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February 13, 2014



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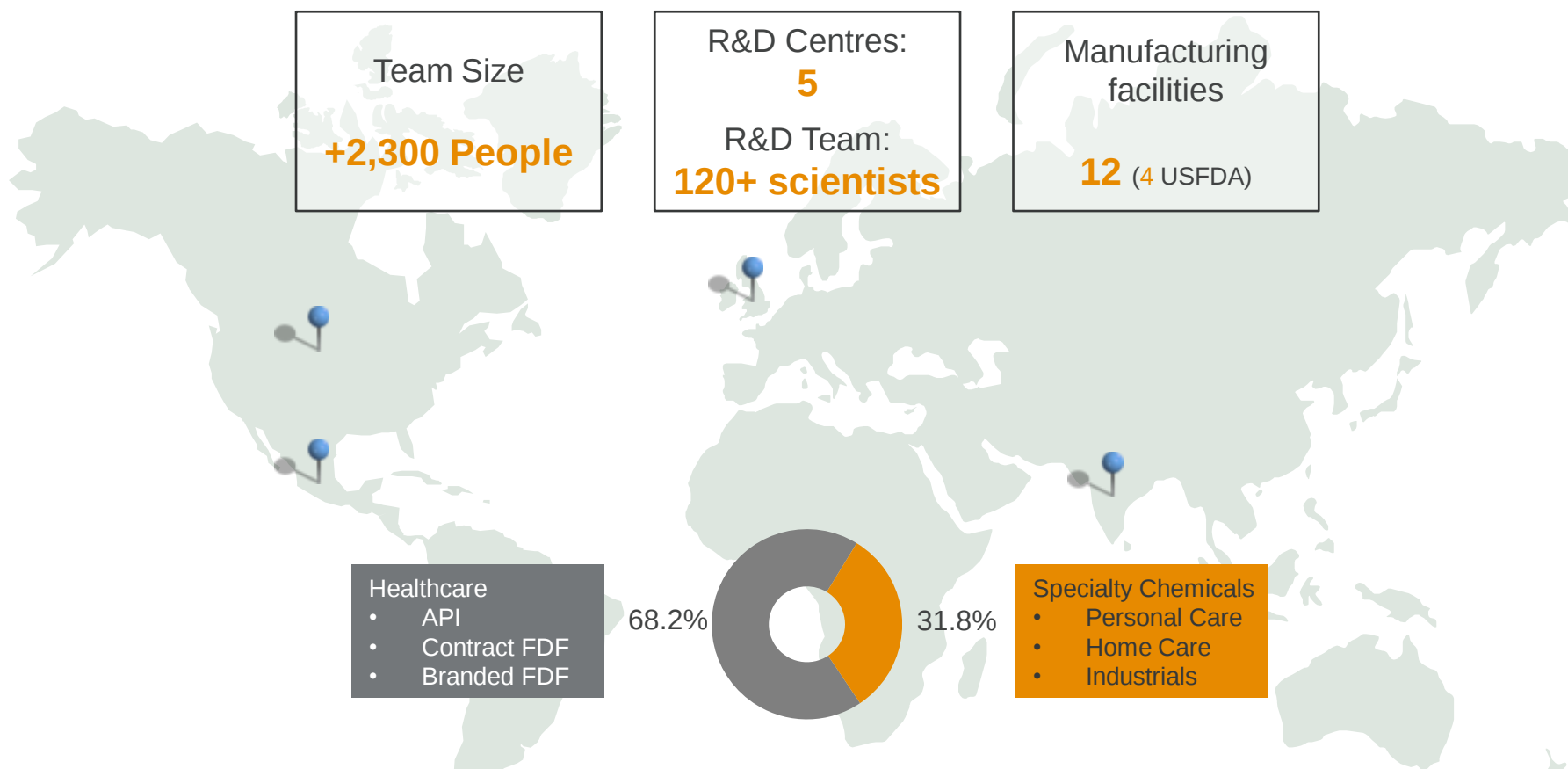
The Company is hosting a conference call for analysts and investors on February 16, 2015 (Monday) at 4:00 PM IST to discuss the performance. Please find below the dial-in details:

