



JUBILANT
LIFE SCIENCES

Financial Results

Quarter and 9 Months Ended December 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 Unaudited Financial Results of the Consolidated entity.*
- 2. The numbers for the quarter have been reclassified and regrouped wherever necessary*
- 3. Closing Exchange Rate for USD 1 at Rs. 53.10 as on December 31'11 & Rs. 55.00 as on December 31'12*
- 4. The Exchange fluctuation on long term forex loans in Indian books have been amortized over the tenure of the loan period as recommended under Indian Accounting Standards*

Q3'13 Results Analysis

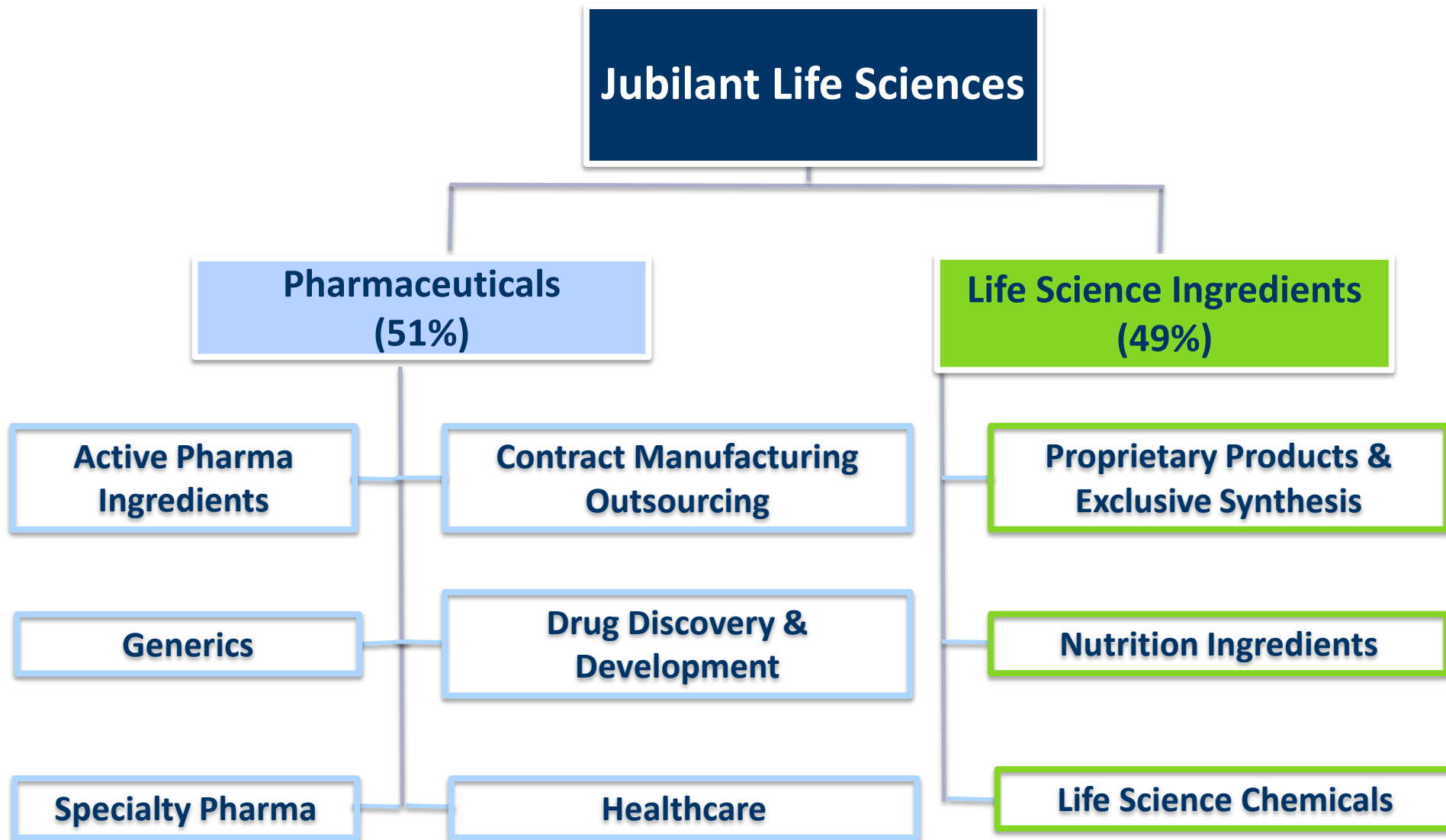
Income Statement – Q3'FY13

Particulars	Q3'FY12	Q2'FY13	Q3'FY13	YoY Growth	QoQ Growth
	(Rs Crs)			(%)	
Total Income from Operations	1,095	1,222	1,306	19%	7%
Total Expenditure	887	956	1,047		
Other Income	4	3	4		
EBITDA including Other Income	212	269	263	24%	-2%
Depreciation	54	62	63	17%	
Finance Cost	57	57	54	-5%	
Profit after Interest but before Exceptional Items	101	150	146	44%	-3%
Exceptional Item - Gain/(Loss)	(155)	44	(71)		
Tax Expenses (Net)	9	35	35	298%	
Minority Interest	15	6	13		
Reported Net Profit After Tax and Minority Interest	(78)	152	27	134%	-82%
Normalized Net Profit After Tax	77	108	98	27%	-10%
Paid-up share capital (Face value per share Re.1)	15.93	15.93	15.93		
Earnings Per Share - Basic (Rs.)	(4.92)	9.54	1.68		
Normalised Earnings Per Share - Basic (Rs.)	4.84	6.79	6.13	27%	-10%
	(%)			(bps)	
EBITDA Margins	19.4%	22.0%	20.2%	79	-188
Normalized Net Margins	7.0%	8.9%	7.5%	44	-138

Financial Highlights – Q3'FY13

- **Income from Operations at Rs. 1,306 crs, grew 19% YoY**
