



JUBILANT
LIFESCIENCES

Financial Results Analysis

Quarter & Year Ended March 31, 2012

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 our reports to shareholders. The company assumes no obligation to update forward-looking statements to reflect actual results, changed assumptions or other factors.

NOTES:

- 1. All Financial Data in this presentation is derived from Audited Financial Results of the Consolidated entity.*
- 2. The numbers for the previous year & quarter have been reclassified and regrouped wherever necessary*
- 3. Closing Exchange Rate for USD 1 at Rs. 44.60 as on March 31'11 & Rs. 50.88 as on March 31'12*
- 4. Numbers for quarter are compared on Year on Year basis with same quarter in previous year*
- 5. Numbers for year are compared on Year on Year basis with the previous year numbers.*
- 6. The Company has exercised the option under clause 46A of AS 11 to account for the effect of restatement of loans in to Foreign Currency Monetary Items Translation Difference Account, which is amortized as required by AS 11*

Year Ended Results Analysis

Income Statement – FY12

Particulars	FY 11	FY 12	YoY Growth
	(Rs Crs)		(%)
Total Income from Operations	3,446	4,278	24%
Total Expenditure	2,888	3,430	19%
Other Income	10	45	
EBITDA including Other Income	568	893	57%
Depreciation	180	221	
Finance Costs	106	209	
Profit after Interest but before Exceptional Items	282	463	64%
Exceptional Item - Gain/(Loss)	(41)	(349)	
Taxes	13	68	
Minority Interest	(2)	31	
Reported Net Profit After Tax and Minority Interest	230	15	-93%
Normalised Net Profit After Tax	271	364	34%
Paid-up share capital (Face value per share Re.1)	15.93	15.93	
Earnings Per Share - Basic (Rs.)	14.42	0.94	-93%
Normalised Earnings Per Share - Basic (Rs.)	17.02	22.83	34%
	(%)		(bps)
EBITDA Margins	16.5%	20.9%	439
Normalised Net Margins	7.9%	8.5%	63

Financial Highlights – FY12

- **Income from Operations of Rs. 4,278crore for FY12, grew 24% YoY**
 - Highest ever income from operations
- **EBITDA at Rs. 893crore in FY12, up 57% YoY**
 - Record highest ever operating profits
 - Margins at 20.9%, grow by 439 bps
 - Other Income includes one time Operating Income of Rs. 25 crore
- **Normalised Profit After Tax at Rs. 363crore in FY12, up 34% YoY**
 - Reported PAT of Rs. 15crore after adjusting for Rs. 349crore of exceptional items, mainly due to impairment of assets/ investments and mark to market unrealised foreign exchange losses
 - Normalised Earnings Per Share for Re. 1 FV equity share at Rs. 22.80 in FY12

JLL Business Reclassification

Business evolution enables the need for reclassification of verticals into Pharmaceuticals and Life Science Ingredients in order to

- Reflect nature of business lines
- Understand the operating matrix

Previous Classification	Current Classification
A. Life Science Products	A. Pharmaceuticals
<ul style="list-style-type: none"> • Life Science Ingredients <ul style="list-style-type: none"> • <i>Proprietary Products and Exclusive Synthesis (PPES)</i> • <i>Nutrition Ingredients</i> • <i>Life Science Chemicals</i> • <i>Active Pharmaceutical Ingredients</i> 	<ul style="list-style-type: none"> • APIs • Generics • Speciality Pharma • Contract Manufacturing of Sterile and Non-Sterile Products (CMO) • Drug Discovery and Development Solutions (DDDS)
<ul style="list-style-type: none"> • Generics <ul style="list-style-type: none"> • <i>Solid Dosage Formulations</i> • <i>Radiopharmaceuticals</i> • <i>Allergy products</i> 	<ul style="list-style-type: none"> • Healthcare
B. Life Science Services	B. Life Science Ingredients
<ul style="list-style-type: none"> • Contract Manufacturing of Sterile and Non-Sterile Products (CMO) • Drug Discovery and Development Solutions (DDDS) • Others 	<ul style="list-style-type: none"> • Proprietary Products and Exclusive Synthesis (PPES) • Nutrition Ingredients • Life Science Chemicals

