



Jubilant Organosys Ltd.
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PRESS RELEASE

Noida, 27th July, 2010

Q1 FY2011

Revenue up by 9.5% to Rs. 982 crore

EBITDA at Rs. 163 crore

PAT at Rs. 63 crore

Jubilant Organosys Limited, an integrated pharmaceutical industry player and the largest Custom Research and Manufacturing Services Company in India, today announced its financial results for Q1 FY2011.

Commenting on the Company's performance, Mr. Shyam S Bhartia, Chairman & Managing Director and Mr. Hari S Bhartia, Co-Chairman & Managing Director, Jubilant Organosys Ltd, said:

"Jubilant has shown steady revenue growth in Pharma and Life Sciences business and a very strong growth in Agri and Performance Polymers business. The PLSPS growth has been driven by very good volume growth across all the business segments. However, the pressure on margins is due to lag effect of passing on the increase in input material cost, which is expected to get corrected in the subsequent quarters.

Jubilant expects robust revenue & profitability due to buoyancy in outsourcing expected to continue globally. This growth is expected on account of clear visibility of revenues led by the strong order book position, growth initiatives being on track and the expected signing of new contracts with Life Science Companies"

Q1 FY2011 (Apr. – Jun. 2010) compared to Q1 FY2010 (Apr. – Jun. 2009)

Revenues

Revenues in Q1 FY 2011 increased by 9.5% and were at Rs. 982 crore.

Pharma and Life Sciences Products & Services (PLSPS)

The PLSPS segment showed growth of 4.3% to Rs. 813 crore. PLSPS business has been re-organized into two segments – a) Life Science Products and b) Life Science Services

The Life Science Products business reported sales of Rs.616 crore, up 5.3%, whereas there was a strong volume growth across all segments of Life Science products by 16.4% in Q1 FY 2011.

Sales from Life Science Services were up 1.3% at Rs. 197 crore.

Agri and Performance Polymers (APP)

APP business showed a growth of 44.1% to Rs. 169 crore. The strong performance was driven by robust Sales in Agri-Products, which grew 85.8% to Rs. 88 crore. This followed



the sales improvement in the Single Super Phosphate (SSP) business given the price stabilization and nutrition based subsidy policy for fertilisers. Sales in Performance Polymers stood 16% higher at Rs. 81 crore.

International Sales accounted for 59.7% of the Company's total revenues and 69.9% of PLSPS business. In Q1 FY2011 international revenue was higher by 3.3% at Rs. 586 crore.

EBITDA

In Q1 FY2011, the EBITDA was down by 3.8% at Rs. 163 crore. EBITDA margins were at 16.6% this year as compared to 18.9% previously. The EBITDA margins in PLSPS segment were at 19.1% in Q1 FY2011 as against 24.4% in Q1 FY2010 and in APP segment it was at 12.1% against 2.8% last year.

Exceptional Items:

The Exceptional Item was a loss of Rs. 20.8 crore in Q1 FY 2011. This comprises a loss of Rs. 3.8 crores on mark to market of interest rates swap outstanding as on 30th June 2010 and amortization of unrealized loss of Rs. 17.0 crores on restatement of foreign currency loans.

Profit Before Tax

Q1 FY2011 Profit Before Tax was at Rs. 73 crore as compared to Rs. 147 crore in Q1 FY2010. However PBT before Exceptional Items was Rs. 93 crore as compared to Rs. 98 crore in Q1 FY 2010.

Net Profit and EPS

Net Profit in Q1 FY2011 was 63 crore against Rs. 126 crore last year. However PAT before Exceptional Items was Rs. 84 crore as compared to Rs. 77 crore in Q1 FY 2010. The EPS was at Rs. 3.95 in Q1 FY2011 against Rs. 8.53 last year.

Amalgamation & Demerger

The Board approved the scheme of amalgamation and demerger. This is to enable focused growth and value realization across operating entities. The amalgamation is in the nature of merger of Speciality Molecules Limited (SML), a wholly owned subsidiary of Jubilant Organosys Ltd. (Jubilant Organosys) and Pace Marketing Specialities Limited (PMSL), an exclusive contract manufacturer for adhesives of Consumer Products Division of Jubilant Organosys. The demerger is of its Agri and Performance Polymer business (APP).

The demerged entity will be referred to as Jubilant Industries Ltd. (Jubilant Industries) where as the name of Jubilant Organosys will be changed to Jubilant Life Sciences Ltd.

The scheme of arrangement will be filed with the Court for its approval which will be followed by listing of Jubilant Industries share on the BSE and NSE. 1 additional share of Re. 10 each of Jubilant Industries will be issued for every 20 shares held in Jubilant Organosys of Re 1 each.



Outlook for FY2011

The buoyancy in global outsourcing business continues. Jubilant expects robust increase in revenue & profitability due to

- The strong order book position of about USD 1 billion in CRAMS business and expected new contracts signing in exclusive synthesis & CMO business defines clear visibility for growth
- Growth initiatives are on track. Capacity expansion in pyridine & its derivatives, commissioning of additional capacity in Niacinamide & multipurpose API facility for Sartans are as per schedule. These initiatives are expected to commence revenue during Q4 FY 2011
- Our Spokane, Washington site for CMO business has been approved for production of adjuvant for vaccines by a large pharma customer. We expect to receive approval of products at the customers end in few countries, which is expected to generate substantial revenue and profitability in second half.
- Product pipelines for generics and API is very robust. New product launches are expected due to envisaged approval of ANDAs and DMFs on account of patents expiry

About Jubilant

Jubilant Organosys Ltd., an integrated pharmaceutical industry player, is the largest custom research and manufacturing services (CRAMS) Company out of India. The company has a presence across the pharmaceutical value chain for providing products and services such as proprietary products, exclusive synthesis, active pharmaceutical ingredients, contract manufacturing of sterile injectables & non-steriles products, radiopharmaceuticals, generic dosage forms, drug discovery services, medicinal chemistry services, clinical research services, Life Science Chemicals, Nutrition Ingredients and Health Care. The Company also manufactures Agri and Performance Polymer products.

