

Vivimed Labs Ltd

Corporate Presentation



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Vivimed

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- Segment Overview
- Corporate Governance
- Financials



Company Overview

- Business Presence
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- Facilities



Vivimed

Business Presence

Partner of Choice for Beauty & Healthcare Companies across the Globe

Specialty Chemicals

- Global supplier of Active Ingredients for oral care, skin care, sun protection, hair care, preservatives and antimicrobials
- Offers comprehensive and diversified product portfolio for Personal Care industry
- Has strong relationships with Global Personal Care majors.
- Has wide international presence in both developed and emerging markets
- Offers cost-effective molecules customized to customer's requirements



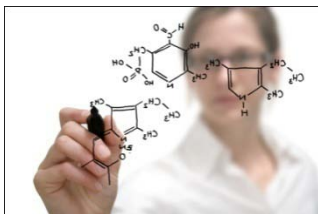
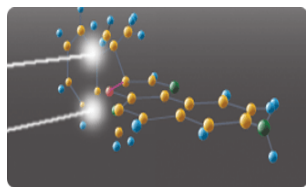
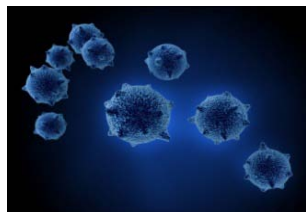
Pharmaceuticals

- Global supplier for API's and Key Intermediates with presence in Antiulcers , Anti-virals and other Therapeutic Segments
- Global provider of Formulations for key therapeutic areas like oncology, tuberculosis, anti-malarials, pain management etc.
- Offers branded formulations and does Contract Manufacturing of formulations & APIs
- Has strong clientele consisting of Pharma multinationals.
- Actively focusing on product registrations across the globe, dossier filings and exports in Europe, Russia and other CIS countries



Business Segments

Specialty Chemicals



Personal Care



Antimicrobial & Others



Photochromatic & Imaging

Specialty Intermediates

Pharmaceuticals

Active Pharmaceutical Ingredients



Finished Dosage Forms



Market Size :

Global Specialty Chemicals by 2014: USD 892.1 bn

Global Personal Care by 2013: USD 341 bn

Indian Personal Care by 2013: USD 8 bn

Data Source: Euro Monitor

Market Size :

Global Pharma by 2013: USD 650 bn

Indian Pharma by 2013 : USD 15 bn

Indian API Industry size by 2013-14: USD3-5bn

Indian CMO industry is forecasted to grow at faster & currently at 2 Bn

Data Source: Pharma & Biotech Industry Global Report – 2011 (IMAP Healthcare report)



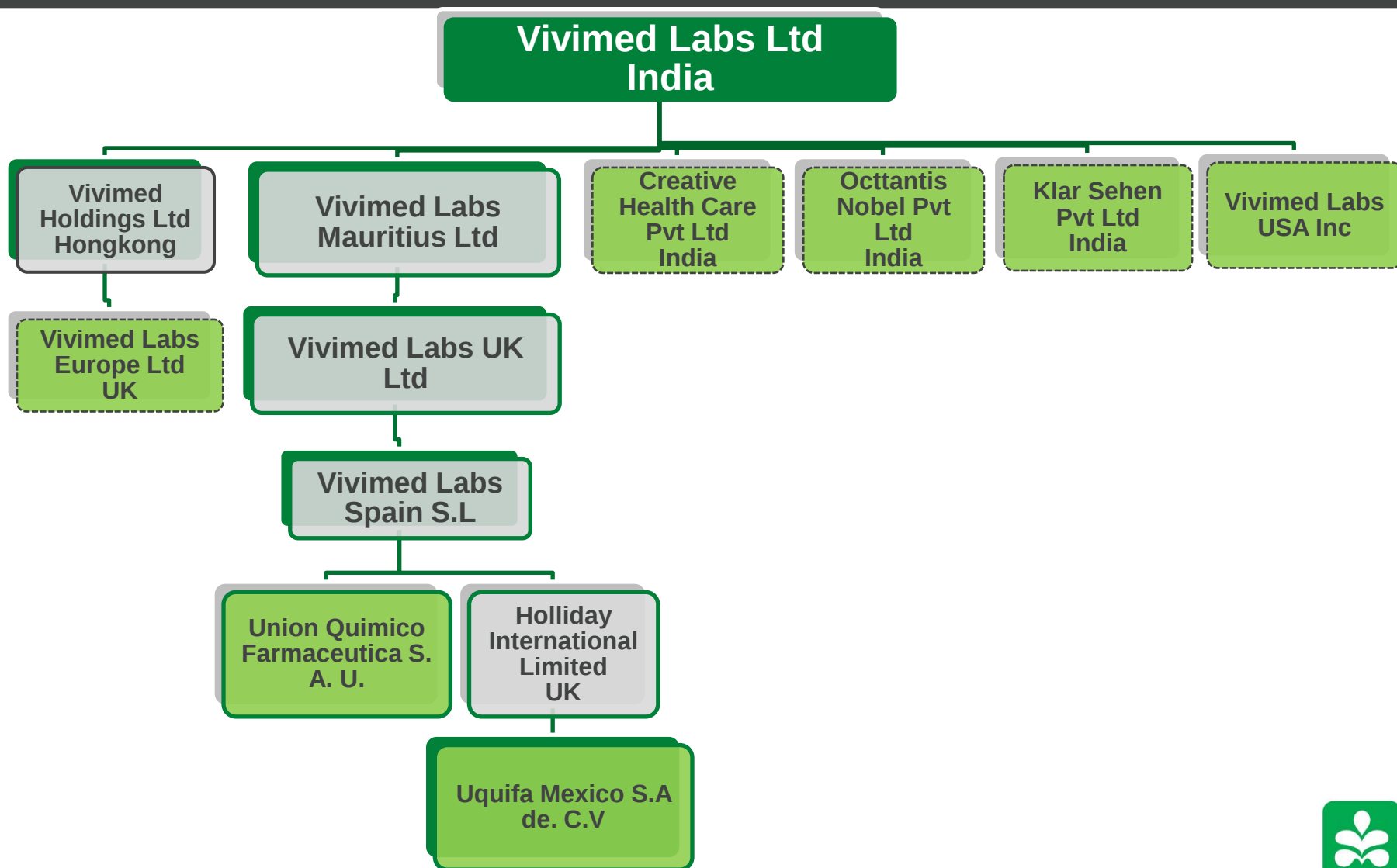
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Experienced Promoters

