



JUBILANT
LIFE SCIENCES

Financial Results

Quarter Ended September 30, 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. 48.98 as on September 30'11 & Rs. 52.85 as on September 30'12*
- 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*

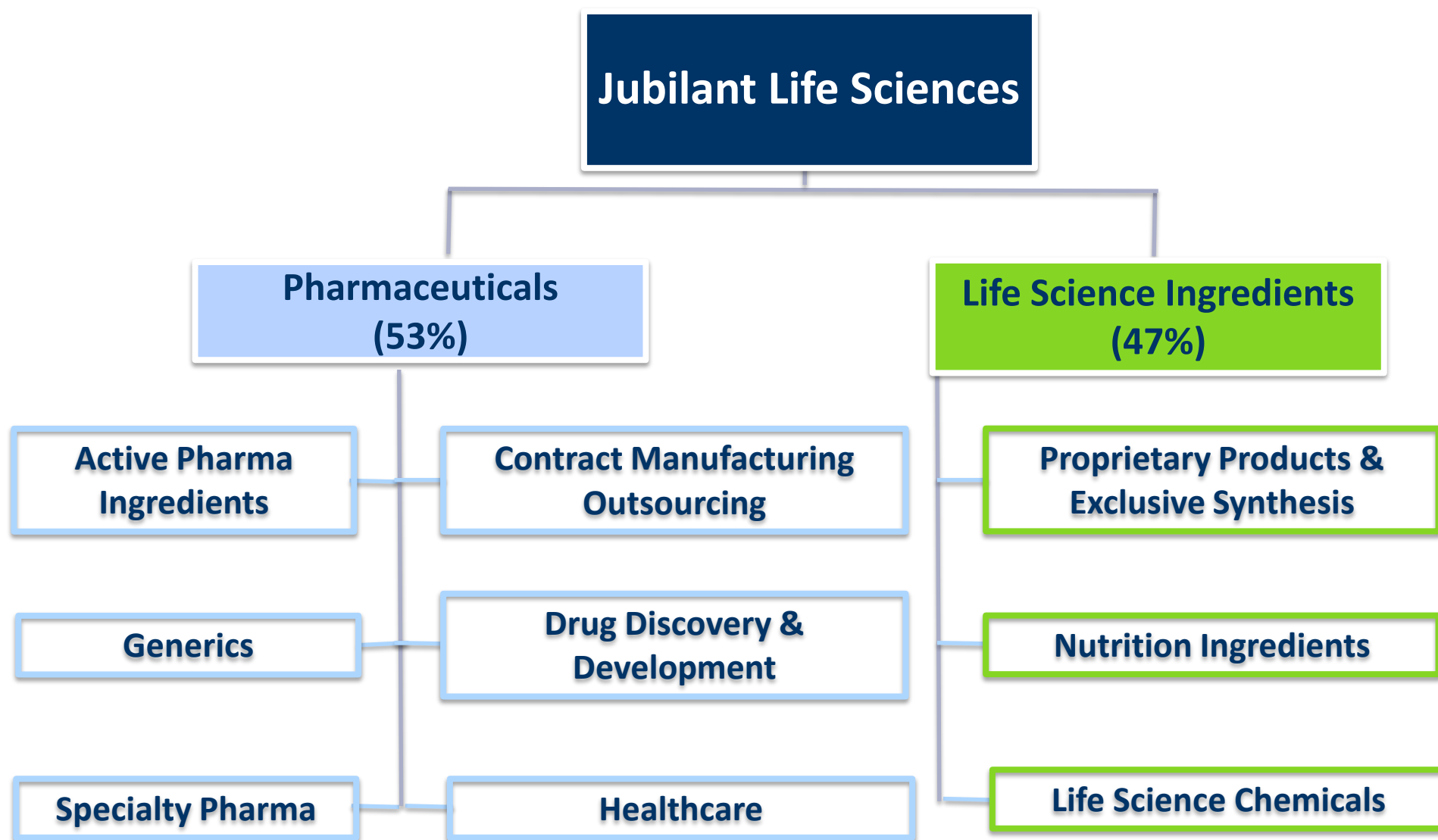
Income Statement – Q2'FY13

Particulars	Q2'FY12	Q1'FY13	Q2'FY13	YoY Growth	QoQ Growth
	(Rs Crs)			(%))	
Total Income from Operations	1,055	1,240	1,225	16%	-1%
Total Expenditure	816	967	965		
Other Income	3	3	3		
EBITDA including Other Income	242	277	264	9%	-5%
Depreciation	51	59	62		
Finance Cost	51	59	57		
Profit after Interest but before Exceptional Items	141	158	144	2%	-9%
Exceptional Item - Gain/(Loss)	(43)	(104)	49		
Tax Expenses (Net)	9	39	35		
Minority Interest	10	10	6		
Reported Net Profit After Tax and Minority Interest	79	5	152	92%	2934%
Normalized Net Profit After Tax	122	109	103	-16%	-6%
Paid-up share capital (Face value per share Re.1)	15.93	15.93	15.93		
Earnings Per Share - Basic (Rs.)	4.98	0.31	9.54		
Normalised Earnings Per Share - Basic (Rs.)	7.66	6.86	6.44	-16%	-6%
	(%))			(bps)	
EBITDA Margins	23.0%	22.3%	21.5%	-145	-78
Normalized Net Margins	11.6%	8.8%	8.4%	-319	-44

Financial Highlights – Q2'FY13

- **Income from Operations at Rs. 1,225 crs, grew 16% YoY**
 - 21% growth witnessed in International markets at Rs. 888 crs
 - Overall volume driven growth across business segments
- **EBITDA at Rs. 264 crs, up 9% YoY**
 - Margins at 21.5% for the quarter, in line with annual guidance
 - Higher EBITDA contribution from Pharma segment
- **Reported Profit After Tax at Rs. 152 crs, grows 92%**
 - Reported Earnings Per Share for Re. 1 FV equity share at Rs 9.54 for the quarter
 - Normalized for foreign currency fluctuations, EPS for the quarter at Rs. 6.44

Key Business Segments



Segmental Revenue Analysis – Q2'FY 13

Segmental Revenue Analysis	Revenue (Rs. Crs.)			Revenue Mix (%)	YoY Growth %	QoQ Growth %
	Q2'FY12	Q1'FY13	Q2'FY13			
Pharmaceuticals	553	641	650	53%	17%	1%
Life Science Ingredients	501	599	575	47%	15%	-4%
Income from Operations	1,054	1,240	1,225	100%	16%	-1%
Inter Divisional Sales (IDTs)	108	146	141		30%	-4%
IDT as a % of Income	10%	12%	11%			