Revenue Analysis – Business wise –FY12

Business wise Revenue	FY10	FY 11	FY 12	Revenue Mix (%)	YoY Growth %
	Rs. Crore				
Pharmaceuticals	1,585	1,546	2,175	51%	41%
<i>APIs</i>	283	338	448	10%	33%
<i>Generics</i>	152	206	537	13%	161%
<i>Specialty Pharma</i>	231	249	311	7%	25%
<i>CMO</i>	662	530	621	15%	17%
<i>DDDS</i>	249	211	244	6%	16%
<i>Healthcare</i>	8	12	14	0%	17%
Life Science Ingredients	1,801	1,900	2,103	49%	11%
<i>Proprietary Prod. & Excl. Synthesis</i>	945	954	932	22%	-2%
<i>Nutritional Ingredients</i>	197	192	211	5%	10%
<i>Life Science Chemicals</i>	659	754	960	22%	27%
Income from Operations	3,386	3,446	4,278	100%	24%
Inter Divisional Sales		212	460		118%
IDT as % of Income		6%	11%		

- Share of Pharmaceuticals business up from 45% in FY11 to 51% in FY12 with 41% YoY income growth
- Life Science Ingredients witnessed 11% YoY growth led by Nutrition Ingredients and Life Science Chemicals
- Interdivisional sales grow at the rate of 118%, stands at 11% of Income, indicating increased vertical integration

Pharmaceutical Business reports Income of Rs. 2,175crs in FY12, 51% of Revenue Mix

- Witnessed growth of 41% YoY across all business segments
- Continue to be the preferred outsourcing partner for global pharmaceuticals companies in niche areas of injectibles and Drug Discovery
- Focus on Regulated Markets with about 50% assets in North America

APIs income from operations at Rs. 448crore records 33% growth

- Launched 4 products namely Donepezil, Olanzapine, Valsartan and Irbesartan in regulated markets
- Higher capacity utilization in the Sartans facility commissioned in FY11
- Strong product pipeline of 58 DMF in US, 29 in Canada, 6 in Japan, 29 CEPs in Europe and 67 filings in ROW

Generics reports Rs. 537crore of Income with 161% growth

- Growth driven by new launches, better pricing and strong demand for current products
- Leadership position continues in niche products – Methylprednisolone, Terazosin and Meclizine
- Commenced supplies of products to Japan
- Strong product pipeline with cumulative filings of 48 ANDAs in US, of which 19 stand approved; 35 dossiers in EU of which 31 are approved, 9 filings in Canada and 264 in ROW

Specialty Pharma income from operations at Rs. 311 crore

- 25% growth from Radiopharmaceuticals and Allergy products
- Growth in Radiopharma driven by entry into new geographies
- Continue leadership position in I-131, DTPA, MAA and MDP – Therapeutic and Diagnostic products
- Witnessed growth of international sales and market expansion in Allergy products
- No. 1 manufacturer in US for Stinging Insect Venom Immunotherapy Products with continued leadership position as No. 2 in US for allergy immunotherapy

CMO Services of Sterile Injectibles and Non-sterile products income at Rs. 621crore

- Over 17% growth driven by increased capacity utilization
- Improved product mix resulted in revenue and profitability growth
- Won long term contracts valued over \$ 160 mn from innovator companies for supplies to US and Europe

Drug Discovery and Development Services income at Rs. 244crore

- 16% growth recorded primarily on account of achievement of discovery milestones
- US Clinical Research business continues to decline in revenue, hence tested carrying value of goodwill for impairment and provided impairment loss

Healthcare records income from operations of Rs. 14crore, up 17% YoY

Highlights – Life Science Ingredients – FY 12



Life Science ingredients income at Rs. 2,103crore, 49% of the Revenue Mix

- Records 11% growth, mainly driven by volume uptick from enhanced capacities
- Long standing established global leadership positions in the industry
- Innovation led product and process developments continue as hallmark of Jubilant
- Well positioned as a cost effective, high quality integrated manufacturer of products across the value chain

Proprietary Products and Exclusive Synthesis income at Rs 932crore

- Witnessed 2% sales de-growth YoY, divert volumes to internal demand generated for manufacture of value added products
- Undertook Pyridine & Beta Picoline capacity expansion to strengthen global leadership position through vertical integration in Symtet & Niacinamide
- Launch value based pricing initiatives to gain market share
- Global size Symtet plant based on in-house innovative technologies in trial stage