Name & Designation	Education	Profile
Dr. V Manohar Rao <i>Chairman</i>	Post-Graduation in Veterinary Sciences from Edinburgh University	• Founder of Vivimed Labs • Plays a key role in company Vision, Setting the Corporate Goals • Has been associated with Municipal Corporation of Hyderabad and Govt. of Andhra Pradesh for more than 30 years
Santosh Varalwar <i>MD & CEO</i>	Management Graduate	• Evolves the business strategy and guides the implementation • Identifying potential business opportunities and exercising the choices • Setting the Growth Path for the company , visualizing and providing for the enablers • Previously associated with Shipping Corporation of India and Mercantile Marine
Subhash Varalwar <i>Vice-Chairman</i>	Post Graduate in Chemical Engineering and Management Graduate from Leeds University	• Responsible for Technology and New Product Development in the Specialty chemical segment • Production and Quality Control • Previously associated with Fertilizer Corporation of India for 15 years
Sandeep Varalwar <i>Executive Director</i>	Graduate in B.Pharmacy	• Associated with Vivimed since its incorporation • Leads Vivimed's Pharma FDF division • Has more than 18 years of experience in manufacturing and marketing divisions in pharma industry



Legal Structure



Group Structure

Vivimed Labs Ltd

Specialty Chemicals

Active Ingredients :

1. Home & Personal Care Products
2. Anti-Microbials & Preservatives

Industrial Care:

