



ALKEM LABORATORIES LTD.

Regd. Office : "ALKEM HOUSE", Senapati Bapat Marg,
Lower Parel, MUMBAI 400 013. Phone : 3982 9999, Fax : 022 - 2495 2955
Email : contact@alkem.com Website : www.alkemlabs.com
CIN no.:- U00305MH1973PLC174201



12th February, 2016

The Corporate Relationship Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. <i>Scrip Code: 539523</i>	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra East , Mumbai 400 051. <i>Scrip Symbol: ALKEM</i>
---	---

Dear Sirs

Sub: Press Release and Analyst presentation on Q3FY16 Results.

With reference to relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith press release and analyst presentation on Q3FY16 earnings and business updates and the same will be uploaded on the website of the Company.

Kindly take note of the same.

Sincerely,
For **Alkem Laboratories Limited**


Manish Narang
Sr. V.P. Legal, Company **Secretary & Compliance Officer**



ALKEM

ALKEM LABORATORIES LTD.

Regd. Office : " ALKEM HOUSE" Senapati Bapat Marg,
Lower Parel, MUMBAI 400 013. Phone : 3982 9999, Fax : 022-2496 2789
Email : contact@alkem.com Website : www.alkemlabs.com
CIN no :- U00305MH1973PLC174201



Press Release

Alkem reports Q3 and 9M FY16 Results

Mumbai, February 12, 2016: Alkem Labs Ltd (Alkem) today announced its consolidated financial results for third quarter & nine months ending December 31st, 2015. These results were taken on record by the Board of Directors at a Meeting held in Mumbai today.

Key highlights of Q3FY16 financial performance

- Net Income from Operations was Rs.12,747 million, year-on-year growth of 29.0%.
 - India sales were Rs.8,816 million, year-on-year growth of 28.4%.
 - International sales were Rs.3,644 million, year-on-year growth of 29.2%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was Rs.2,354 million, resulting in EBITDA margin of 18.5% vs. 17.3% in Q3FY15. EBITDA grew by 37.6% YoY.
- Profit before tax (PBT) was Rs.2,270 million, a growth of 35.2% compared to Q3FY15.
- Net Profits (after Minority Interest) was Rs.1,889 million, year-on-year growth of 17.0%.

Key highlights of 9MFY16 financial performance

- Net Income from Operations was Rs.38,490 million, year-on-year growth of 35.9%.
 - India sales were Rs.27,613 million, year-on-year growth of 32.6%.
 - International sales were Rs.10,046 million, year-on-year growth of 46.3%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was Rs.6,902 million, resulting in EBITDA margin of 17.9% vs. 10.1% in 9MFY15. EBITDA grew by 140.3% YoY.
- Profit before tax (PBT) was Rs.6,812 million, a growth of 126.7% compared to 9MFY15.
- Net Profits (after Minority Interest) was Rs.6,164 million, year-on-year growth of 137.0%.

Commenting on the results, Prabhat Agrawal, CEO, Alkem said, "I am pleased with the progress made on the execution of our growth plans as reflected in our Q3FY16 results. We would continue to drive growth in our key markets through market share acquisitions, new product offerings and focus on executional excellence."

**ALKEM****ALKEM LABORATORIES LTD.**

Regd. Office : " ALKEM HOUSE". Senapati Bapat Marg.
 Lower Parel, MUMBAI 400 013. Phone : 3982 9999, Fax : 022-2496 2789
 Email : contact@alkem.com Website : www.alkemlabs.com
 CIN no :- U00305MH1973PLC174201



Operational Highlights

Domestic Business

Our Domestic sales for Q3FY16 grew by 28.4% YoY, recording a sales of Rs.8,816 million as compared to Rs.6,865 million for Q3FY15. For 9MFY16, Domestic sales grew by 32.6% YoY to Rs.27,613 million compared to Rs.20,817 million in 9MFY15. The sales numbers are after consolidation of Indchemie and Cachet's results in the current financial year.

As per IMS SSA Dec. 2015, during the quarter we registered value growth of 18.6% YoY vis-à-vis Indian Pharmaceutical Market (IPM) growth of 15.2% YoY. Alkem presently has 5 brands among the Top 50 Brands in the IPM and 13 brands among the Top 300 Brands. The performance highlights of the key therapeutic segments in Q3FY16 are as shown in the table below:

Therapy segment	Alkem				IPM
	Rank (Q3FY16)	YoY change in Rank	Market share	YoY Growth	YoY Growth
Anti-infectives	1	Unchanged	11.6%	18.5%	14.5%
Gastro Intestinal	3	Unchanged	5.7%	17.8%	16.0%
Pain / Analgesics	3	Unchanged	5.1%	18.6%	13.5%
Vitamins / Minerals / Nutrients	5	+3	3.7%	17.3%	13.5%
Respiratory	19	+1	1.6%	29.5%	16.7%
Neuro / CNS	14	+1	1.9%	30.8%	15.1%
Derma	16	Unchanged	1.5%	15.1%	14.5%
Cardiac	30	+1	0.6%	24.1%	13.5%
Anti-Diabetic	28	+1	0.8%	22.9%	19.9%

Source: IMS SSA Dec. 2015

International Business

Our International sales for Q3FY16 grew by 29.2% YoY, recording sales of Rs.3,644 million as compared to Rs.2,821 million for Q3FY15. For 9MFY16, International sales grew by 46.3% to Rs.10,046 million compared to Rs.6,865 million in 9MFY15.