Conference Dial-In Numbers	
Primary Number	+91 22 3960 0896
Secondary Number	+91 22 6746 5896
<i>The numbers listed above are universally accessible from all networks and all countries</i>	



Vivimed Group Overview

A leading international brand in the Specialty Chemicals and Pharmaceuticals with global presence



Q3 FY2015 Net Sales of Rs. 3,447 million (up 2.7% y-o-y)
EBITDA of Rs. 603 million (up 12.4% y-o-y) at margin of 17.5% (up 152 bps)



Vivimed Group Overview

Preferred supplier to the leading global brands



L'ORÉAL

P&G

NOVARTIS

Johnson & Johnson



Cipla



Actavis



APOTEX
ADVANCING GENERICS

AstraZeneca



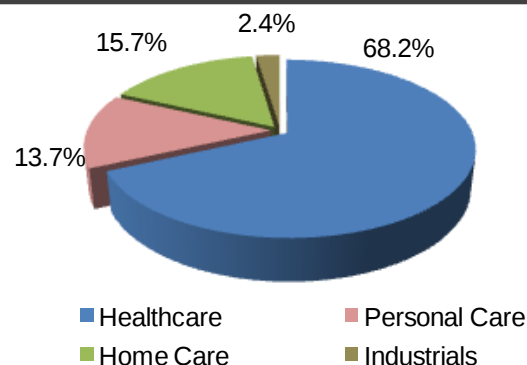
Vivimed

Consolidated Financial Performance

Performance Highlights

- Net Sales of Rs. 3,447 million
 - Increased 2.7% y-o-y
- EBITDA of Rs. 603 million, up 12.4% y-o-y
 - Margin of 17.5%, up 152 bps
- Net Profit of Rs. 206 million, up 8.3% y-o-y
 - Margin of 6.0%, up 31 bps

Q3 FY2015 Revenue Breakup



Commenting on the performance, Mr. Santosh Varalwar, MD and CEO of Vivimed Labs said:

“Q3 FY2015 has been a quarter of stabilizing operations at Vivimed Labs. While the topline has been flat, our ongoing portfolio rationalization and cost optimization efforts have yielded meaningful results. We reported significant profitability improvement with EBITDA margin of 17.5%, an increase of 152 bps over same period last year.

In the API segment, we have a strong order book, both in the generic and CMO businesses, which gives us the confidence to continue the growth momentum. Our formulations business reported strong performance with India institutional volumes picking up and select brand expansions. Speciality Chemicals business continued to be robust with improving profitability levels as we focus on new product launches for existing customers as well as expand our customer base.

We will remain focused on investing in our global R&D capabilities and new product filings to build a strong product pipeline to drive growth in the coming year.”



Financial Performance

Consolidated Financials

(Rs. million)	Q3		y-o-y	Q2		q-o-q	9M		y-o-y
	FY2015	FY2014	Growth (%)	FY2015	Growth (%)		FY2015	FY2014	Growth (%)
Net Sales	3,447	3,358	2.7%	3,168	8.8%		10,311	9,870	4.5%
EBITDA	603	536	12.4%	518	16.4%		1,720	1,548	11.1%
Margin (%)	17.5%	16.0%		16.3%			16.7%	15.7%	
Net Profit	206	190	8.3%	164	25.3%		541	554	(2.3)%
Margin (%)	6.0%	5.7%		5.2%			5.2%	5.6%	
Basic EPS (Rs.)	12.69	11.72	8.3%	10.13	25.3%		33.39	34.16	(2.3)%