 - 25% growth witnessed in International markets at Rs. 962 crs
 - 23% volume driven growth across business segments
- **EBITDA at Rs. 263 crs, up 24% YoY**
 - Margins at 20.2% for the quarter
 - EBITDA contribution from Pharma segment at 66%
- **Normalized Profit After Tax at Rs. 98 crs, up 27% YoY**
 - Normalized Earnings Per Share for Re. 1 FV equity share at Rs 6.13, up 27%
 - Reported PAT at Rs 27 crs and EPS at Rs 1.68, impacted due to exceptional items

Key Business Segments



Segmental Revenue Analysis – Q3'FY 13

Segmental Revenue Analysis	Revenue (Rs. Crs.)			Revenue Mix (%)	YoY Growth %	QoQ Growth %
	Q3'FY12	Q2'FY13	Q3'FY13			
Pharmaceuticals	561	650	665	51%	18%	2%
Life Science Ingredients	534	573	641	49%	20%	12%
Income from Operations	1,095	1,222	1,306	100%	19%	7%
Inter Divisional Sales (IDTs)	124	141	147		19%	5%
IDT as a % of Income	11%	12%	11%			

- **Company reports strong 19% YoY growth in the quarter**
 - Backed by 23% volume growth
 - Positive exchange rate variation of 6%
- **Pharmaceuticals segment reports revenue of Rs 665 crs, 18% YoY growth**
 - YoY Growth driven by sustained momentum in Generics and Speciality Pharmaceuticals
- **LSI segment picks up growth momentum, posts 20% YoY revenue growth**
 - Strong volumes in PPES and Life Science Chemicals witnessed with better utilisations

APIs

- Launched 2 products in Europe and Canada, taking total commercial APIs to 26
- DMF Filings in the quarter
 - Filed Solifenacin Succinate (CVS) in Europe
 - 6 DMFs filed in ROW including Citalopram Hydrobromide, Donepezil, Olanzapine and Valsartan

