



JUBILANT
LIFE SCIENCES

Financial Results

Quarter and Year Ended March 31, 2013

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 quarter have been reclassified and regrouped wherever necessary*
- 3. Closing Exchange Rate for USD 1 at Rs. 50.88 as on March 31'12 & Rs. 54.29 as on March 31'13*
- 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*

Year End Results Analysis

Income Statement – FY13

Particulars	FY12	FY13	YoY Growth
	(Rs Crs)		(%)
Total Income from Operations	4,278	5,161	21%
Total Expenditure	3,425	4,124	
Other Income	40	18	
EBITDA including Other Income	893	1,055	18%
Depreciation	220	254	
Finance Cost	210	230	
Profit after Interest but before Exceptional Items	463	571	23%
Exceptional Item - Gain/(Loss)	(349)	(230)	
Tax Expenses (Net)	68	152	
Minority Interest	31	36	
Reported Net Profit After Tax and Minority Interest	15	153	
Normalised Net Profit After Tax	363	382	5%
Paid-up share capital (Face value per share Re.1)	15.93	15.93	
Earnings Per Share - Basic (Rs.)	0.91	9.59	
Normalised Earnings Per Share - Basic (Rs.)	22.81	24.01	5%
	(%)		(bps)
EBITDA Margins	20.9%	20.4%	-32
Normalized Net Margins	8.5%	7.4%	-103

Financial Highlights –FY13

- **Income from Operations at Rs. 5,161 Crores, higher by 21% YoY**
 - Revenue from International markets up 27% YoY
 - Pharmaceutical products sales across international geographies drive 22% growth
 - Over 19% revenue growth in Life Science Ingredients backed by better volumes
- **EBITDA at Rs. 1,055 Crores, up 18% YoY**
 - EBITDA Margins at 20.4%
 - Higher Contribution from Pharmaceuticals segment at 66%
- **Normalized Profit After Tax at Rs. 382 Crores in FY13**
 - Normalized Earnings Per Share for Re. 1 FV equity share at Rs 24.01, up by 5%
 - Reported Earnings Per Share at Rs 9.59, after accounting for exceptional loss
- **Board of Directors has recommended a dividend of 300% per share of FV Re. 1**

Segmental Revenue Analysis – FY 13

Segmental Revenue Analysis	Revenue (Rs. Crs.)		Revenue Mix (%)	YoY Growth %
	FY12	FY13		
Pharmaceuticals	2,176	2,658	52%	22%
Active Pharmaceutical Ingredients (APIs)	449	508	10%	13%
Generics	537	832	16%	55%
Specialty Pharmaceuticals	311	386	7%	24%
Contract Manufacturing Outsourcing (CMO)	621	705	14%	14%
Drug Discovery and Development Solutions (DDDS)	245	208	4%	-15%
Healthcare	14	19	0%	38%
Life Science Ingredients	2,102	2,503	48%	19%
Proprietary Products and Exclusive Synthesis	931	1,121	22%	20%
Nutritional Ingredients	211	265	5%	26%
Life Science Chemicals (LSC)	960	1,117	22%	16%
Income from Operations	4,278	5,161	100%	21%
Inter Divisional Sales (IDTs)	458	607		33%
IDT as a % of Income	11%	12%		

- **Pharma segment revenue up 22% YoY**
 - Excellent growth driven by sustained momentum in Generics and Speciality Pharmaceuticals
- **LSI segment income up 19% YoY**
 - Increased capacity utilisation in newly set up plants drive growth
- **Company shows robust 21% YoY growth**
 - backed by 16% volume growth
 - Positive exchange variation of 11%
- **Higher Inter Divisional Transfers** demonstrating strength of Vertical Integration

Generics

- Robust performance in FY 13; Revenue of Rs. 832 Crores with 55% YoY growth
 - 31 commercialised products in the market, including 14 in US, 17 in EU and 9 in ROW
 - 18 launches across multiple regions during the year
- Strong Product pipeline
 - 258 filings across regions in FY 13 including 9 ANDAs in the US and 6 Dossiers in Europe
 - 620 cumulative filings across regions till FY 13, including 58 in the US and 41 in Europe
 - 80% of filings based on in-house APIs, ensuring sustained vertical integration
- 78 product approvals received in FY13 including 5 in the U.S and 4 in Europe
- Continued US leadership positions in Methylprednisolone, Terazosin and Lamotrigine