Note: Net Sales includes Other Operating Income

Key Observations

- Q3 FY2015 Net Sales has been flat on a y-o-y basis due to delays in existing product ramp up in both the healthcare and speciality chemicals segments. However, the profitability across segments has improved significantly due to benefits of change in product mix, ongoing cost optimization initiatives and lower raw material prices
- EBITDA margins improved by 152 bps on a y-o-y basis. EBITDA growth of 12.4% was recorded despite flat revenues. During 9M FY2015, EBITDA grew by 11.1% with 16.7% margins, an improvement of 112 bps
- Depreciation during the quarter was higher on account of the revision in the useful lives of the fixed assets as per the new Companies Act. Depreciation for Q3 FY2015 was higher by Rs. 20 mn
- Finance cost for the quarter was Rs. 194 mn compared with Rs. 156 mn in Q3 FY2014 and Rs. 197 mn in Q2 FY2015. This y-o-y increase was due to higher INR borrowings in the standalone entity
- Net Profit margin of 6.0% was benefited by deferred tax assets in a healthcare subsidiary

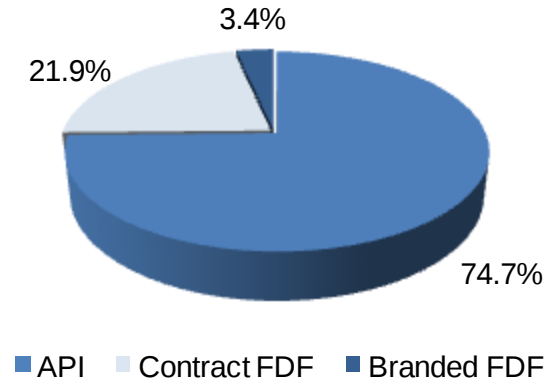


Segment Highlights

Healthcare segment

- Total revenue of Rs. 2,344 million up 2.9% y-o-y and 9.1% q-o-q; EBIT margin of 6.4%
- In the API segment, manufacturing volume has shown consistent improvement over the last quarter; Focus on optimizing capacity utilization and harnessing the robust order book
- Going forward, API business is expected to see improved profitability as benefits of a strong order book and lower raw material prices start to make contribution
- In the finished formulations (FDF) segment, performance improved significantly due to volume growth in the India institutional business as well as brand extensions in the Pain Management and Antibiotics brand formulations
- The FDF business will remain an area of growth with new product launches in the RoW and CIS markets. In the regulated markets new product filing will be the key priority and an area for investment

Revenue Breakup (Q3 FY2015)

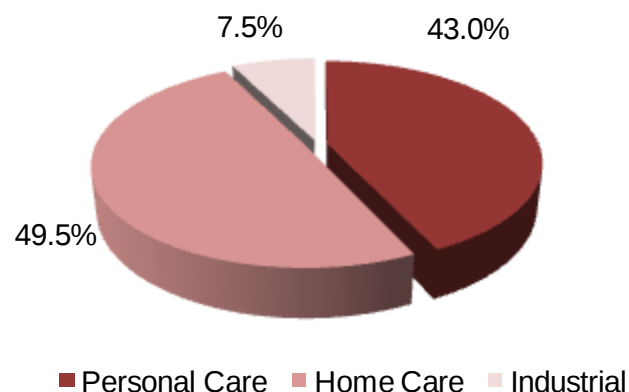


Segment Highlights

Specialty Chemicals segment

- Total revenue of Rs. 1,093 million up 10.7% q-o-q but flat y-o-y; EBIT margin of 24.5%
- Margins continue to improve due to strategic portfolio rationalization and ongoing efforts to optimize operating expenses
- In the personal care segment, manufacturing volumes were largely driven by the skin and hair care products. These helped offset the subdued off-take in the older products which have been deferred due to customer specific issues
- In the home care segment, volume for antimicrobials remain muted which was partly offset by increased volume of specialty dyes
- Industrial segment remained flat but photochromics continued to perform well driven by new product offerings. This has also helped profitability due to the continuing change in the product mix in favour of higher value added products

Revenue Breakup (Q3 FY2015)