Specialty Pharmaceutical

- Radiopharmaceuticals
 - Witnessed improved realisations in key products
 - Enter new geographies with I-131 HICON and Sestamibi
- Allergy Therapy
 - Focus on ENT market penetration for revenue growth
 - Improvement drive continues for operational efficiencies

Generics

- Gain market leadership in US in Lamotrigine besides Methylprednisolone & Terazosin
- Roorkee facility in India continues on growth momentum for supplies to EU and ROW
 - Launched Levetiracetum in Europe after its launch in ROW in Q1'13
- 32 Commercial Generic products, after 18 launches across multiple geographies in 9 months
- Product Approvals received
 - 4 dossier approvals in Canada – all in focused Therapeutic Areas of CNS and CVS
 - 28 approvals in ROW – 20 of which are in focused Therapeutic Areas of CNS and CVS
- ANDAs Filed in Q3'FY13
 - 72 filings in ROW including one each in South Africa, Australia and Brazil

CMO Services of Sterile Injectables and Non-sterile products

- Won new orders worth \$77 Mn from top global innovators, executable over next 5 years
- Initiated site transfer activity for 10 commercial products against previous order wins
- Witnessed some deferment of sales, expected to be realised in Q4'FY13

Drug Discovery and Development Solutions

- 2 Discovery milestones achieved during the quarter
- Development milestone for Tox studies achieved in the quarter, as anticipated
- Business development and marketing efforts continue in bid to ramp up
- Clinical Business continues to be under pressure, cost rationalization efforts on

PPES

- Overall pricing for Pyridines steady, Beta under pressure
- Strong demand for Symtet, dispatches at low levels due to delayed plant stabilisation
- Investments in Fine Chemicals and Agro actives reap dividends, support growth

Nutrition Ingredients

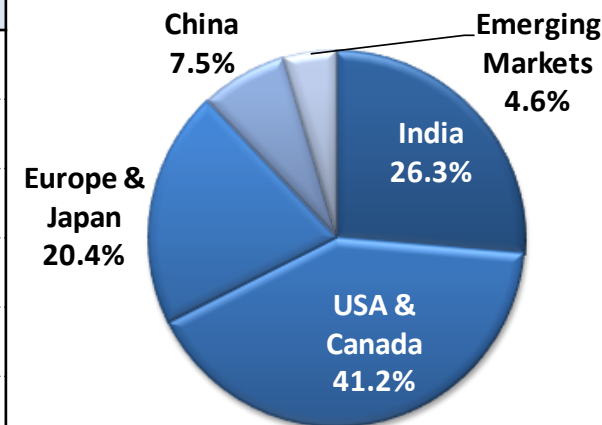
- Good YoY growth in capacity utilization for Niacinamide, at about 60%
- Vitamin B3 prices low but stable
- Some early signs of market consolidation, paving way for improved prices & margins next year
- Stronger position due to low cost manufacturing base and vertical integration benefits

Life Science Chemicals

- Capacity expansion of last year aids volume growth, with higher element of exports
- Margins improve on account of lower input material costs
- Initiate Business development activity in ROW to expand market reach

Revenue Analysis – Geography wise- Q3'FY13

Geo-wise Revenue (Rs crs)	Q3' FY12	Q2' FY13	Q3' FY13	Mix %	YoY %	QoQ %
India	327	336	344	26%	5%	2%
International	768	886	962	74%	25%	9%
USA & Canada	428	512	539	41%	26%	5%
Europe & Japan	208	240	266	20%	28%	11%
China	71	74	98	7%	39%	32%
Emerging Markets	62	60	60	5%	-3%	-1%
Income from Operations	1,095	1,222	1,306	100%	19%	7%



- **74% of Income from International Markets, at Rs. 962 crs, grew 25% YoY**
 - Regulated Markets contribute 62% to revenue mix, record 26% YoY growth
 - Growth of 26% in North America mainly driven by Generics, PPES & APIs
 - Growth of 28% in Europe and Japan primarily driven by Generics and Life Science Chemicals
 - Growth of 19% in China & Emerging markets driven by PPES
- **26% Income from India at Rs. 344 crs in the quarter, up 5% YoY**
 - Healthy traction in Life Science Chemicals drives domestic growth

