



## Neuland Q4FY15 net sales up by 22% Declares a dividend of 15%

### Highlights of the Quarter

- Successfully scaled up four new products in the antipsychotic and anticoagulant segment
- Received first set of revenues from Japanese deal with APIC
- USPTO granted a patent for improved process synthesis of Paliperidone Palmitate
- Received the 2015 CMO Leadership Award from Life Science Leader magazine in the quality category.

### FY15 Review

- Opened a new manufacturing facility constructed as part of collaboration with Tokyo-based API Corporation (APIC), a healthcare unit of Mitsubishi Chemical Holdings Group
- Successfully completed USFDA, ANVISA and KFDA (South Korea) audit at Unit I and COFEPRIS(Mexico) audit at Unit I & II
- Unit I & II successfully achieved ISO 9001:2008 and ISO 27001:2005
- Added 46 new customers across all regions
- Rights Issue oversubscribed by 1.42 times

### Neuland Business Positioning

- 30+ years of experience
- APIs for Generics, Niche and Specialty and Custom Manufacturing
- 75+ APIs with 400+ regulatory filings
- Presence in over 85 countries
- Over 75% Direct exports

### Key Molecules

- Ciprofloxacin, Salmeterol, Mirtazapine, Enalaprilmaleate, SotalolHcl, Levetiracetam, Entacapone, Levofloxacin and several NCE molecules

**Hyderabad, India – May 8<sup>th</sup>, 2015** – Neuland Laboratories Ltd., (NSE: NEULANDLAB; BSE-Scrip Code:524558), a pharmaceutical manufacturer providing active pharmaceutical ingredients (APIs), complex intermediates and custom manufacturing solutions services to customers located in 85 countries, today announced financial results for the fourth quarter(Q4FY15) and full fiscal year 2015(FY15), ended March, 2015.

### Standalone Q4FY15 review (Y-o-Y)

- Total Operating income was Rs 1,329.7 mn for Q4FY15 as compared to Rs 1,092.6 mn in the corresponding period of the previous year reflecting an increase of 22% in rupee terms.
- EBITDA stood at Rs 208.1 mn as compared to Rs 191.0 mn during the corresponding period of previous year, an increase of 9%.
- EBITDA Margin at 15.6% for Q4FY15 as against 17.5% in Q4FY14
- Net profit stood at Rs 56.9 mn for Q4FY15 as compared to Rs 85.9 mn in the corresponding period of the previous year, a decline of 34%.
- Basic EPS stood at Rs 6.4 as against Rs. 10.36 in the corresponding quarter of last fiscal

### Standalone FY15 review (Y-o-Y)

- Total Operating income was Rs 4,647.0 mn for FY15 as compared to Rs 4,656.9 mn in the corresponding period of the previous year
- EBITDA stood at Rs 671.5 mn as compared to Rs 737.1 mn during the corresponding period of previous year.
- EBITDA Margin at 14.4 % for FY15 as against 15.8% in FY14
- Net profit stood at Rs 157.9 mn for FY15 as compared to Rs 266.7 mn in the corresponding period of the previous year.
- Basic EPS stood at Rs 18.47 as against Rs. 32.16

### Consolidated FY15 review (Y-o-Y)

- Total Operating revenue was Rs 4,647 mn as compared to Rs 4,656.9 mn during the corresponding period of previous year.
- EBITDA stood at Rs 674.0 mn as compared to Rs 740.5 mn during the corresponding period of previous year.
- EBITDA Margin at 14.5 % for FY15 as against 15.9% in FY 14
- Net profit stood after taxes, minority interest and share of profit/loss of associates stood at Rs 159.5 mn for FY15 as compared to Rs 268.1 mn in the corresponding period of the previous year, a decline of 41%.
- Basic EPS stood at Rs 18.67 as against Rs. 32.33 in FY 14

### Management Comments

“We have had a good quarter with our sales growth recovering smartly to register an uptick of 22% over Q4 FY 14.

The Company continues with its focus on products with higher margins coupled with operational efficiency measures. I am confident that this strategy will enable margins to bounce back in the coming fiscal.”

**Sucheth Davuluri,  
CEO, Neuland Labs**

“Our core focus to move the product mix as well as the business mix is on schedule.