- **US sales** for the quarter was Rs.2,602 million, recording a year-on-year growth of 18.9%. For 9MFY16, US sales was Rs.7,473 million, up 48.1% compared to 9MFY15.
- **Other International Markets sales** for the quarter were Rs.1,041 million, recording a year-on-year growth of 64.8%. For 9MFY16, Other International Markets sales were Rs.2,573 million, up 41.5% compared to 9MFY15.

R&D Investments

Our Revenue R&D expenses for the quarter were Rs.438 million, or 3.4% of net operating income. Similarly for 9MFY16, our Revenue R&D expenses were Rs.1,279 million, or 3.3% of net operating



ALKEM

ALKEM LABORATORIES LTD.

Regd. Office : " ALKEM HOUSE". Senapati Bapat Marg,
Lower Parel, MUMBAI 400 013. Phone : 3982 9999, Fax : 022-2496 2789
Email : contact@alkem.com Website : www.alkemlabs.com
CIN no :- U00305MH1973PLC174201



income. During the quarter, we filed 2 abbreviated new drug applications (ANDAs) with the US FDA and received 5 approvals (including 1 tentative approvals).

As on 31st Dec 2015, we have filed a total of 70 ANDAs and 1 new drug application (NDA) with the US FDA of which 30 are Para IV filings including first-to-files (FTFs). Of these, we have received approvals for 27 ANDAs (including 3 tentative approvals) and 1 NDA.

About Alkem Laboratories Ltd.

Established in 1973 and headquartered in Mumbai, Alkem (NSE: ALKEM, BSE: 539523, Bloomberg: ALKEM.IN, Reuters: ALKE.NS) is a leading Indian pharmaceutical company with global operations, engaged in the development, manufacture and sale of pharmaceutical and nutraceutical products. The company produces branded generics, generic drugs, active pharmaceutical ingredients (APIs) and nutraceuticals, which it markets in India and 55 countries internationally, primarily the United States. In FY15, Alkem was the fifth largest pharmaceutical company in India in terms of domestic sales (Source: IMS SSA MAT March 2015). Also, through FY11 to FY15, Alkem was the third-fastest growing company in terms of sales amongst the 10 largest pharmaceutical companies in the Indian domestic formulations market (Source: IMS SSA MAT March 2015).

Having established itself in the Indian pharmaceutical market, Alkem has expanded internationally through both organic growth and certain strategic acquisitions. The United States is the key market for the company though its products are sold in 55 countries worldwide.

For more information on Alkem Laboratories Ltd., please visit www.alkemlabs.com

For further information or queries please contact -

Gagan Borana

Investor Relations – Alkem Laboratories Ltd.

Tel: +91 22 3982 9960 / Mobile: +91 98190 56333

E-mail: gagan.borana@alkem.com



ALKEM

ALKEM LABORATORIES LTD.

Regd. Office : " ALKEM HOUSE". Senapati Bapat Marg.
Lower Parel, MUMBAI 400 013. Phone : 3982 9999, Fax : 022-2496 2789
Email : contact@alkem.com Website : www.alkemlabs.com
CIN no :- U00305MH1973PLC174201



Q3FY16 Conference Call at 5:00pm IST, February 12th, 2016

Alkem Laboratories Ltd. will organize a conference call for investors and analysts on Friday, February 12th, 2016 from 5:00 pm to 6:00 pm IST to discuss its third quarter financial results.

Alkem Laboratories Ltd. will be represented on the call by Mr. Prabhat Agrawal, Chief Executive Officer and the senior management team.

Edelweiss Securities will host the call.

Details of the conference call are as under:

Time: 5:00 pm to 6:00 pm IST (GMT + 5:30) on Friday, February 12th, 2016.

Dial in Details:

India : +91 22 6746 8328 / 3938 1028

International Toll Free

USA : 1 866 746 2133
UK : 0 808 101 1573
Singapore : 800 101 2045
Hong Kong : 800 964 448

You are requested to dial in 10 mins ahead of the scheduled start time. A transcript of this conference call will also be available on our website www.alkemlabs.com.

For further information or queries please contact

Gagan Borana

Investor Relations – Alkem Laboratories Ltd.

Tel: +91 22 3982 9960 / Mobile: +91 98190 56333

E-mail: gagan.borana@alkem.com



Alkem Laboratories Limited

Investor Presentation Q3FY16

February 2016

Safe Harbor Statement



This presentation contains forward-looking statements and information that involve risks, uncertainties and assumptions. Forward-looking statements are all statements that concern plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are other than statements of historical fact, including, but not limited to, those that are identified by the use of words such as “anticipates”, “believes”, “estimates”, “expects”, “intends”, “plans”, “predicts”, “projects” and similar expressions. Risks and uncertainties that could affect us include, without limitation:

- General economic and business conditions in India and other key global markets in which we operate;
- The ability to successfully implement our strategy, our research and development efforts, growth & expansion plans and technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in the Indian and international interest rates;
- Allocations of funds by the Governments in our key global markets;
- Changes in laws and regulations that apply to our customers, suppliers, and the pharmaceutical industry;
- Increasing competition in and the conditions of our customers, suppliers and the pharmaceutical industry; and
- Changes in political conditions in India and in our key global markets.