1. Photo chromic Dyes
2. Imaging Chemicals

VLL, India

VLE, UK

VLI, USA

Production,
Sales and
R&D

Marketing
and
R&D

Marketing &
Distribution

Pharmaceuticals

CRAMS

1. Capsules
2. Tablets
3. Liquids
4. Ointments
5. Ophthalmic
6. SVP

Branded Formulations

- #### API's
1. Ethical
 2. Bulk Generics
 3. Anti Ulcer

VLL, India

CHCPL

KSL

ONL

Uquifa

Production
and
Marketing

Production
&
Marketing

Production
&
Marketing

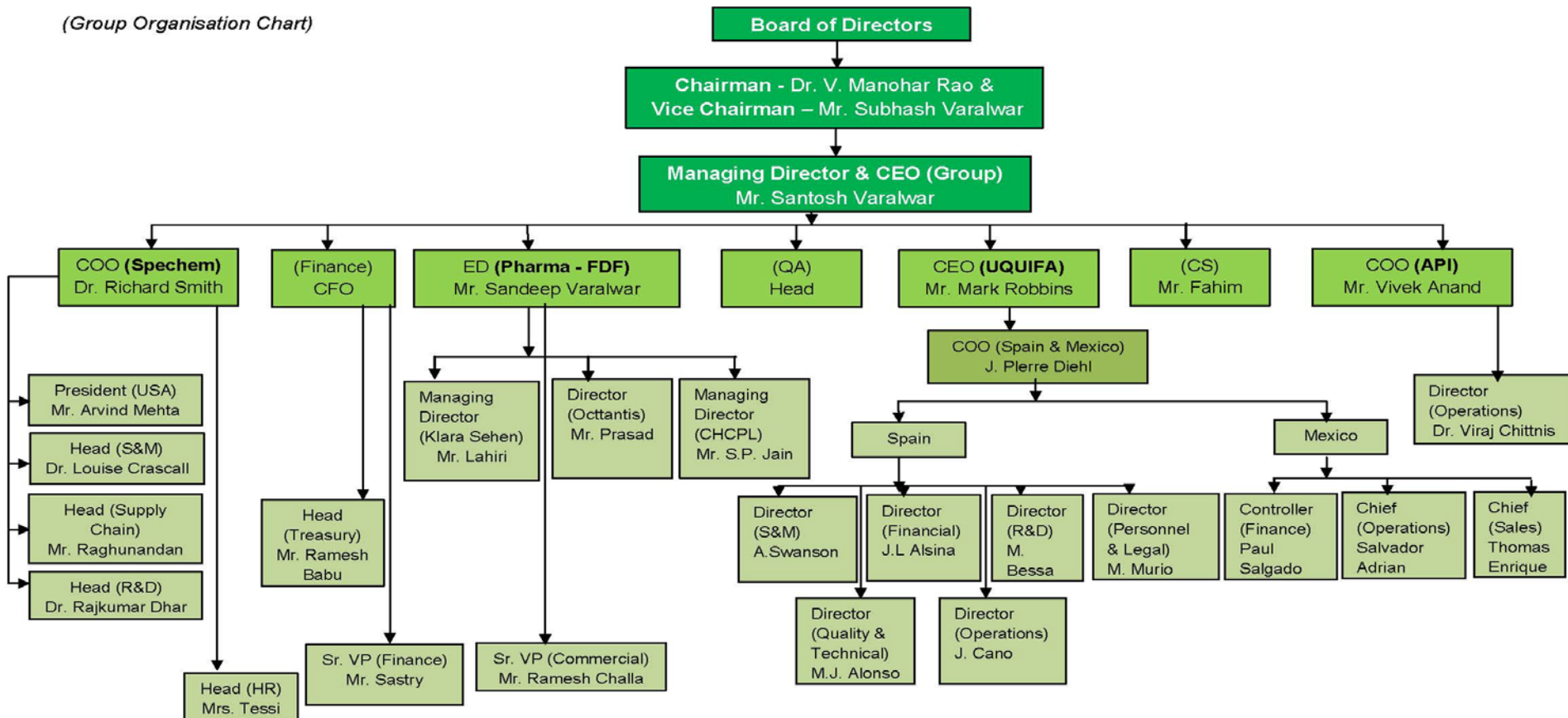
Distribution

Production,
Marketing
and R&D



Organization Chart

(Group Organisation Chart)



Vivimed

Global Presence



Facilities	Legend	Domestic	Overseas	Total
Manufacturing - Pharmaceuticals	●	4	3	7
Manufacturing – Specialty Chemicals	●	2	-	2
R&D Facilities	▲	1	2	3
Global Support Offices	■	1	4	5



Vivimed

Specialty Chemicals Facilities



Bonthapally (Hyderabad) Facility, 2005

- Equipped with 78 reactors with over 350kl capacity
- Designed in compliance with US FDA norms & highest environmental standards



Bidar (Karnataka) Facility, 1991

- Presently equipped with 60 reactors with over 300kl capacity

Srikakulam District (VIZAG) - SEZ

- To tap the growing market needs and augment its exports, Vivimed has made a strategic decision to set up its own sector-specific Special Economic Zone (SEZ) which will help the company to support its growing demand from the export markets and also from upcoming industries for manufacture of specialty chemicals and APIs.
- Vivimed has acquired 327 acres of land and has received in principle approval from the authorities.