Segment Highlights

(Rs. million)	Q3		y-o-y	Q2		q-o-q	9M		y-o-y
	FY2015	FY2014	Growth (%)	FY2015	Growth (%)		FY2015	FY2014	Growth (%)
Segment Revenue	3,437	3,353	2.5%	3,136	9.6%		10,239	9,827	4.2%
Specialty chemicals	1,093	1,074	1.7%	987	10.7%		2,975	3,051	(2.5)%
Healthcare	2,344	2,279	2.9%	2,150	9.1%		7,263	6,775	7.2%

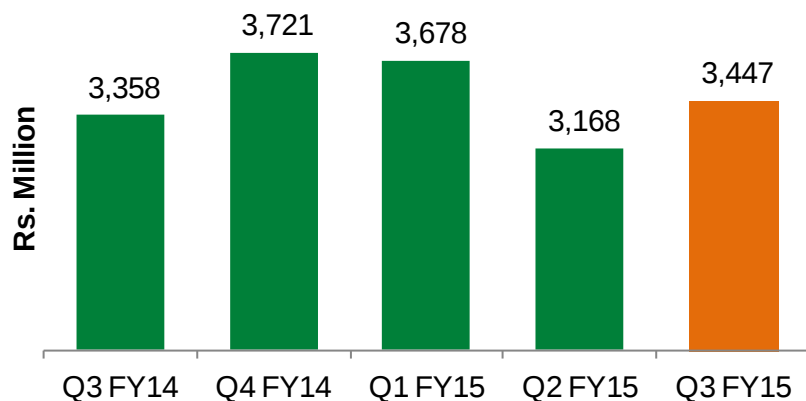
EBIT	418	367	14.1%	353	18.7%		1,205	1,059	13.9%
Margin (%)	12.2%	10.9%		11.2%			11.8%	10.8%	
Specialty chemicals	268	220	21.6%	235	14.0%		674	582	15.9%
Margin (%)	24.5%	20.5%		23.8%			22.7%	19.1%	
Healthcare	150	146	2.9%	117	28.1%		531	477	11.4%
Margin (%)	6.4%	6.4%		5.5%			7.3%	7.0%	

Capital Employed	14,247	14,587	(2.3)%	14,311	(0.4)%		14,247	14,587	(2.3)%
Specialty chemicals	8,020	8,262	(2.9)%	7,911	1.4%		8,020	8,262	(2.9)%
Healthcare	6,227	6,325	(1.5)%	6,400	(2.7)%		6,227	6,325	(1.5)%