Highlights – Life Science Ingredients – FY 12



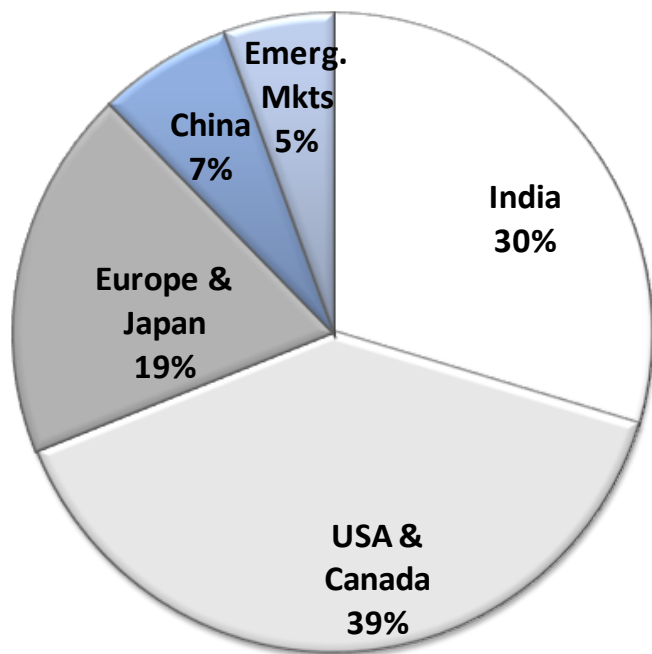
Nutrition Ingredients Income at Rs. 211crore

- Records 10% growth with higher volumes, stable market trends witnessed after a softer previous period
- Commissioned new 10,000 TPA capacity Niacinamide plant to cater to growing global demand led by 7-8% annual growth in Asia Pacific, India and China
- Strong positioning in the competitive Niacinamide market being lowest cost producer with vertical integration up to feedstock
- To continue focus on new high margin products in animal nutrition segment

Life Science Chemicals record income of Rs. 960crore

- 27% growth driven by favorable pricing in major products
- Higher volumes supported by additional capacity commissioned for a key product
- Commence supplies to European and other Emerging Markets for higher growth
- Continue to see growth momentum across focused geographies

Revenue Analysis – Geography wise- FY12



(Rs crs)	FY 11	FY 12	Mix %	YoY %
India	1,070	1,267	30%	18%
International	2,376	3,011	70%	27%
USA & Canada	1,273	1,681	39%	32%
Europe & Japan	539	804	19%	49%
China	321	289	7%	-10%
Emerging Markets	243	237	5%	-3%
Income from Operations	3,446	4,278	100%	24%

- **70% of Income from International Markets at Rs. 3,011crore, grew 27% YoY**
 - Regulated Markets - USA, Canada, Europe & Japan- 58% of mix, record 37% YoY growth
 - Revenue Growth of 49% in Europe and Japan and 32% in North America
- **30% Income from India at Rs. 1,267crs for the year, grew 18% YoY**
 - Healthy traction in pharmaceuticals business of APIs drives domestic growth

Operating Expenditure Analysis –FY12

Expenses (Rs Crs)	FY11	% of Sales	FY12	% of Sales	YoY Growth %
Material Cost	1,340	39%	1,627	38%	21%
Power & Fuel Cost	224	7%	269	6%	20%
Employee Cost	719	21%	836	20%	16%
Other Expenses	606	18%	697	16%	15%
Total expenses	2888	84%	3430	81%	19%

- Across the board reduction in costs as a % of sales reflects improved efficiencies
- Share of Material Costs to sales down due to
 - Higher value addition in vertically integrated Life Science Ingredients and Generics leading to relatively lower growth in material costs
 - Change in product mix in Generics and CMO
 - Business excellence projects lead to operational efficiencies and cost savings
- Operating leverage helps in lowering Employee Costs and Other expenses as a % of Income

EBITDA Analysis – FY12

Business Verticals	EBITDA (Rs. Crs)			Margins (%)		
	FY 11	FY 12	YoY Growth %	FY 11	FY12	Variance Bps
Pharmaceuticals	167	580	246%	10.8%	26.7%	1583
Life Science Ingredients	468	354	-24%	24.6%	16.8%	-783
Reported EBITDA	568	893	57%	16.5%	20.9%	439