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Pharmaceuticals (US FDA approved API facilities)



Llica, Barcelona

- 29 reactors (10 glass-lined; 17 stainless steel)
- Total capacity of 140 m3.
- Extensive material handling capabilities allows efficient production of bulk API
- Last FDA Inspection date: Sep2008



Sant Celoni, Barcelona

- Acquired from Barisintex 1991
- High tech stie
- 29 reactors (15 glass-line, 14 stainless steel)
- Total capacity of 120 m3
- Last FDA Inspection date: June 2009



Cuernavaca, Mexico

- Acquired from SmithKline in 1997
- Low cost – high capability
- 30 reactors (16 glass-line, 14 stainless steel)
- Total capacity of 150 m3.
- Last FDA Inspection date: June 2008

Facility Strengths

- Combination of Latin American & Southern European Facilities gives Uquifa a significant cost advantage against other Western competitors
- Geographical proximity and access to the largest markets of Europe and North America
- Aggregate Reactor capacity of 450 m3



Pharmaceutical (FDF) Facilities



Jeedimetla (Hyderabad)

- Equipped to manufacture dosage forms such as liquid orals, tablets, capsules and ointments in various therapeutic categories
- Manufacturing unit and systems comply as per WHO GMP standards



Haridwar (Uttarakhand)

- Manufactures wide range of sterile products and small volume parentals
- Has complex equipments designed as per stringent US FDA norms



Kashipur (Uttarakhand)

- Located in the area which enjoys various tax concessions
- Engaged in manufacturing non-sterile syrups, tablets, capsules & dry powders

Proposed US FDA standard & CGMP compliant facility at Choutuppal - Hyderabad

- Plant to be utilized for manufacturing tablets and capsules in accordance with USFDA and cGMP standards.
- Land acquisition for this facility is complete and initial activities such as obtaining approvals, fencing the land, etc., are in progress.



KlarSehen India Pvt

- KSPL has cGMP compliant manufacturing facilities at Kolkata, Hyderabad
- With 500 liters batch size; sterile manufacturing and filling of ophthalmic products
- 600 liters blender capacity manufacturing tablets and capsules



Vivimed

R&D



R&D, India (Mallapur)

- Vivimed has dedicated R & D facility with strong team of 75 dedicated Scientists and engineers.
- With DSCR approved & GLP compliant lab recognised by Council for Scientific and Industrial Research (Govt. of India)
- Collaboration with universities and knowledge banks



R&D, Spain (Sant Celoni)

- State of the Art, Pilot plant for commercial scale-up and has a strong analytical Instrumentation support
- Experienced Regulatory Team of 34 staff including 20 PhDs
- Excellent track record in
 - Filing of dossiers
 - Market Authorizations and DMF's
 - Commercial scale-up



R&D, UK (Huddersfield)

- Strong team of 15 people comprising of 6 PHD's
- Kilo Lab for Hair Dyes & Photochromics
- Focus on idea-generating research right from creation of a molecule (Molecular Research) to partnering with a manufacturer (Collaborative Manufacturing)



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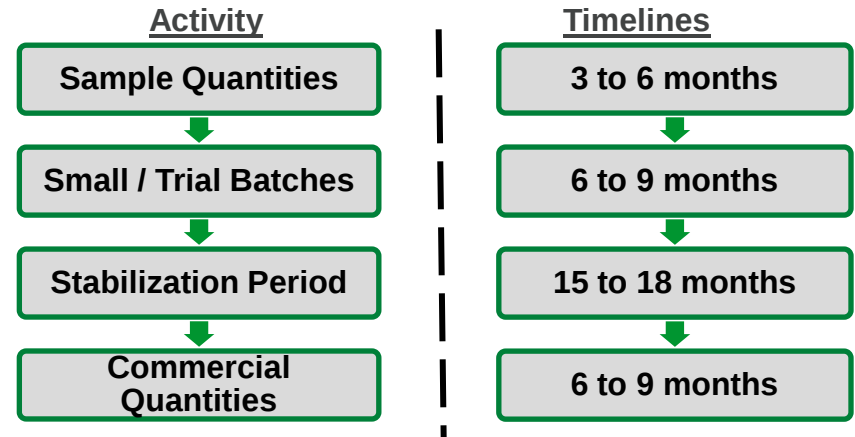
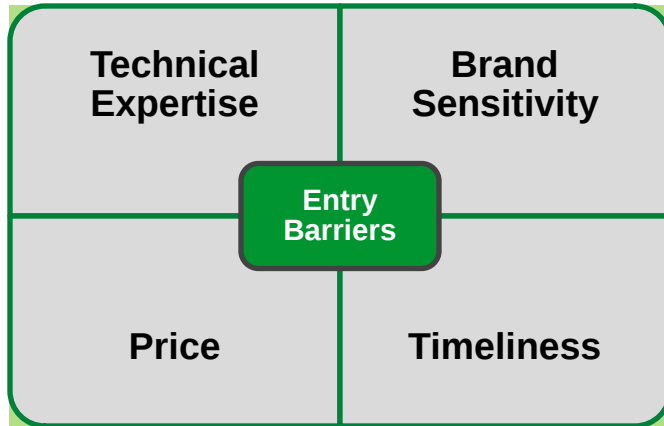
Segment Overview

