

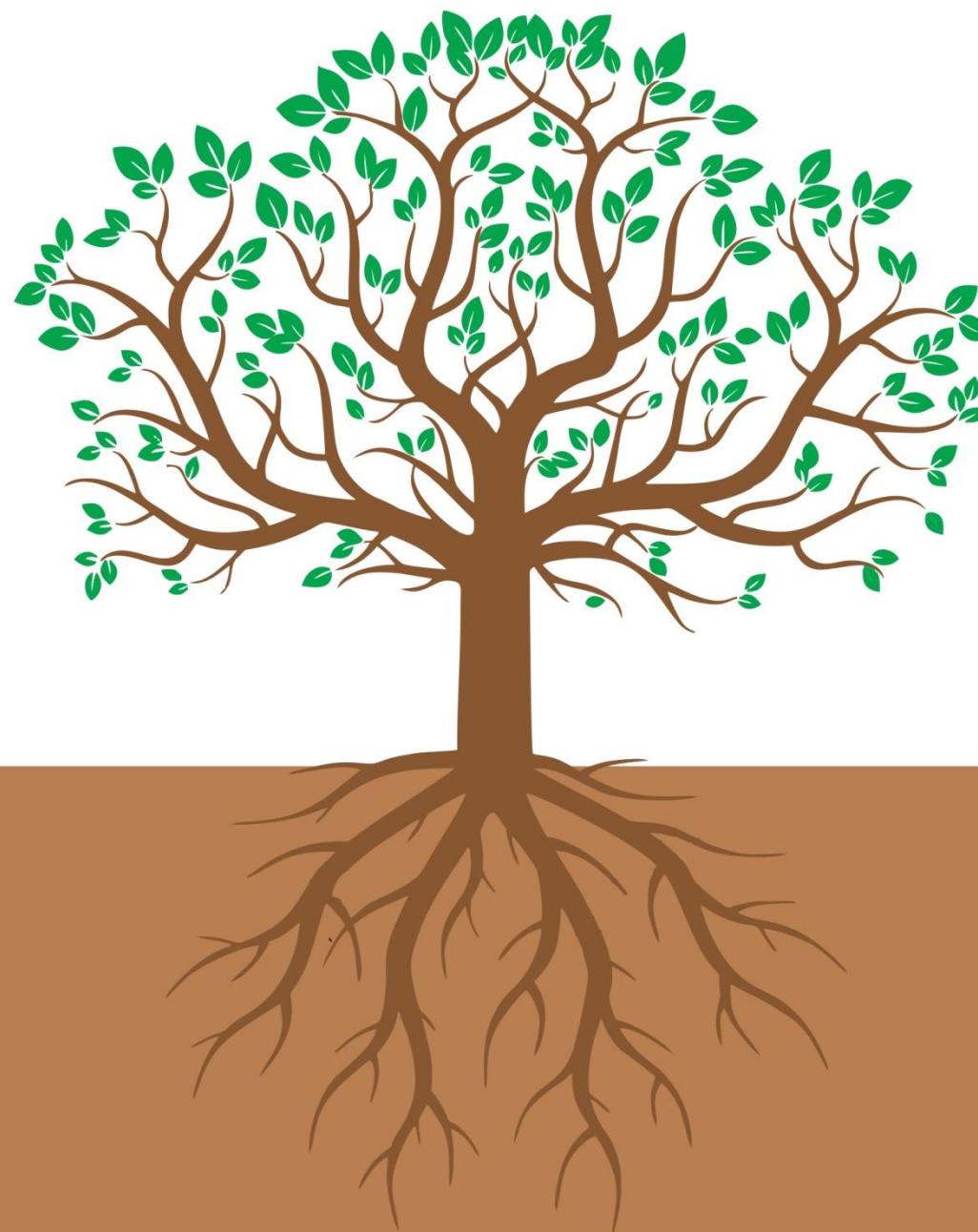


Vivimed

Q4 and Full Year FY2016

Earnings Presentation

May 30, 2016

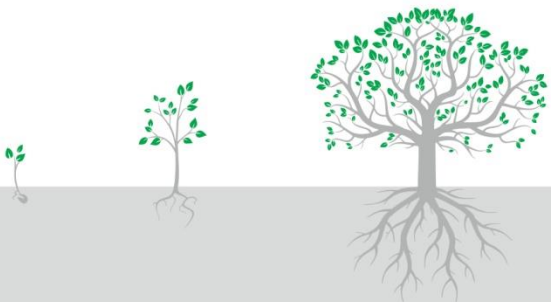


Transitioning into the Next Phase of Growth

This presentation contains statements that contain "forward looking statements" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Vivimed Labs' future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Vivimed Labs undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

