
Neuland Laboratories Limited

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February 3, 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 Ltd
Exchange Plaza,
Bandra Kurla Complex
Bandra (E)
Mumbai - 400 001

**Scrip Code: NEULANLAB
Series: EQ**

Dear Sirs,

Sub: Press Release

Please find enclosed a copy of the Press Release issued by the Company on the Un-audited Financial Results and other updates for the quarter ended December 31, 2015. 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 below



Neuland 9MFY16 income at INR 3,716.7 mn, up by 12% PAT at INR 197.8 mn, up by 96%

Highlights of the Quarter

- Scaled up one additional API with strong revenue potential in the medium term
- Robust business traction in Salmeterol and higher than anticipated sales for Levetiracetam
- Received large value CMS supply order from an existing customer anticipating NDA filing next fiscal

9M FY16 Recap

- Scale up of two new APIs - Lurasidone(anti-psychotic) and Rivaroxaban(anti-coagulant)
- Significant progress in one of the CMS products with NDA being filed in the US market
- 4 process patents granted for three of our key molecules
- USFDA inspection in UNIT II of our Company

Neuland Business Positioning

- 32+ years of experience
- APIs for Generics, Niche and Specialty and Custom Manufacturing
- 75+ APIs with 400+ regulatory filings
- Presence in over 80 countries
- Over 75% Direct exports

Key Molecules

Ciprofloxacin, Salmeterol, Mirtazapine, Enalapril Maleate, Sotalol Hcl, Levetiracetam, