



ABBOTT INDIA LIMITED

ANNUAL REPORT 2013-14

YOUR EXPERIENCE



OUR PROMISE





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Managing Director

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- Innovative Products
- Cutting Edge Insights
- Trusted Brands
- Building Awareness & Improving Diagnosis
- Culture Of Transparency & Empowerment
- Delivering Performance Leadership

FORWARD LOOKING STATEMENTS

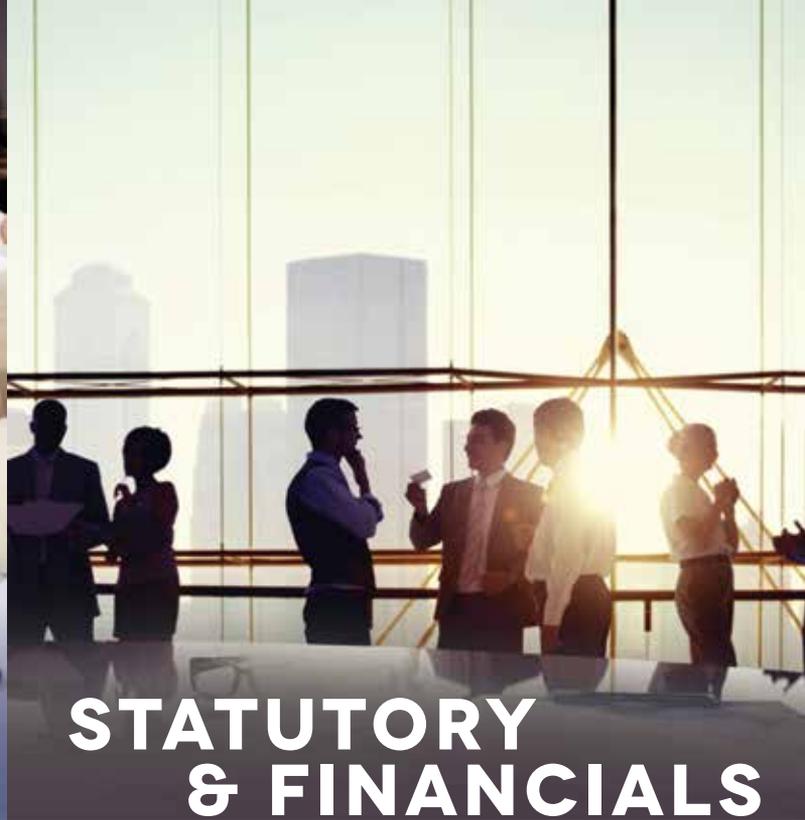
In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', 'promises' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



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ABOUT ABBOTT INDIA

Headquartered in Mumbai, Abbott India Limited, is a publicly listed company and a subsidiary of Abbott Laboratories, USA. Abbott India enjoys strong brand equity in multiple therapeutic categories including Women's Health, Gastroenterology, Neurology, Thyroid, Diabetes, Pain Management, Vitamins and Anti-Infectives.

Abbott India is one of India's fastest growing pharmaceutical companies. Our success is driven by a combination of a highly competent and motivated team, R&D backed products aided by strong alliances and partnerships with our suppliers and customers. Abbott

India employs over 2700 people and reaches customers through a network of 30 distribution points, catering to over 4,900 stockists and 150,000 retail outlets. Abbott India has over 120 employees working at a state-of-the-art formulation plant at Verna, Goa. The manufacturing



plant is designed to produce high volume and high quality formulations using cost efficient processes and has well equipped laboratories and trained personnel to ensure compliance with international quality standards. We have in-house Research & Development team which

undertakes product development catering to the needs of the Indian market.

Abbott India believes in providing quality healthcare through a mix of global and local products which directly impact the life of the common person in India.



MUNIR SHAIKH | CHAIRMAN

Dear Shareholders,

.....
At Abbott India, we have continued our commitment through talent development, performance excellence, ingenuity and continuous improvement. We have identified six key focus areas – innovation to brand building, from capturing insights to driving diagnosis, developing talent and flawless execution. These initiatives combined together will help enhance our performance in the future.
.....