Conference Call Details: Wednesday, June 1, 2016 at 4:00 PM IST

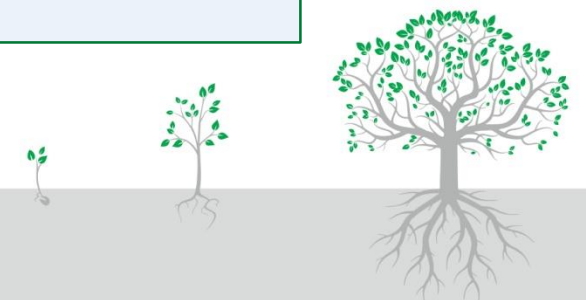
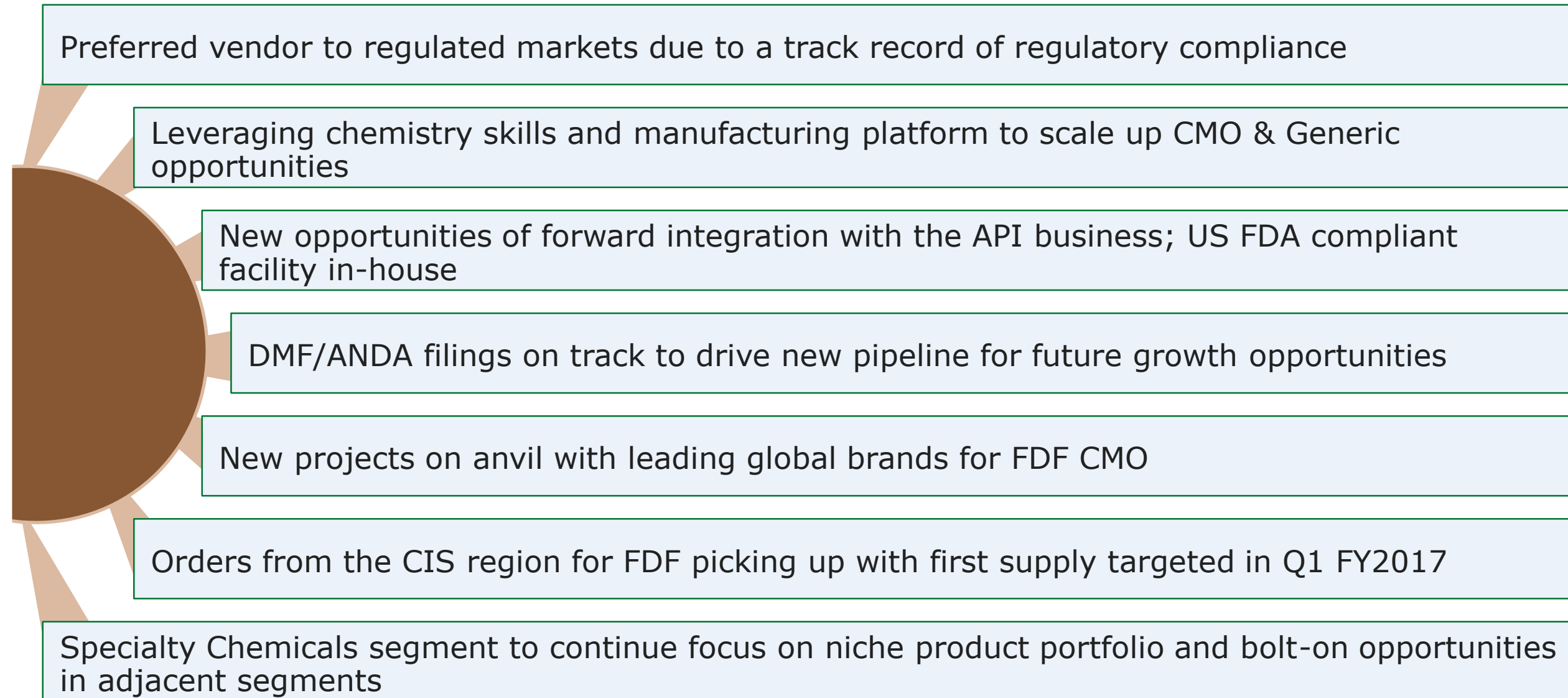
Dial-In Numbers	
Primary Number	+91 22 6746 5864
Secondary Number	+91 22 3960 0664
<i>The numbers listed above are universally accessible from all networks and all countries</i>	
Toll Free Number	USA: 1 866 746 2133 UK: 0 808 101 1573 Singapore: 800 101 2045 Hong Kong: 800 964 448