Operating Expenditure Analysis – Q3'FY13

Expenses (Rs Crs)	Q3'FY12	% of Sales	Q2'FY13	% of Sales	Q3'FY13	% of Sales	YoY Growth %	QoQ Growth %
Material Cost	399	36%	456	37%	535	41%	34%	17%
Power & Fuel Cost	77	7%	85	7%	92	7%	19%	7%
Employee Cost	228	21%	244	20%	238	18%	4%	-2%
Other Expenses	182	17%	171	14%	182	14%	0%	6%
Total expenses	887	81%	956	78%	1047	80%	18%	9%

- **Material Costs**

- stable at around 40% of cost of goods produced
- 34% growth due to higher proportion of product sales and higher inventory burn

- **Power & Fuel Costs** up due to higher manufacturing activity
- **Staff costs** witness rationalisation across some business units
- **Other Expenses** benefit from economies of scale

EBITDA Analysis Q3'FY13

EBITDA (Rs. Crs)					
Business Segments	Q3'FY12	Q2'FY13	Q3'FY13	YoY Growth %	QoQ Growth %
Pharmaceuticals	151	180	195	29%	9%
Life Science Ingredients	80	77	98	23%	27%
Reported EBITDA	212	269	263	24%	-2%
Margins (%)					
				YoY Variance (Bps)	QoQ Variance (Bps)
Pharmaceuticals	26.9%	27.7%	29.3%	240	165
Life Science Ingredients	15.0%	13.5%	15.4%	38	186
Reported EBITDA	19.4%	22.0%	20.2%	79	-188

Reported EBITDA is net of Corporate Expenses

- EBITDA of Rs. 263crs in a quarter, Margins of 20.2%
- Pharma segment EBITDA at Rs. 195crs, margins at 29.3%, 66% of EBITDA mix
- Life Science Ingredients EBITDA at Rs. 98crs with margins at 15.4%

Total exceptional items for Q3'FY13 reflect loss of Rs (71)crs

- **Unrealized Mark to Market book loss of Rs (50)crs on account of**
 - Currency movement of USD, from Rs 52.85 as on Sep 30, 2012 to Rs 55.00 as on December 31, 2012, with respect to Rupee Loan of Rs 910crs swapped into USD Loan
- **FCMITDA Amortisation of Rs (22)crs**
 - Unrealised exchange loss on Long Term Foreign Currency Loan amortised over the tenure of the Loan, as recommended under Indian Accounting Standards
- **Others Rs 1crs**
 - Surplus on sale of non operating assets and one time legal expenses