APIs

- Witnessed revenue of Rs. 508 Crores for FY 13, up 13% YoY focussing in CVS, CNS and Anti Infectives
- 27 commercial products - 19 in North America, 24 in Europe and 23 in ROW
- Strong product pipeline
 - 35 filings across regions in FY 13, including 7 DMFs in the U.S.
 - 235 Cumulative filings till FY 13, including 65 in the US and 29 in the Europe

Specialty Pharmaceutical

- Witnessed revenue of Rs. 386 Crores for FY 13, up 24% YoY
- In Radiopharmaceuticals - Revenue growth driven by existing product launches in new markets and step up revenue in Sestamibi
- In Allergy Immunotherapy - we consolidated our strengths in the North American market through innovative marketing and promotional tools for sustained growth

CMO Services of Sterile Injectables and Non-sterile products

- Witnessed revenue of Rs. 705 Crores for FY 13, up 14% YoY
- Temporary revenue deferrals at the Montreal facility due to USFDA Warning Letter
 - Warning letter has been responded well in time
 - FDA has indicated their agreement with the majority of corrective actions identified
 - No major revenue impact is expected

Drug Discovery and Development Solutions

- Witnessed revenue of Rs. 208 Crores.
- Successfully achieved milestones
- Initiated few proprietary programs for future growth opportunities
- Competitive intensity remains high
- Opportunities are getting more refined

PPES

- Witnessed revenue of Rs. 1,121 Crores, up 20% YoY
 - With 14% volume growth and price increase in key products in Q4'13
- Symtet facility commercialised at year end
 - Have strong order book with healthy margins

Nutrition Ingredients

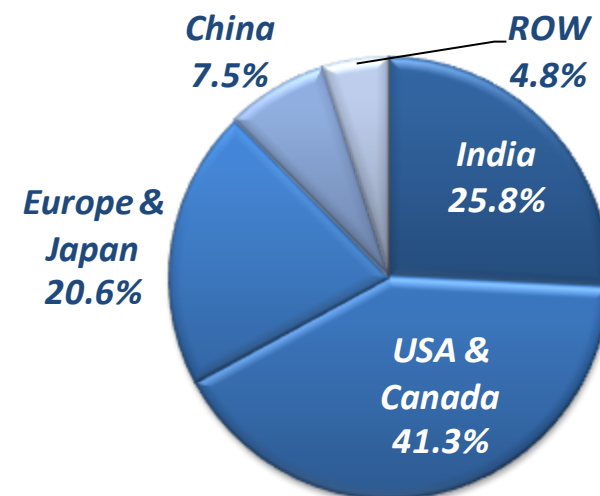
- Registered revenue of Rs. 265 Crores with 26% YoY growth
- Price increase in the market place witnessed, as anticipated
- Announced 10% price increase towards March end – benefits to accrue from Q2'14

Life Science Chemicals

- Witnessed revenues of Rs. 1,117 Crores with 16% YOY growth
- Robust volume growth from better capacity utilisation post debottlenecking and capacity addition in previous year
- Tapped business opportunities in Europe and few other countries
- Maintained our market share in the domestic market in key products

Revenue Analysis – Geography wise- FY13

Geo-wise Revenue (Rs crs)	FY12	FY13	Mix %	YoY %
India	1,267	1,330	26%	5%
International	3,011	3,831	74%	27%
USA & Canada	1,683	2,132	41%	27%
Europe & Japan	805	1,061	21%	32%
China	289	387	8%	34%
ROW	234	249	5%	7%
Income from Operations	4,278	5,161	100%	21%



- **74% of Income from International Markets, at Rs. 3,831 Crores, up by 27% YoY**
 - Regulated Markets revenue increases 28% YoY
 - Growth of 27% in North America mainly driven by Generics and Specialty Pharmaceuticals
 - Growth of 32% in Europe and Japan primarily driven by Generics and LSC
 - Growth in China & ROW at 22%, driven by PPES and Nutrition Ingredients
- **26% Income from India at Rs. 1,330 Crores, higher by 5% YoY**
 - Healthy traction in LSC and PPES drives domestic growth

