



JUBILANT
LIFE SCIENCES

Financial Results

Quarter Ended June 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. 44.70 as on June 30'11 & Rs. 55.61 as on June 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 – Q1'FY13

Particulars	Q1'FY12	Q4'FY12	Q1'FY13	YoY Growth	QoQ Growth
	(Rs Crs)			(%)	
Total Income from Operations	950	1,179	1,240	31%	5%
Total Expenditure	763	961	967		
Other Income	2	30	3		
EBITDA including Other Income	190	248	277	46%	11%
Depreciation	50	66	59		
Finance Cost	44	59	59		
Profit after Interest but before Exceptional Items	97	124	158	64%	28%
Exceptional Item - Gain/(Loss)	(4)	(146)	(104)		
Tax Expenses (Net)	15	35	39		
Minority Interest	0	6	10		
Reported Net Profit After Tax and Minority Interest	77	(64)	5	-94%	108%
Normalised Net Profit After Tax	81	83	109	34%	32%
Paid-up share capital (Face value per share Re.1)	15.93	15.93	15.93		
Earnings Per Share - Basic (Rs.)	4.84	(3.99)	0.31		
Normalised Earnings Per Share - Basic (Rs.)	5.10	5.20	6.86	34%	32%
	(%)			(bps)	
EBITDA Margins	20.0%	21.1%	22.3%	231	125
Normalised Net Margins	8.6%	7.0%	8.8%	25	178

Financial Highlights – Q1'FY13

- **Income from Operations at Rs. 1,240 crs, grow 31% YoY**
 - Highest ever Income from operations in a quarter
 - Revenue from International markets grows 37% YoY
 - Pharmaceutical product launches drive growth momentum
 - Higher volumes from new capacities in Life Science Ingredients segment aids revenue growth
- **EBITDA at Rs. 277 crs, up 46% YoY**
 - Highest ever EBITDA in a quarter
 - Margins at 22.3% for the quarter, grow by 231 bps YoY
- **Normalized Profit After Tax at Rs. 109 crs in Q1' FY13**
 - Foreign exchange rate impacts Reported PAT
 - Normalized Earnings Per Share for Re. 1 FV equity share at Rs 6.86 for the quarter

Key Business Segments

Jubilant Life Sciences

Pharmaceuticals (52%)

Active Pharma
Ingredients

Contract Manufacturing
Outsourcing

Generics

Drug Discovery &
Development

Specialty Pharma

Healthcare

Life Science Ingredients (48%)

Proprietary Products &
Exclusive Synthesis

Nutrition Ingredients

Life Science Chemicals

Segmental Revenue Analysis - Q1'FY 13

Segmental Revenue Analysis	Revenue (Rs. Crs.)			Revenue Mix (%)	YoY Growth %	QoQ Growth %
	Q1'FY12	Q4'FY12	Q1'FY13			
Pharmaceuticals	441	621	641	52%	45%	3%
Life Science Ingredients	509	558	599	48%	18%	7%
Income from Operations	950	1,179	1,240	100%	31%	5%
Inter Divisional Sales (IDTs)	96	133	146		53%	10%
IDT as a % of Income	10%	11%	12%			

- **Company reports strong 31% YoY growth in the quarter**
 - backed by 23% volume growth
 - Positive exchange variation of 8%
- **Pharmaceuticals segment reports revenue of Rs 641 crs, 45% YoY growth**
 - Contributes 52% to revenue mix, up from 46% in same period last year
 - Excellent growth driven by sustained momentum in Generics and Speciality Pharmaceuticals
- **LSI segment posts income of Rs 599 crs, 18% YoY growth**
 - Strong volumes in Nutrition Ingredients from newly added capacities drive momentum
- **IDTs strong at 12% of Sales**, demonstrating strength of Vertical Integration as a business model

APIs

- Filed 2 DMFs in Canada in CNS and Anti-Migraine therapies and 1 in ROW
- Launched Galantamine (CNS) in EU & Canada, taking total commercial products to 25, of which 16 are in focus Therapeutic Areas of CVS and CNS