Reported EBITDA is net of Corporate Expenses

EBITDA at Rs. 893crores jumped by Rs. 325 crore with 20.9% margins, up 439 bps

- Strong Pharmaceutical Business EBITDA at Rs. 580crore with 26.7% margins
 - Generics commanded better margins due to leadership position in niche products
 - CMO and DDDS witnessed more than two-fold increase in margins as outlined earlier
- Life Science Ingredients Business EBITDA stood at Rs. 354crore with 16.8% margins
 - Competitive pricing to enhance market share and higher input material cost depress margins in FY 12
 - Expect correction in FY 13 due to cost rationalization and operating leverage from higher capacity utilizations

Quarterly Results Analysis

Income Statement – Q4'FY12

Particulars	Q4'FY11	Q4'FY12	YoY Growth
	(Rs Crs)		(%)
Total Income from Operations	900	1,176	31%
Total Expenditure	768	965	26%
Other Income	5	38	
EBITDA including Other Income	137	248	82%
Depreciation	33	66	
Finance Cost	32	59	
Profit after Interest but before Exceptional Items	72	124	73%
Exceptional Item - Gain/(Loss)	(15)	(146)	
Tax Expenses (Net)	-5	35	
Minority Interest	0	6	
Reported Net Profit After Tax and Minority Interest	62	(64)	
Normalised Net Profit After Tax	77	83	7%
Paid-up share capital (Face value per share Re.1)	15.93	15.93	
Earnings Per Share - Basic (Rs.)	3.87	(3.99)	
Normalised Earnings Per Share - Basic (Rs.)	4.83	5.20	8%
	(%)		(bps)
EBITDA Margins	15.2%	21.1%	594
Normalised Net Margins	8.6%	7.1%	-152

- **Income from Operations at Rs. 1,176crs, grow 31% YoY**
 - Record highest ever Income from operations
 - Share of Pharmaceutical business moves up from 46% to 52%
 - Higher volumes from newly added capacities in Life Science Ingredients helps growth
- **EBITDA at Rs. 248 crs, up 82% YoY**
 - Highest ever EBITDA recorded in a quarter
 - Margins at 21.1% for the quarter, grow by 594 bps
- **Normalised Profit After Tax at Rs. 83crs in Q4' FY12**
 - Reported loss of Rs 64crs after adjusting for Rs. 146crs of exceptional items, mainly due to loss of impairment of assets/ investments in clinical research business in USA
 - Normalised Earnings Per Share for Re. 1 FV equity share at Rs. 5.20 in Q4'FY12

Revenue Analysis – Business wise – Q4'FY 12

Business Verticals	Q4'FY11	Q4'FY12	Revenue Mix (%)	YoY Growth %
	(Rs crs)			
Pharmaceuticals	415	616	52%	48%
Life Science Ingredients	485	559	48%	15%
Income from Operations	900	1,176	100%	31%
Inter Divisional Sales (IDTs)	60	133		122%
IDT as a % of Income	7%	11%		

- Company records strong 31% YoY growth in the quarter
- Pharmaceuticals business income at Rs. 616crs records 48% growth
 - Contributes 52% to revenue mix, up from 46% in same period last year
 - Excellent growth driven by sustained momentum in Generics and Speciality Pharma
- Life Science Ingredients income at Rs. 559 crore, records 15% YoY growth
 - strong volumes in Nutrition Ingredients from newly added capacities drive momentum
- IDTs remain strong at 11% of Sales, growing internal demand for manufacture of higher value added products

Pharmaceuticals Business Income of Rs. 616 crs, 52% of Revenue Mix

- 48% growth primarily driven by sustained growth momentum in Generics

APIs

- Filed 4 USD MF in Anti allergy, Iron Chelating, Endocrine and Anti-depressant TA
- Witnesses volume increase in Sartans for sales in Europe and Canada markets

Generics

- Witnessed favorable pricing and volume environment for key products
- Revenue driven by geographic expansion into Europe and Japan
- Filed 4 USANDA in therapeutic areas of CVS & CNS, 5 Dossiers in Canada, 104 filings in ROW

Specialty Pharmaceutical

- Witness strong growth due to increased sales of key products
- Strong entry into new markets by both Radiopharma and Allergy Products businesses
- Deeper market penetration aids volume growth in Allergy Products

