

Investor Update – Q4 FY'13 & FY'13

Venus Remedies Limited



May, 2013

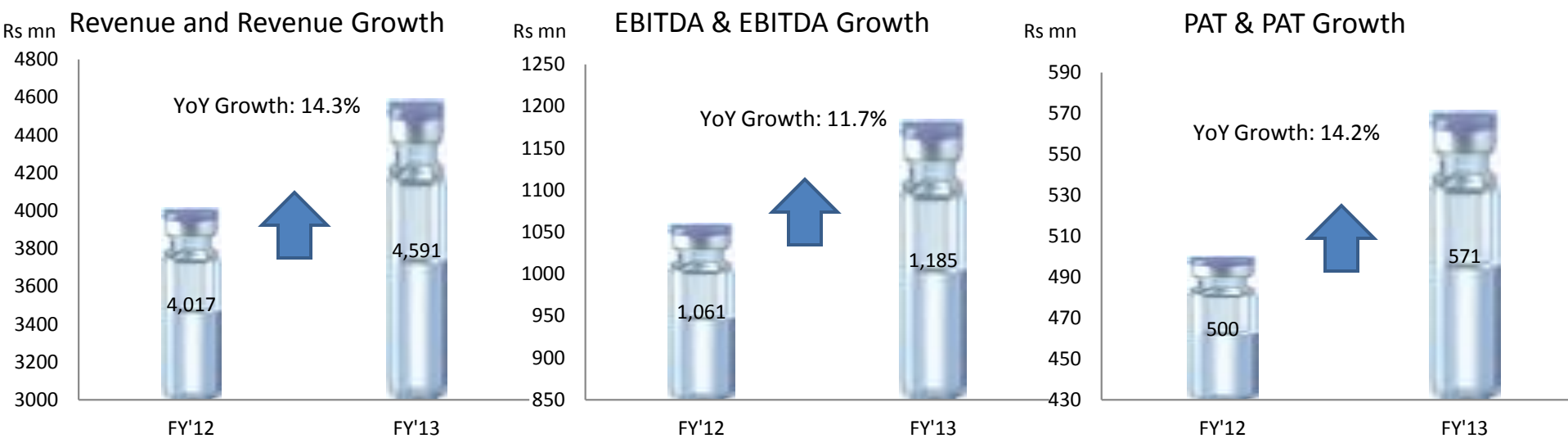
 Four-S Services



Agenda

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Revenue grows 14% in FY'13



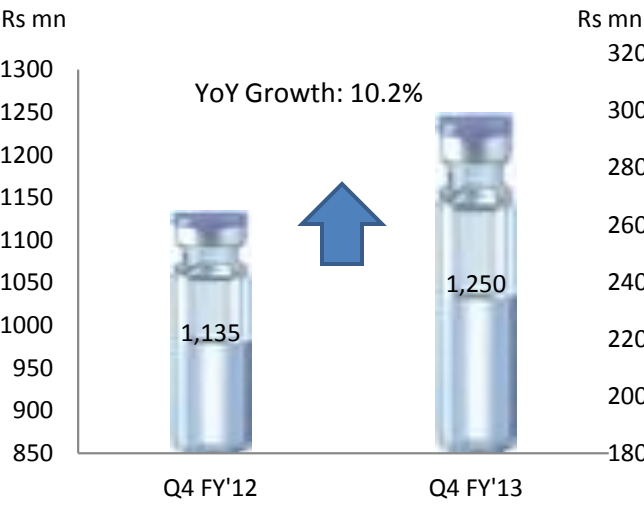
Revenue is up by 14.3% YoY from Rs 4017mn in FY12 to Rs 4591 mn in FY13, driven by strong 19.8% growth in exports market and 17.8% growth in anti-cancer segment.

EBITDA is up by 11.7%, from Rs 1061mn in FY12 to Rs 1185mn in FY13, maintaining EBITDA margins of 25.7%.