Transitioning into the Next Phase of Growth



Vivimed



Performance Highlights



Vivimed

FY2016 vs. FY2015

Net Sales

Rs. 13,564 mn
(2.1)%

EBITDA

Rs. 2,429 mn
+9.0%

Net Profit

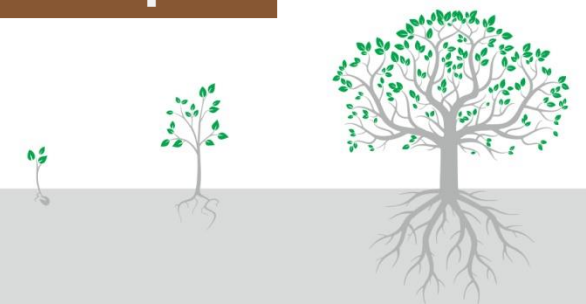
Rs. 837 mn
+16.1%



■ Healthcare ■ Specialty Chemicals

EBITDA
Margin:
17.9%
+183 bps

Net Profit
Margin:
6.2%
+97 bps



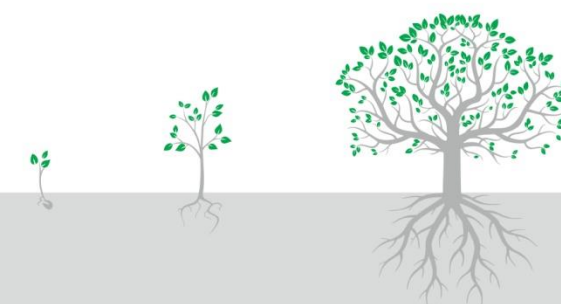
Commenting on the performance, **Mr. Santosh Varalwar, Managing Director of Vivimed Labs** said:

“The performance for the year has been encouraging and we continue to invest to prepare ourselves for the next phase of growth. Though our top-line for FY2016 was marginally lower, we experienced significant improvement in our profitability. Even as the revenue growth was muted due to the change in product mix in the Specialty Chemicals business and eventual divestiture of certain identified product segments, our margins enhanced significantly due to improving performance of our pharmaceutical segment across both the API and formulations businesses.

We have taken various initiatives during the year and the efforts are anticipated to result into meaningful benefits over the long term. The Healthcare vertical is experiencing significant traction driven by opportunities in API and FDF, our compliance track record and strong customer base. We have witnessed a strong order book growth for our API business given increasing preference from our customer base for a manufacturing platform based in Europe and North America. Furthermore on the FDF side, we envisage a strong pick up in exports to the CIS region during FY2016. Progress on new generic product development has tracked our expectations and we believe will drive growth in the medium term.

In the Specialty Chemicals business, we continue to focus on a differentiated product mix and continue to look for opportunities to drive growth.

During the year, we also focused on bolstering our management team and are confident of capitalizing on the prevailing opportunities across our business and transitioning into the next phase of growth and better profitability.”