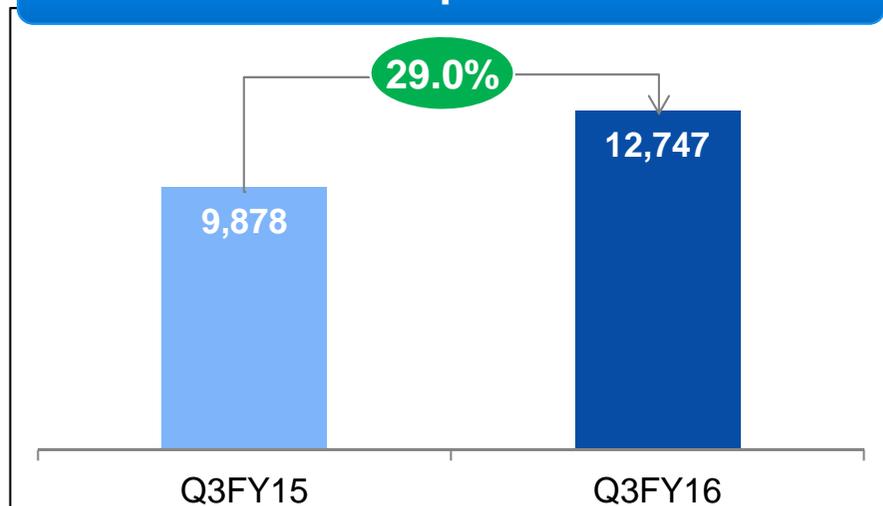
Should one or more of such risks and uncertainties materialize, or should any underlying assumption prove incorrect, actual outcomes may vary materially from those indicated in the applicable forward-looking statements. Any forward-looking statement or information contained in this presentation speaks only as of the date of the statement. We are not required to update any such statement or information to either reflect events or circumstances that occur after the date the statement or information is made or to account for unanticipated events, unless it is required by Law.

