

Investor Update – Q3 FY'13

Venus Remedies Limited



Feb 12, 2013

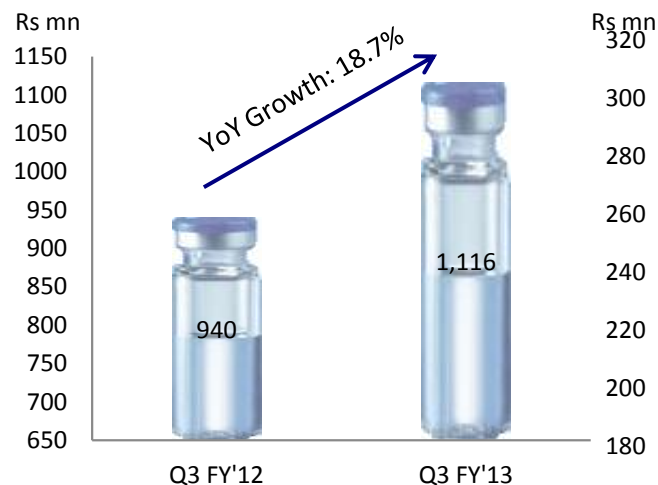
 Four-S Services



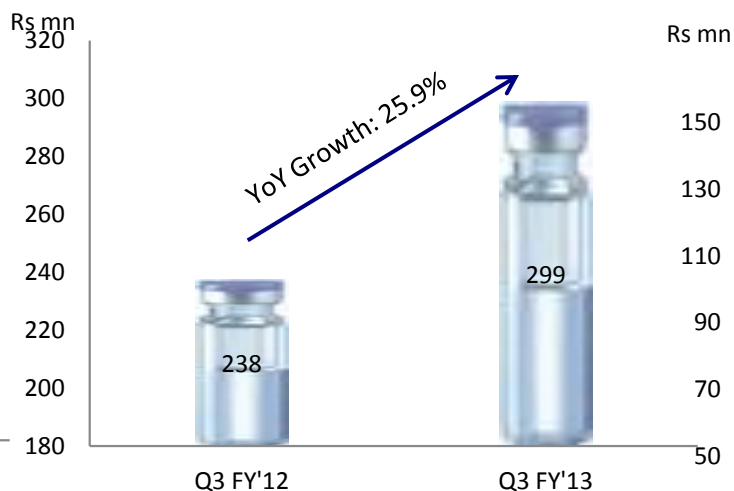
1. Performance Review
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Strong 55% growth in PAT y-o-y in Q3 FY13, Revenue up by 19%.