9 Months Results Analysis

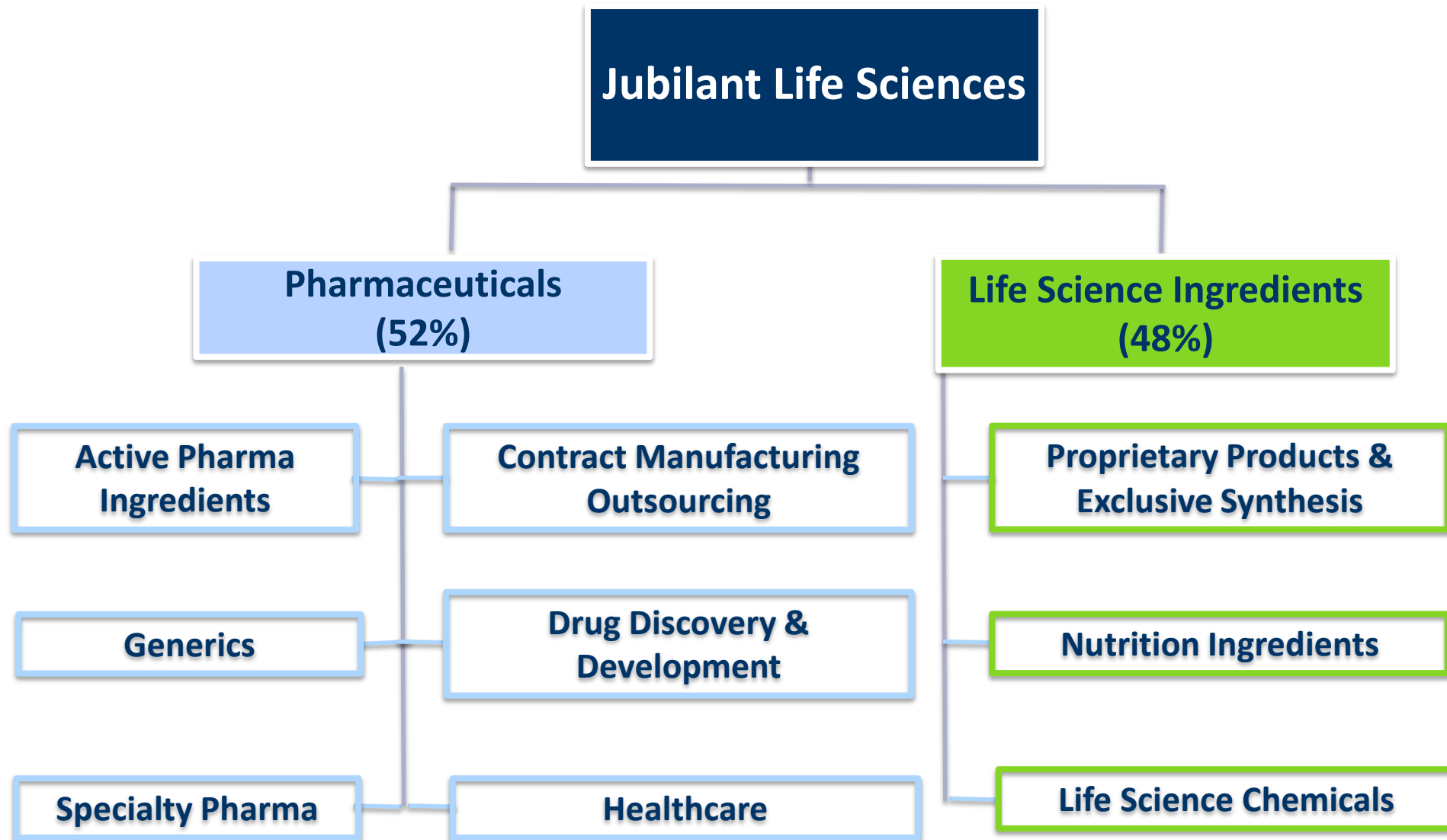
Income Statement – 9M FY13

Particulars	9M'FY12	9M'FY13	YoY Growth
	(Rs Crs)		(%)
Total Income from Operations	3,099	3,769	22%
Total Expenditure	2,465	2,968	
Other Income	11	10	
EBITDA including Other Income	645	811	26%
Depreciation	155	184	19%
Finance Cost	151	171	13%
Profit after Interest but before Exceptional Items	339	455	34%
Exceptional Item - Gain/(Loss)	(202)	(132)	
Tax Expenses (Net)	33	110	229%
Minority Interest	25	30	
Reported Net Profit After Tax and Minority Interest	78	184	135%
Normalised Net Profit After Tax	280	316	13%
Paid-up share capital (Face value per share Re.1)	15.93	15.93	
Earnings Per Share - Basic (Rs.)	4.90	11.53	
Normalised Earnings Per Share - Basic (Rs.)	17.60	19.85	13%
	(%)		(bps)
EBITDA Margins	20.8%	21.5%	71
Normalized Net Margins	9.0%	8.4%	-66