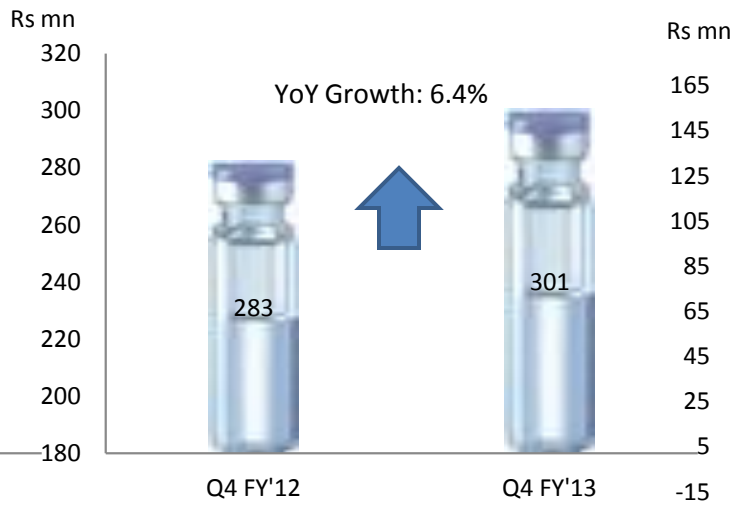
PAT for FY13 stood at Rs 571mn, up from Rs 500mn in FY12, with marginal improvement in net margins to 12.4%

.. And 10% in Q4FY'13

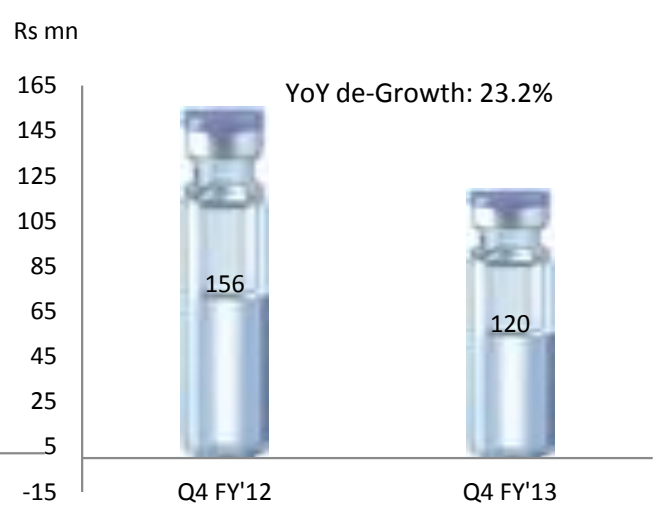
Revenue and Revenue Growth



EBITDA & EBITDA Growth



PAT & PAT Growth

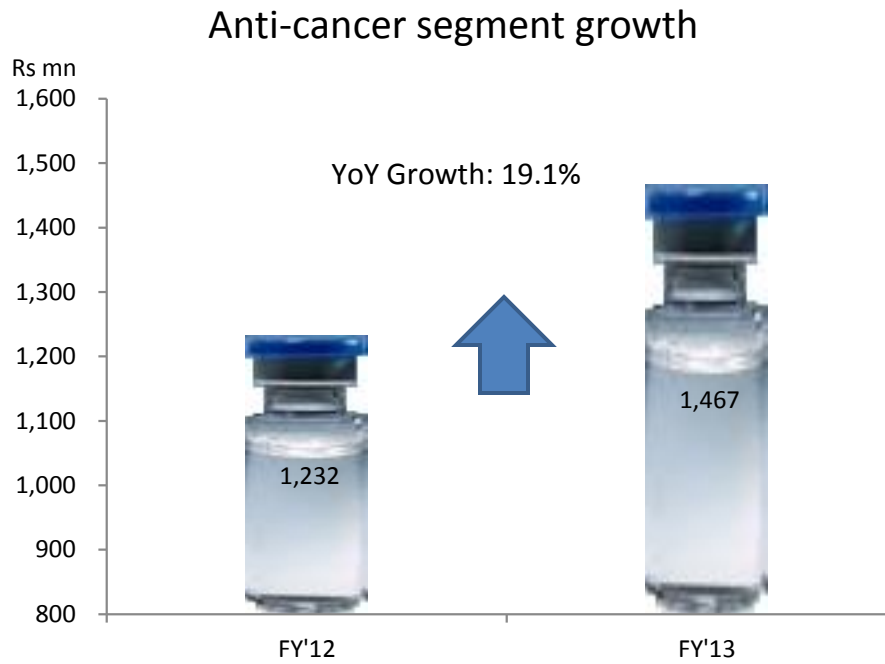
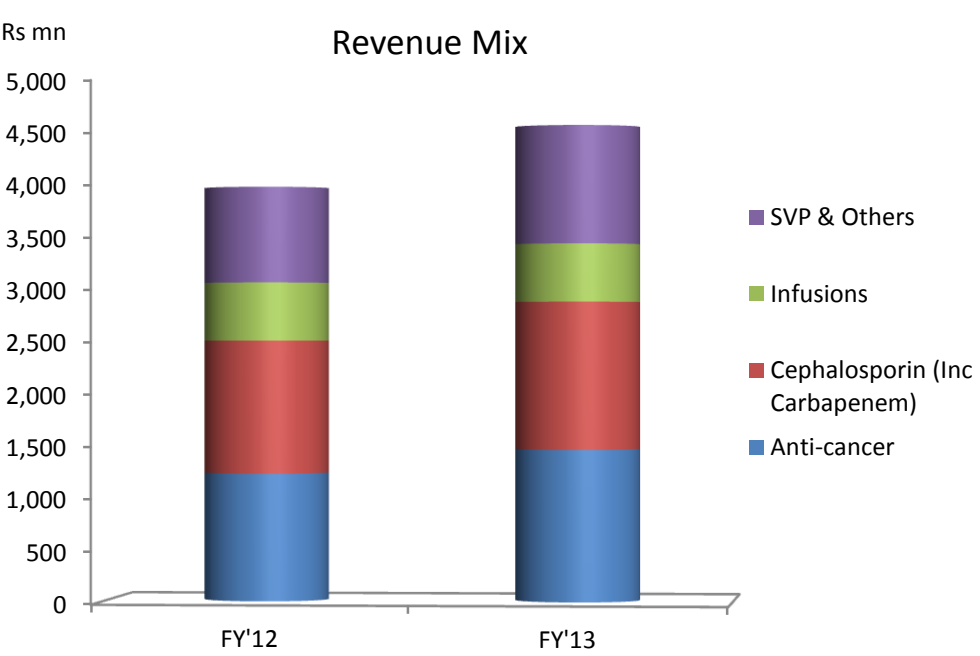


Revenue is up by 10.2% YoY from Rs 1,135mn in Q4FY12 to Rs 1,250mn in Q4FY12 driven by strong growth of 16% in domestic market and 15% growth in anti-cancer segment

EBITDA grew by 6.4% YoY from Rs 283mn to Rs 301mn while maintaining the EBITDA margins of 24.0%

Registered PAT of Rs 120mn in Q4FY13 with net margins of 9.5%

Supported by strong 19.1% growth in Anti-cancer segment



Anti-Cancer segment registered strong growth in FY13, growing 19.1% in FY13 from Rs.1,232mn in FY12 to Rs 1,467 mn

SVP & Others segment grew 23.2%, from Rs 924mn in FY12 to Rs 1,138mn in FY13.

Strong growth in research products revenue

Research revenue maintained the good tractions this year. The company generated 28% of total revenue in FY'13 from research products.

The company continued its R&D efforts in Q4FY'13, received 8 CTDs and 11 ACTDs registered in this quarter.

The company has 61 CTDs and 433 ACTDs registered across the globe out of 151 CTDs and 642 ACTDs filed.

Revenue from key research products grew by around 16.8% in FY'13

Revenue Break-up

FY'13

% Break Up	FY'12	FY'13
Exports	30.0%	31.4%
Domestic	41.0%	39.5%
Strategic Tie-up	21.0%	20.6%
Institutions	8.0%	8.4%

Revenue Break-Up (Rs mn)	FY'12	FY'13
Exports	1,205	1,443
Domestic	1,647	1,814
Strategic Tie-up	843	946
Institutions	321	387
Total	4016	4591

Q4 FY'13

% Break Up	Q4 FY'12	Q4 FY'13
Exports	30.4%	30.1%
Domestic	40.6%	42.7%
Strategic Tie-up	20.9%	18.1%
Institutions	8.1%	9.0%

Revenue Break-Up (Rs mn)	Q4 FY'12	Q4 FY'13
Exports	344	376
Domestic	461	534
Strategic Tie-up	238	227
Institutions	92	113
Total	1,135	1,250

Key Development: Marketing Rights Out licensing Deal for Elores

Signed exclusive marketing rights deal for Elores with South Korean pharma company, received patent from South Korea

Venus Remedies signed deal with Korean pharma giant Goodwills Co. Ltd for exclusive marketing rights of Elores after grant of patent by Companies and Intellectual Property Registration Office (CIPRO) from Republic of South Korea. Goodwills is planning to launch this product in mid of 2014 post regulatory approval from Korean FDA for which the dossier is already under evaluation. Bridging clinical trial on Korean population are being conducted in 6 leading hospitals of Seoul, the capital city of South Korea.