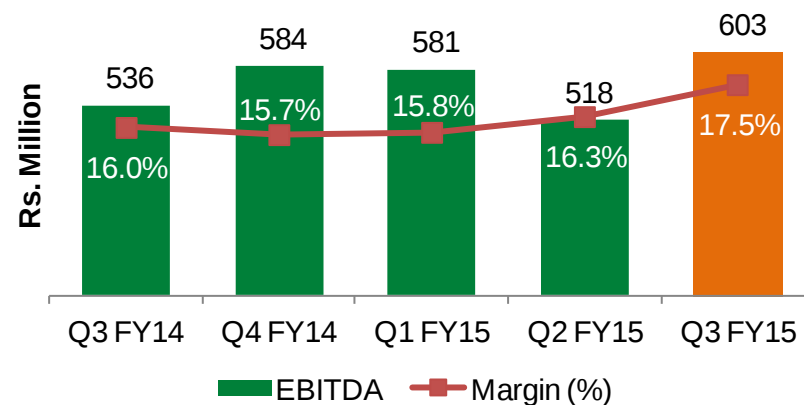


Quarterly Financial Trends

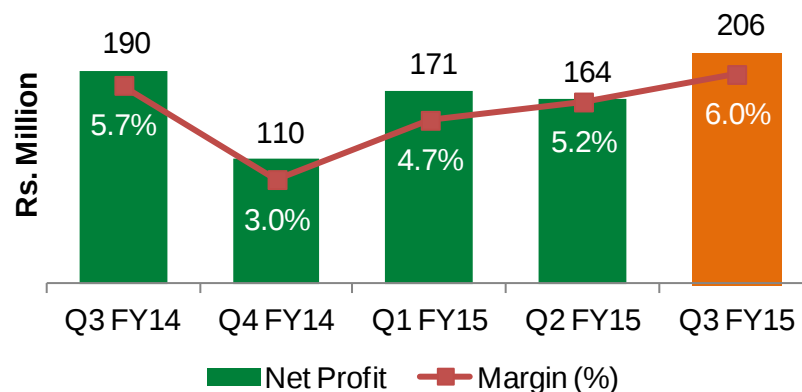
Net Sales



EBITDA and Margins

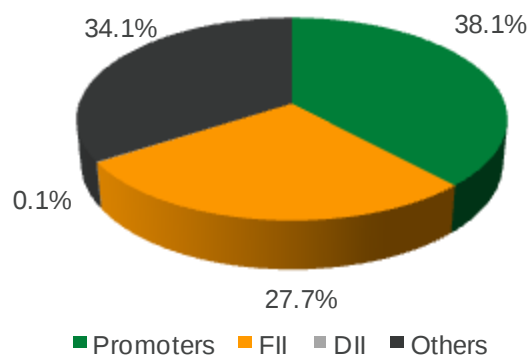


Net Profit and Margins



Capital Markets

Shareholding Structure



Key Institutional Investors



Shareholding Pattern Trend

Shareholders	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14
Promoters ¹	37.8%	38.1%	38.1%	38.1%	38.1%
FII / FDI	27.5%	27.5%	27.6%	27.7%	27.7%
DII	2.4%	2.3%	2.3%	0.3%	0.1%
Others	32.3%	32.1%	32.0%	33.9%	34.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Note:

1 IFC holds FCCBs



Vivimed

Strategic Direction

Where Chemistry and Quality Matters

Continue to **strengthen engagements** with marquee customer base through superior product development and delivery capabilities

Move up the **value chain through vertical integration in Healthcare** (R&D to manufacturing of API / FDF / brands) and target **niche opportunities in the Specialty Chemicals** segment

Optimize utilization of existing global manufacturing platform to enhance capital efficiencies and shareholder returns

Increase penetration in existing **regulated and semi regulated Healthcare markets** and target selected new geographies

Focus on early stage **innovative R&D** and **product development** to drive monetization of business opportunity across all segments

Leverage the strengthened management team to support the future growth aspirations and deliver sustainable returns over the longer term

Successful integration of recent initiatives which will bring scalability through a larger opportunity space and a platform to address the same



Global Reach

A multinational global platform that provides Vivimed access to markets and significant cost advantage



Note: Names in **Green** indicate facilities which are US FDA approved

Facilities	Mexico	Spain	UK	China	USA	India	Total
Healthcare – API 	1	2					3
Healthcare – FDF 						7	7
Specialty Chemicals - Active Ingredients 						2	2
Total Facilities	1	2				9	12
R&D Facilities		1	1			3	5
Global Support Offices		1	1	1	1	1	5

