

**Jubilant Life Sciences Ltd.**

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**PRESS RELEASE****Noida, Tuesday November 01, 2011****Jubilant Q2 FY2012****Revenue - Rs. 1,048crore, up 22% YoY****EBITDA - Rs. 241crore, up 58% YoY****EBITDA Margins at 23.0% as against 17.8% in Q2'FY11****PAT - Rs. 79crore after unrealised FE Loss Rs. 43crore in Q2'FY12, up 8% YoY**

The Board of Jubilant Life Sciences Limited, an integrated pharmaceutical industry player and the largest Custom Research and Manufacturing Services Company in India met today to approve financial results for quarter and half year ending September 30, 2011.

**Quarterly Results**

In the Second quarter of FY2012, Revenue was at Rs 1,048crore, up 22% YoY and 11% QoQ. The International business from 75 countries contributed 70% to Net Sales at Rs 730crore. Sales from regulated markets of USA, Canada, Europe and Japan were together at Rs 608crore and amounted to 58% of the Net Sales. Sales from USA and Canada grew 34% followed by 27% YoY growth in Europe and Japan regions and 22% in India.

In Q2'FY12, the Company EBITDA was Rs. 241crore up 58% YoY with margins at 23.0%, compared to 17.8% in Q2'FY11. Net Profit for the quarter grew 8% YoY and stood at Rs 79crore, after accounting for Rs. 43crore mainly due to unrealized foreign exchange loss in Q2'FY12. For Q2'FY12, Basic/Diluted EPS stood at Rs. 4.98 per equity share of Re. 1.00 FV recording growth of 19% YoY on Diluted basis.

Revenue from Life Science Products which stood at Rs. 833crore contributed 79% to sales. It grew 25% YoY from Rs 666crore in Q2'FY11 and 13% QoQ from a base of Rs 739crore, backed by both volume growth and pricing strength. The share in revenue of Life Sciences Ingredients was 56% at Rs 592crore with YoY growth of over 6%. Generics with sales of Rs 241crore contributed 23% to the revenue mix and recorded a growth of 118% YoY. Product business EBITDA margins were higher at 26.8% from 24.2% in Q2'FY11, an increase of 260bps.

Life Science Services Revenue was at Rs 215crore, depicting growth of 12% YoY and 5% on QoQ basis. CMO contributed 15% to the Revenue Mix at Rs 154crs, and Drug Discovery and Development Solutions reported Rs 58crs in net sales, contributing 6% to the revenue mix for the quarter. Services business maintained momentum in EBITDA with 16.7% margins, a six fold increase compared to 2.8% in Q2'FY11.

**Half Yearly Results**

In the First Half of FY2012, Revenue was at Rs 1,992crore, up 19% YoY. The International business contributed 69% to Net Sales at Rs 1,383crore. Sales from regulated markets of USA, Canada, Europe and Japan were together at Rs 1,130 crore and amounted to 57% of the Net Sales. Sales from Europe and Japan regions grew 37% YoY followed by 22% growth in USA and Canada and 20% in India.



For the six months period under consideration, the Company EBITDA was Rs. 431crore up 46% YoY, with margins at 21.7%, compared to 17.7% in corresponding period last year, up 400bps. Net Profit for the first Half Year stood at Rs 156crore, growing 26% on YoY and Basic/Diluted EPS stood at Rs. 9.82per equity share of Re. 1.00 FV recording growth of 40% YoY on Diluted basis.

Revenue from Life Science Products which stood at Rs. 1,572crore contributed 79% to sales. It grew 22% YoY basis from Rs 1,287crore in the corresponding period last year, backed by both volume growth and pricing strength. The share in revenue of Life Sciences Ingredients was 60% at Rs 1,200crore with YoY growth of 11%. Generics with sales of Rs 373crore contributed 19% to the revenue mix and recorded a growth of 78% YoY. Product business EBITDA margins were higher at 25.0%, up 140 bps from 23.6% in the corresponding period last year.