The overall pharmaceutical market of South Korea is approximately USD 20 billion, growing at CAGR 6.5%, out of which antibacterial market is around USD 2 billion , thus making it one of the largest segment. Elores is designed to address a 15% of this segment (near USD 300 million) where company is hopeful of capturing 15% market share within 3 years of its launch making it over USD 45 million product in South Korea.

Globally the systemic antibacterial market is set to reach approx 44 billion by 2016 and is growing with a CAGR of 7.2% . Elores is capable of addressing Multidrug resistant ESBL/MBL producing gram negative infections which constitute 25% of this market creating an opportunity of more than 11 billion in coming 5 to 6 years.

Venus is going to supply Elores out of its state-of-art manufacturing facility at Baddi accredited with GMP from EU, PIC, TGA and many more.



Key Development: Marketing Rights Out licensing Deal - Potentox

Signed Exclusive Marketing Rights deal for Potentox to South Africa's second largest Pharmaceutical company - Adcock

Venus Remedies signed deal with Adcock to give exclusive marketing rights of Potentox in South Africa over the period of 15 year. The product will remain under patent protection till 2025 in African territory and is expected to be launched by mid of 2015 after getting due regulatory approvals.

Adcock Ingram having a heritage of more than 120 years is a leading South African manufacturer, marketer and distributor of healthcare products with a market capitalization of USD 2 billion.

The overall systemic antibacterial market of South Africa is approximately USD 275 million growing at CAGR 10.5%, out of which this product is designed to address a segment as big as 25% and company projects to gain a market share of 15% of this segment within 3 years of launch making it over USD 10 million product in South Africa itself. Globally the systemic antibacterial market is set to reach approx 44 billion by 2016 growing with a CAGR of 7.2% and the product is capable of addressing Multidrug Resistance especially in pneumonia and Febrile Neutropenia cases which constitute 15% of this market creating a sizable opportunity in coming 5 to 6 years.

The product would be supplied out of Venus's state-of-art EU GMP approved manufacturing facility at Baddi.



Products launched

Launched First OTC product – ‘Ezenus’

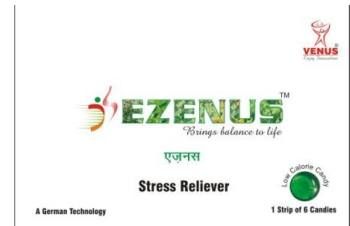
Venus Remedies has launched its first OTC product 'EZENUS', a stress reliever. EZENUS is a patent protected herbal, anti-stress formulation based on German Technology. It is a strong detoxifier candy free from side effects, with strong antioxidant, hepato-protective, and immune boosting activity which reduce stress without altering the physiological functions of the body.

It is world's first anti stress product launched in easy to use candy form even suitable for diabetic patients. It is highly safe in acute stress management such as exam stress in children and in chronic stress like in alcoholic and smoking population, without change in life style by continuous detoxification and strong antioxidant activity.”

EZENUS reduces more than 60% stress within 30 days without change in life style and significantly improves the quality of life in terms of physical, social, emotional and functional well- being. This breakthrough innovative product is suitable for all ages with safety established upto 10 times advised dose.

The company is hopeful that this novel research product 'EZENUS' will acquire 5% of the 100 million USD direct market of stress segment in India, other than lifestyle disorders, within 3 years of its launch.

The Company will use its existing network of 50,000 pharmacists to distribute this product on pan-India basis. Further, an aggressive promotional campaign will be undertaken for broadening its reach.



GMP certification

Received Australian GMP from TGA for four of its facilities

Venus Remedies Limited, received in the form of Good Manufacturing Practices (GMP) approval from Therapeutic Goods Administration (TGA) Australia for four of its facilities - Cephalosporin, Carapenems, and Oncology liquid and Oncology lyophilized. This would now enable the company to export these products into Australian market. Venus has already filed dossier for meropenem which is on the verge of registration and TGA approval of facility will further expedite the process.

