



EQUITY STRATEGISTS

FUNDAMENTAL PICK

LOW RISK/SUPER RETURN

HOLDING PERIOD – SIX MONTHS

Dated – 03rd Oct 2003

MATRIX LABS (Listed only in BSE)

Present Price – Rs.840

Projected Price – Rs.1200

We were one of the first to recommend this scrip at a price of Rs.289.25 on 4th April 2003 and our target of Rs.500 was achieved in a span of less than three months. Readers who want a copy of our initial recommendation can send a request.

Our recent discussion with the management has prompted us to recommend this scrip once again even at this high price **as the company is now moving into a NEW ORBIT.**

- MATRIX IS ONE OF THE RARE COMPANIES IN THE INDIAN CORPORATE SECTOR WHICH SAW AN 301.37 PER CENT GROWTH IN ITS TOPLINE AND A PHENOMENAL 1151.31 PERCENT GROWTH IN ITS BOTTOMLINE IN FY03.
- Matrix has now developed new products to enter new therapeutic segments, reach new customers and enter new geographies. New product launches in new markets will lead to a reduced dependence on Citalopram.
- Matrix objective is to achieve a Rs.10 billion turnover target by FY06 at only 70 percent capacity utilization.
- Matrix is in the process of developing three non-infringing and patentable processes in the cardio-vascular and CNS segment. It expects to launch one molecule in each of the next three financial years. It has 30 APIs under development that straddles the CNS, anti-fungal, anti-histamines/ anti-asthmatic, anti-viral, proton pump inhibitor, pain management and cardio-vascular segments. By FY07, the company plans to sell commercial quantities for 25 products in USA and Europe.
- It has a dedicated R&D center comprising 250 professionals in generic and NCE research. Matrix is targeting filing 10 process patents in FY04 of which 6 have already been filed.