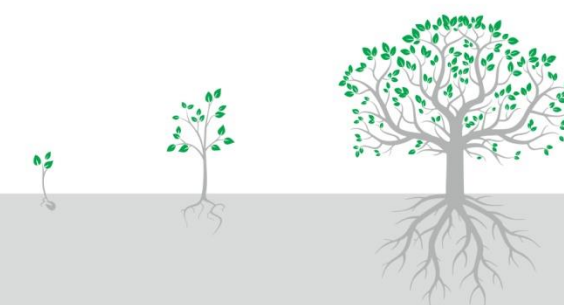




Consolidated financial summary

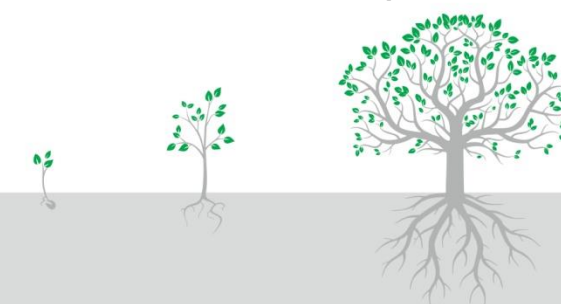
(Rs. million)	Q4		y-o-y	Q3		Full Year		y-o-y
	FY2016	FY2015	Growth (%)	FY2016	Growth (%)	FY2016	FY2015	Growth (%)
Net Sales	3,500	3,567	(1.9)%	3,319	5.5%	13,564	13,860	(2.1)%
EBITDA	512	526	(2.6)%	613	(16.4)%	2,429	2,228	9.0%
Margin (%)	14.6%	14.8%		18.5%		17.9%	16.1%	
Net Profit	126	179	(29.8)%	230	(45.2)%	837	721	16.1%
Margin (%)	3.6%	5.0%		6.9%		6.2%	5.2%	
Basic EPS (Rs.)	7.78	11.08	(29.8)%	14.20	(45.2)%	51.64	44.47	16.1%

Note: 1. Net Sales includes Other Operating Income



FY2016 vs. FY2015

- **Revenues** decreased by 2.1% to Rs. 13,564 million primarily due to the change in product mix in the Specialty Chemicals business and eventual divestiture of certain identified product segments
 - **Healthcare segment** recorded a moderate growth of 4.3% to reach Rs. 9,742 million. This growth was primarily driven by improved performance of the FDF business coupled with steady growth from the API segment. Growth in the API business was around 15% on a constant currency basis
 - The performance of the **Specialty Chemical segment** remained soft with a revenue of Rs. 3,714 million, a decline of 16.8% y-o-y. The decline in the Specialty Chemical business was primarily due to strategic product mix changes (defocus on lower margin products in India) and eventual divestiture of certain identified product segments
- **EBITDA** increased by 9.0% to Rs. 2,429 million with margin of 17.9%, an improvement of 183 bps
 - This was driven by robust performance of both the API and FDF divisions in the healthcare vertical
- **Net Profit** for the year was Rs. 837 million, up 16.1%. The net profit margin for the period was 6.2%, an improvement of 97 bps
- **Outlook** for margins is positive as the Healthcare business is expected to benefit from higher utilization, improved product mix and cost optimization in the medium term. New product filings and sustained investment in R&D remains a focus area for the healthcare vertical. Post the Clariant deal, Specialty Chemicals businesses will continue to focus on niche chemicals for hair dyes, photochromic dyes and pharma intermediates