- **Company reports strong 16% YoY growth in the quarter**
 - Backed by 11% volume growth
 - Positive exchange variation of 14%
- **Pharmaceuticals segment reports revenue of Rs 650 crs, 17% YoY growth**
 - YoY Growth driven by momentum in API and Speciality Pharmaceuticals
 - New launches drive growth in the quarter
- **LSI segment posts income of Rs 575 crs, 15% YoY growth**
 - Strong volumes in Nutrition Ingredients and PPES drive growth
 - New capacity in Life Science Chemicals supports volume uptick

APIs

- Growth in the quarter driven by excellent volumes, especially in Regulated Markets
- Filed 2 CEPs/DMFs in Europe, 2 each in Canada and ROW in CVS, CNS and Anti migraine therapeutic categories

Specialty Pharmaceutical

- Radiopharmaceuticals
 - Launched MAA, a Lung Scanning product in Emerging Markets
 - Sizeable supply of Sestamibi, a Myocardial Perfusion Imaging product continues to drive revenue growth
- Allergy Therapy
 - Growth in key product areas of skin testing devices and sterile vials & diluents
 - Focus on ENT market penetration and operational efficiencies

Generics

- Favorable volume environment for key products continues in Regulated markets
- Four new launches take unique commercial products to 31
 - Valacyclovir in USA
 - Irbesartan in Europe
 - Oxcarbazepine in Europe and Emerging markets
- Entry into 3 new geographies - UAE & Libya in Middle East and Chile in Latin America
- Approvals received
 - 4-USFDA - Escitalopram (CNS), Olanzapine ODT (CNS), Losartan and Losartan HCTZ (CVS)
 - 2 approvals in ROW
- Products Filed
 - 1 ANDA in US
 - 5 Dossiers each in EU and Canada (8 of which are based on In-house APIs)
 - 98 filings in ROW
- Ongoing client audits and approvals bode well for product launches backed by capacity expansions at Roorkee facility

CMO Services of Sterile Injectables and Non-sterile products

- New order wins worth \$105 Mn from 2 of top 5 global pharma companies, executable over next 5 years
- Formal commercial launch of Lab Services business
- Spokane site won Operational Excellence award for the State of Washington industries, for class leading practices in operational efficiency, sustainability and innovation