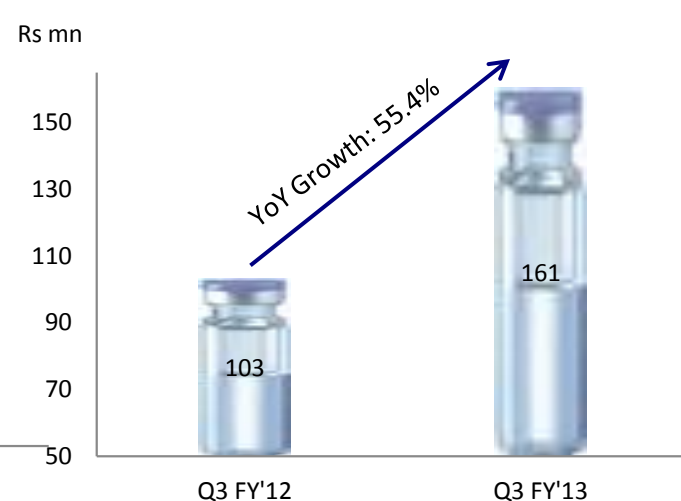
Revenue and Revenue Growth



EBITDA & EBITDA Growth



PAT & PAT Growth

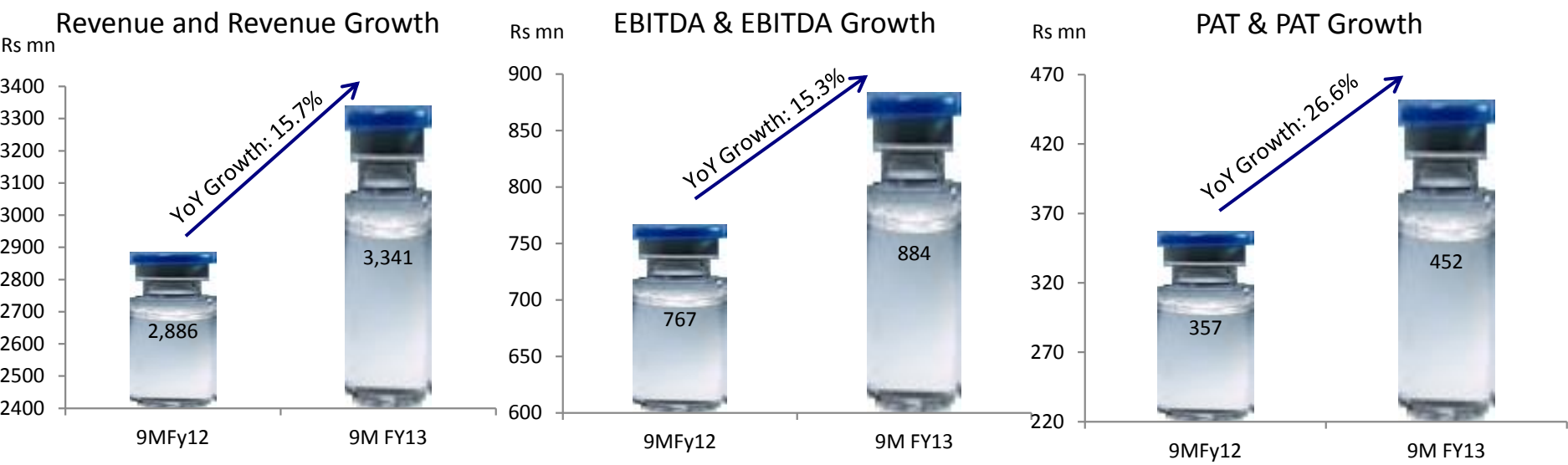


Revenues up 18.7% YoY from Rs 940mn to Rs 1116 mn with strong performance in export market and anti-cancer segment with 26% growth in both.

EBITDA expanded 25.9% YoY from Rs 238mn to Rs 299mn on the account of low other expenditure and low raw material cost. EBITDA margins improved from 24.8% in Q3FY12 to 26.6% in this quarter.

PAT shoot up by 55.4% YoY from Rs 103mn to Rs 161mn, due to lower interest charges, tax expnses and increased other income.

Revenue up by 16% in 9mFY13, PAT grows 27%.



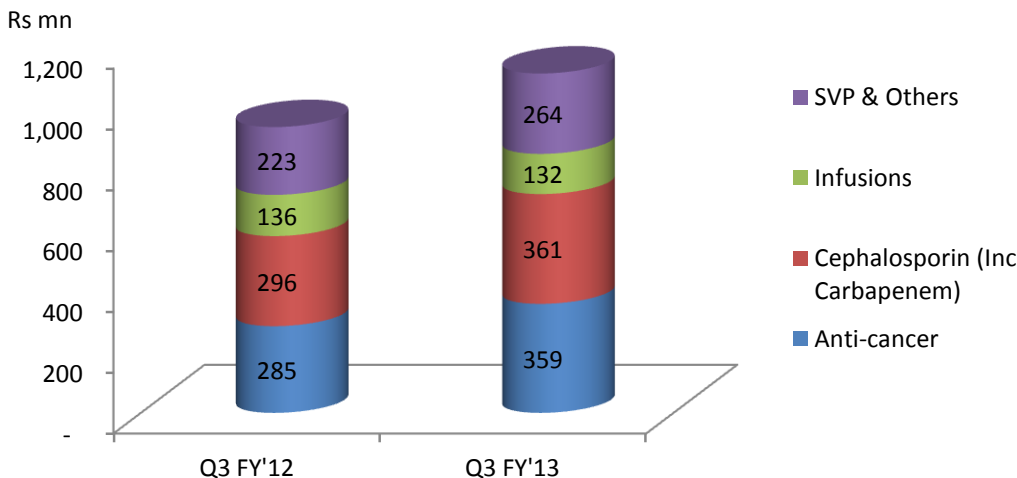
Revenues up 15.7% YoY from Rs 2886mn to Rs 3341 mn supported by strong growth in anti-cancer segment(22%) and institutional sales (30%) and with growth in domestic market(17%)..