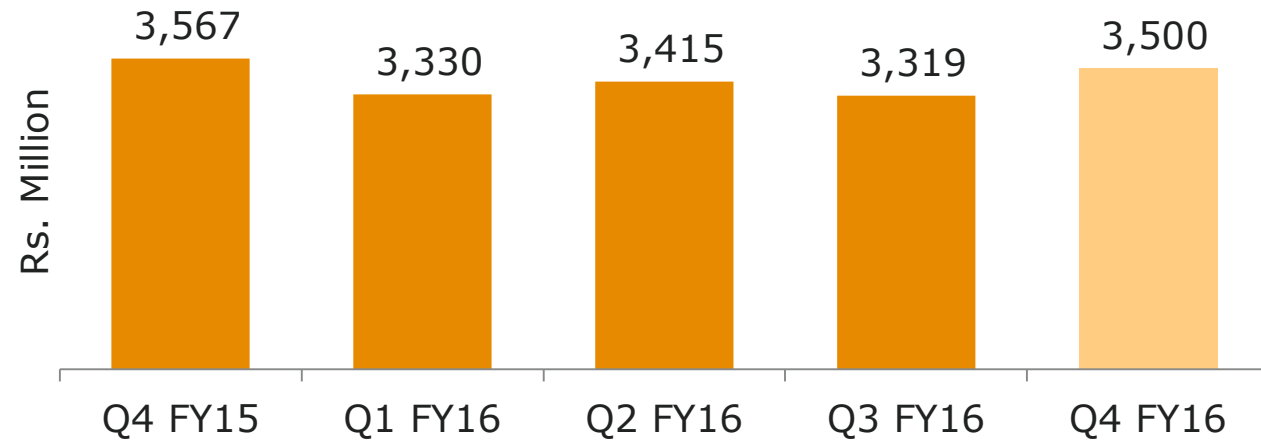


Financial Performance

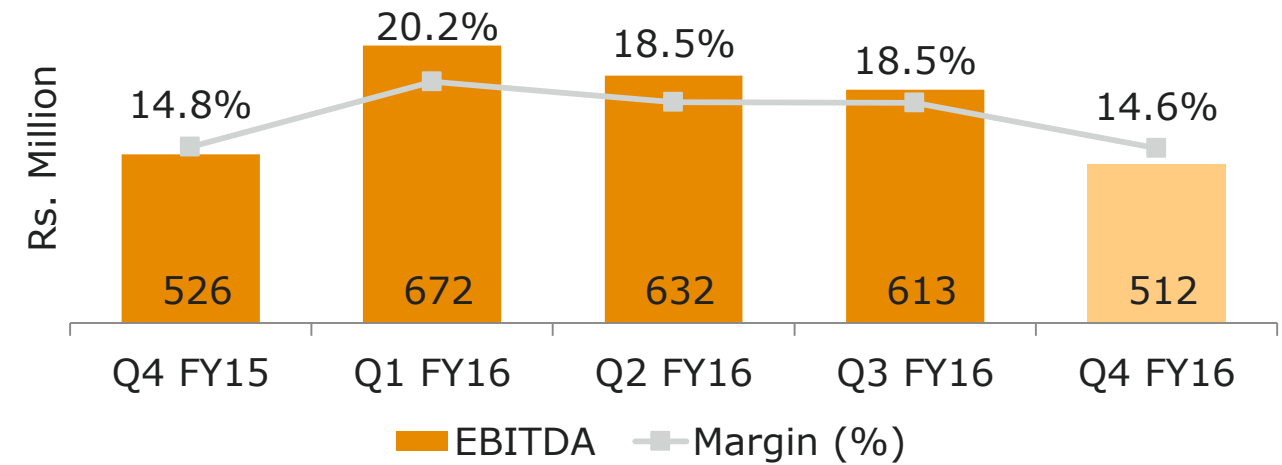


Vivimed

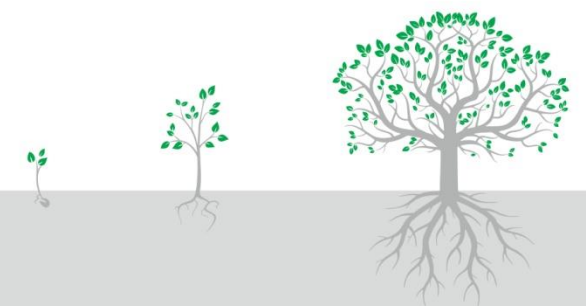
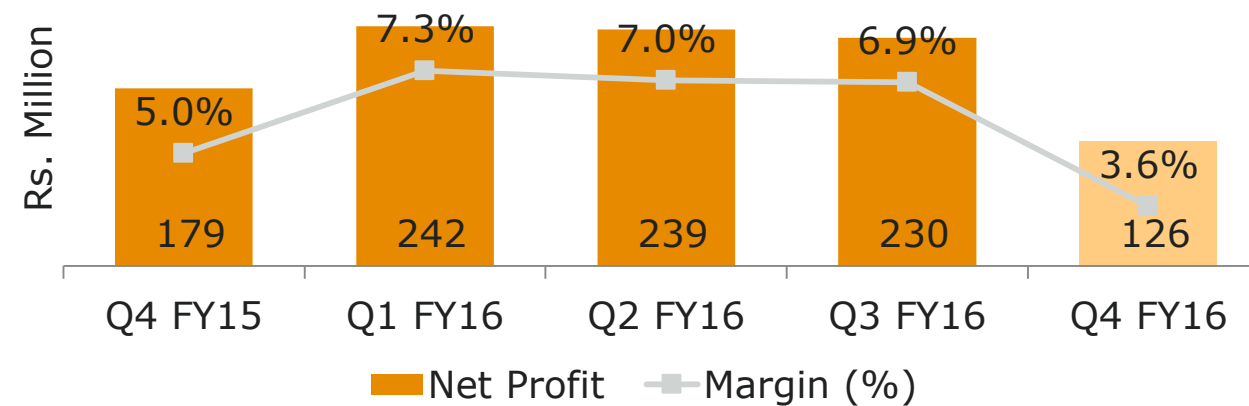
Net Sales



EBITDA and Margins



Net Profit and Margins

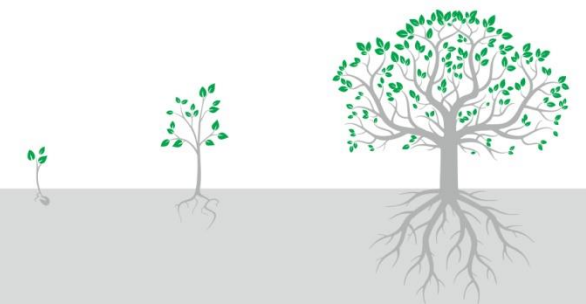


Key Ratios



Vivimed

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016
Net Worth (Rs. million)	1,967	4,748	5,091	5,604	5,592	5,852
Net Debt (Rs. million) Including current maturities of LT Debt	2,959	5,279	6,414	8,591	9,852	8,618
Fixed Assets (Rs. million)	2,643	5,953	7,090	8,079	8,135	8,142
ROE (%)	24.8%	18.4%	18.8%	13.4%	14.5%	16.1%
ROCE (%)	13.6%	8.3%	10.1%	7.7%	9.3%	10.3%
Interest Coverage Ratio (x)	3.50	3.74	3.39	2.44	1.98	2.23
Net Debt to EBITDA (x)	3.38	3.97	3.25	4.03	4.42	3.55
Net Debt to Equity (x)	1.50	1.11	1.26	1.53	1.76	1.47





Recent Corporate Developments

Update on the Clariant Transaction

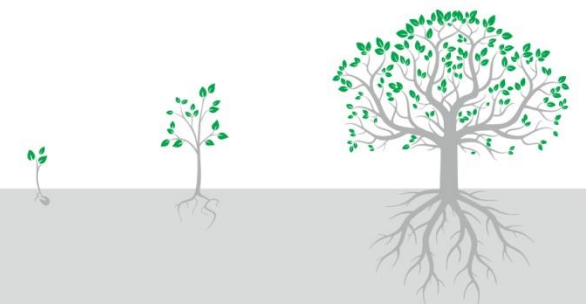
- In January 2016, the Company successfully closed the first stage of the transaction; received proceeds of Rs. 2,580 million
- Second stage of the business transfer is progressing as per schedule and is expected to be complete by Q1 FY2017
- Expect to receive the balance consideration by Q2 FY2017

Stock Split

- Effective April 8, 2016, the one shares of face value of Rs. 10 each of the fully paid share was sub-divided into five equity shares of Rs. 2 each fully paid-up

