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NEULAND LABS REPORTS FIRST QUARTER FISCAL YEAR 2012 FINANCIAL RESULTS

Hyderabad, India – AUGUST 5, 2011 – Neuland Laboratories Ltd., (NSE:NEULANLAB; BOM:524558) a pharmaceutical manufacturer providing active pharmaceutical ingredients (APIs), complex intermediates, and contract research and manufacturing services to customers located in 85 countries, today announced financial results for the first quarter of fiscal year (FY) 2012, ended June 30, 2011.

“We are pleased to report that in the first quarter of the new fiscal year we continued to achieve the good sales growth momentum we began to generate in fiscal year 2011,” said Dr. D.R. Rao, Chairman and Managing Director of Neuland Labs. “We also continued to make progress on managing our costs of production and overall expenses, enabling the company to achieve a profitable quarter.”

Revenues for the first quarter of FY 2012 were \$23.2 million (1.04 billion INR*) compared to revenues in the first quarter of FY 2011 of \$20.3 million (0.9 billion INR), an increase of 14.5%. The increase in revenues primarily reflects gains in sales of the company’s products and services from its API, Contract Research and Manufacturing, and Peptides synthesis businesses.

Neuland reported EBITDA of \$1.85 million (82.58 million INR) in the first quarter of FY 2012, compared to EBITDA of \$0.53 million (23.41 million INR) in the comparable period in FY 2011, an increase of 249%. After-tax profits in the first quarter of FY 2012 were \$0.19 million (8.59 million INR), compared to a net loss of \$1.08 million (47.65 million INR) in the first quarter of FY 2011.

“A notable event during the first quarter was our announcement of Neuland’s new commercial-scale peptide manufacturing service at a symposium for leading peptide experts from around the world,” noted Sucheth R. Davuluri, Chief Executive Officer of Neuland Labs. “Our experience in producing synthetic peptides of varying lengths and complexity parallels their increasing use as therapeutics and diagnostics and in biomedical research. This expanded service, which provides customers rapid access to commercial quantities of affordable, high quality peptides, reflects our commitment to expanding our high value-added products and services.”

For a complete set of Neuland’s FY 2012 and FY 2011 financial data, visit

<http://neulandlabs.com/about/financials.html>.

Neuland Laboratories is listed on India’s National Stock Exchange under the symbol NEULANLAB and on the Bombay Stock Exchange under code 524558 and the symbol Neuland.EO.

Neuland Laboratories Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, an offer on a rights basis of its equity shares, in the near future and is in the process of filing an offer document in this regard with the Securities and Exchange Board of India (SEBI).

* = Indian rupees

About Neuland Labs

For over 25 years Neuland Labs has been at the forefront of supporting drug development through its consulting services and its cGMP contract and API manufacturing. The company is committed to

research, supporting a state-of-the-art R&D operation. Neuland Labs scientists have developed more than 300 processes from bench scale to commercial production and filed more than 400 drug master files worldwide. Its manufacturing facilities are inspected and approved by the FDA and other leading regulatory agencies. Its record of quality manufacturing and reliability is highlighted by cGMP certifications that include the FDA, TGA, EDQM, German Health Authority, ISO 14001, ISO 27001 and OHSAS 18001. For more information, visit www.NeulandLabs.com

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