EBITDA is up from Rs 766mn to Rs 884mn, maintaining EBITDA margins of 26.3%.

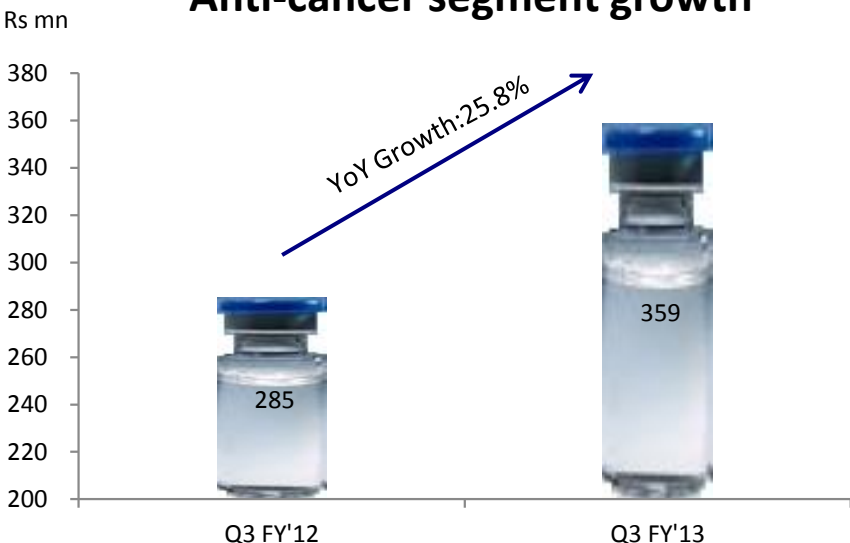
Company registers PAT of Rs 452mn in 9mFY13 up from Rs 357mn in 9mFY12, improved net margins to 13.4% with the help of lower interest charges.

Supported by strong 25.8% growth in Anti-cancer segment

Revenue Breakup



Anti-cancer segment growth

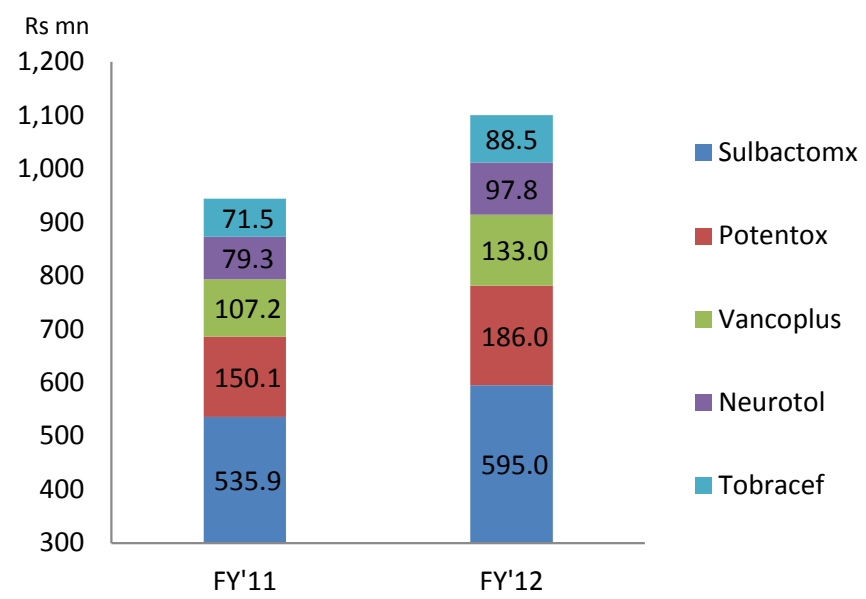


Anti-Cancer segment showed good growth this quarter, growing 25.8% from Rs 285mn in Q3FY12 to Rs 359mn in Q3FY13.

Cephalosporin segment grew 21.9% from Rs 296mn in Q3'FY12 to Rs 361mn in this quarter, whereas SVP & others grew 18.5% this quarter y-o-y.

Growth in research products revenue

- Research products has shown good growth this quarter. The company generated Rs 301mn in quarter ending Dec'12 from research products, totaling 27% of total revenue.
- The company continued its R&D efforts this quarter, received 26 CTDs registered this quarter.
- The company has 53 CTDs and 422 ACTDs registered across the globe out of 151 CTDs and 648 ACTDs filed.

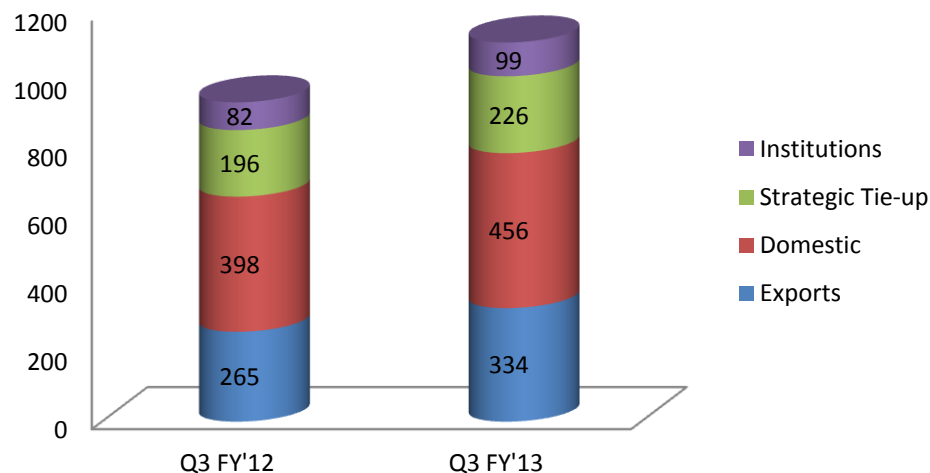


Revenue contribution from key research products increased from Rs 944mn in FY11 to Rs 1100mn for FY12

Revenue from key research products grew by 16.6% in FY12.

Revenue Break-up

Revenue Breakup



% Break Up	Q3 FY'12	Q3 FY'13
Exports	28.2	30.0
Domestic	42.3	40.9
Strategic Tie-up	20.8	20.3
Institutions	8.7	8.9

Revenue Break-Up (Rs mn)	Q3 FY'12	Q3 FY'13
Exports	265	334
Domestic	398	456
Strategic Tie-up	196	226
Institutions	82	99
Total	940	1,116

The company witnessed strong growth in export market, growing more than 26% in this quarter y-o-y along with good 22% growth in institutional sales y-o-y.

Products launched

Launched 'Elores' - CSE 1034 a US patent protected product in India

Venus Remedies launched a US patented antibiotic product ELORES in January, 2013. It is a novel Antibiotic Adjuvant Entity (AAE) to combat antimicrobial resistance caused by MDR, ESBL producing strains. Designed specifically to target growing bacterial resistance mechanisms, ELORES has a unique profile of action which gives it an edge over all the existing therapies. This unique antibiotics adjuvant entity creates a synergistic effect due to its activity on AMRINGER (Acquired Multiple Resistance in Gram Negative Enterococci and Rods) which stops development and spread of bacterial resistance.

The product is effective against Metallo betalactamases (MBL) producing pathogens which are not susceptible to most of the existing antibiotics. It is also unique in its way that it not only kills resistant pathogens (Bacteria) but also prevents the spread of resistance.

The Company is positioning ELORES as the need of the hour as it would be able to reduce a minimum of 30% of the hospitalisation cost and almost 50% of the drug cost, thereby proving to be very beneficial for the patients. As per a study conducted in Delhi, patients with hospital-acquired infections experienced a significantly longer hospital stay (mean: 22.9 days); significantly longer intensive care unit (ICU) stay (mean: 11.3 days); a significantly higher mortality (mean: 54%) and cost significantly more (mean: US\$ 14, 818) than controls. So, ELORES would be able to curtail these statistics.