Financial Highlights – 9M FY13

- **Income from Operations at Rs. 3,769 crs, grew 22% YoY**
 - Revenue from International markets grows 28% YoY
 - Consistent increase in sales of pharmaceutical products across international markets
 - Over 17% revenue growth in Life Science Ingredients backed by better volumes
- **EBITDA at Rs. 811 crs, up 26% YoY**
 - Margins at 21.5% for the nine months, in line with guidance
 - Higher Contribution from Pharmaceuticals segment at 67%
- **Normalized Profit After Tax at Rs. 316 crs in 9M' FY13**
 - Normalized Earnings Per Share for Re. 1 FV equity share at Rs 19.85, up 13%
 - Reported Earnings Per Share at Rs 11.53 for first nine months, impacted due to exceptional items

Key Business Segments



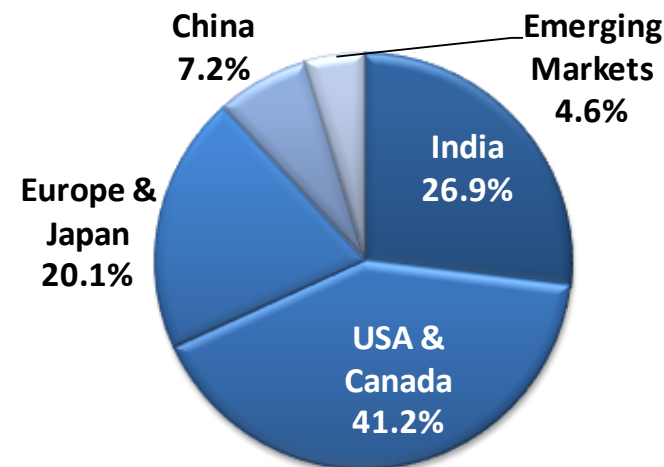
Segmental Revenue Analysis – 9M FY 13

Segmental Revenue Analysis	Revenue (Rs. Crs.)		Revenue Mix (%)	YoY Growth %
	9M'FY12	9M'FY13		
Pharmaceuticals	1,555	1,956	52%	26%
Life Science Ingredients	1,544	1,813	48%	17%
Income from Operations	3,099	3,769	100%	22%
Inter Divisional Sales (IDTs)	328	434		33%
IDT as a % of Income	11%	12%		

- **Company reports strong 22% YoY growth in the nine months**
 - backed by 18% volume growth
 - Positive exchange variation of 12%
- **Pharmaceuticals segment reports revenue of Rs 1,956 crs, 26% YoY growth**
 - Contributes 52% to revenue mix
 - Excellent growth driven by sustained momentum in Generics and Speciality Pharmaceuticals
- **LSI segment posts income of Rs 1,813 crs, 17% YoY growth**
 - PPES and Life Science Chemicals drive growth, Nutrition too contributes on a small base
- **IDTs strong at 12% of Sales**, demonstrating strength of Vertical Integration as a business model

Revenue Analysis – Geography wise- 9M FY13

Geo-wise Revenue (Rs crs)	9M' FY12	9M' FY13	Mix %	YoY %
India	942	1,015	27%	8%
International	2,157	2,754	73%	28%
USA & Canada	1,206	1,554	41%	29%
Europe & Japan	577	757	20%	31%
China	207	271	7%	31%
Emerging Markets	166	172	5%	3%
Income from Operations	3,099	3,769	100%	22%



- **73% of Income from International Markets, at Rs. 2,754crs, grew 28% YoY**
 - Regulated Markets revenue grows 30% YoY
 - Growth of 29% in North America mainly driven by Generics and Specialty Pharmaceuticals
 - Growth of 31% in Europe and Japan primarily driven by Generics, LSC and CMO
 - Growth in China & Emerging markets at 19%, driven by PPES and Nutrition Ingredients
- **27% Income from India at Rs. 1,015crs in the nine months, up 8% YoY**
 - Healthy traction in PPES and LSC drives domestic growth