Strengthening of Management Team

- During the year, Vivimed Labs made a few senior level appointments to enhance management bandwidth to support the future growth aspirations
 - Appointed Mr. Pavan Kumar M. as the Chief Executive Officer
 - Appointed Mr. Tanweer Parkar as the Commercial Head of the Global API business
 - Appointed Mr. Ashok Rapaka as the Head of India Contract FDF
 - Appointed Mr. Hugh McManus as the Head of Business Development for the Global CMO business

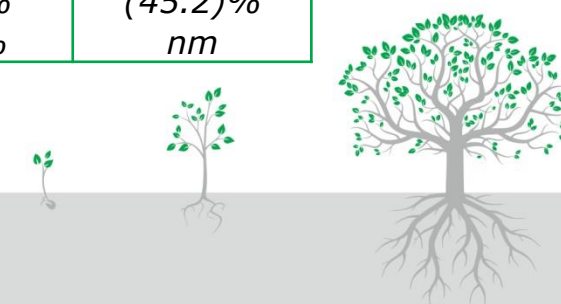


Consolidated Quarterly P&L Statement



Vivimed

Profit & Loss Statement (Rs. million)	Q4 FY15	Q1 FY16	Q2 FY16	Q3 FY16	Q4 FY16
Revenues					
Net Sales / Income from Operations (Net of Excise Duty)	3,562	3,315	3,370	3,299	3,472
Other Operating Income	5	14	45	20	29
Total Revenues	3,567	3,330	3,415	3,319	3,500
Total expenses	3,041	2,657	2,784	2,706	2,988
Operating Profit (EBITDA)	526	672	632	613	512
Depreciation and Amortisation Expenses	147	148	164	155	148
EBIT	379	524	468	458	365
Finance Costs	216	190	188	192	245
PBT	163	334	280	266	120
Tax Expenses	(16)	92	41	36	(7)
PAT	179	242	239	230	126
Basic EPS (Rs)	11.08	14.92	14.73	14.20	7.78
Margins (%)					
Gross Margins	53.1%	55.5%	53.3%	54.6%	52.7%
EBITDA margins	14.8%	20.2%	18.5%	18.5%	14.6%
PAT margins	5.0%	7.3%	7.0%	6.9%	3.6%
Y-o-Y Growth (%)					
Total Revenues	(4.1)%	(9.5)%	7.8%	(3.7)%	(1.9)%
EBITDA	(10.0)%	15.8%	22.0%	1.6%	(2.6)%
PAT	62.5%	41.1%	45.5%	11.9%	(29.8)%
Q-o-Q Growth (%)					
Total Revenues	3.5%	(6.7)%	2.6%	(2.8)%	5.5%
EBITDA	(12.7)%	27.7%	(6.0)%	(3.0)%	(16.4)%
PAT	(12.7)%	34.7%	(1.2)%	(3.6)%	(45.2)%
Effective Tax Rate	nm	27.6%	14.7%	13.4%	nm



Consolidated Segment Performance

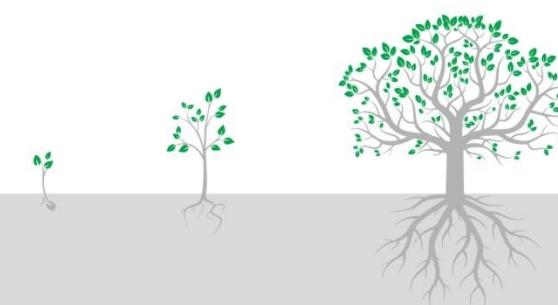


Vivimed

(Rs. million)	Q4		y-o-y	Q3	q-o-q	Full Year		y-o-y
	FY2016	FY2015	Growth (%)		Growth (%)	FY2016	FY2015	Growth (%)
Segment Revenue	3,472	3,562	(2.5)%	3,299	5.2%	13,456	13,801	(2.5)%
Specialty chemicals	945	1,497	(36.9)%	869	8.8%	3,714	4,462	(16.8)%
Healthcare	2,527	2,065	22.3%	2,431	4.0%	9,742	9,339	4.3%

