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PRESS RELEASE

Noida, 10th May, 2010

Q4 FY2010 - Consolidated Revenue up by 18% to Rs. 990 crore, EBITDA

up 115% to Rs. 227 crore, PAT up 10 times at Rs. 137 crore

FY2010- Consolidated Revenue up by 8% to Rs. 3,781 crore, EBITDA up

34% to Rs. 826 crore, PAT up 49% at Rs. 421 crore

Board recommends dividend of 200%

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 Q4 & FY2010.

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:

"We are happy to report strong growth in revenue and excellent growth in profit driven by Pharma and Life Science business, last year.

Going forward, the buoyancy in growth continues and is mainly driven by our healthy order book position, expected addition of new contracts and scaling up of capacities in CRAMS business. The organic growth will be fuelled by new funding enthused in the company's capital structure. Jubilant is very well placed to capitalize on outsourcing opportunity and report a healthy top-line and EPS growth"

Q4 FY2010 (Jan. – Mar. 2010) compared to Q4 FY2009 (Jan. – Mar. 2009)

Revenues

Revenues in Q4 FY 2010 increased by 17.7% and were at Rs. 990 crore.

Pharma and Life Sciences Products & Services (PLSPS)

The PLSPS segment showed growth of 20.5% to Rs. 898 crore. Custom Research and Manufacturing Services/CRAMS contributed strongly to growth with Sales of Rs. 572 crore, up 16.8%. This was mainly because of strong results in the Active Pharmaceutical Ingredients (APIs) and Contract Manufacturing Operations (CMO) businesses. The Life Sciences Chemicals business grew by 33.0% to Rs. 172 crore.

Agri and Performance Polymers (APP)

Revenues in APP were at Rs. 93 crore against Rs. 96 crore in Q4 FY2009. The lower revenue in APP was on account of decline in revenues in Application Polymers & Fertilisers businesses.



International Sales accounted for 67.3% of the Company's total revenues and 72.7% of PLSPS business. In Q4 FY2010 they were higher by 14.9% at Rs. 666 crore. China showed revenue improvement of 43.1% to Rs. 98 crore, whereas North America showed increase of 24.8% to Rs. 397 crore

EBITDA

In Q4 FY2010 the EBITDA was up 115.0% at Rs. 227 crore. EBITDA margins were at 22.9% this year as compared to 12.6% previously. The EBITDA margins in PLSPS segment showed robust increase at 26.2% in Q4 FY2010 as against 19.2% in Q4 FY2009 and in APP segment it was at 11.0% against 1.1% last year.

Profit Before Tax

Q4 FY2010 Profit Before Tax was at Rs. 162 crore as compared to a loss of Rs. 15 crore in Q4 FY2009.

Net Profit and EPS

Net Profit in Q4 FY2010 increased strongly by 10 times to Rs. 137 crore against Rs. 12 crore last year. The EPS was at Rs. 9.29 in Q4 FY2010 against Rs. 0.84 last year.

FY2010 (Apr. – Mar. 2010) compared to FY2009 (Apr. – Mar. 2009)

Revenues

Revenues in FY2010 increased by 7.5% and were at Rs. 3781 crore.

PLSPS

The revenue in PLSPS segment grew by 13.1% to Rs. 3362 crore. The CRAMS revenues increased by 12.3% to Rs. 2132 crore. The CMO operations have shown good revenue growth of 35.2% at Rs. 662 crore. Growth in Pharmaceuticals Products was also very good at 25.2% to Rs. 383 crore.

APP

The APP segment revenues were at Rs. 420 crore from Rs. 547 crore in FY2009. The lower revenue in APP was on account of decline in revenues in Application Polymers & Fertilisers businesses.

International Sales were at 64.9% of the Company's total revenues and 71.1% of PLSPS business. In FY2010 they were higher by 12.7% to Rs. 2454 crore. China showed revenue improvement by 27.7% to Rs. 371 crore and North America showed growth of 17.8% to Rs. 1392 crore in FY 2010.



EBITDA

In FY2010, the EBITDA expanded by 34.3% to Rs. 826 crore. The EBITDA margin was at 21.8% as compared to 17.5% in FY2009. The EBITDA margins in PLSPS business stood at 26.0% from 21.8% last year and in APP segment stood at 4.6% from 8.1% last year.

Profit Before Tax

Profit Before Tax in FY2010 showed outstanding growth of 74.6% at Rs. 518 crore.

Net Profit and EPS

The FY2010 Net Profits grew 48.8% to Rs. 421 crore. The EPS was at Rs. 28.56 against Rs. 19.2 last year.

Board recommends 200% dividend

The Board of Directors recommended dividend of 200%, increased from 150% last year and is at Rs. 2 on every fully paid up equity share of Re 1 each, for the year ended 31 March 2010.

This will result in a dividend payout of Rs. 37 crore (including dividend tax)

Capital Structure

In order to strengthen the capital structure, the company has issued fresh equity of Rs. 387 crore to Qualified Institutional Buyers at Rs. 344.50 per share thereby the net debt to Equity improved to 1.1 and Net debt to EBITDA at 2.9. This money has been used to retire the Rupee debt, which will lead to increase in EPS. The current number of outstanding shares is 15.88 crore.

Demerger of APP business

Last quarter, Board had approved the demerger of its Agri and Performance Polymer business into a separate company for pursuing the growth prospects of both the businesses independently and efficiently. Detail scheme will be presented to the Board in July 2010 and the process is expected to be completed in Q3 FY 2011.

FCCB 2010

The Company has issued USD 75 million Zero Coupon Convertible Bonds in May 2005, which is maturing on May 24, 2010. It has outstanding amount of USD 49.7 million with accrued YTM of USD 19.1 million. The company has adequate resources to repay this amount on maturity if not converted.



Outlook for FY2011

Jubilant continues to see strong traction across all the businesses and expects robust increase in revenue and profitability driven by

- Order book position of ~ USD 1bn in CRAMS business
- Increase in operating margins in DDDS business
- Increase in capacity utilization in CMO business
- Capacity expansion in Pyridines & its derivatives
- Launch of new Pharmaceutical products in API, Speciality Pharmaceuticals and generics
- Commissioning of additional Niacinamide capacity in Nutritional Ingredients business

The buoyancy in growth continues and is driven by visibility in all segments.

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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