The company is planning to enter Australian market through strategic tie ups with local players, where huge market potential is forecasted for Docetaxel single vial, Gemcitabine, Topotecan, Irinotecan, Imipenem cilastatin.

For these four manufacturing facilities company possesses 18 international GMP certifications from different international regulatory agencies like EUGMP, INVIMA, UKRAINE, SFDA and GCC.

Awards Won

ELORES awarded Gold Medal for being the best Innovation of 2013

Venus Remedies has been awarded Gold Medal by DST-Lockheed Martin India Innovation Growth Program – 2013 for ELORES, a drug designed to fight multidrug resistant ESBL and MBL producing gram negative ICU infections to which other antibiotics failed to respond.

The Gold medal was received by innovator Dr (Mrs.) Manu Chaudhary, Director Research Venus Medicine Research Centre, in an award ceremony held at FICCI office in New Delhi from Mr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission of India. More than 1500 technologies took part in the program this year. Participants were adjudged under various parameters like Novelty, innovativeness, technical strength and commercialization potential by a team of experts from Stanford Business School, US, IC2 University of Texas, Austin, US, Lockheed Martin foundation in collaboration with DST under Indo-US joint science and technology innovation programme, 2013.

Market Authorisation Received

MEROPENEM receives market authorization in Mexico

Venus Remedies has received grant of market authorisation from COFEPRIS the Drug Regulatory Authority of Mexico, for its Meropenem 500mg and Meropenem 1000mg in Mexico. The company plans to launch its first product in the market within the first quarter of fiscal year 2014. Market authorization for Meropenem will enable Venus Remedies to launch its first product in Mexico and will strengthen its position in Latin America where Venus is currently exporting to various countries of LAC such as Columbia, Peru, Guatemala, Dominican Republic, Jamaica, Bahamas and the Caribbean.

On the occasion Venus Remedies CFO, Mr Dheeraj Agarwal, said, “Grant of market authorization at this point of time when the innovator’s product has already gone off patent is going to be an advantage for us. We are hopeful of capturing 10% of the market share within the first 3 years of our product launch.”

At present, Meropenem sales account for US\$ 16.3 million in Mexico, of which, major share of 80% is with innovator’s product “MERREM” and rest with other local companies. Venus Remedies with its dedicated penems EU GMP certified manufacturing facility in Baddi, India, is all set to expand its footprints across the globe. It already has 73 Marketing Authorizations for Meropenem across the world while product registrations from 13 countries are under process and are expected within this year only.



Standalone Financial Statements Q4'FY13– Income Statement

Financials

Amount in Rs mn

Particulars (Rs mn)	Q4 FY'13	Q4 FY'12	% Chg YoY	Q3 FY'13	% Chg QoQ	FY13	FY12	% Chg
Net sales	1250.3	1134.7	10.2%	1116.2	12.0%	4591.0	4016.5	14.3%
Other operating income	2.9	12.2	-76.3%	10.1	-71.4%	22.4	35.3	-36.6%
Total Operating Income	1253.2	1146.9	9.3%	1126.4	11.3%	4613.4	4051.9	13.9%
Total Expenditure	952.4	864.3	10.2%	827.3	15.1%	3428.5	2990.9	14.6%
Consumption of Raw Materials	785.7	646.5	21.5%	635.4	23.7%	2725.6	2350.7	15.9%
(Increase) / Decrease In Stock In Trade & WIP	-31.8	0.2	NA	0.6	NA	-92.9	-90.3	2.9%
Employees Cost	58.9	55.8	5.5%	58.4	0.9%	232.4	205.8	12.9%
Other Expenditure	139.7	161.8	-13.7%	133.1	5.0%	563.5	524.7	7.4%
EBITDA	300.8	282.7	6.4%	299.0	0.6%	1184.9	1061.0	11.7%
Depreciation	80.1	61.3	30.6%	80.1	0.0%	317.6	240.7	32.0%
EBIT	220.7	221.3	-0.3%	218.9	0.8%	867.3	820.4	5.7%
Interest & Finance charges	61.7	72.6	-15.0%	52.9	16.5%	244.5	272.6	-10.3%
Other Income	-3.5	2.0	NA	3.5	NA	4.0	3.8	3.9%
PBT	155.6	150.8	3.2%	169.4	-8.2%	626.7	551.5	13.6%
Tax Expense	36.0	-4.8	NA	8.9	305.4%	55.3	51.2	-83.9%
PAT	119.5	155.6	-23.2%	160.6	-25.6%	571.5	500.3	14.2%