- Business model
- Ingredient to global brands
- Marquee Client base
- Markets

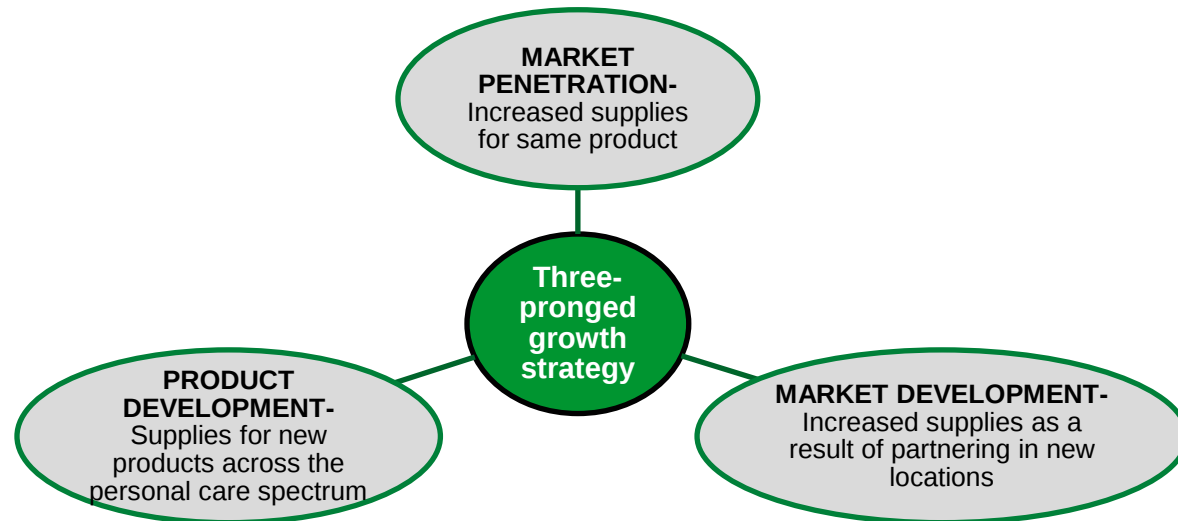


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Specialty Chemicals - Business Model



Becoming a supplier of Active Ingredients to a global major is an arduous and time-taking process



Pharmaceuticals – API's

Uquifa offers a unique value proposition.....

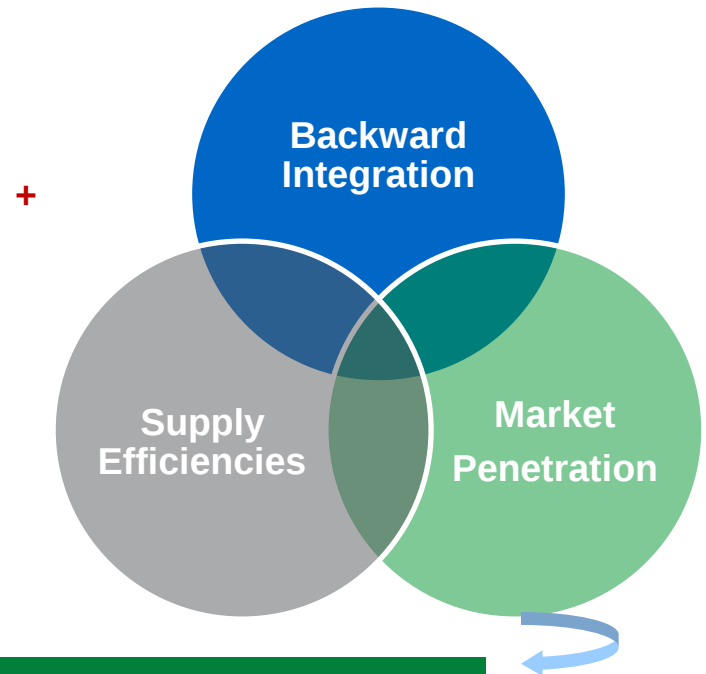
..coupled with Integration Benefits

Products in over 15 therapeutic classes distributed across 70 countries and over 100 customers

Supplier to Top 10 generic pharmaceuticals players in the world; relationship with leading innovator companies

Strong presence in **anti-ulcer product** segment contributing 40% of its total sales

Leverage leadership position of Uquifa in APIs along with robust pipeline of filings to accelerate growth across Europe and the Americas in the next five years