Strong Transnational Management Team

Key Management	Profile
Dr. V Manohar Rao <i>Chairman</i>	- Retired as joint director of The Veterinary Biological and Research Institute and has over 40 years of industry experience - Responsible for developing a sophisticated and well-equipped in-house quality control and introduced various cost control systems in production process
Santosh Varalwar <i>Managing Director & Chief Executive Officer</i>	- First generation entrepreneur - Business growth strategy and leadership; Focus on key global client relationships - Previously associated with Shipping Corporation of India
Sandeep Varalwar <i>Executive Director</i>	- Associated with Vivimed since its incorporation and leads Vivimed's Healthcare FDF division - Over 19 years of experience in manufacturing and marketing in the Healthcare industry
Vaidyanathan Mahadevan <i>Chief Financial Officer</i>	- Has over two decades of experience in project finance, private equity, IPO, structured finance, cross-border M&A, taxation, business planning and strategy - Previously worked with Hostmann-Steinberg, Bayer, Stock Holding Corporation of India and A. F. Ferguson & Co.
Mark I Robbins <i>Chief Executive, Uquifa, Vivimed's API Division</i>	- Associated with Chemicals and API industries for over 24 years - Previously a member of the management executive committee of Yule Catto, UK - Previously worked with Johnson Matthey for 10 years - Member of the Institute of Marketing and Engineering , UK
George Polson <i>COO, Specialty Chemicals, VLI, USA</i>	- Leads the operations of the Global Specialty Chemicals Division and has - Industry experience of over 30 years with reputed companies such as Lonza and DSM - Holds ~40 US and World patents - Member of the American Chemical Society (ACS), the Society of Cosmetic Chemists (SCC), and Society of Investigative Dermatology (SID) and American Society of Pharmacognosy
Saurabh SG <i>Director, Corporate Strategy and Business Development</i>	- Responsible for the Vivimed Group's overall strategic initiatives; and business operations of the healthcare segment - Has more than ten years of experience across Investment Management with global firms such as Prudential Financial, Kotak Mahindra and Credit Suisse



Annexure – Quarterly Consolidated P&L Statement

Profit & Loss Statement (Rs. million)	Q3 FY14	Q4 FY14	Q1 FY15	Q2 FY15	Q3 FY15
Revenues					
Net Sales / Income from Operations (Net of Excise Duty)	3,353	3,682	3,665	3,136	3,437
Other Operating Income	5	39	12	32	10
Total Revenues	3,358	3,721	3,678	3,168	3,447
Expenses					
Cost of Raw Materials Consumed	1,748	1,903	1,876	1,672	1,729
Changes in Inventories of Finished Goods, WIP and Stock in Trade	(149)	(299)	(145)	(192)	(152)
Employee Benefit Expenses	449	412	472	423	478
Other Expenditure	774	1,119	894	747	789
Total expenses	2,822	3,136	3,097	2,650	2,844
Operating Profit (EBITDA)	536	584	581	518	603
Depreciation and Amortisation Expenses	169	171	165	165	184
EBIT	367	413	416	353	418
Finance Costs	156	176	184	197	194
PBT	210	237	232	156	225
Tax Expenses	20	126	60	(8)	19
PAT	190	110	171	164	206
Basic EPS (Rs)	11.72	6.81	10.57	10.13	12.69
Margins (%)					
Gross Margins	52.4%	56.9%	52.9%	53.3%	54.2%
EBITDA margins	16.0%	15.7%	15.8%	16.3%	17.5%
PAT margins	5.7%	3.0%	4.7%	5.2%	6.0%
Y-o-Y Growth (%)					
Total Revenues	22.4%	25.6%	6.9%	3.1%	2.7%
EBITDA	44.3%	29.3%	18.9%	(1.1)%	12.4%
PAT	12.2%	(26.3)%	(14.3)%	0.2%	8.3%
Q-o-Q Growth (%)					
Total Revenues	9.3%	10.8%	(1.2)%	(13.9)%	8.8%
EBITDA	2.3%	9.0%	(0.6)%	(10.8)%	16.4%
PAT	15.9%	(41.8)%	55.1%	(4.2)%	25.3%
Effective Tax Rate	9.6%	53.3%	26.0%	(5.4)%	8.5%



Glossary

- ANDA: Abbreviated New Drug Application
- API: Active Pharmaceutical Ingredients
- CEP: Certificates of Suitability to the monographs of European Pharmacopoeia
- CMO: Contract Manufacturing Organization
- DMF: Drug Master File
- FDF: Finished Dosage Formulation
- H&PC: Home and Personal Care
- MRs: Medical Representatives
- MA: Marketing Authorization



Thank You

Contact Details:

Vivimed Labs Limited

(CIN: L02411KA1988PLC009465)

Veernag Towers, Habsiguda, Hyderabad 500 007

www.vivimedlabs.com

Phone: +91 40 2717 6005 / 06

Fax: +91 40 2715 0599



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