Financial Highlights – Q3FY16 Consolidated

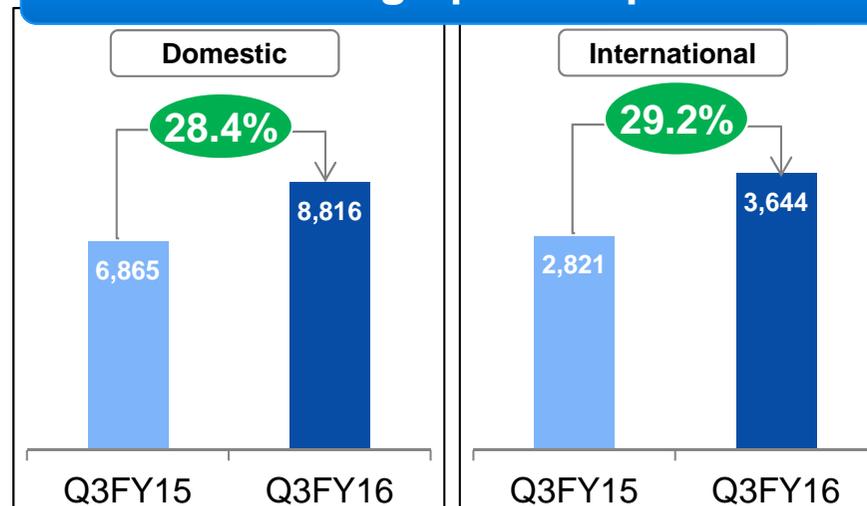


All figures in INR mn

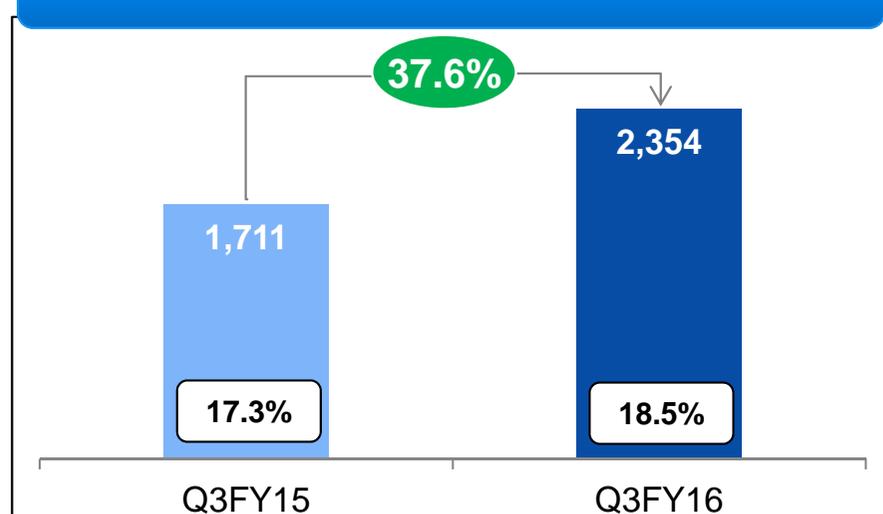
Net Income from Operations



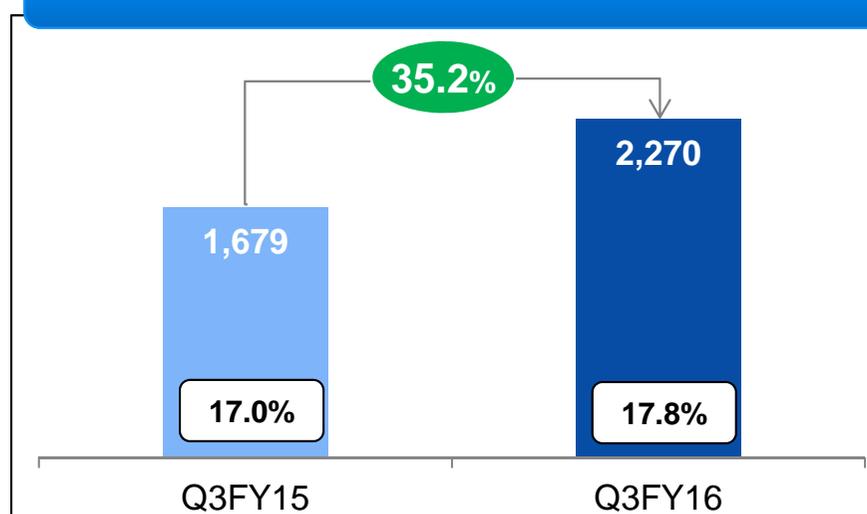
Net Sales – Geographical Split



EBITDA



PBT



YoY Growth%

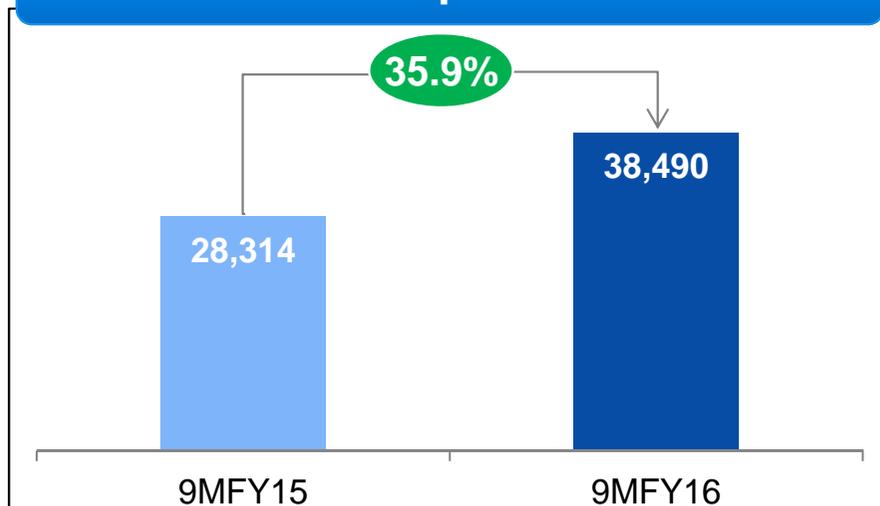
% of Net Income from Operations

Financial Highlights – 9MFY16 Consolidated

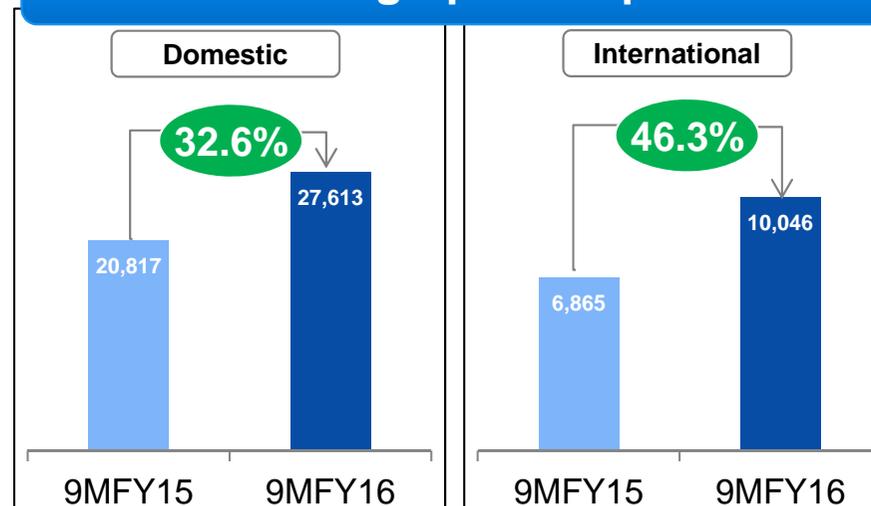


All figures in INR mn

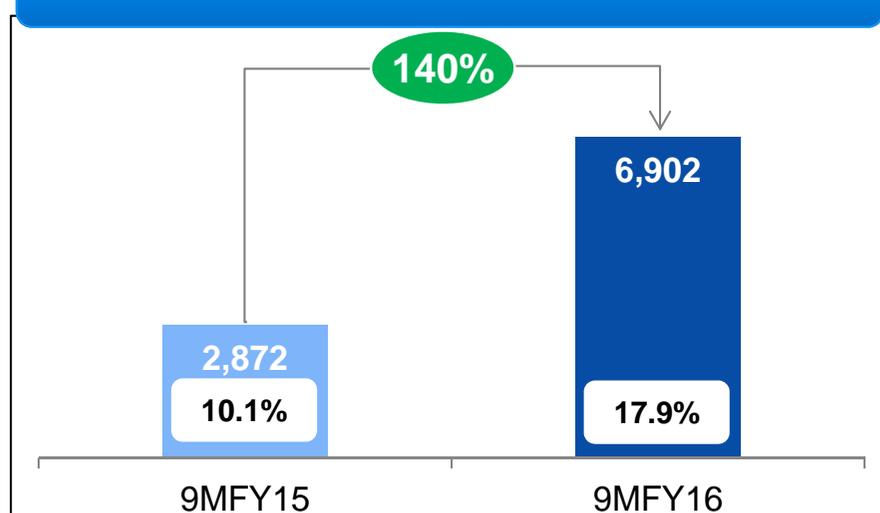
Net Income from Operations



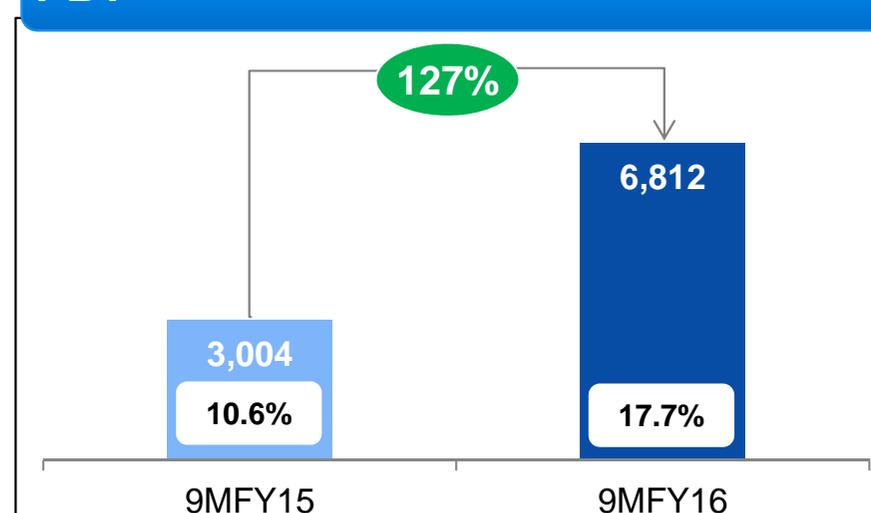
Net sales – Geographical Split



EBITDA



PBT



YoY Growth%

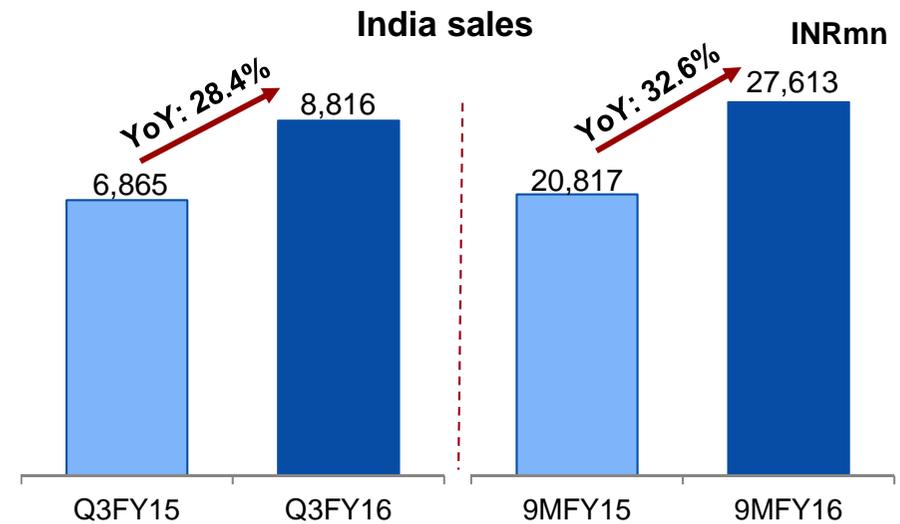
% of Net Income from Operations