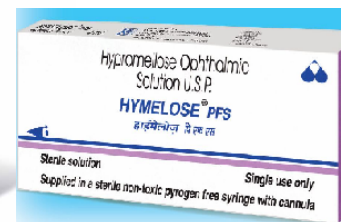
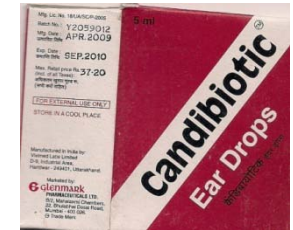


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Specialty Chemical Ingredient in Global Brands



Pharmaceutical FDF in different Brands

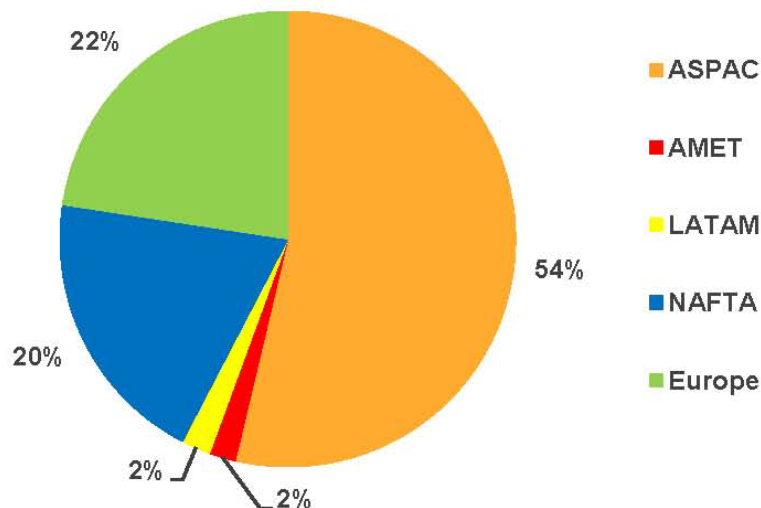


Marquee Client Base



Markets

Specialty Chemicals



Region

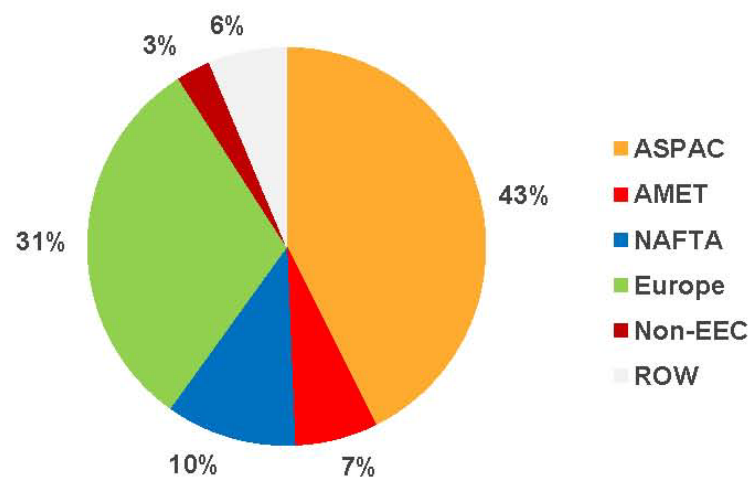
ASPAC	Asia Pacific + India
AMET	Africa, Middle East, Turkey
LATAM	Latin America
NAFTA	North America / USA
Europe	All European Countries
ROW	Rest of the World
Non-EEC	Non European Economic Community

Total Sales for FY12: (INR mn)

Specialty Chemicals;- 3,363

Pharmaceuticals:- 3,320

Pharmaceuticals



Vivimed

Corporate Governance

- Our Responsibility to Environment
- Our Social Accountability
- Policies we follow
- Recognition & Certificates



Vivimed

Corporate Governance & Environment Responsibility

Corporate Governance

- Appropriate composition and size of the Board, with each Director bringing key expertise in different areas.
- Proactive flow of information to the members of the Board and Board committees to enable effective discharge of their fiduciary duties.
- Ethical business conduct by the management and employees.
- Full fledged systems and processes for internal controls in relation to all operations, risk management and financial reporting.
- Timely and accurate disclosure of all material information and financial information to the stakeholders.

Responsibility to Environment

- In-house competency to deal with Industrial waste along expected environmental guidelines;
- Tie up with Hyderabad waste management for outsourcing for collection and disposal of treated waste;
- Inspection of waste treatment facilities by Geneva convention team and found compliant;
- Recycling of waste water and laying of Multiple effect evaporator's to deal with the waste water generation as well as any Industrial waste;
- Conservation of energy measures is a continuous process and is given the highest priority. Energy Audits and benchmarking is conducted regularly to identify areas of improvement and implement the measures required to attain the said objectives.