Life Science Services Revenue was at Rs 420crore, depicting growth of 8% YoY. CMO contributed 15% to the Revenue Mix at Rs 305crs, and Drug Discovery and Development Solutions reported Rs 109crs in net sales, contributing over 5% to the revenue mix for the half year. Services business recorded high growth in EBITDA with 17.0% margins, depicting over three fold increase from corresponding period last year.

**Commenting on the Company's performance, Mr. Shyam S Bhartia, Chairman & Managing Director and Mr. Hari S Bhartia, Co-Chairman & Managing Director, Jubilant Life Sciences said:**

*"We are happy to share that the Company has delivered strong revenue and earnings growth in the second quarter of FY2012 as well as for the first half year. Generics business led the growth in terms of revenue and profitability leading to higher contribution from the segment. Services business witnessed a substantial turnaround with increase in margins and sales growth and is expected to continue the performance due to strong order book and higher capacity utilisation.*

*Our growth momentum should continue in the following quarters backed by the commissioning of new capacities lined up for the year; innovation led new product launches & expansion in focussed geographies in Products business with sustained higher margins in Services business."*

**Filings & Approvals**

During the quarter, the Company filed 2 DMF in the US taking the total US DMF filings to 54. There were 4 ANDA filings in the US, in therapeutic areas of CVS, anti-infective and anti migraine in the same period. It received ANDA approval for Pantoprazole Sodium Delayed Release Tablets 20mg & 40mg, a generic drug in Gastro Intestinal therapeutic area, to be supplied from Roorkee, in India in the quarter gone by thereby improving further growth opportunities for the generics business. During the quarter, the dosage formulation plant at Roorkee received approval from ANVISA, Brazil.

**New order Wins**

During the quarter, the Company signed a long term supply in Life Science Ingredients business with a leading international Life Sciences company. The total value of this 'take or pay' contract is in the range of US\$ 80-100 million, to be supplied in 3 years from first quarter of FY13.

It also signed a multi-year contract in CMO business with a leading US pharma company to manufacture a prominent over the counter (OTC) women health and personal care product in North America for the same geography. The total value of this 'take or pay' contact is around US \$ 70 million for a period of over 4 years.



The Company has recently entered into collaboration with Norgine, a leading European speciality pharmaceuticals company under its integrated drug discovery model to provide pre-clinical candidates for developing multiple targets in gastrointestinal diseases for an initial period of 3 years.

As per strategy to strengthen its reach in the European markets, the Company appointed a leading Sweden based firm as its sales & marketing agent for two of key life science chemicals.

### **Capacity Additions**

The Company recently commissioned its manufacturing facility at SEZ in Gujarat with commencement of commercial production of 10,000 TPA Niacinamide and an Intermediate, 3-Cyanopyridine, to cater to the growing global needs of Nutrition Ingredients.

The Company also commissioned at its manufacturing facility at SEZ in Gujarat a multipurpose Life Science ingredient facility for pharmaceuticals industry for which it has already received orders from international customers.

The Pyridine capacity has been expanded during the quarter, as planned and is now catering to the global requirements from new facility. Earlier in the year, plants for Agro actives/ Intermediates had been commercialised, aiding the growth in Ingredients segment.

Other capacity projects of Life Science Chemicals plant and the Life Science Ingredient for Symtet plant are on track.

### **Outlook**

The overall underlying strength of our business has been strong due to increasing order book position and capacity utilisation in all our business segments. In second half, the Company expects to continue to build on the robust sustainable revenue and margin growth momentum recorded in the first half.

In Products business, revenue growth would be on account of commissioning of new capacities, innovation led product launches and geographic expansion while operating profit growth would be backed by improved capacity utilisation and increased vertical integration.

In Services business, focused margin improvement initiatives of increased capacity utilisation, higher margin product mix and cost optimization would continue to lead to higher profitability.

