



Neuland FY16 income at INR 5,099.7 mn, PAT at 264.1 mn up by 67%

Declares Dividend of INR 2 per share (20%)

Hyderabad, India, May 20, 2016 - Neuland Laboratories Ltd., (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 fourth quarter(Q4FY16) and full year (FY16) ended March 31st, 2016

Commenting on the performance Mr. Sucheth Davuluri, CEO of the Company said *“The FY16 performance is a reflection of the strategy that we have in place for the Company. While the margins have improved over the previous fiscal, there has also been a significant increase in contribution from our CMS business and niche molecules segment. We believe this is the beginning of a new phase of growth for Neuland as we move forward towards our stated objective of profitable growth”*

In addition, Dr. D.R. Rao, Chairman and Managing Director, Neuland Labs added *“We are happy to record a steady performance in FY 16 with no major operational challenges. As has been stressed in the past, Neuland places greatest emphasis on standards of quality and commitment to regulatory guidelines and we will continue to uphold these principles in the future.”*

Financial Highlights

Standalone FY16 review (Y/Y%)

- Total Operating income was Rs 5,099.7 mn for FY16 as compared to Rs 4,691.5 mn in the FY15, an increase of 9%
- EBITDA stood at Rs 814.9 mn as compared to Rs 671.5 mn during FY15, an increase of 21%
- EBITDA Margin at 16.0% for FY16 as against 14.3% in FY15, improved 167bps
- Net profit stood at Rs 264.1 mn for FY16 as compared to Rs 157.8 mn in FY15
- Basic EPS stood at Rs 29.73 as against Rs. 18.47 in FY15

Standalone Q4FY16 review (Q/Q%)

- Total Operating income was Rs 1,350.4 mn for Q4FY16 as compared to Rs 1,230.3 mn in the Q3FY16, an increase of 10%.
- EBITDA stood at Rs 209.2 mn as compared to Rs 194.4 mn during the Q3FY16, an increase of 8%
- EBITDA Margin at 15.5% for Q4FY16 as against 15.8% in Q3FY16
- Net profit stood at Rs 66.8 mn for Q4FY16 as compared to Rs 62.8 mn in Q3FY16
- Basic EPS stood at Rs 7.46 as against Rs. 7.07 in the Q3FY16

Business Performance

Quarterly Highlights

- In order to reemphasize the importance of generics business within the Neuland group, the Company has rebranded its generics business as Generic Drug Substances(GDS). Now, the company’s reporting to analysts and investor community will have its business split into GDS (includes prime products/base business and niche APIs) and Custom Manufacturing Solutions(CMS)
- The increase in the revenues for Q4FY16 reflects our increased contribution from CMS business which grew 8% over the previous quarter. The CMS business contributed 24% of the overall revenue.
- Scaled up 2 molecules in the CMS space.

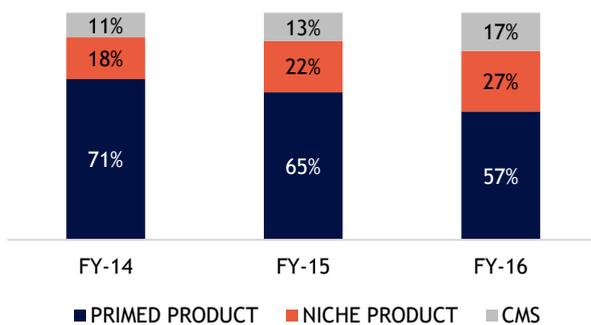
- The R&D facility belonging to NPRPL, which is a sister organization of NLL, has been audited by the USFDA as a test facility for release of materials. The facility has been approved without any observations.

Year in Review

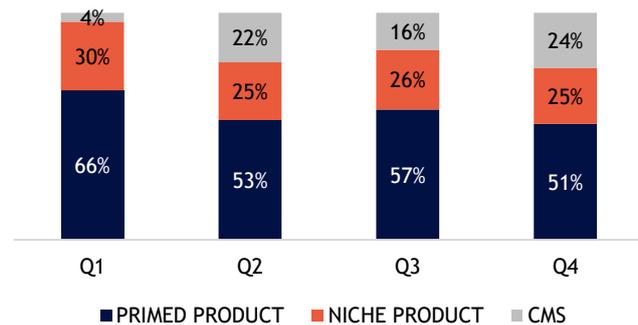
- Scale up of 2 generic APIs - Lurasidone(anti-psychotic) and Rivaroxaban(anti-coagulant).
- Commercial launch of Salmeterol in UK, Germany and some other markets in Europe
- Scaled up over 19 CMS molecules (Intermediates and APIs) at the Laboratory level, across multiple therapies and projects. The Company also made significant progress in one of the CMS products with NDA being filed by the customer in the US market.
- Received large value CMS supply order from an existing customer anticipating NDA filing next fiscal
- 4 process patents granted for three of our key molecules - Sugammadex, Lacosamide, Paliperidone Palmitate
- USFDA inspection in UNIT II of our Company

Business Verticals

Year on Year(Last three fiscal)



Quarter on Quarter(FY16)



Q4FY16 Earnings Call

The company will conduct a one hour Earnings call at **5:00 PM IST on Friday, May 20th, 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 the company 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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