We believe that the hard work needed to set the business in shape is almost done and we will see it's reflection in the financial performance.”

**Dr. D.R. Rao,  
Chairman and Managing  
Director of Neuland Labs**



## Income Statement for Q4FY15 and FY15

Profit and Loss account for the Quarter and Year ended									
Particulars (INR Mn)	Standalone						Consolidated		
	Q4FY15	Q4FY14	YOY%	FY15	FY14	YOY%	FY15	FY14	YOY%
<b>Income from Operations</b>									
Net Sales/ Income from Operations	1,235.9	1,064.6		4,450.6	4,538.5		4,450.6	4,538.5	
Other Operating Income	93.8	28.0		196.4	118.4		196.4	118.4	
<b>Total Income from Operations (Net)</b>	<b>1,329.7</b>	<b>1,092.6</b>	<b>22%</b>	<b>4,647.0</b>	<b>4,656.9</b>	<b>0%</b>	<b>4,647.0</b>	<b>4,656.9</b>	<b>0%</b>
<b>Expenses</b>									
(a) Cost of Material Consumed	653.8	598.6		2,664.2	2,464.4		2,664.2	2,464.4	
(b) Changes in inventories/WIP	67.8	(34.9)		(224.3)	1.3		(224.3)	1.3	
(c) Employee Benefit Expense	137.6	94.3		489.7	362.6		516.2	417.5	
(d) Depreciation & Amortization	36.2	39.0		153.2	149.4		153.2	149.4	
(e) Manufacturing Expenses	126.6	131.3		556.3	484.2		556.3	484.2	
(f) Other Expenditure	148.8	123.9		542.0	641.5		512.9	583.4	
<b>Total Expenses</b>	<b>1,170.8</b>	<b>952.2</b>		<b>4,181.1</b>	<b>4,103.3</b>		<b>4,178.5</b>	<b>4,100.1</b>	
<b>EBIT Before Other Income / Exceptional Items</b>	<b>158.9</b>	<b>140.4</b>	<b>13%</b>	<b>466.0</b>	<b>553.6</b>	<b>-16%</b>	<b>468.5</b>	<b>556.8</b>	<b>-16%</b>
Other Income	12.9	11.6		52.3	34.1		52.3	34.4	
<b>EBIT Before Exceptional Items</b>	<b>171.8</b>	<b>152.0</b>	<b>13%</b>	<b>518.3</b>	<b>587.8</b>	<b>-12%</b>	<b>520.8</b>	<b>591.2</b>	<b>-12%</b>
Finance Costs	86.0	63.9		273.5	245.5		273.6	245.6	
<b>PBT Before Exceptional Items</b>	<b>85.8</b>	<b>88.1</b>	<b>-3%</b>	<b>244.8</b>	<b>342.2</b>	<b>-28%</b>	<b>247.2</b>	<b>345.5</b>	<b>-28%</b>
Exceptional Item		-		-	-		-	-	
<b>PBT</b>	<b>85.8</b>	<b>88.1</b>	<b>-3%</b>	<b>244.8</b>	<b>342.2</b>	<b>-28%</b>	<b>247.2</b>	<b>345.5</b>	<b>-28%</b>
Tax Expense	28.9	2.2		87.0	75.6		87.9	78.0	
<b>PAT</b>	<b>56.9</b>	<b>85.9</b>	<b>-34%</b>	<b>157.8</b>	<b>266.7</b>	<b>-41%</b>	<b>159.3</b>	<b>267.5</b>	<b>-40%</b>
Share of Profit / (loss) of associates									
Minority interest							0.1	0.5	
<b>PAT after taxes, minority interest and share of profit/ (loss) of associates</b>	<b>56.9</b>	<b>85.9</b>		<b>157.8</b>	<b>266.7</b>		<b>159.5</b>	<b>268.1</b>	<b>-41%</b>
<b>Paid-up Equity Share Capital</b>	<b>89.5</b>	<b>77.3</b>		<b>89.5</b>	<b>77.3</b>		<b>89.5</b>	<b>77.3</b>	
<b>Earnings Per Share</b>									
Basic EPS (Not annualized)	6.40	10.36	<b>-38%</b>	18.47	32.16	<b>-43%</b>	18.67	32.33	<b>-42%</b>
Diluted EPS (Not annualized)	6.40	10.35	<b>-38%</b>	18.47	32.15	<b>-43%</b>	18.66	32.32	<b>-42%</b>