Operating Expenditure Analysis – 9M FY13

Expenses (Rs Crs)	9M'FY12	% of Sales	9M'FY13	% of Sales	YoY Growth %
Material Cost	1,153	37%	1,462	39%	27%
Power & Fuel Cost	196	6%	266	7%	36%
Employee Cost	624	20%	714	19%	14%
Other Expenses	492	16%	527	14%	7%
Total expenses	2,465	80%	2,968	79%	20%

- **Material Costs** rise due to increase in manufacturing activity
- **Power & Fuel Costs** rise with increase in prices of Coal, Steam and Power
- **Staff costs** higher in line with average annual increments, cost rationalisation
- **Other Expenses** as a percentage of sales trend lower, benefits of operating leverage

EBITDA Analysis 9M FY13

EBITDA (Rs. Crs)			
Business Segments	9M'FY12	9M'FY13	YoY Growth %
Pharmaceuticals	394	575	46%
Life Science Ingredients	298	286	-4%
Reported EBITDA	645	811	26%
Margins (%)			
			YoY Variance (Bps)
Pharmaceuticals	25.3%	29.4%	410
Life Science Ingredients	19.3%	15.8%	-352
Reported EBITDA	20.8%	21.5%	71

(Reported EBITDA is net of Corporate Expenses)

- EBITDA of Rs. 811crs in nine months, Margins sustain above 21%
- Pharmaceuticals segment EBITDA at Rs. 575 Crs, improved margins of over 29%
 - Better product mix
 - Cost rationalisations
- Life Science Ingredients EBITDA at Rs. 286crs, lower margins at 15.8% on account of
 - Lower prices in Nutrition Ingredients
 - Delay in Symtet plant stabilization

Total exceptional items for 9M'FY13 at Rs (132)crs

- **Unrealized Mark to Market book provision Rs (81)crs on account of**
 - Currency movement of USD, from Rs 50.88 as on March 31, 2012 to Rs 55.00 at December 31, 2012, with respect to Rupee Loan of Rs 910crs swapped into USD Loan
- **FCMITDA Amortisation of Rs (46)crs**
 - Unrealised exchange loss on Long Term Foreign Currency Loan amortised over the tenure of the Loan, as recommended under Indian Accounting Standards
- **Others Rs (6)crs**
 - Surplus on sale of non operating assets and one time legal expenses

Debt Profile

Particulars	31-Mar-12	30-Sep-12	31-Dec-12
Foreign Currency Loans	(\$ Mn)	(\$ Mn)	(\$ Mn)
Standalone	268	266	244
Swapped loan in Standalone	202	202	202
Subsidiaries	175	165	210
Total	645	633	656
Rupee Loans	(Rs. Crs)	(Rs. Crs)	(Rs. Crs)
Standalone	650	718	480
Total	650	718	480
Gross Debt	3,815	3,906	3,889
Cash & Equivalent	267	311	343
Net Debt	3,548	3,595	3,546
Change in debt on account of exchange rate difference		85	187
Net Debt - Adjusted for foreign exchange difference	3,548	3,510	3,359
Working Capital Debt	767	915	889
Net Long Term debt	2,781	2,595	2,470
Closing Exchange Rate (Rs./USD)	50.88	52.85	55.00

- Net debt lower by Rs 189 crs in 9 Months with improvement in financial ratios
 - Debt/Equity ratio of 1.3:1 from 1.5:1
 - Debt/ EBITDA at 3.3:1 from 4:1
- Average interest rate for outstanding loans at 5.8% pa – Re loans @ 12% pa, \$ loans @ 4%
- No major debt repayments due near term

Company on a strong growth 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 in 3 years with
 - Debt to EBITDA multiples below 2.5 times
 - Debt to equity below 1

In FY13, expect to achieve over 20% revenue growth with EBITDA margins sustainable at about 21% backed by

- New product launches and geographic expansion in Pharma products
- Higher utilisation of capacities in Life Science Ingredients and CMO businesses
- Continued efforts to improve global competitiveness through increased vertical integration, higher yields and realigned cost and revenue structure

Conference Call Details

Date : Tuesday, January 29, 2013

Time : 5:00 pm IST

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