Generics

- Witnessed favorable volume environment for key products in core markets
- Revenue driven by strong performance in regulated markets
- Launched 5 products in CNS, 1 each in GI and Anti Infective therapies across geographies
- Total commercial products increase to 29 with 18 of them in focus TA of CVS and CNS
- Approvals received
 - USFDA - Valacyclovir tablet ANDA approval , in anti infective therapy
 - 2 Dossier approvals from EU in CNS category – Escitalopram and Quetiapine
 - 11 approvals in ROW across CNS, GI and other therapies
- Products Filed - 1 Dossier in EU in CVS, 3 Dossiers in Canada of which 2 were in CNS therapy and 28 filings in ROW

Specialty Pharmaceutical

- Witness strong growth due to launch of Sestamibi, a radiopharmaceutical product in Emerging Markets
- Radiopharma business wins over \$5Mn orders, including a tender from a key hospital
- Expansion into ENT market drives revenue growth for Allergy Therapy products

CMO Services of Sterile Injectables and Non-sterile products

- Win 5 year long term multiple contracts valued at over \$35Mn

Drug Discovery and Development Solutions

- 2 Discovery milestones achieved in integrated programs with leading innovators
- Hit milestone achieved for Norgine in the Metabolic Disorders TA
- On board a new program for Endo Pharma in Oncology
- Further cost optimization achieved in US clinical trials business

PPES

- Achieve higher volume growth on back of increased utilization from new capacities
- Symtet trials started, plant under stabilization phase
- Won orders from US, Japan and other markets for key products
- Won Golden peacock environmental management award for Gajraula site

Nutrition Ingredients

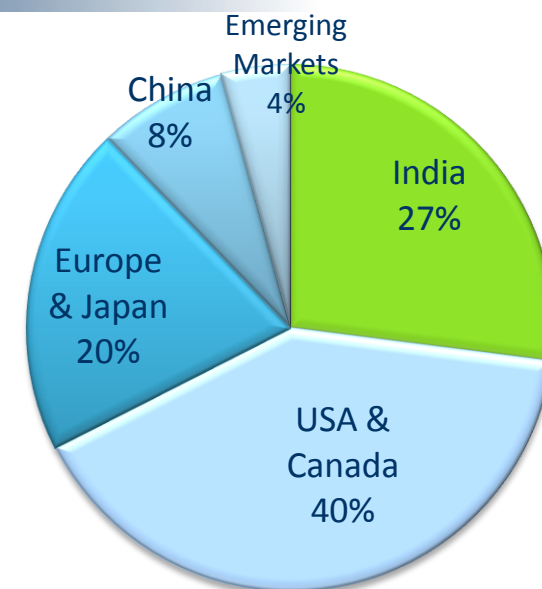
- Improved capacity utilisation of new plant at SEZ, up at 65% for the quarter
- Witness softer pricing and spot demand orders rather than long term contracts

Life Science Chemicals

- Higher volumes from additional capacity in key products
- Gain market share in domestic market
- Commodity prices remain softer for most part of the quarter

Revenue Analysis – Geography wise- Q1'FY13

Geo-wise Revenue (Rs crs)	Q1' FY12	Q4' FY12	Q1' FY13	Mix %	YoY %	QoQ %
India	292	324	335	27%	15%	3%
International	658	855	905	73%	37%	6%
USA & Canada	352	481	502	40%	43%	4%
Europe & Japan	183	221	252	20%	38%	14%
China	71	81	99	8%	40%	21%
Emerging Markets	53	71	52	4%	-2%	-27%
Income from Operations	950	1,179	1,240	100%	31%	5%



- **73% of Income from International Markets, at Rs. 905crs, grew 37% YoY**
 - Regulated Markets - USA, Canada, Europe & Japan contribute 60% to revenue mix
 - Growth of 43% in North America mainly driven by Generics and Speciality Pharma
 - Growth of 38% in Europe and Japan primarily driven by Generics and PPES businesses
 - Growth in China & Emerging markets driven by PPES and Nutrition Ingredients
- **27% Income from India at Rs. 335crs in the quarter, up 15% YoY**
 - Healthy traction in Life Science Chemicals and APIs drives domestic growth