Our Social Responsibility & Policies

Our Social Responsibility towards Society

- VIVIMED is the founder and promoter of TANMAI (A Socio cultural foundation started to serve the Society)
- Continuously supporting child education, Healthcare and Anti Child labor efforts
- Conceived and Implemented setting up of TANMAI (CCF, An organization to help citizens in day to day local issues)
- No child labor

Our Social Responsibility towards Employees

- Personal Accident Insurance Policy/ Mediclaim Policy / Janatha Accident Policy
- Round the clock Medical support from APEX Hospital
- Periodical training on Safety, Health and Environment.
- Training on Fire fighting and Emergency preparedness

Vivimed has the following Policies:

- **SHE Policy** (Safety ; Health & Safety ; Environmental)
- **Quality Policy**
- **Social Accountability**



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Recognition and Certifications – Specialty Chemicals

- Integrated Management System (IMS) certification for manufacturing and supply of Specialty Chemicals and Active Pharmaceutical ingredients and Social Accountability (SA 8000: 2008) certification
- ISO 9001:2008 QMS certification for its manufacturing facilities
- ISO 14001:2004 certification for Environmental Management System
- ISO 18001: 2007 Certification for Safety Management System
- United States Environmental Protection Agency (EPA) certification for Triclosan (VIV-20)
- Certification for Bio-Terrorism preparedness from the US FDA (a prerequisite for exports to certain countries)
- Pre-registered its products for REACH (Registration, Evaluation and Authorization of Chemicals) in the European countries.
- R&D certified as a GLP Laboratory by CISR a government of India undertaking
- FROST & SULLIVAN Award for Excellence in Product Line Strategy in the Indian Preservatives Markets in the year 2005.
- Star Exports Excellence Award: Product Category, SSI Gold from the Govt of Karnataka, India, for a decade in the year 2005
- The Company's UK based R&D team was awarded the Centenary Medal by The Society of Dyers and Colourists (SDC) for their work on Photo chromic Dyes in the year 2005.
- Certificate of Appreciation from Hindustan Unilever Limited in the year 2009
- Award from Johnson & Johnson appreciating for Implementation of Supplier Enabled Innovative Idea in the year 2005
- Award from Johnson & Johnson on Supplier Day 2010 – Quality Promise to Zero Defect for the year 2010



Recognition and Certifications - Pharmaceuticals

API Operations

- ISO 14001:2004 granted to UQuifa Spain (Union Quimica Farmaceutica, S.A.)
- All the three manufacturing locations are cGMP compliant and USFDA approved.
- Inspections and approvals by different National Health Authorities of different countries:
 - Spain: Sant Celoni and Lliçà de Vall plants
 - Denmark: Mexico plant
 - ANVISA (Brasil): Sant Celoni
 - Japanese certification: Sant Celoni, Lliçà de Vall and Mexico plants
 - Korean FDA: Sant Celoni and Mexico plants

FDF Facilities

- WHO GMP certifications for all three Pharma facilities
- GMP certification from Ministry of Health – Russia / CIS countries / Indonesia / Malaysia
- ISO 9001-2000 and ISO 14001. OHSAS 18001 certification for our manufacturing facilities located at Uttaranchal



Financials

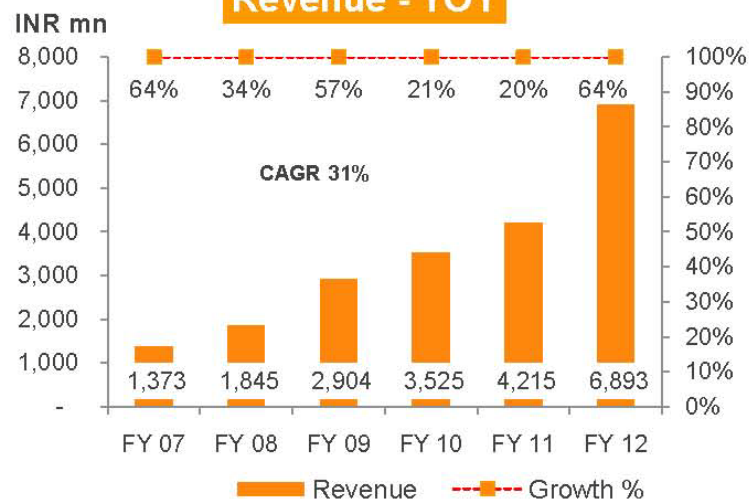
- Growth Story
- Group Overview & Strategic Priorities
- Future Outlook
- Growth Drivers