Operating Expenditure Analysis – FY13

Expenses (Rs Crs)	FY 12	% of Sales	FY 13	% of Sales	YoY Growth %
Material Cost	1612	38%	2050	40%	27%
Power & Fuel Cost	287	7%	359	7%	26%
Employee Cost	836	20%	962	19%	15%
Other Expenses	690	16%	753	15%	9%
Total expenses	3425	80%	4124	80%	20%

- **Material Costs** increases due to higher proportion of product sales
- **Power & Fuel Costs** rise in line with prices of input costs
- **Staff costs** trending lower for the year
- **Other Expenses** as a percentage of sales trend slightly lower due to economies of scale

EBITDA Analysis FY13

EBITDA (Rs. Crs)			
Business Segments	FY12	FY13	YoY Growth %
Pharmaceuticals	578	750	30%
Life Science Ingredients	347	382	10%
Reported EBITDA	893	1,055	18%
EBITDA Margins (%)			
			YoY Variance (Bps)
Pharmaceuticals	26.6%	28.2%	166
Life Science Ingredients	16.5%	15.3%	-126
Reported EBITDA	20.9%	20.4%	-43

(Reported EBITDA is net of Corporate Expenses)

- Company EBITDA of Rs. 1,055 Crores, up 18% with EBITDA Margins at 20.4%
- Growth of 30% in Pharmaceuticals segment EBITDA with EBITDA margins at 28.2% on account of better product mix
- Life Science Ingredients EBITDA up 10% with slightly lower EBITDA margins due to lower Niacinamide and LSC prices during the year

Total exceptional items for FY13 - Rs (230) Crores

- **Unrealized Mark to Market book loss - Rs (84) Crores mainly on account of**
 - Currency movement of USD, from Rs 50.88 as on Mar 31, 2012 to Rs 54.29 as on March 31, 2013, with respect to Rupee Loan of Rs 910 Crores swapped into USD Loan
- **FCMITDA Amortisation of Rs (63) Crores**
 - Unrealised exchange loss on Long Term Foreign Currency Loan amortised over the tenure of the Loan, as recommended under Indian Accounting Standards
- **Others Rs (83) Crores**
 - Write-off of assets / Product Development / Inventory write-down etc- Rs 91 Crores
 - Profit on sale of non operating assets – Rs 8 Crores

Committee to explore options to raise Debt without increasing overall Net Debt

The Board of Directors has formed a committee to explore options and opportunities to raise debt by way of issue of foreign currency bonds / non-convertible debentures up to US \$ 250 million, for repayment of existing debt/ other general corporate purposes without increasing the overall net debt levels of the Company.

Change in BOD

In line with new Corporate Governance Voluntary Guidelines, adopted by the Company, limiting the tenure of 9 years for the Independent Directors on Board, the Company Board has witnessed changes last month with 3 of the Independent Directors Mr. Surendra Singh, Mr. Hamidulla K. Khan and Dr. Naresh Trehan opting to resign.

Q4'13 Results Analysis

Income Statement – Q4'FY13

Particulars	Q4'FY12	Q3'FY13	Q4'FY13	YoY Growth	QoQ Growth
	(Rs Crs)			(%)	
Total Income from Operations	1,179	1,306	1,392	18%	7%
Total Expenditure	961	1,047	1,155		
Other Income	30	4	7		
EBITDA including Other Income	248	263	244	-2%	-7%
Depreciation	66	63	70	5%	
Finance Cost	58	54	59	1%	
Profit after Interest but before Exceptional Items	124	146	116	-7%	-21%
Exceptional Item - Gain/(Loss)	(146)	(71)	(97)		
Tax Expenses (Net)	35	35	43	22%	
Minority Interest	6	13	7		
Reported Net Profit After Tax and Minority Interest	-63	27	-31	51%	-216%
Normalized Net Profit After Tax	83	98	66	-20%	-32%
Paid-up share capital (Face value per share Re.1)	15.93	15.93	15.93		
Earnings Per Share - Basic (Rs.)	-3.99	1.68	(1.94)		
Normalised Earnings Per Share - Basic (Rs.)	5.21	6.13	4.16	-20%	-32%
	(%)			(bps)	
EBITDA Margins	20.6%	20.2%	17.5%	-308	-262
Normalized Net Margins	6.9%	7.5%	4.8%	-213	-272

