress	111,597
	Goodwill	43,343
	Other intangible assets	38,201
	Financial assets	
	Investments	16,893
	Loans	539
	Other financial assets	6,646
	Deferred tax assets, net	16,186
	Current tax assets, net	4,424
	Other non-current assets	8,734
	Sub-total - Non-Current assets	608,050
2	Current assets	
	Inventories	420,100
	Financial assets	
	Investments	278
	Trade receivables	272,714
	Cash and cash equivalents	70,327
	Loans	1,051
	Financial assets - receivable from bank	121,670
	Other financial assets	1,570
	Current tax assets, net	526
	Other current assets	81,773
	Sub-total - Current assets	970,009
	TOTAL - ASSETS	1,578,059
	EQUITY AND LIABILITIES	
1	Equity	
	Equity share capital	5,852
	Other equity	839,127
	Non-controlling interest	264
	Sub-total - Equity	845,243
	Liabilities	
2	Non-current liabilities	
	Financial liabilities	
	Borrowings	46,280
	Provisions	2,791
	Deferred tax liabilities	1,972
	Other non-current liabilities	-
	Sub-total - Non-current liabilities	51,043
3	Current liabilities	
	Financial liabilities	
	Borrowings	347,014
	Trade payables	245,612
	Other financial liabilities	15,851
	Other current liabilities	60,071
	Provisions	13,225
	Sub-total - Current liabilities	681,773
	TOTAL EQUITY AND LIABILITIES	1,578,059

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