Drug Discovery and Development Solutions

- 1 Discovery milestone achieved during the quarter (Endo FAK lead milestone)
- Tox studies for ENDO 2 on track, to be achieved in Q3'FY13
- Business development and marketing efforts continue
- US Clinical Business continues to be under pressure

PPES

- Supply for electronic grade pyridine begins, overall pricing for Pyridines steady
- SEZ Plant first production stream commissioned, Symtet dispatches initiated to customers
- Won orders from US, Europe and other markets for key products

Nutrition Ingredients

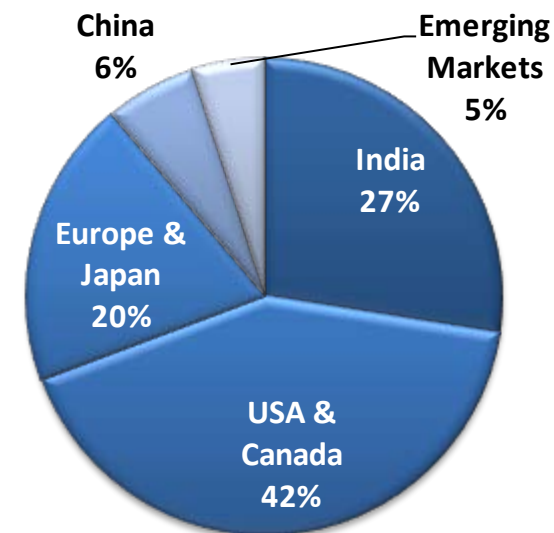
- About 60% capacity utilization for Niacin and Niacinamide
- Executing new orders for human and animal nutrition, for clients across geographies
- Pricing environment continues to be under pressure

Life Science Chemicals

- Capacity expansion of last year aids volume growth
- Commodity prices remain softer with slower off-take in the agrochemical segment

Revenue Analysis – Geography wise- Q2'FY13

Geo-wise Revenue (Rs crs)	Q2' FY12	Q1' FY13	Q2' FY13	Mix %	YoY %	QoQ %
India	323	335	337	27%	4%	0%
International	731	905	888	73%	21%	-2%
USA & Canada	427	501	512	42%	20%	2%
Europe & Japan	186	253	240	20%	29%	-5%
China	66	99	76	6%	15%	-23%
Emerging Markets	52	52	61	5%	17%	16%
Income from Operations	1,054	1,240	1,225	100%	16%	-1%



- **73% of Income from International Markets, at Rs. 888crs, grew 21% YoY**
 - Regulated Markets contribute 62% to revenue mix, record 23% YoY growth
 - Growth of 20% in North America mainly driven by Speciality Pharma & APIs verticals
 - Growth of 29% in Europe and Japan primarily driven by Generics and Life Science Chemicals
 - Growth of 15% in China & Emerging markets driven by PPES and Nutrition Ingredients
- **27% Income from India at Rs. 337crs in the quarter, up 4% YoY**
 - Healthy traction in PPES and APIs drives domestic growth

Operating Expenditure Analysis – Q2'FY13

Expenses (Rs Crs)	Q2'FY12	% of Sales	Q1'FY13	% of Sales	Q2'FY13	% of Sales	YoY Growth %	QoQ Growth %
Material Cost	393	37%	471	38%	459	37%	17%	-2%
Power & Fuel Cost	58	6%	89	7%	85	7%	47%	-4%
Employee Cost	206	20%	231	19%	244	20%	18%	5%
Other Expenses	159	15%	176	14%	176	14%	11%	0%
Total expenses	816	77%	967	78%	965	79%	18%	0%

- **Material Costs** increase on account of higher volumes in manufacturing activity
- **Power & Fuel Costs** up due to increased usage in new facilities and higher cost of input materials namely Coal and other fuels
- **Staff costs** increase in line with annual increments and additional manpower for new capacities
- **Other Expenses** decline as a % of sales benefitting from operating leverage

EBITDA Analysis Q2'FY13

EBITDA (Rs. Crs)					
Business Segments	Q2'FY12	Q1'FY13	Q2'FY13	YoY Growth %	QoQ Growth %
Pharmaceuticals	160	200	174	9%	-13%
Life Science Ingredients	98	111	77	-21%	-30%
Reported EBITDA	242	277	264	9%	-5%
Margins (%)					
				YoY Variance (Bps)	QoQ Variance (Bps)
Pharmaceuticals	28.9%	31.1%	26.8%	-210	-435
Life Science Ingredients	19.5%	18.5%	13.5%	-603	-503
Reported EBITDA	23.0%	22.3%	21.5%	-145	-78