### **About Jubilant**

Jubilant Life Sciences Limited is an integrated Pharma and Life Sciences Company. It is the largest Custom Research and Manufacturing Services (CRAMS) player and a leading Drug Discovery and Development Solution (DDDS) provider out of India. The Company provides Life Sciences products and services across the value chain. With 10 world-class manufacturing facilities and a team of ≈6000 multicultural people across the globe, the Company is committed to deliver value to its customers spread across 75 countries. The Company is well recognized as a 'Partner of Choice' by leading life sciences companies worldwide. For more info: [www.jubl.com](http://www.jubl.com)



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*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. Jubilant Life Sciences 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.*

**Jubilant Life Sciences Ltd**  
**Regd. Off: Bhartiagram, Gajraula, Distt. Jyotiba Phoolay Nagar-244 223 (U.P.)**  
**Unaudited Financial Results for the Quarter and Half year ended 30th September, 2011**

( ₹ in Lacs)

Particulars	CONSOLIDATED RESULTS				
	Quarter Ended September 30 (Unaudited)		Half Year Ended September 30 (Unaudited)		Year Ended March 31 (Audited)
	2011	2010	2011	2010	2011
<b>Net sales/Income from operations</b>	<b>104808</b>	<b>85897</b>	<b>199237</b>	<b>167659</b>	<b>343340</b>
Other Operating Income	200	131	619	230	883
<b>Total income</b>	<b>105008</b>	<b>86028</b>	<b>199856</b>	<b>167889</b>	<b>344223</b>
<b>Total expenditure</b>	<b>86282</b>	<b>76131</b>	<b>167486</b>	<b>148684</b>	<b>306812</b>
a) (Increase)/Decrease in stock in trade and work in progress	(4522)	876	(8723)	(1905)	(3880)
b) Purchase of traded goods	6554	4551	13139	10314	24007
c) Raw & process materials consumed	36657	27362	70235	55563	112943
d) Stores, spares, chemicals, catalyst & packing material consumed	5113	5068	10985	10433	21188
e) Power & fuel	5822	5368	11823	10521	22404
f) Other manufacturing expenses	2539	1851	4342	3289	6965
g) Staff cost	20603	18081	39579	35778	71842
h) Depreciation	5080	4926	10057	9768	18010
i) Other Expenditure (Selling, general & admin. Expenses-Including Exchange L	8436	8048	16049	14923	33333
<b>Operating profit before Other Income &amp; Interest</b>	<b>18726</b>	<b>9897</b>	<b>32370</b>	<b>19205</b>	<b>37411</b>
Other Income	340	424	707	657	1296
<b>Profit before Interest &amp; Exceptional Items</b>	<b>19066</b>	<b>10321</b>	<b>33077</b>	<b>19862</b>	<b>38707</b>
Interest (Net)	4969	2476	9307	4423	10506
<b>Profit after Interest but before Exceptional Items</b>	<b>14097</b>	<b>7845</b>	<b>23770</b>	<b>15439</b>	<b>28201</b>

( ₹ in Lacs)