Business Highlight Q3FY16

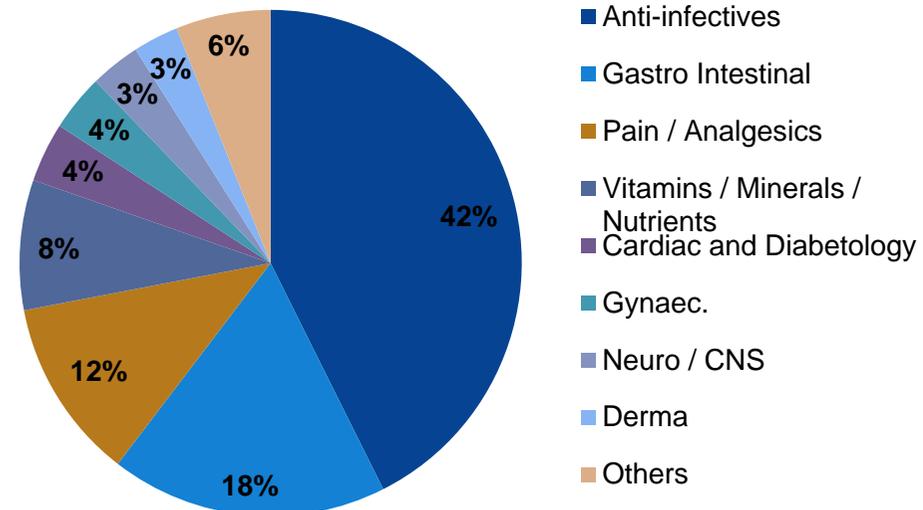


India Business: Q3FY16 Net Sales of Rs.8,816 million (28.4% growth¹ YoY)

- India sales contributed 70.8% to total net sales for Q3FY16
- During the quarter, our secondary sales grew by 18.6% YoY – higher than Indian Pharmaceutical Market growth of 15.2% (Source: IMS SSA Dec'15)
- Company maintained its leadership position in established therapies of Anti-infectives, Gastro Intestinal, Pain / Analgesics and Vitamins / Minerals / Nutrients
- Improved market ranking in emerging therapies like Neuro / CNS, Cardiac and Anti-Diabetic
- 5 brands featured among top 50 and 13 among top 300 brands in India (Source: IMS SSA MAT Dec'15)



