

PRESS RELEASE

Noida, Thursday August 01, 2013

JUBILANT LIFE SCIENCES

The Board of Jubilant Life Sciences Limited, an integrated pharmaceutical and life science company met today to approve financial results for the quarter ended June 30, 2013.

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 witnessing a strong underlying momentum in the Life Science Ingredients space, where volume growth has maintained course. The capacity enhancements are helping us scale up at an attractive pace and we are seeing pricing balance getting restored in some of our products. On the other hand the Pharmaceuticals segment is delivering with strong growth in APIs. Going forward, we expect strong operational performance in Pharmaceuticals due to new product launches and geographic expansion and higher capacity utilization in Nutrition Ingredients and Proprietary Products with the uptrend in pricing.

The proposed consolidation of the company's global pharmaceutical business and listing the same for equity infusion would result in further growth and reduction of overall consolidated debt of the company."

Q1 FY14 Highlights

- Revenue growth was driven by volume growth in both segments but prices remained under pressure for Pharmaceuticals business.
- Consolidated revenue up 9% YoY
- International revenues at Rs. 999 Crore, contributing 74% to the overall mix and up 10% YoY
- EBITDA margins at 17.5% and Normalized PAT margins at 5.1%

Business Performance Review

1. Pharmaceuticals Segment

In view of the strategy going forward and for the better understanding of our focus areas, the Pharmaceuticals segment is being reorganised into three verticals namely Generics, Specialty Pharmaceuticals and DDDS & Others. The Generics business comprises of APIs and Solid Dosage Formulations. The Specialty Pharmaceuticals comprises of Radiopharmaceuticals, Allergy Therapy Products and Sterile Injectables and OCL (Ointments, Creams & Liquids). DDDS & Others comprises of our Drug Discovery and Development Solutions and Healthcare businesses.



In Q1 FY2014, Income from operations stood at Rs 651 crore, showing growth of 2% YoY and contributing 48% to the revenue mix. The segment EBITDA was at Rs. 158 crore with EBITDA margins of 24.3%, contributing 59% to the overall EBITDA mix.

As on June 30, 2013, the Company had total of 649 filings for formulations of which 189 have been approved in various regions of the world including 58 ANDAs in U.S. and 41 Dossier filings in the Europe. Similarly, the Company has a total API product pipeline of 237 filings across regions including 66 DMFs in U.S. and 29 CEPs in Europe.

2. Life Science Ingredients Segment

The Life Science Ingredients segment comprises of Proprietary Products and Exclusive Synthesis (PPES), Nutrition Ingredients and Life Science Chemicals.

In Q1 FY2014, Income from operations was at Rs. 706 crore better by 18% YoY and having 52% share in overall revenues. The segment EBITDA stood at Rs. 108 crore with EBITDA margins at 15.4%, contributing 41% to the overall EBITDA mix.

During the quarter, the PPES segment delivered healthy revenues on the back of good realisations in Pyridines. Nutrition Ingredients continued to expand volumes on the back of improved capacity utilisation whereas volume buoyancy was maintained in key acetyl products driven by geographic expansion in Emerging markets. We are producing best quality Symtet and supplying to global Agrochemical leader in USA and the capacity utilization is as per target.

Geographical Overview

Products and services of the Company reach out to clients in 98 countries of the world. International revenues contribute 74% of the revenue mix at Rs. 999 crore, up 10% YoY, with the share of key developed markets revenue standing at Rs.796 crore, contributing 59% to total Income from Operations.

In Q1 FY2014 revenues at North America stood at Rs. 522 Crore, higher by 4% YoY, contributing 38% in the overall revenues; revenues from Europe and Japan stood at Rs. 275 crore, up 9% with a share of 20% to the revenue mix. Domestic revenues gained 7% YoY at Rs. 359 crore, thus giving a 26% share to the revenue mix. Revenues in ROW including China came in at Rs. 203 crore, better by 34%, with a 15% contribution to the revenue mix.

Corporate Actions

During the quarter, the Board appointed a Committee to consolidate the Company's global pharmaceuticals segment, comprising of (a) Active Pharmaceuticals Ingredients (APIs), Solid Dosage Formulations, Radiopharmaceuticals, Allergy Therapy Products, Sterile Injectable and Ointment, Cream and Liquid businesses (Pharmaceuticals Business) and (b) the Drug Discovery and Development Solutions business under two separate subsidiaries and to evaluate the options and opportunities for raising money by listing the Pharmaceuticals business as deemed appropriate by it, subject to receipt of all necessary approvals, in the best interests of the Company and all its stakeholders. This would result in focused growth in pharmaceuticals business and reduction of overall consolidated debt of the Company. The company has made necessary applications to obtain approvals for such consolidation and the work is in progress for necessary implementation of the defined activities.



Outlook

Growth momentum in Revenue and EBITDA is expected to continue as targeted for the year. Higher utilisation of capacities in Nutrition Ingredients and Syntet and 3CP will be supported by backward integration of Pyridine and entry into newer markets. Price uptrend in Pyridine will lead to overall net positive impact after Anti-dumping duty in China. We will continue efforts to improve global competitiveness through increased vertical integration. Our Strong pipeline in APIs and Solid Dosage Formulations businesses with new product launches and geographic expansion and robust order book in Sterile Injectables will deliver desired results with H2 performance expected to be better than H1 FY2014.

About Jubilant

Jubilant Life Sciences Limited is a global Pharmaceutical and Life Sciences Company engaged in manufacture and supply of APIs, Solid Dosage Formulations, Radiopharmaceuticals, Allergy Therapy Products and Life Science Ingredients. It also provides services in Contract Manufacturing of Sterile Injectables and Ointments, Creams and Liquids and Drug Discovery and Development. The Company's strength lies in its unique offerings of Pharmaceutical and Life Sciences products and services across the value chain. With 10 world-class manufacturing facilities in India, US and Canada and a team of over 6200 multicultural people across the globe, the Company is committed to deliver value to its customers spread across 98 countries. The Company is well recognized as a 'Partner of Choice' by leading pharmaceuticals and life sciences companies globally. For more info: www.jubl.com

For more information please contact:

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