Financial Highlights – Q4'FY13

- **Income from Operations at Rs. 1,392 Crores, up 18% YoY**
 - 26% improvement in International markets at Rs. 1,077 Crores
 - 14% volume backed growth across business segments
- **EBITDA at Rs. 244 Crores, lower by 2% YoY**
 - EBITDA Margins at 17.5% for the quarter
 - EBITDA contribution from Pharma segment at 65%
- **Normalized Profit After Tax at Rs. 66 Crores**
 - Normalized Earnings Per Share for Re. 1 FV equity share at Rs 4.16
 - Reported PAT at Rs (31) Crores and EPS at Rs (1.94)

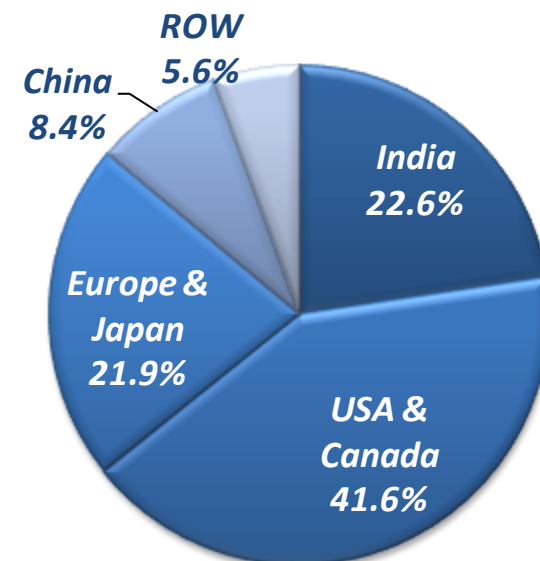
Segmental Revenue Analysis – Q4'FY 13

Segmental Revenue Analysis	Revenue (Rs. Crs.)			Revenue Mix (%)	YoY Growth %	QoQ Growth %
	Q4'FY12	Q3'FY13	Q4'FY13			
Pharmaceuticals	621	665	702	50%	13%	6%
Life Science Ingredients	558	641	690	50%	24%	8%
Income from Operations	1,179	1,306	1,392	100%	18%	7%
Inter Divisional Sales (IDTs)	133	155	159		20%	3%
IDT as a % of Income	11%	12%	11%			

- **Company reports robust 18% YoY growth in the quarter**
 - Supported by 14% volume growth
 - Positive exchange rate variation of 7%
- **Pharmaceuticals segment revenue at Rs 702 Crores, up 13% YoY**
 - YoY growth driven by sustained momentum in Generics
- **LSI segment revenue at Rs 690 Crores, 24% higher YoY**
 - Strong growth in PPES and Life Science Chemicals witnessed

Revenue Analysis – Geography wise- Q4'FY13

Geo-wise Revenue (Rs crs)	Q4' FY12	Q3' FY13	Q4' FY13	Mix %	YoY %	QoQ %
India	325	344	315	23%	-3%	-8%
International	855	962	1,077	77%	26%	12%
USA & Canada	477	539	579	42%	21%	7%
Europe & Japan	227	266	304	22%	34%	14%
China	81	98	116	8%	43%	19%
ROW	68	60	77	6%	13%	29%
Income from Operations	1,179	1,306	1,392	100%	18%	7%



- **77% of Income from International Markets, at Rs. 1,077 Crores, up 26% YoY**
 - Regulated Markets' share at 63% of revenue mix with 25% YoY growth
 - Growth of 21% in North America mainly driven by Generics and PPES
 - Growth of 34% in Europe and Japan primarily driven by Life Science Chemicals and PPES
 - Growth of 29% in other markets driven by PPES and APIs
- **23% Income from India at Rs. 315 Crores in the quarter**