Operating Expenditure Analysis – Q1'FY13

Expenses (Rs Crs)	Q1'FY12	% of Sales	Q4'FY12	% of Sales	Q1'FY13	% of Sales	YoY Growth %	QoQ Growth %
Material Cost	362	38%	465	39%	473	38%	31%	2%
Power & Fuel Cost	60	6%	83	7%	86	7%	43%	4%
Employee Cost	190	20%	212	18%	231	19%	22%	9%
Other Expenses	151	16%	200	17%	177	14%	17%	-12%
Total expenses	763	80%	961	81%	967	78%	27%	1%

- **Material Costs** to Sales stable with rise in sales of value added products
 - 31% increase in costs on YoY basis on account of higher volumes
- **Power & Fuel Costs** to Sales rise due to higher manufacturing activity
 - increase in input costs leads to 43% increase in expenses
- **Staff costs** witness economies of scale
 - Reflected in lower cost as a % of sales
 - Improvement in leadership pyramid with rationalised cost structure
- **Other Expenses** lower as a % of sales due to operating leverage

EBITDA Analysis Q1'FY13

EBITDA (Rs. Crs)					
Business Segments	Q1'FY12	Q4'FY12	Q1'FY13	YoY Growth %	QoQ Growth
Pharmaceuticals	84	185	200	138%	8%
Life Science Ingredients	121	49	111	-8%	126%
Reported EBITDA	190	248	277	46%	11%
Margins (%)					
				YoY Variance (Bps)	QoQ Variance (Bps)
Pharmaceuticals	19.0%	29.7%	31.1%	1212	140
Life Science Ingredients	23.7%	8.8%	18.5%	(523)	971
Reported EBITDA	20.0%	21.1%	22.3%	231	125

Reported EBITDA is net of Corporate Expenses

- All time high EBITDA of Rs. 277crs in a quarter, Margins of 22.3%, up 231 bps YoY
- Pharma segment EBITDA at all time high, strategic initiatives drive up margins
- Life Science Ingredients EBITDA at Rs. 111crs, 18.5% margins; softer pricing environment witnessed in few products

Total exceptional items for Q1'FY13 at Rs 104crs

- **Unrealized Mark to Market book loss Rs 87 crs on account of**
 - Currency movement of USD, from Rs 50.88 as on March 31, 2012 to Rs 55.61 at quarter end, with respect to Rupee Loan of Rs 910crs swapped into USD Loan
- **FCMITDA Amortisation of Rs 17crs**
 - 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	March 31, 2012	June 30, 2012
Foreign Currency Loans	(\$ Mn)	(\$ Mn)
Standalone	268	272
Subsidiaries	175	168
Total	443	440
Rupee Loans	(Rs. Crs)	(Rs. Crs)
Standalone	650	611
Subsidiaries	0	0
Rupee Loan Swapped	910	910
Total	1,560	1,522
Gross Debt	3,815	3,970
Cash & Equivalent	267	295
Net Debt	3,548	3,675
Change on account of exchange rate difference		208
Net Debt - Adjusted for foreign exchange difference	3,548	3,466
Change in Net Debt from Previous Quarter		(81)
Closing Exchange Rate (Rs./USD)	50.88	55.61

- **No outstanding FCCBs as on date**
- Net Debt moves down by Rs. 81 crs after adjusting for exchange fluctuations mainly on account of improved Cash position and reduction in Rupee loans outstanding
- Average interest rate for outstanding loans at 5.8% per annum with Outstanding Rupee loan at an average of 12.1% per annum and Outstanding Foreign currency loans at an average of 3.8% per annum

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 in 3 years with
 - Debt to EBITDA multiples below 2.5 times
 - Debt to equity below 1

In FY13, expect to achieve 20-22% revenue growth with EBITDA margins sustainable at about 21% backed by

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

Conference Call Details

Date : Monday, 23th July, 2012

Time : 5:00 pm IST

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