Reported EBITDA is net of Corporate Expenses

- EBITDA of Rs. 264crs in a quarter, Margins of 21.5%, in line with annual guidance
- Pharma segment EBITDA at Rs. 174crs, margins at 26.8%
- Life Science Ingredients EBITDA at Rs. 77crs with lower margins at 13.5% due to soft pricing in Life Science Chemicals and continued pricing pressure in Vitamins

Total exceptional items for Q2'FY13 reflect gain of Rs 49crs

- **Unrealized Mark to Market book gain of Rs 55.8crs on account of**
 - Currency movement of USD, from Rs 55.61 as on June 30, 2012 to Rs 52.85 as on September 30, 2012, with respect to Rupee Loan of Rs 910crs swapped into USD Loan
- **FCMITDA Amortisation of Rs 6.4crs**
 - Unrealised exchange loss on Long Term Foreign Currency Loan amortised over the tenure of the Loan, as recommended under Indian Accounting Standards

Half Yearly Results Analysis

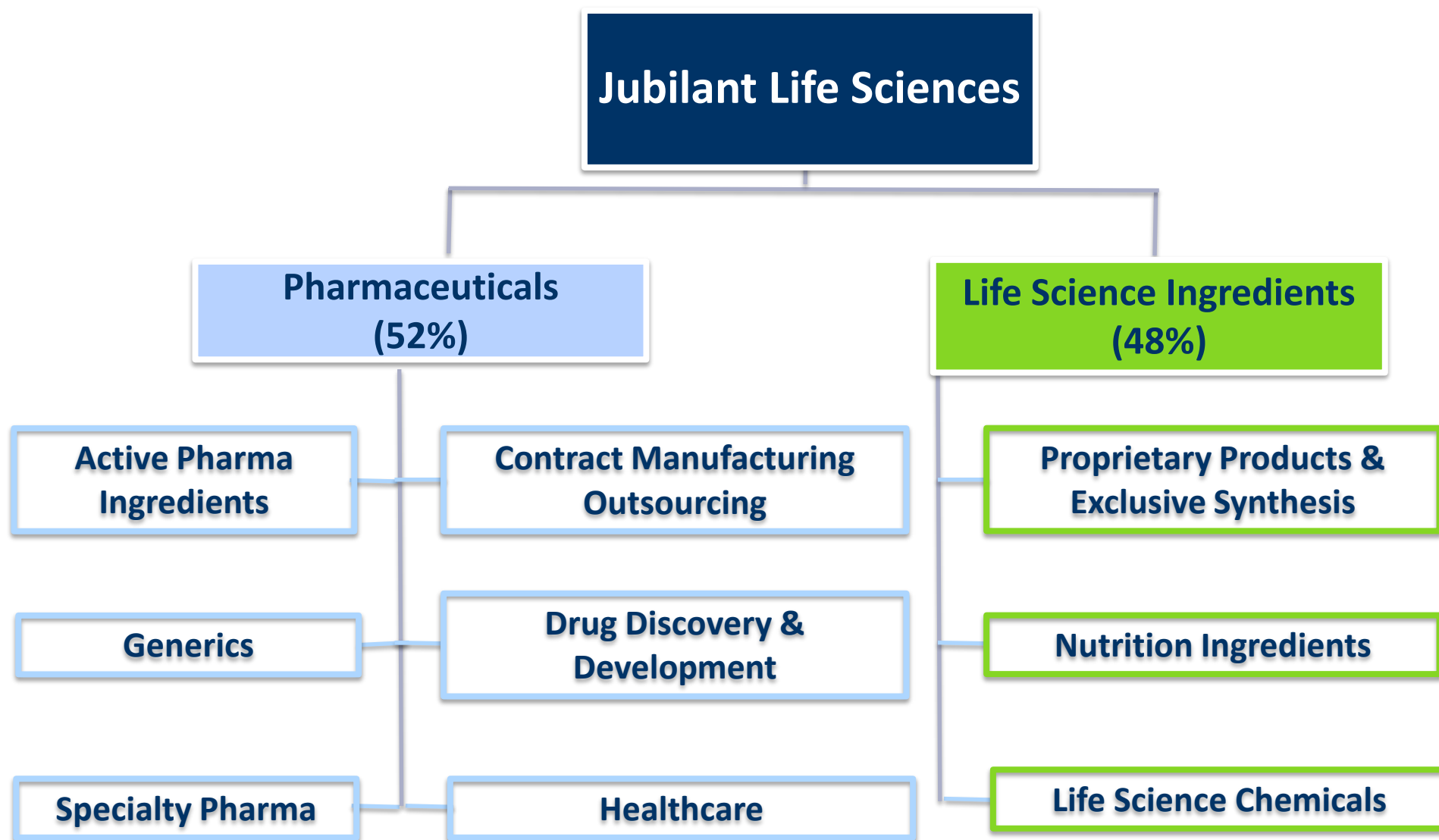
Income Statement – H1'FY13

Particulars	H1'FY12	H1'FY13	YoY Growth
	(Rs Crs)		(%)
Total Income from Operations	2,004	2,465	23%
Total Expenditure	1,578	1,931	
Other Income	7	7	
EBITDA including Other Income	432	540	25%
Depreciation	101	121	
Finance Cost	94	117	
Profit after Interest but before Exceptional Items	238	303	27%
Exceptional Item - Gain/(Loss)	(47)	(55)	
Tax Expenses (Net)	24	74	
Minority Interest	10	17	
Reported Net Profit After Tax and Minority Interest	156	157	0%
Normalised Net Profit After Tax	203	212	4%
Paid-up share capital (Face value per share Re.1)	15.93	15.93	
Earnings Per Share - Basic (Rs.)	9.82	9.85	
Normalised Earnings Per Share - Basic (Rs.)	12.76	13.30	4%
	(%)		(bps)
EBITDA Margins	21.6%	21.9%	34