Operating Expenditure Analysis – Q4'FY13

Expenses (Rs Crs)	Q4 FY12	% of Sales	Q3 FY13	% of Sales	Q4 FY13	% of Sales	YoY Growth %	QoQ Growth %
Material Cost	460	39%	535	41%	588	42%	28%	10%
Power & Fuel Cost	91	8%	92	7%	93	7%	2%	1%
Employee Cost	212	18%	238	18%	248	18%	17%	4%
Other Expenses	198	17%	182	14%	226	16%	13%	24%
Total expenses	961	81%	1,047	80%	1,155	83%	20%	10%

- **Material Costs** - Higher at 42% of Sales due to higher proportion of product sales
- **Power & Fuel as well as Staff Costs** as percentage of sales stable for the quarter
- **Other Expenses** as percentage of sales in line with increased operations

EBITDA Analysis Q4'FY13

EBITDA (Rs. Crs)					
Business Segments	Q4'FY12	Q3'FY13	Q4'FY13	YoY Growth %	QoQ Growth %
Pharmaceuticals	185	195	175	-5%	-10%
Life Science Ingredients	49	98	95	95%	-3%
Reported EBITDA	248	263	244	-2%	-7%
Margins (%)					
				YoY Variance (Bps)	QoQ Variance (Bps)
Pharmaceuticals	29.7%	29.3%	24.9%	-478	-436
Life Science Ingredients	8.8%	15.4%	13.8%	506	-152
Reported EBITDA	21.1%	20.2%	17.5%	-352	-262

Reported EBITDA is net of Corporate Expenses

- EBITDA of Rs. 244 Crores in the quarter, EBITDA Margins of 17.5%
- Pharma segment EBITDA margins at 24.9%, impacted due to DDDS business
- Life Science Ingredients EBITDA margins at 13.8%, impacted due to continued lower realisations in Nutrition products

Exceptional Items for Q4'FY13

Total exceptional items for Q4'FY13 - Rs (97) Crores

- **Unrealized Mark to Market book loss - Rs (3) Crores mainly on account of**
 - Currency movement of USD, from Rs 55.00 as on Dec 31, 2012 to Rs 54.29 as on March 31, 2013, with respect to Rupee Loan of Rs 910 Crores swapped into USD Loan
- **FCMITDA Amortisation of Rs (18) Crores**
 - Unrealised exchange loss on Long Term Foreign Currency Loan amortised over the tenure of the Loan, as recommended under Indian Accounting Standards
- **Others Rs (76) Crores**
 - Write-off of assets / Product Development / Inventory write-down etc – Rs 76 Crores

Debt Profile

Particulars	31-Mar-12	31-Dec-12	31-Mar-13
Foreign Currency Loans	(\$ Mn)	(\$ Mn)	(\$ Mn)
Standalone	268	244	236
Swapped loan in Standalone	202	202	202
Subsidiaries	175	210	190
Total	645	656	629
Rupee Loans	(Rs. Crs)	(Rs. Crs)	(Rs. Crs)
Standalone	650	480	562
Total	650	480	562
Gross Debt	3,815	3,889	3,788
Cash & Equivalent	267	343	356
Net Debt	3,548	3,546	3,432
Change in debt on account of exchange rate difference since Mar'12	0	187	146
Net Debt - Adjusted for foreign exchange difference	3,548	3,359	3,287
Working Capital Debt	767	889	919
Net Long Term debt	2,781	2,657	2,513
Closing Exchange Rate (Rs./USD)	50.88	55.00	54.29

- **Reduction in Net debt** by Rs 261 Crores in the year (post adjustment for fx difference),
- Improvement in financial ratios
 - Debt/Equity ratio of 1.4:1 from 1.6:1
 - 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%

Robust Outlook going forward

- Growth momentum in Revenue and EBITDA to continue
 - New product launches and geographic expansion in Pharmaceuticals products
 - Higher utilisation of capacities in Nutrition Ingredients and Crop Science Intermediates supported by backward integration of Pyridine
 - Continued efforts to improve global competitiveness through increased vertical integration, higher yields and realigned cost and revenue structure
- Strong operational results to lead to robust balance sheet with Debt to EBITDA multiples below 2.5 times in medium term

Conference Call Details

Date : Tuesday, May 07, 2013

Time : 5:00 pm IST

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