Financial Statements – Key Ratios

Key Ratios	Q4 FY'13	Q4FY'12	Q3FY'13	FY'13	FY'12
EBITDA Margin	24.00%	24.64%	26.55%	25.68%	26.19%
Net Margin	9.54%	13.57%	14.25%	12.39%	12.35%
Total Expenditure/ Total Operating Income	76.00%	75.36%	73.45%	74.32%	73.81%
Raw Material Cost/ Total Operating Income	60.16%	56.39%	56.46%	57.07%	55.79%
Staff Cost/ Total Operating Income	4.70%	4.86%	5.18%	5.04%	5.08%
Other Expenditure/ Total Operating Income	11.15%	14.11%	11.82%	12.21%	12.95%

Q4 FY'13 & FY13 EBITDA and PAT margins are marginally down due to some price correction affect.

Financial Statements FY'13– Balance Sheet

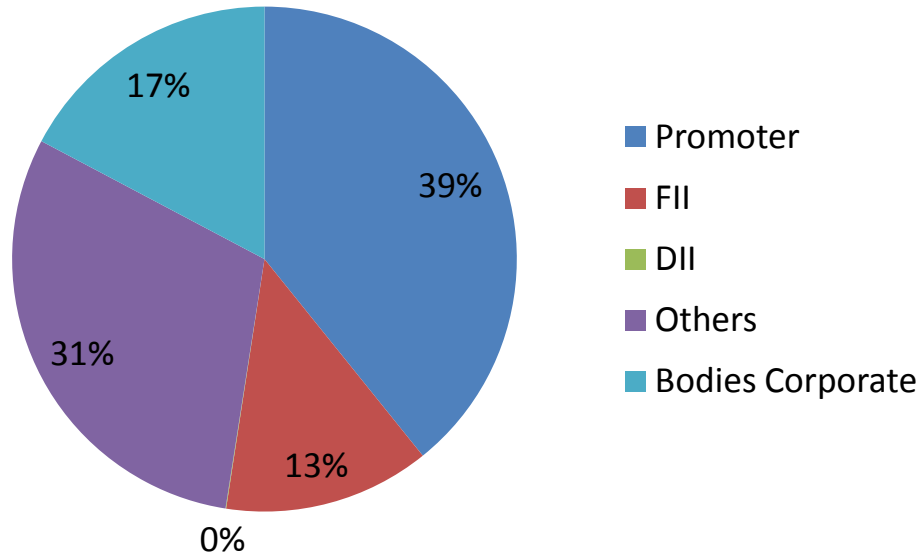
Standalone Balance Sheet

Amount in Rs mn

Particulars (Rs mn)	FY13	FY12
EQUITY AND LIABILITIES		
Share capital	105.4	97.4
Reserves and surplus	3769.2	3003.5
Money received against share warrants	47.7	90.2
Total Shareholders' funds	3922.4	3191.1
Long-term borrowings	1291.2	991.3
Deferred tax liabilities (net)	146.8	116.4
Other long-term liabilities	4.7	2.3
Long-term provisions	29.1	25.0
Total Non-current liabilities	1471.8	1135.0
Short-term borrowings	956.8	832.4
Trade payables	178.7	123.3
Other current liabilities	578.8	432.2
Short-term provisions	186.3	153.3
Total Current liabilities	1900.6	1541.3
TOTAL - EQUITY AND LIABILITIES	7294.8	5867.4
ASSETS		
Fixed assets	4287.3	3588.6
Non-current investments	287.4	287.4
Long-term loans and advances	427.4	260.1
Total Non-current assets	5002.0	4136.1
Inventories	1264.0	961.9
Trade receivables	531.1	443.3
Cash and cash equivalents	62.6	29.1
Short-term loans and advances	435.1	297.0
Total - Current assets	2292.8	1731.3
TOTAL - ASSETS	7294.8	5867.4

Shareholding Pattern

As on 31st Mar-2013



Outstanding Shares – 10.54mn

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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. 459 crores (FY 2012-2013) 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 85 patents across the world for its research products.

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