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Followed by: Results table

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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 Organosys 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.



CONSOLIDATED RESULTS			Particulars	(Rs. In Lacs)		
Quarter Ended		Year Ended		JUBILANT ORGANOSYS LTD.		
June 30		March 31		Quarter Ended		
(Unaudited)		(Audited)		June 30		



Notes:

1. The Board has approved a Scheme of Amalgamation and Demerger (Scheme) at its meeting held on 8th July ,2010 subject to regulatory and other approvals/sanctions . Under the Scheme Speciality Molecules Limited (SML) a wholly owned subsidiary of the company and Pace Marketing Specialities Limited (PMSL) an exclusive contract manufacturer of adhesives for Consumer Product Division of the company will merge with the company as on 31st March 2010 . The Agri and Performance Polymer Business of the company(along with PMSL) will be demerged into Jubilant Industries Limited (JIL) on 1st April 2010 .On amalgamation shareholders of PMSL will be issued 5,01,364 equity shares of the company as consideration for amalgamation and the equity share capital of SML will be cancelled as the same is held wholly by the company. On demerger, shareholders of the company will get one equity share of Rs. 10 each in Jubilant Industries Limited for every twenty equity shares of Re 1 each held in the company . The equity shares of JIL will be listed on BSE and NSE.
The above results are before giving the effect of the said scheme pending sanction by the Hon'ble Allahabad High Court & other regulatory authorities.

2. The Company repaid during the quarter the Foreign Currency Convertible Bond 2010 amounting to US \$ 49.657 million along with premium of US \$21.309 million on redemption.

3. Depreciation for the Quarter is not comparable with the corresponding quarter previous year , as previous year numbers are net of reversal of cumulative depreciation necessitated due to change in the depreciation policy amounting to Rs 779 Lacs (consolidated Rs 1651 Lacs),

4. Exceptional items include :

i) Amortisation of Foreign Currency Monetary item Translation Difference Account Rs.1191 Lacs (Consolidated Rs. 1695 Lacs).

ii) Mark to Market loss in respect of Interest rate swap outstanding at the period end resulting in loss amounting to Rs.10 Lacs (Consolidated loss amounting to Rs. 385 Lacs) .

5. Information on investors complaints for the quarter (Nos.): Opening Balance – Nil, New 12 , Disposals 12 , Closing Balance – Nil.

6. Previous year / periods figures have been regrouped/reclassified wherever necessary.

7. The above un-audited results were subjected to limited review by the auditors of the company and were approved by the Board of Directors at its meeting held on 27th July, 2010.

For Jubilant Organosys Ltd

Place : Noida

Shyam S Bhartia

Dated : 27th July, 2010

Chairman & Managing Director



(Rs. in Lacs)

CONSOLIDATED RESULTS			Particulars	JUBILANT ORGANOSYS LTD		
Quarter Ended June 30 (Unaudited)		Year Ended March 31 (Audited)		Quarter Ended June 30 (Unaudited)		Year Ended March 31 (Audited)
2010	2009	2010		2010	2009	2010
			Segment revenue			
81363	78010	336630	a. Pharmaceuticals and Life Sciences Products & Services	51540	49046	203266
16888	11718	41951	b. Agri & Performance Polymers	16831	11640	41808
98251	89728	378581	Total	68371	60686	245074
100	92	454	Less : Inter segment revenue	100	92	454
98151	89636	378127	Net sales/Income from operations	68271	60594	244620
81263	77918	336176	a. Pharmaceuticals and Life Sciences Products & Services	51440	48954	202812
16888	11718	41951	b. Agri & Performance Polymers	16831	11640	41808
98151	89636	378127	Total	68271	60594	244620
			Segment results (profit+)/loss(-) before tax and interest from each segment)			
10748	15971	75130	a. Pharmaceuticals and Life Sciences Products & Services	10914	16320	63172
1934	326	1899	b. Agri & Performance Polymers	1956	314	1908
12682	16297	77029	Total	12870	16634	65080
1978	4069	15052	Less : i Interest	582	2922	9971
3526	5200	12250	ii. Other un-allocable expenditure(including exceptional items)	2648	4293	11244
(81)	(7659)	(2062)	iii. Un-allocable Income(including exceptional items)	(81)	(7224)	(2062)
7259	14687	51789	Total profit before tax	9721	16643	45927
			Capital Employed (Segment assets less Segment liabilities)			
486142	473846	469012	a. Pharmaceuticals and Life Sciences Products & Services	190288	189255	178632
27214	21667	21481	b. Agri & Performance Polymers	26968	21365	21344
513356	495513	490493	Total Capital employed in segments	217256	210620	199976
21640	28037	68739	Add: Un-allocable corporate assets less liabilities	197805	185821	238448
534996	523550	559232	Total capital employed in the Company	415061	396441	438424