Therapy-wise breakup²

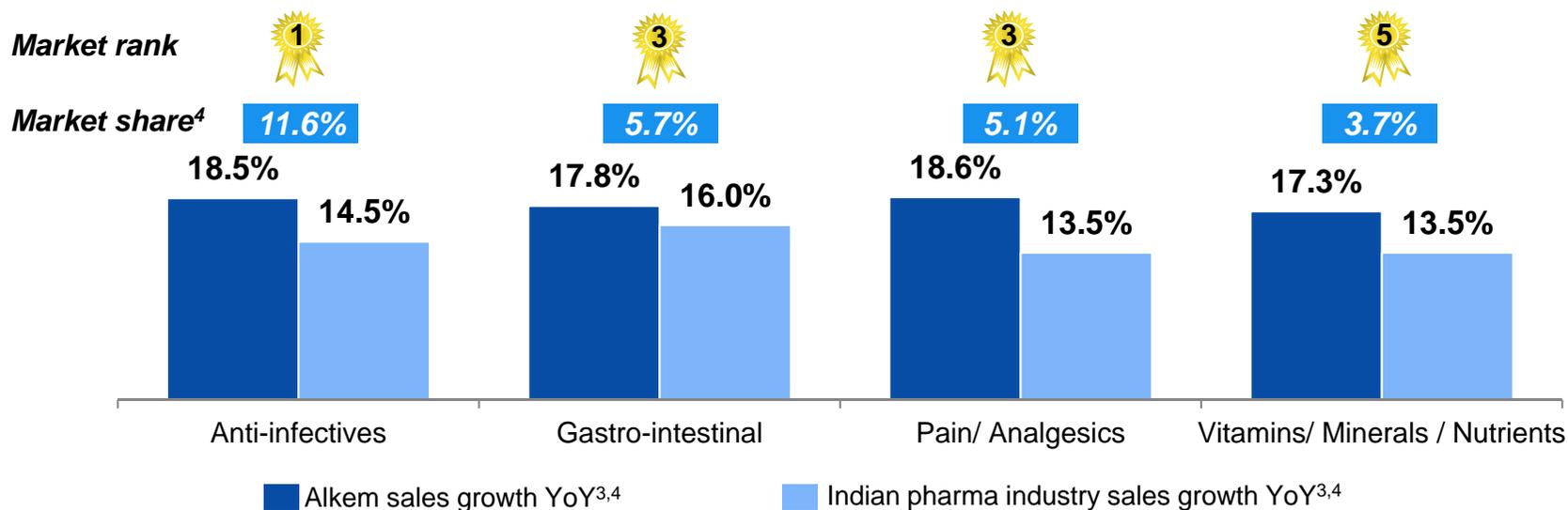


1. Growth after consolidation of Indchemie and Cachet's results in the current financial year

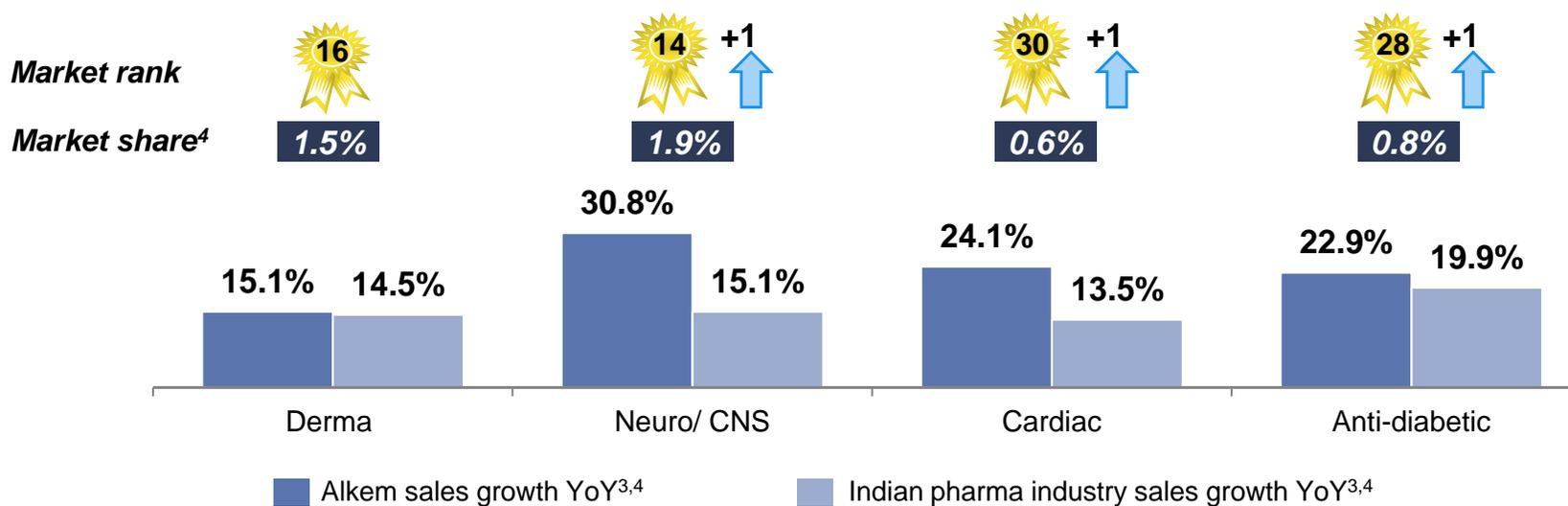
2. Source: IMS SSA MAT Dec 2015

India Business: Therapy Performance during Q3FY16

Established therapeutic areas of Alkem



Emerging therapeutic areas of Alkem

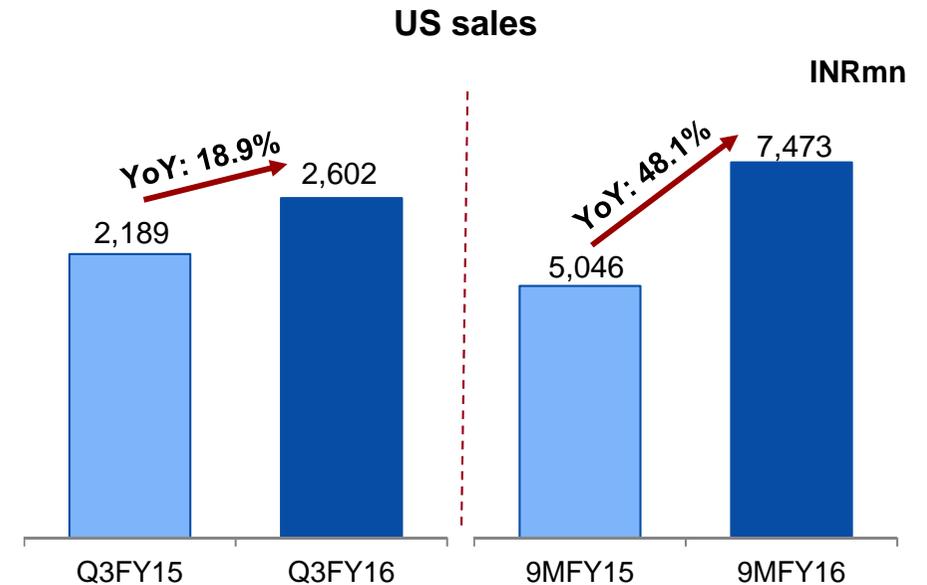


Business Highlight Q3FY16

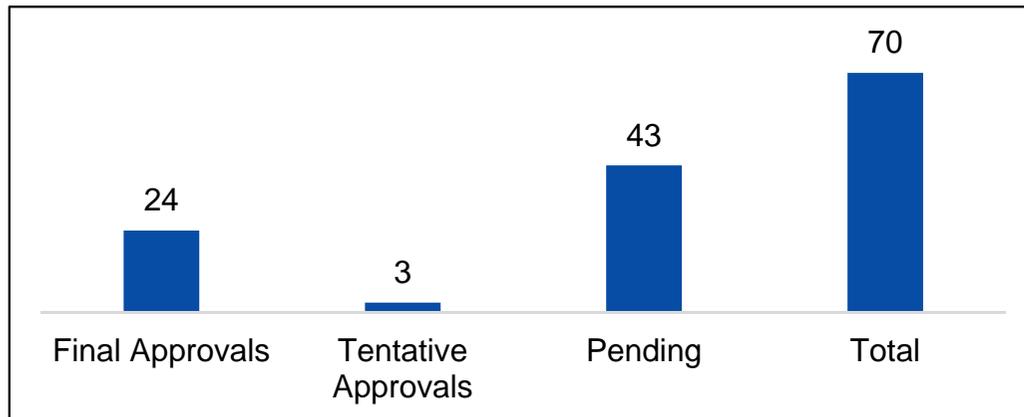


US Business: Q3FY16 Net Sales of Rs. 2,602 million (18.9% growth YoY)