EBIT	362	379	(4.4)%	458	(20.9)%	1,813	1,566	15.8%
Margin (%)	10.4%	10.6%		13.9%		13.5%	11.3%	
Specialty chemicals	119	219	(45.6)%	173	(31.4)%	677	900	(24.8)%
Margin (%)	12.6%	14.6%		20.0%		18.2%	20.2%	
Healthcare	243	161	51.6%	285	(14.5)%	1,135	665	70.7%
Margin (%)	9.6%	7.8%		11.7%		11.7%	7.1%	

Capital Employed	15,540	14,870	4.5%	14,292	8.7%	15,540	14,870	4.5%
Specialty chemicals	8,454	8,049	5.0%	7,558	11.9%	8,454	8,049	5.0%
Healthcare	7,086	6,821	3.9%	6,735	5.2%	7,086	6,821	3.9%



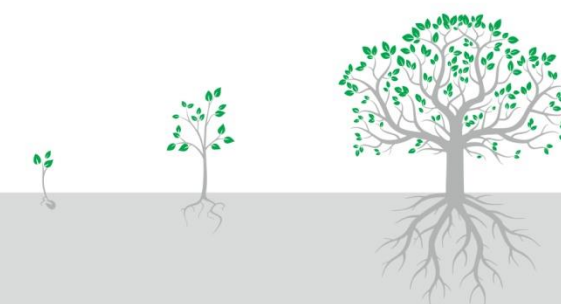
Consolidated Balance Sheet



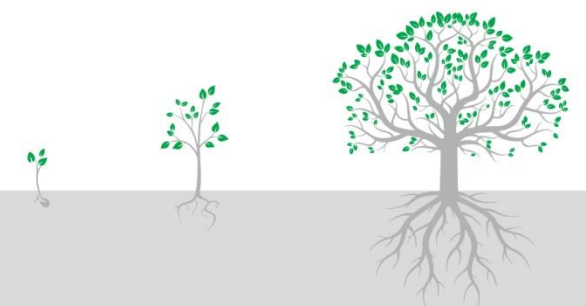
Vivimed

Liabilities (Rs. million)	Mar-15	Sep-15	Mar-16
Shareholders funds			
Share capital			
Equity share capital	162	162	162
Preference share capital	639	639	639
Reserves and surplus	4,791	4,928	5,050
Total Shareholders Funds	5,592	5,729	5,852
Non current liabilities			
Long term borrowings	4,834	3,308	2,573
Deferred tax liabilities	94	102	107
Other long term liabilities	424	353	2,896
Long term provisions	32	31	36
Total Non Current Liabilities	5,384	3,794	5,611
Current liabilities			
Short term borrowings	3,894	4,536	4,078
Trades payable	1,887	1,802	1,667
Other current liabilities	1,764	3,197	2,859
Short term provisions	464	618	371
Total Current Liabilities	8,009	10,153	8,974
Liabilities total	18,985	19,676	20,437

Assets (Rs. million)	Mar-15	Sep-15	Mar-16
Non current assets			
Tangible assets	6,963	6,925	7,149
Intangible assets	1,172	1,013	993
Tangible and Intangible assets	8,135	7,938	8,142
Capital work in progress	903	945	689
Non current investments	27	27	27
Other non current assets	0	0	0
Total Non Current Assets	9,065	8,911	8,858
Current assets			
Inventories	4,314	5,076	4,908
Trade receivable	3,296	2,735	3,262
Cash and bank balance	267	234	310
Short term loans and advances	1,852	2,625	2,981
Other current assets	191	96	117
Total Current Assets	9,920	10,766	11,578
Assets Total	18,985	19,676	20,437



- 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
- GMP: Good Manufacturing Practices
- H&PC: Home and Personal Care
- MRs: Medical Representatives
- MA: Marketing Authorization





Vivimed

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

Raja Prasad. B

Vivimed Labs Limited

+91 40 2717 6005

Rajaprasad.B@vivimedlabs.com

Saket Somani / Bijay Sharma

Churchgate Partners

+91 22 6169 5988

vivimed@churchgatepartnersindia.com