CMO Services of Sterile Injectables and Non-sterile products

- Higher utilizations for servicing new contracts improve revenue growth
- Won long term contracts valued at over \$90Mn from four innovator companies

Drug Discovery and Development Solutions

- Incremental sales from new customers and milestone achievements drive quarterly growth
- Revenue from US Clinical Trials business continues to decline, hence tested carrying value of goodwill for impairment and provided impairment loss thereof

Healthcare

- Stable financial performance in the business

Life Science Ingredients Income at Rs. 559 crs, 48% of Revenue Mix

- 15% YoY growth driven by higher volumes from newly added capacities

PPES

- Achieve higher volume growth on back of increased utilization from new capacities to meet enhanced internal demand
- Value based pricing initiatives launched to gain market share
- Continued efforts on process improvement with focus on R&D, manufacturing and Six Sigma

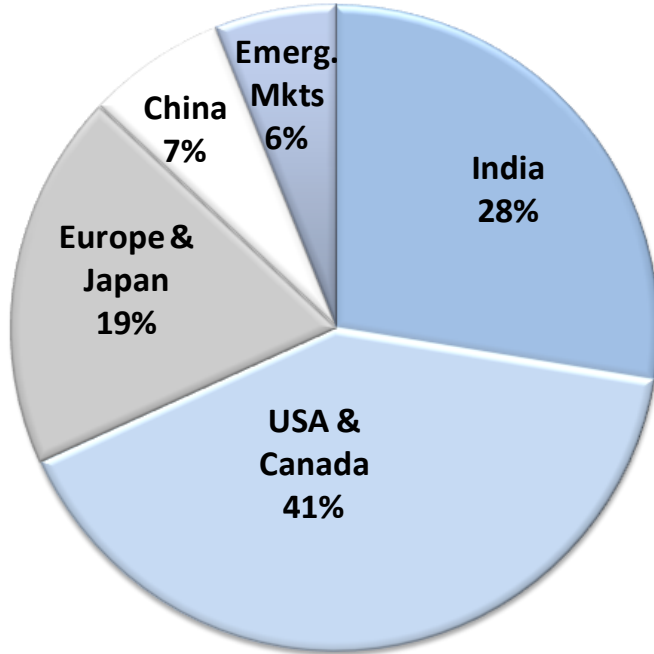
Nutrition Ingredients

- Improved capacity utilisation of new plant at SEZ to 30% in the quarter
- Regular supplies to major international customers commenced for products from the new plant
- Witness stable market trends after a softer previous period

Life Science Chemicals

- Added capacity in a key product at Nira, Maharashtra to aid future volume growth
- Increased business development and marketing initiatives in new geographies
- Win orders for domestic and export markets in key products

Revenue Analysis – Geography wise- Q4'FY12



(Rs crs)	Q4' FY11	Q4' FY12	Mix %	YoY %
India	297	324	28%	9%
International	603	851	72%	41%
USA & Canada	337	477	41%	42%
Europe & Japan	132	221	19%	67%
China	68	81	7%	20%
Emerging Markets	65	71	6%	9%
Income from Operations	900	1,176	100%	31%

- **72% of Income from International Markets, at Rs. 851crs, grew 41% YoY**
 - Regulated Markets - USA, Canada, Europe & Japan contribute a high revenue mix
 - Revenue growth of 67% in Europe and Japan and 42% in USA & Canada mainly driven by Generics and Ingredients business
- **28% Income from India at Rs. 324crs in the quarter, up 9% YoY**
 - Healthy traction in APIs and PPES business drives domestic growth

Operating Expenditure Analysis – Q4'FY12

Expenses (Rs Crs)	Q4'FY11	% of Sales	Q4'FY12	% of Sales	YoY Growth %
Material Cost	348	39%	475	41%	36%
Power & Fuel Cost	64	7%	73	6%	14%
Employee Cost	183	21%	212	18%	16%
Other Expenses	173	19%	205	17%	18%
Total expenses	768	86%	965	82%	26%

- Share of Material Costs to Sales higher due to
 - Increased volumes of products being manufactured
- Staff costs witness economies of scale
 - reflected in lower cost as a % of income
 - Improvement in leadership pyramid with rationalised cost structure
- Operating leverage helps to reduce other expenses as a % of sales