I am delighted to report that this year again, your company delivered outstanding results, improving our performance over the previous year. We have outperformed the Indian Pharmaceutical Market, with our core business

growing at 14.1%* when the market grew by 10.1%# over the prior year.

This performance is achieved inspite of slowing economy, high inflation, weakening currency and a tight monetary policy.

As you may be aware, implementation of the Drugs Prices Control Order (DPCO) 2013 had a significant impact on some of our major brands like Thyronorm, Obimet, Epilex. These brands faced new price limits which have directly impacted our profitability.

Despite these challenges, Abbott India was successful in delivering a sterling performance, with impressive gains in both revenues and profits. In light of this achievement, your Board has recommended a dividend of ₹ 23 per share.

During the year, we launched 9 new products of which, Titaferon (Peg interferon) has emerged as a leading brand in its therapeutic area in Hepatic Care.

* annualised #source IMS

Our internal efficiencies ensured we deliver superior margins inspite of DPCO by better cost management and resource productivity.

Our ongoing efforts in the area of talent development and talent engagement were contributing factors to Abbott India being awarded the prestigious Business Today award for The Best Company to Work For.

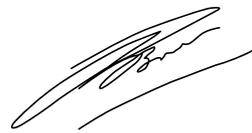
The current global macro economic situation is uncertain and could pose challenges in future while DPCO will continue to test margins in the Pharmaceutical industry. It is, therefore, prudent to remain cautious. We will adopt a dual focus, which drives growth where opportunities exist and capture operational efficiencies which will reduce cost. The result of the current election promises hope and if the economy accelerates, we are well poised to capture any gains that may result.

Our focus on the six pillars - innovative products, building brands, better insights, driving patient awareness, developing talent and delivering performance through superior

execution - gives us a strong combination to build a platform that enables business performance.

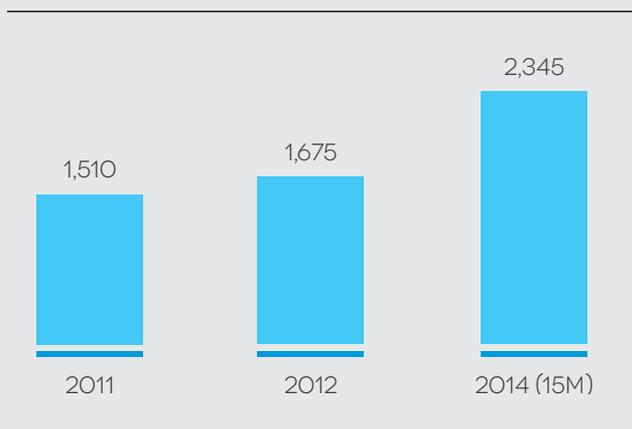
We are looking to leverage technology to simplify processes and make our field staff more effective. The effort put in by the senior management team on continuing to build our key brands and providing a platform for talent to grow, continues to pay dividends.

I would like to thank our employees for their tireless efforts and all other stakeholders including our shareholders for their sustained trust and faith in the Company. I also thank the Board of Directors for their counsel, support and advice. I am confident we will continue to grow and provide better healthcare to patients.



Munir Shaikh
Chairman

TOTAL REVENUE (₹ IN CRORES)



Total Revenue

₹ 2,345 Crores

PAT

₹ 198 Crores

EPS

₹ 93.39 / Share

Dividend

₹ 23 / Share



REHAN A. KHAN | MANAGING DIRECTOR

Dear Shareholders,

.....
It is only when each part of the machine works in complete synchronisation with other parts that overall efficiency is possible. At Abbott India, we are all linked and geared, to multiply our individual strengths for collective wins.
.....

It is always a pleasure and privilege to share with you performance, outlook and strategy for your Company as we navigate through some very interesting and challenging times in the industry. It has been an exciting journey for me since I joined Abbott India in May 2012, and I am proud of our achievements and transformation during the last two years.