Currently, India possesses a huge anti-infective market of around INR 8.5 billion. According to a survey, 40% of the antibiotic sales can be attributed to antimicrobial resistance. Of this, 71.5% of the total antimicrobial resistance market comes from the major resistance segment of ESBLs/ MBL resistance (as per a study by AIIMS).

Patents Received

First Patent from Mexico for VANCOPPLUS

Venus Remedies Limited have received our first patent from Mexico for "Vancoplus®", a novel antibiotic formulation to combat Methicillin Resistant Staphylococcus Aureus (MRSA) infections. The patent has been granted from the Mexico Patent office and is valid till February 2026.

The value of the pharmaceutical markets in Latin America is at \$50 billion, growing at the CAGR of approximately 15- 20%. Mexico being the second leading market in the region represents a growing consumer base for the drug industry as by 2020 the regional population may be as high as 687 million.

As per the CDC reports published in the Journal of the American Medical Association in 2010, MRSA infections are constantly on the rise in the community and resistance against antibiotics with nearly 48% of S. aureus isolates were resistant to oxacillin (MRSA), and 49% were resistant to levofloxacin; 33% of Enterococcus faecium isolates were resistant to vancomycin and so on.

The Company has already been marketing Vancoplus successfully in India and few of the emerging markets across the globe. Venus Remedies' Baddi facility is already approved as per EU GMP for manufacturing of Vancoplus, which is in line with the Canadian Regulatory authorities to market the drug. Vancoplus is growing with a CAGR of 50% since past 3 years. Apart from Mexico, the patent for this product has already been granted from USA, Canada, South Africa, New Zealand and Ukraine & Australia.

Financial Statements Q3 2013– Income Statement

Financials

Amount in Rs mn

Particulars (Rs mn)	Q3 FY'13	Q3 FY'12	% Chg YoY	Q2 FY'13	% Chg QoQ	9m FY13	9mFY12	% Chg
Net sales	1116.2	940.0	18.7	1104.1	1.1	3,340.7	2886.4	15.7
Other operating income	10.1	18.2	-44.5	4.0	151.7	19.5	23.1	-15.6
Total Operating Income	1126.4	958.3	17.5	1108.1	1.6	3360.2	2909.5	15.5
Total Expenditure	827.3	720.8	14.8	820.2	0.9	2476.1	2142.9	15.5
Consumption of Raw Materials	635.4	528.6	20.2	652.2	-2.6	1,939.9	1674.7	15.8
(Increase) / Decrease In Stock In Trade & WIP	0.6	-2.9	-118.7	-31.9	-101.7	(61.1)	-90.5	-32.5
Employees Cost	58.4	55.9	4.3	58.1	0.5	173.5	166.2	4.4
Other Expenditure	133.1	139.2	-4.4	141.9	-6.2	423.8	392.6	8.0
EBITDA	299.0	237.5	25.9	287.9	3.9	884.1	766.5	15.3
Depreciation	80.1	61.3	30.6	79.8	0.4	237.6	183.4	29.6
EBIT	218.9	176.2	24.3	208.1	5.2	646.6	583.2	10.9
Interest & Finance charges	52.9	66.8	-20.8	53.7	-1.5	182.8	186.4	-1.9
Other Income	3.5	1.0	238.2	2.7	28.3	7.4	1.8	313.4
PBT	169.4	110.4	53.5	157.1	7.9	471.2	398.6	18.2
Tax Expense	8.9	7.1	25.4	6.2	44.1	19.2	41.5	166.4
PAT	160.6	103.3	55.4	150.9	6.4	451.9	357.1	26.6