Normalized Net Margins	10.1%	8.6%	-155

Financial Highlights – H1'FY13

- **Income from Operations at Rs. 2,465 crs, grew 23% YoY**
 - Revenue from International markets grows 29% YoY
 - Pharmaceutical product launches and entry into new geographies drive growth momentum
 - Higher volumes of key products in Life Science Ingredients segment aids revenue growth
- **EBITDA at Rs. 540 crs, up 25% YoY**
 - Margins at 21.9% for the six months
 - Contribution from Pharma segment at 67%
- **Normalized Profit After Tax at Rs. 212crs in H1' FY13**
 - Normalized Earnings Per Share for Re. 1 FV equity share at Rs 13.30, up 4%
 - Reported Earnings Per Share at Rs 9.85 for first six months

Key Business Segments



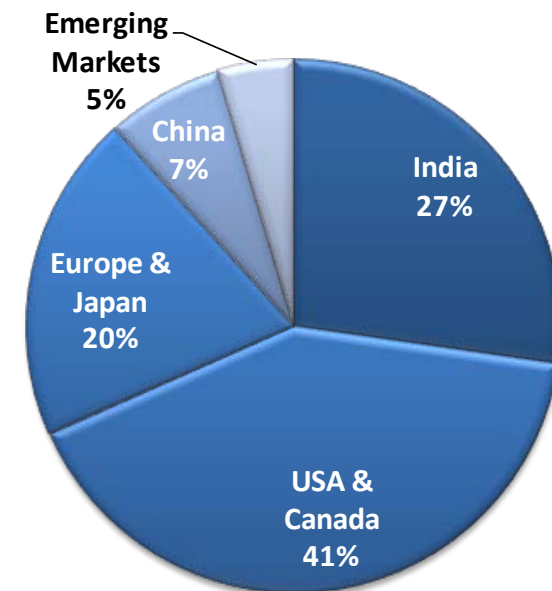
Segmental Revenue Analysis – H1'FY 13

Segmental Revenue Analysis	Revenue (Rs. Crs.)		Revenue Mix (%)	YoY Growth %
	H1'FY12	H1'FY13		
Pharmaceuticals	994	1,291	52%	30%
Life Science Ingredients	1,010	1,174	48%	16%
Income from Operations	2,004	2,465	100%	23%
Inter Divisional Sales (IDTs)	204	287		41%
IDT as a % of Income	10%	12%		

- **Company reports strong 23% YoY growth in the six months**
 - backed by 17% volume growth
 - Positive exchange variation of 15%
- **Pharmaceuticals segment reports revenue of Rs 1,291 crs, 30% YoY growth**
 - Contributes 52% to revenue mix
 - Excellent growth driven by sustained momentum in Generics, APIs and Speciality Pharmaceuticals
- **LSI segment posts income of Rs 1,174 crs, 16% YoY growth**
 - Strong volumes in Nutrition Ingredients and stable demand in PPES
- **IDTs strong at 12% of Sales**, demonstrating strength of Vertical Integration as a business model