Amidst a difficult and challenging transactional environment that included global and domestic slowdown in growth and industry regulatory

constraints, we persevered and prevailed. We delivered:

Sales: up to ₹ 2,231 Crores (15m) from ₹ 1,613 Crores (12m)
.....
PAT: up to ₹ 198 Crores (15m) from ₹ 145 Crores (12m)

This solid performance was achieved though consolidated and cohesive efforts that included everyone – from our field to our manufacturing teams, from our marketing to our operations teams, and from our HR to our finance teams. Each and every team member has contributed to our success.

Our focus on growing and developing talent, speed of execution and simplification of processes has lead to better on ground execution and engagement with our customers. These have started paying dividends as is evident in this year’s performance.

Let me share with you key highlights in each division:

1. Women’s Health and Gastroenterology:

- Our largest division, Women’s Health and Gastroenterology, exhibited a robust growth of 14.0%+.
- We launched the ‘Gastro United Team’ to synergise programs across the three businesses covering Gastroenterologists for all our Gastroenterology brands.
- We launched innovative products like Duphalac Enema and Titaferon, both of which are beginning to display robust traction.

2. Specialty Care:

- Our flagship product, Thyronorm crossed ₹ 100 Crores in revenues.
- The Neurology therapy area scaled up its marketing campaign and activities leading to a 19.6%+ growth in Vertin.
- This division recorded growth of 20.0%+ and continues to outperform in the participated market.

3. General Care:

- This division witnessed an impressive turnaround growing at 13.5%+ from a slight de-growth in 2012.
- More than 40% of the field employees displayed strong performance and achieved their goals.

- We also introduced exciting new products in this division such as Enliva (GI Disorders) and Arachitol (Vitamin D Supplement). These have already started gaining market share.

We remain focused and driven: to accelerate growth ambitiously and aggressively. We will keep building on our momentum of the last two years and sustain our market beating growth. We will remain focused on actively driving commercial excellence and streamlining our processes to build speed and reduce operating costs. Our intensed focus on constantly building and upgrading skills will empower field teams for better customer engagement and significantly increase our revenues from new products. In addition, we will continue to build some of India’s biggest brands through better science and focused execution.

As we prepare to deliver yet another year of stellar performance, our focus remains constant and unchanged - to enhance Your Experience with Our Promise.

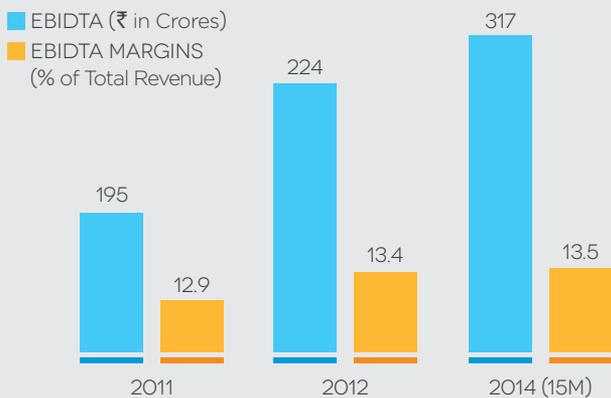
With warm regards,



Rehan A. Khan
Managing Director

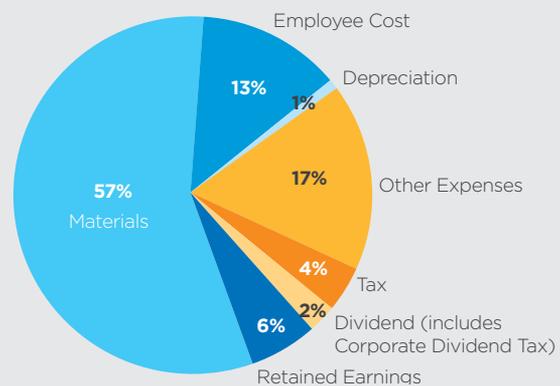
+ annualised

EBITDA



REVENUE DISTRIBUTION

Total Revenue - ₹ 2,345 Crores



YOUR EXPERIENCE