Financial Statements – Key Ratios

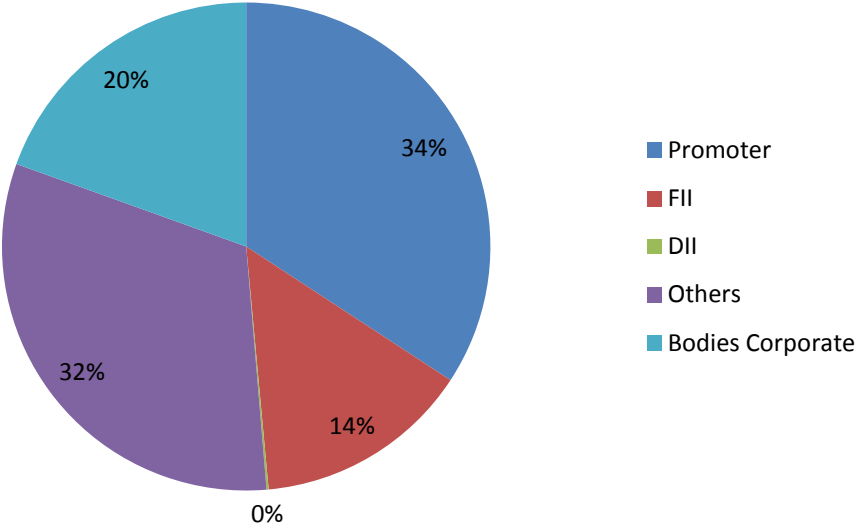
Key Ratios	Q3 FY'13	Q3 FY'12	Q2FY'13
EBITDA Margin	26.55%	24.79%	25.98%
Net Margin	14.25%	10.78%	13.62%
Total Expenditure/ Total Operating Income	73.45%	75.21%	74.02%
Raw Material Cost/ Total Operating Income	56.46%	54.85%	55.98%
Staff Cost/ Total Operating Income	5.18%	5.84%	5.24%
Other Expenditure/ Total Operating Income	11.82%	14.52%	12.81%

EBITDA margins improved marginally this quarter on lower other expenditures.

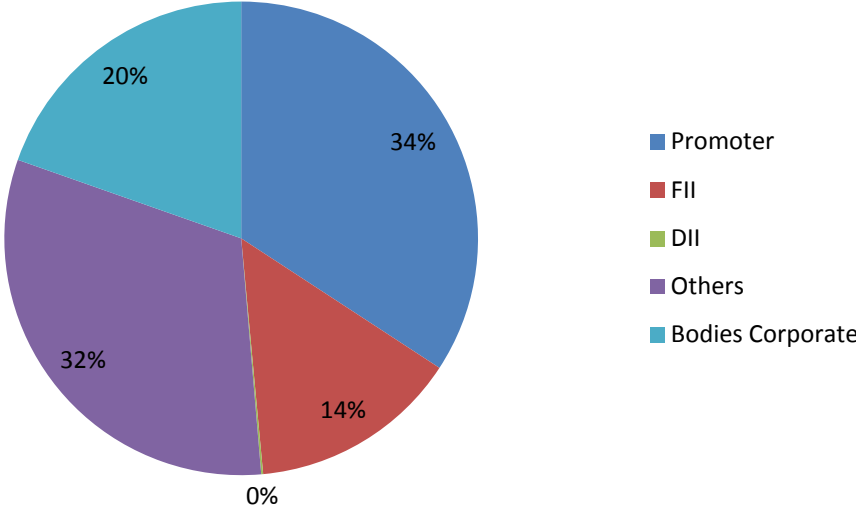
The company posted strong PAT margin of 14.2% this quarter up from 10.8% margins in Q3Fy12 due to lower interest expenses this quarter.

Shareholding Pattern

As on 31st Dec-2012



As on 30th Sep-2012



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About Venus Remedies

Venus Remedies Limited is a research and development driven company which has spread its wings globally. Each day company starts its working with the sole aim of serving the humanity in fight against cancer, meningitis, cardiovascular diseases and other sufferings. Among the top 50 Indian Pharma companies of India, the company has outpaced most Indian pharmaceutical companies in its growth and value creation over the past few years. Venus Remedies Ltd is BSE & NSE listed company with turnover of Rs. 405 crores (FY 2011-2012) is present in 60 regulated and semi-regulated countries, actively exporting to around 30 countries. Venus has a broad range of products catering to critical care segment in parenterals like cephalosporins, carbapenems and oncology drugs in lyophilized form, infusions and small volume parenterals. Company has bagged 80 patents across the world for its research products.

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