## Statement of Assets and Liabilities

Statement of Assets and Liabilities				
Particulars (Rs. Mn)	(Standalone)		(Consolidated)	
	FY15	FY14	FY15	FY14
<b>Equity and Liability</b>				
<b>(1) Shareholders' Funds</b>				
(a) Share Capital	89.5	77.3	89.5	77.3
(b) Reserves and Surplus	1,508.7	1,148.7	1,524.2	1,162.6
	<b>1,598.3</b>	<b>1,226.0</b>	<b>1,613.8</b>	<b>1,239.9</b>
<b>(2) Minority Interest</b>			2.5	2.6
<b>(3) Non - Current Liabilities</b>				
(a) Long-term borrowings	332.2	338.7	332.2	338.7
(b) Deferred Tax Liabilities	122.5	102.6	124.3	104.0
(c) Other Long term liabilities	27.3	29.3	27.3	29.3
(d) Long-term provisions	63.8	51.4	63.8	51.4
	<b>545.8</b>	<b>522.0</b>	<b>547.7</b>	<b>523.3</b>
<b>(4) Current liabilities</b>				
(a) Short-term borrowings	1,458.0	1,396.2	1,458.0	1,396.2
(b) Trade payables	1,139.7	933.7	1,140.2	939.4
(c) Other current liabilities	309.5	661.5	290.7	637.4
(d) Short-term provisions	60.4	93.3	62.5	96.1
	<b>2,967.6</b>	<b>3,084.6</b>	<b>2,951.4</b>	<b>3,069.0</b>
<b>TOTAL</b>	<b>5,111.7</b>	<b>4,832.6</b>	<b>5,115.3</b>	<b>4,834.8</b>
<b>Assets</b>				
<b>(1) Goodwill on Consolidation</b>				
<b>(2) Non-current assets</b>				
(a) Fixed assets	1,645.4	1,654.2	1,645.4	1,654.2
(b) Non-current investments	76.7	76.4	73.9	73.6
(c) Net Deferred Tax Assets	-	-	-	-
(d) Long-term loans and advances	238.3	233.2	236.8	231.5
(e) Other non-current assets	-	-	-	-
	<b>1,960.4</b>	<b>1,963.8</b>	<b>1,956.1</b>	<b>1,959.3</b>
<b>(3) Current assets</b>				
(a) Inventories	1,134.0	934.2	1,134.0	934.2
(b) Trade receivables	1,288.5	1,185.9	1,288.5	1,185.9
(c) Cash and Bank Balances	64.9	66.8	69.8	70.7
(d) Short-term loans and advances	488.7	447.6	491.6	450.4
(e) Other current assets	175.2	234.4	175.2	234.4
	<b>3,151.3</b>	<b>2,868.9</b>	<b>3,159.2</b>	<b>2,875.5</b>
<b>Total</b>	<b>5,111.7</b>	<b>4,832.6</b>	<b>5,115.3</b>	<b>4,834.8</b>



## About Neuland Laboratories Limited

For over 30 years, Neuland Labs has been at the forefront of manufacturing APIs through its cGMP manufacturing facilities, working with customers in 85 countries. Neuland Labs has developed more than 300 processes and 75 APIs, and it has filed more than 48 U.S. drug master files (DMFs) and a total of more than 400 DMFs in the European Union (EU) and other countries. Its manufacturing facilities are inspected and approved by the U.S. FDA and other leading regulatory agencies. Its record of quality manufacturing and reliability is highlighted by cGMP certifications that include the U.S. FDA, TGA (Australia), EDQM (EU), German Health Authority, Anvisa (Brazil), EMA (EU), Cofepris (Mexico), KFDA (Korea), PMDA (Japan), ISO 9001, ISO14001, OHSAS18001 and ISO 27001. For more information, visit [www.NeulandLabs.com](http://www.NeulandLabs.com).

**If you have any questions or require further information, please feel free to contact**

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