- US sales contributed 20.9% to total net sales for Q3FY16
- Filed 2 ANDAs during the quarter, taking the cumulative ANDA filings to 70 and 1 NDA (as on 31st Dec'15)
- Received 5 ANDA approvals (including 1 tentative approvals) during the quarter, taking cumulative ANDA approvals to 27 (including 3 tentative approvals) and 1 NDA (as on 31st Dec'15)



Cumulative US filings⁵



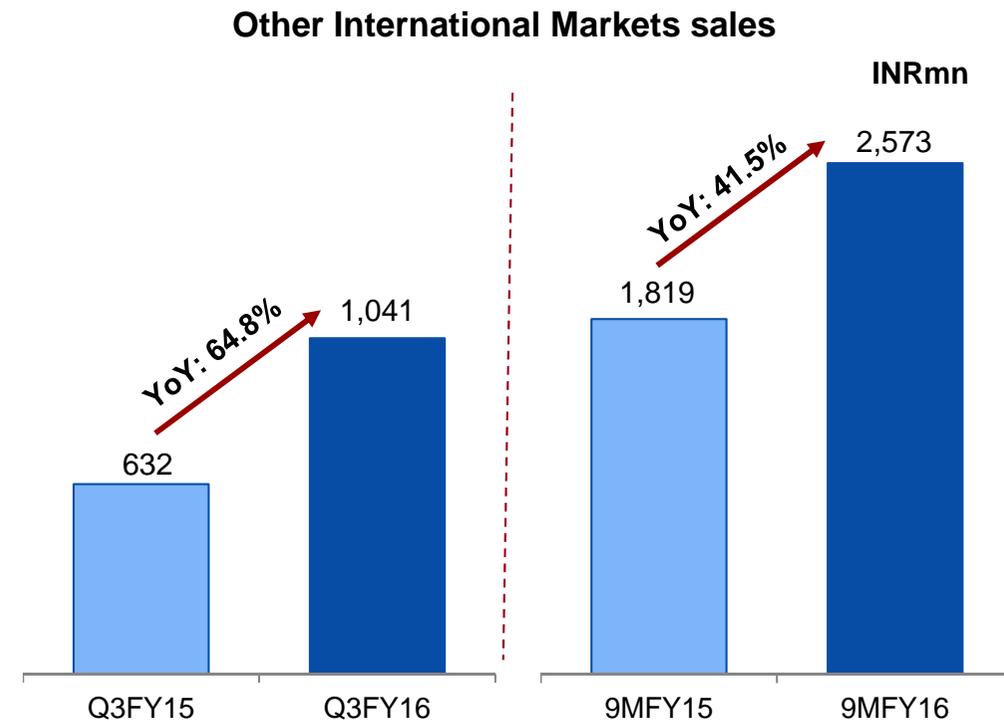
U.S. Filings	# Nos.
Total ANDAs	70
ANDA - Para IV (inc. FTF)	30
DMF	18
NDA	1