EBITDA Analysis Q4'FY12

Business Verticals	EBITDA (Rs. Crs)			Margins (%)		
	Q4'FY11	Q4'FY12	YoY Growth %	Q4'FY11	Q4'FY12	Bps
Pharmaceuticals	50	187	274%	12.1%	30.4%	1833
Life Science Ingredients	107	53	-51%	22.0%	9.4%	-1266
Reported EBITDA	137	248	81%	15.2%	21.1%	586

Reported EBITDA is net of Corporate Expenses

- **All time high EBITDA of Rs. 248 crore in a quarter**
 - Margins of 21.1%, up 586 bps YoY
- **Pharma business EBITDA at Rs. 187crs with 30.4% margins**
 - Witnesses 3 fold growth due to strategic initiatives taken across all businesses
- **Life Science Ingredients EBITDA at Rs. 53crs with 9.4% margins**
 - Witnesses pressure on account of competitive pricing and higher input material costs
 - Expect correction backed by cost rationalization and operating leverage

Total exceptional items for FY12 at Rs 349crs

- **Loss on account of impairment of assets / Diminution in value of investments Rs 167crs:**
 - The Company has tested the carrying value of goodwill in its US Clinical Research business and accordingly provided for an impairment loss with respect to goodwill amounting to Rs. 150crs as on March 31, 2012.
 - The Company has also provided for diminution in value of its certain strategic investments which were considered to be other than temporary amounting to Rs. 17crs.
- **Unrealised Mark to Market book loss Rs 121 crs on account of**
 - Currency movement of USD, from base of Rs 45 to Rs 50.88, with respect to Rupee Loan of Rs 910crs swapped into USD Loan of \$202 Million at the time of FCCB repayment.
- **FCMITDA Amortisation of Rs 41crs**
 - Unrealised exchange loss amortised on Long Term Foreign Currency Loan of USD 218Mn over the period of tenure of the loan as per Clause 46A of AS 11.
 - Balance amount of Rs 72crs debited to Exchange Fluctuation Reserve account at exchange rate of Rs. 50.88
- **Write off with respect to discontinuation of few products under development in Generics Business amounting to Rs 20crs.**

Debt Profile

Particulars	March 31, 2011	March 31, 2012
Foreign Currency Loans	(\$ Mn)	(\$ Mn)
Standalone	190	268
Subsidiaries	195	175
FCCB	142	0
Total	527	443
Rupee Loans	(Rs. Crs)	(Rs. Crs)
Standalone	438	650
Subsidiaries	26	-
Rupee Loan Swapped	1,070	910
Total	1,534	1,560
Gross Debt	3,884	3,815
Cash & Equivalent	1,046	267
Net Debt	2,838	3,548
Change on account of exchange rate difference		278
Net Debt - Adjusted for foreign exchange difference	2,838	3,270
Change in Net Debt from March 2011		432
Closing Exchange Rate (Rs./USD)	44.60	50.88

- Net Debt moves up by Rs. 432 crore after adjusting for exchange fluctuations mainly on account of increase in working capital on enhanced revenues and investment in capital expenditure of Rs.515crore
- Average interest rate for outstanding loans at 5.9% per annum with Outstanding Rupee loan at an average of 11.5% per annum and Outstanding Foreign currency loans at an average of 4.1% per annum
- Scheduled repayment of Rs. 210 crore in FY13 and Rs. 378 crore in FY14 to be comfortably met out of Operating Cash Flows

Company on a strong trajectory to achieve

- A three year CAGR of over 20% in revenue terms and improved EBITDA margins
- Strong operational results to lead to robust balance sheet with
 - Debt to EBITDA multiples below 2.5 times
 - Debt to equity below 1

Expect to achieve 20-22% revenue growth with EBITDA margins sustainable at current levels in FY13 backed by

- Higher utilisation of new, expanded and existing capacities in Life Science Ingredients and CMO
- New product launches and geographic expansion in APIs, Generics and Speciality Pharma
- Continued efforts to improve global competitiveness through increased vertical integration, improved yields and realigned cost and revenue structure

Conference Call Details

Date : Monday, 07th May, 2012

Time : 5:00 pm IST

India

Primary Number: +91 22 6629 0301

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Local Access Number 6000 1221/ 3940 3977

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Replay from : May 07 to May14, 2012

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Thank You!