Revenue Analysis – Geography wise- H1'FY13

Geo-wise Revenue (Rs crs)	H1' FY12	H1' FY13	Mix %	YoY %
India	615	672	27%	9%
International	1,388	1,793	73%	29%
USA & Canada	778	1,014	41%	30%
Europe & Japan	369	493	20%	33%
China	137	175	7%	28%
Emerging Markets	105	113	5%	7%
Income from Operations	2,004	2,465	100%	23%



- **73% of Income from International Markets, at Rs. 1,793crs, grew 29% YoY**
 - Regulated Markets revenue grows 31% YoY
 - Growth of 30% in North America mainly driven by Generics and Specialty Pharmaceuticals
 - Growth of 33% in Europe and Japan primarily driven by Generics and PPES
 - Growth in China & Emerging markets driven by PPES and Nutrition Ingredients
- **27% Income from India at Rs. 672crs in the six months, up 9% YoY**
 - Healthy traction in PPES and APIs drives domestic growth

Operating Expenditure Analysis – H1'FY13

Expenses (Rs Crs)	H1'FY12	% of Sales	H1'FY13	% of Sales	YoY Growth %
Material Cost	754	38%	930	38%	23%
Power & Fuel Cost	118	6%	174	7%	47%
Employee Cost	396	20%	475	19%	20%
Other Expenses	310	15%	352	14%	14%
Total expenses	1,578	79%	1,931	78%	22%

- **Material Costs** to Sales stable due to increase in sales mix of higher value added products
- **Power & Fuel Costs** rise with increase in prices of Coal, Steam and Power and higher manufacturing activity
- **Staff costs** as a % of sales benefits due to addition of lower cost manpower
- **Other Expenses** as a percentage of sales trend lower – grows by only 14% YoY in line with higher manufacturing activity

EBITDA Analysis H1'FY13

EBITDA (Rs. Crs)			
Business Segments	H1'FY12	H1'FY13	YoY Growth %
Pharmaceuticals	243	374	54%
Life Science Ingredients	218	188	-14%
Reported EBITDA	432	540	25%
Margins (%)			
			YoY Variance (Bps)
Pharmaceuticals	24.4%	28.9%	453
Life Science Ingredients	21.6%	16.0%	-559
Reported EBITDA	21.6%	21.9%	34

Reported EBITDA is net of Corporate Expenses

- EBITDA of Rs. 540crs in six months, Margins of 21.9%, marginally ahead of full year guidance
- Pharma segment EBITDA at Rs. 374 Crs, margins at 28.9%
- Life Science Ingredients EBITDA at Rs. 188crs, lower margins at 16% on account of softer pricing environment in Life Science Chemicals and Nutrition Ingredients

Total exceptional items for H1'FY13 at Rs 55crs

- **Unrealized Mark to Market book loss Rs 32 crs on account of**
 - Currency movement of USD, from Rs 50.88 as on March 31, 2012 to Rs 52.85 at September end, with respect to Rupee Loan of Rs 910crs swapped into USD Loan
- **FCMITDA Amortisation of Rs 23crs**
 - Unrealised exchange loss on Long Term Foreign Currency Loan amortised over the tenure of the Loan, as recommended under Indian Accounting Standards

Debt Profile

Particulars	30-Jun-12	30-Sep-12
Foreign Currency Loans	(\$ Mn)	(\$ Mn)
Standalone (Including Swapped loan)	474	468
Subsidiaries	168	165
Total	642	633
Rupee Loans	(Rs. Crs)	(Rs. Crs)
Standalone	611	718
Subsidiaries	0	0
Total	612	718
Gross Debt	3,970	3,906
Cash & Equivalent	295	311
Net Debt	3,675	3,595
Closing Exchange Rate (Rs./USD)	55.61	52.85

- Average interest rate for outstanding loans at 5.9% per annum with
 - Outstanding Rupee loan at an average of about 12% per annum
 - Outstanding Foreign currency loans at an average of 3.9% per annum
- No major debt repayments due upto FY14

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, improved yields and realigned cost and revenue structure

Conference Call Details

Date : Monday, November 05, 2012

Time : 5:00 pm IST

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