Business Highlight Q3FY16



Other International Markets: Q3FY16 Net Sales of Rs.1,041 million (64.8% growth YoY)

- Company has presence in more than 50 international markets
- Other International sales contributed 8.4% to total net sales for Q3FY16
- Growth in the Other International Markets sales was driven by growth in key focus markets such as Australia and Chile



Strategy going forward



1

India Sales: Consolidate our leadership position in the acute segment by driving growth in our mega brands

2

India Sales: Increase our market share in the chronic segment through market share acquisition and new product introductions

3

Improve our field force productivity through SFE (Sales Force Effectiveness) initiatives

4

Continued focus on R&D to accelerate ANDA filings for the US markets and develop differentiated portfolio

5

Strategic partnerships / collaborations to enhance capabilities and product portfolio for focus markets

Financials – Key P&L items (Consolidated)

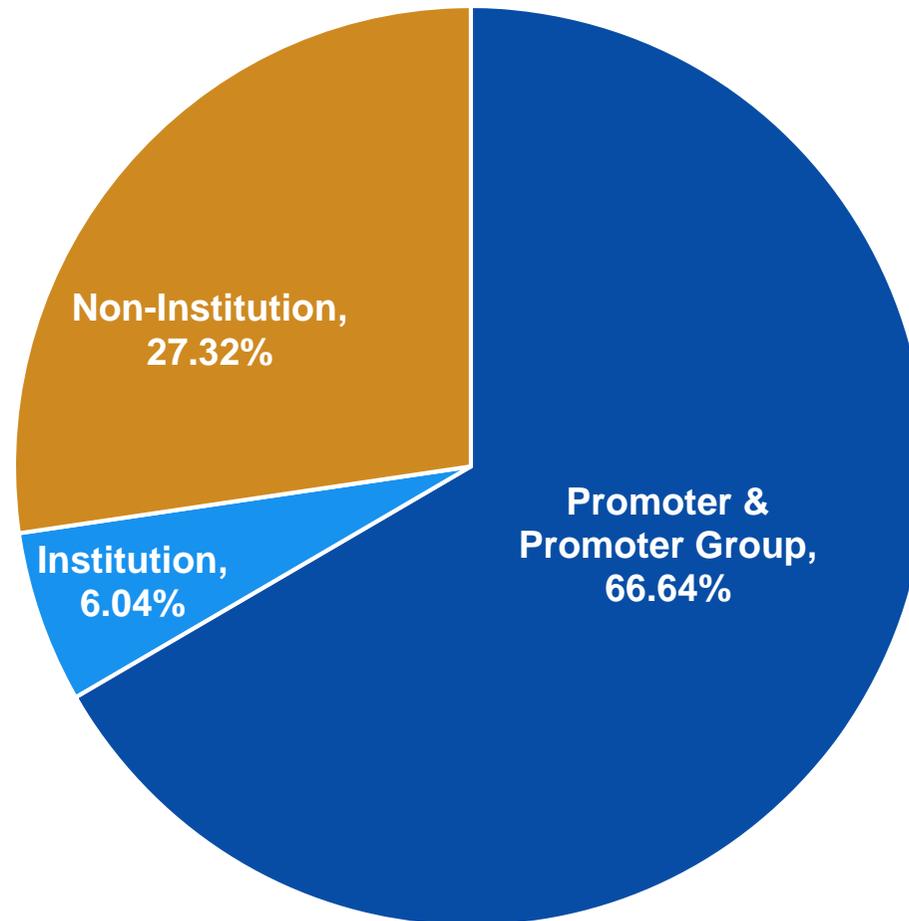


Particulars (Rs mn)	Q3FY16	Q3FY15	YoY growth	9MFY16	9MFY15	YoY growth
Net Income from Operations	12,747	9,879	29.0%	38,490	28,314	35.9%
Gross Profit	7,658	5,760	33.0%	23,157	15,321	51.1%
Gross Profit margin	60.1%	58.3%		60.2%	54.1%	
EBITDA	2,354	1,711	37.6%	6,902	2,872	140.3%
EBITDA margin	18.5%	17.3%		17.9%	10.1%	
PBT	2,270	1,679	35.2%	6,812	3,004	126.7%
PBT margin	17.8%	17.0%		17.7%	10.6%	
PAT (After Minority Interest)	1,889	1,615	17.0%	6,164	2,601	137.0%
PAT margin	14.8%	16.3%		16.0%	9.2%	
EPS	15.8	13.5	17.0%	51.6	21.8	137.0%

Latest Shareholding Pattern



Shareholding pattern as on 31st December 2015



Institution – Mutual Funds, Foreign Venture Capital, Foreign Portfolio Investors and Foreign Institutional Investors

Non-Institution – Individuals, Bodies Corporates, Clearing Members, Non Resident Indians, Hindu Undivided Family and Trusts



Thank You