

Neuland Laboratories Limited

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August 12, 2016

To
B S E Limited
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai - 400 001

Scrip Code: 524558

To
The National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex
Bandra (E)
Mumbai - 400 001

**Scrip Code: NEULANLAB
Series: EQ**

Dear Sirs,

Sub: Press Release

Please find attached a copy of the Press Release being issued by the Company on the Unaudited Financial Results for the quarter ended June 30, 2016. The same is being uploaded on the website of the Company.

This is for your information and records.

Thanking you,

Yours faithfully,

For **Neuland Laboratories Limited**



Sarada Bhamidipati
Company Secretary

Encl : as above



Neuland Q1FY17 income at INR 1,497.7 mn, PAT at 97.1 mn up by 33%

Hyderabad, India, August 12th, 2016 – Neuland Laboratories Limited (“NLL”) (NSE: NEULANLAB; BSE-Scrip Code:524558), a pharmaceutical manufacturer providing active pharmaceutical ingredients (APIs), complex intermediates and custom manufacturing solutions services to customers located in around 80 countries, today announced financial results for the first quarter(Q1FY17) ended June 30th, 2016.

Financial Highlights

Standalone Q1FY17 (Y/Y%)

- Total Operating income was Rs 1,497.7 mn for Q1FY17 as compared to Rs 1,237.2 mn in the Q1FY16, an increase of 21%
- EBITDA stood at Rs 250.5 mn as compared to Rs 216.3 mn during Q1FY16, an increase of 16%
- EBITDA Margin at 16.7% for Q1FY17 as against 17.5% in Q1FY16
- Net profit stood at Rs 97.1 mn for Q1FY17 as compared to Rs 73.0 mn in Q1FY16
- Basic EPS stood at Rs 10.93 as against Rs. 8.22 in Q1FY16

Commenting on the performance Mr. Sucheth Davuluri, Vice Chairman and CEO of the Company said *“We are happy to open the year with a steady financial performance. This is by far our best quarter in terms of revenues clocked coupled with sustained EBITDA margins and profitability. The performance of this quarter is a reflection of the various transformational initiatives that we have been effecting over the last few quarters and which are playing out now. We believe that this sets us up in a sweet spot as we look to consolidate the strong momentum going forward.”*

In addition, **Mr. Saharsh Davuluri, Joint Managing Director, Neuland Labs added** *“Q1 FY 17 was a strong quarter for the Custom Manufacturing Services(CMS) business in particular. We are seeing increased traction in the CMS business with good visibility in the various projects that are in the pipeline. This apart, we continue to add new customers for the niche molecules that we have launched in the last few quarters and are confident of the business progress going forward.”*

Business Performance

Operational Highlights

- Successfully cleared ANVISA audit for our Unit II
- Continued business momentum in Salmeterol as we added new customers and markets
- Progress in Deferasirox with addition of new customers and initiation of supplies for validation batches in multiple geographies including APAC
- Encouraging initial response from the Chinese pharmaceutical markets where we initiated sale of our newer APIs

Business Saliency

- The total operating revenues for the Q1FY17 account for 47% (66% for Q1FY16 and 51% for Q4FY16) from prime products, 29% (30% for Q1FY16 and 25% for Q4FY16) from niche APIs and the remaining 23% (4% for Q1FY16 and 23% from Q4FY16) from CMS business.
- From a project perspective, the Company is working on 10 projects (9 in Q4FY16 and 1 in Q1FY16) of which 6 are in commercial stage and remaining 4 being in the clinical stage

Others

- During the quarter, NLL entered into a Joint Development Agreement with Phoenix Embassy Techno Zone Private Limited for development of its surplus land at Nanakramguda. As per the terms agreed, NLL will not incur any additional investment for the development of the land and will be entitled to



receive ~23% of the total saleable area of the project which would be determined upon approval of the building plans by the appropriate authorities.

Q1FY17 Earnings Call

The company will conduct a one hour Earnings call at **11:00 AM IST on Tuesday, August 16th, 2016** where the management will discuss the company's performance and answer questions from participants. To participate in this conference call, please dial the numbers provided below ten minutes ahead of the scheduled start time. The dial-in number for this call is **+91 22 3960 0644/+91 22 6746 4144**. Other numbers are listed in the conference call invite which is posted on our website. Please note that the transcript of the conference call will be uploaded on the company website in due course.

About Neuland Laboratories Limited

For 32+ years, Neuland Labs has been at the forefront of manufacturing APIs through its cGMP manufacturing facilities, working with customers in around 80 countries. Neuland Labs has developed more than 300 processes and 75 APIs, and it has filed around 48 U.S. drug master files (DMFs) and a total of around 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

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

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Disclaimer: Certain statements in this document that are not historical facts are forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. The Company will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.