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Growth YOY

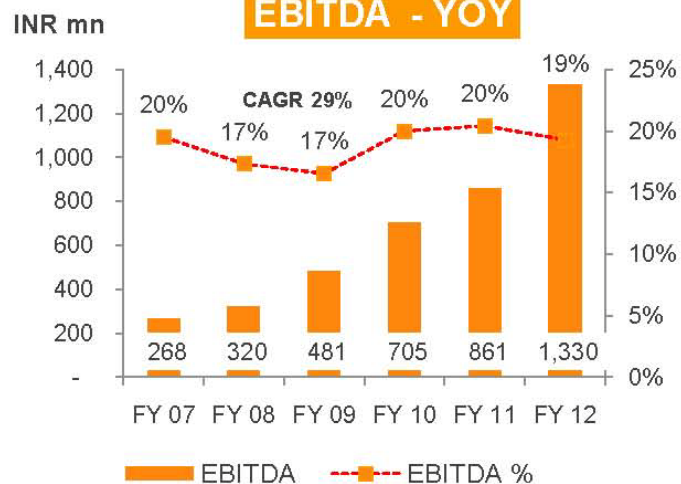
Revenue - YOY



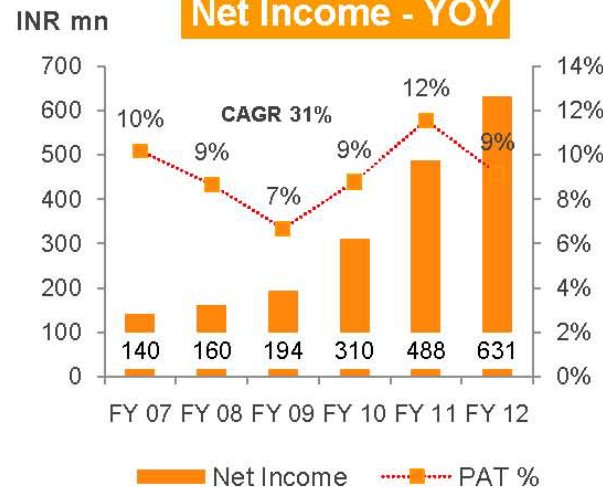
Net Sales - YOY



EBITDA - YOY



Net Income - YOY



Group Overview & Strategic Priorities

Pharma – API's & FDF

- Strategic foray in API's through UQUIFA acquisition.
- Expand API portfolio and increase its global reach
- Consolidating new markets for Formulations in CIS countries where new product registrations have been done

Pharma – Retail branded Generics

- Renewed focus on Pharma domestic retail branded generic markets through its two new acquisitions (Octantis Nobel Pvt Ltd and Klar Sehen Pvt Ltd)
- Expand sales of Branded Formulations PAN India
- Increase in Generic sales in regulated and semi-regulated markets



Group Overview & Strategic Priorities

Specialty Chemicals

- Vivimed will continue to drive growth in Specialty Chemicals
- New sub-segments added in specialty chemicals such as Automotives & Printable Electronics
- Focus on expanding share of the market with its existing global customers

SEZ

- Create facilities in its proposed SEZ, to make it globally competitive
- Further capacity creation for Spechem and Pharma segments to be created in SEZ to take advantage of
 - Tax Efficiencies
 - Manufacturing Efficiencies of Scale
 - Infrastructure support and scale of utilities



Vivimed

Outlook

- Vivimed operates in a large and growing chemical industry that offers opportunities in multiple business segments
- We will continue to partner with customers in health and beauty segment
- We target Revenues of 11500 mn and 1050 mn PAT for FY13

Financial Summary and Broad guidance:

INR mn	FY07	FY08	FY09	FY10	FY11	FY12	FY13 E
Net Revenues	1,360	1,810	2,761	3,434	4,160	6,683	11,500
EBITDA	268	320	481	705	861	1,330	1,850
PAT	140	160	194	310	488	631	1,050



Growth Drivers

Specialty Chemicals

- Enhancing product offerings to existing and new customers
- Collaborative research and manufacturing alliances with Global majors
- Product launches with existing and new customers
- Completion of Significant customer audits that would stimulate supply orders.
- New opportunities in Automotive and Printable Electronic segments

Pharmaceuticals

- Foray into Retail branded formulations and enhancement of product offerings
- Extending the Domestic market reach
- Filing of Dossiers in CIS markets to be the growth impetus
- Cost Competitiveness in API Intermediates and API's
 - ✓ Manufacturing Efficiencies
 - ✓ Process Efficiencies
 - ✓ Procurement Efficiencies
 - ✓ R&D Support
- These would be enablers for aggressive organic growth
- Leveraging API's from Uquifa to support customers for supply of Finished Dosage's



Vivimed



Thank you for being with us

