



Marksans Pharma Ltd.

NEWS RELEASE

6th February 2017, Mumbai - India

Marksans Pharma Limited has reported today its financial performance for the Q3 FY 2016-17 and for the Nine months period ended 31st December 2016

Performance Highlights- Consolidated

Marksans Consolidated Revenue at Rs.589.13 crores in Nine months of FY 2016-17

- EBITDA was Rs 43.59 crores for the period.
- Profit after Tax was Rs.12.73 crores for the period.

Q3 FY 2016-17- Consolidated

- Consolidated Revenue Rs. 215.25 crores.
- EBITDA for the quarter Rs. 28.86 crores.
- Net Profit After Tax for the quarter Rs. 11.30 crores.

Management Discussion and Analysis for the Nine months of FY 2016-17

Revenue Figures – Consolidated

	INR in crores			
		First Nine Months of FY 2016-17		
	FY 2016-2017	FY 2015-2016	Growth %	Mix %
Europe, UK – Formulations	223.67	344.79	-35.13%	37.97%
US & North America – Formulations	259.33	241.16	7.54%	44.02%
Australia & NZ – Formulations	79.80	73.05	9.24%	13.54%
Rest of World(ROW)	26.33	26.51	-0.67%	4.47%
Consolidated Revenue from operations	589.13	685.51	-14.06%	100.00%

Business Highlights

- US & North America Formulation business reported revenue of Rs. 259.33 crores. The integration plan of Time Cap Labs Inc. is on track. The label transition is underway. This has resulted in the short term slowdown in sales of its existing products.



www.marksanspharma.com

CIN L24110MH1992PLC066364

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- Company achieved revenue of Rs. 223.67 crores from Europe, UK Formulation business as compared to Rs. 344.79 crores achieved during last year same period. The UK based business is witnessing higher competition, price erosion, channel consolidation and moderation in volumes off takes. The UK business numbers were further impacted by pound fall after Brexit vote.
- Australia & NZ Formulation business grew by 9.24% to Rs. 79.80 crores from Rs. 73.05 crores during previous year same period.
- Rest of World Formulation business was Rs. 26.33 crores. Almost 95.53% of company's total revenue came from regulated markets of US, Europe, Australia.

New Approvals

Marksans is currently marketing 12 approved ANDAs in USA. It has made 8 more ANDA filings which are awaiting approval. During the period we have received ANDA approval for Metformin Hydrochloride Extended Release(ER) USP 500 mg and 750 mg Tablets, Paricalcitol 1mcg, 2mcg and 4mcg(ANAA 204948) and for Loratidine liquid filled capsules 10mg(ANDA 206214). Company has launched all three products in US market.

Information Technology Initiative

We are implementing state of the art IT applications in automating the processes in Quality, Manufacturing and R & D. We are also investing significant amount of resources to build IT platform to de-risk the manufacturing and quality management systems and to adopt best practices in the industry. The implementations spread across Lab automation, instrument integration and manufacturing execution systems. During the initial testing, development, and implementation phase we expect slowdown in the operations during the current year. The company has incurred exceptional costs of Rs. Two crores during December quarter on account of these initiatives and expect to incur another upto USD Half million in March quarter.

Change Management

Marksans has hired top-notch professional senior management team at corporate and at site, who have rich experience of the best practices, knowledge base and leadership. The list includes Executive Director, Site Director, Corporate Quality Assurance and Human Resource leaders.

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About Marksans Pharma Limited

Marksans Pharma Limited (www.marksanspharma.com) headquartered at Mumbai, India is engaged in Research, Manufacturing & Marketing of generic pharmaceutical formulation in the global markets. The company's manufacturing facilities are approved by several leading regulatory agencies. The company's robust product portfolio spreads over major therapeutic segments of CVS, CNS, Anti-diabetic, Pain Management, Gastroenterologicals and Anti-allergies. The company is marketing these products globally.

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential product characteristics and uses, product sales potential and target dates for product launch are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. Marksans may, from time to time, make additional written and oral forward-looking statements, including statements contained in the company's filings with the regulatory bodies and its reports to shareholders. The company assumes no obligation to update forward-looking statements to reflect actual results, changed assumptions or other factors.

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