Particulars	CONSOLIDATED RESULTS				
	Quarter Ended September 30 (Unaudited)		Half Year Ended September 30 (Unaudited)		Year Ended March 31 (Audited)
Exceptional items	4260	291	4678	2371	4142
<b>Profit from Ordinary Activities before tax</b>	<b>9837</b>	<b>7554</b>	<b>19092</b>	<b>13068</b>	<b>24059</b>
Tax Expenses (Net)	930	260	2446	838	1336
<b>Net profit from Ordinary Activities after tax</b>	<b>8907</b>	<b>7294</b>	<b>16646</b>	<b>12230</b>	<b>22723</b>
Extraordinary Items (net of tax expenses)	-	-	-	-	-
Minority Interest	971	(52)	998	(159)	(249)
<b>Net profit after Minority Interest</b>	<b>7936</b>	<b>7346</b>	<b>15648</b>	<b>12389</b>	<b>22972</b>
Paid-up share capital (Face value per share ₹ 1 )	1593	1588	1593	1588	1593
Reserves (excluding revaluation reserve)					215634
Earnings per share before and after extraordinary items (Not annualized)					
<b>Basic (₹)</b>	<b>4.98</b>	<b>4.61</b>	<b>9.82</b>	<b>7.78</b>	<b>14.42</b>
<b>Diluted (₹)</b>	<b>4.98</b>	<b>4.17</b>	<b>9.82</b>	<b>7.03</b>	<b>13.04</b>
<b>Public shareholding</b>					
- Number of shares ( ₹ 1 each)	81344677	83627751	81344677	83627751	84129115
- Percentage of shareholding	51.07	52.67	51.07	52.67	52.82
<b>Promoters and promoter group Shareholding</b>					
<b>a) Pledged/Encumbered</b>					
- Number of shares	6552333	8928300	6552333	8928300	7531333
- Percentage of shares (as a % of the total shareholding of promoter and	8.41	11.88	8.41	11.88	10.02
- Percentage of shares (as a % of the total share capital of the company)	4.11	5.62	4.11	5.62	4.73
<b>b) Non-Encumbered</b>					
- Number of shares	71384129	66223724	71384129	66223724	67620691
- Percentage of shares (as a % of the total shareholding of promoter and	91.59	88.12	91.59	88.12	89.98
- Percentage of shares (as a % of the total share capital of the company)	44.82	41.71	44.82	41.71	42.45



**Notes:**

1. During the quarter Cadista Holdings Inc. USA, our step down subsidiary where the company holds 82.38% equity , carrying on its generic business through a wholly owned subsidiary, Jubilant Cadista Pharmaceuticals Inc. USA , was registered with the Securities and Exchange Commission (SEC) of United States of America , under Section 12 (g) of the Securities and Exchange Control Act, United States of America .
2. The Company's operates under one reportable segment viz.Pharmaceuticals and Life Sciences Products and Services (PLSPS).
3. During the quarter the Company has opted for cash flow hedge accounting, in respect of certain transactions, under AS 30 issued by the Institute of Chartered Accountants of India. Accordingly, foreign exchange translation loss of ₹ 1483 Lacs has been debited to hedging reserve account .
4. Exceptional items include :
  - i) Amortization of Foreign Currency Monetary Item Translation Difference Account-loss/(gain) ₹ 2637 Lacs for Q2-FY 2012 and ₹ 2851 Lacs for H1-FY 2012.
  - ii) Mark to Market in respect of Currency and Interest rate swap contracts outstanding at the period end resulting in loss/(gain) amounting to ₹ 1623 Lacs for Q2 FY 2012 and ₹ 1827 Lacs for H1-FY 2012.
5. Tax Expenses(Net) is after considering the MAT Credit Entitlement ₹ 1737 Lacs for H1-FY 2012.
6. The Compensation Committee of the Board on 24th October,2011, has granted 862461 options to eligible Employees/Directors of the Company and its subsidiaries as per JLL Employee Stock Option Plan,2011. Each option shall entitle the holder to acquire 1 equity share of ₹ 1 each fully paid at ₹ 200.05, being the market price as per SEBI guidelines.There is no dilution envisaged on account of this grant.
7. Information on investors complaints for the quarter (Nos.): Opening Balance - Nil, New -23 , Disposals -23, Closing Balance - Nil.
8. The results for the corresponding quarter/six months has been recasted to give effect to the Scheme of Amalgamation & Demerger approved by Hon'ble High Court of Judicature, Allahabad during FY 2011 with effect from 1st April 2010.
9. Previous year / periods figures have been regrouped/reclassified wherever necessary.
10. The above un-audited results were subjected to limited review by the auditors of the Company, reviewed by the Audit Committee at its meeting held on 31st October, 2011 and approved by the Board of Directors at its meeting held on 1st November, 2011.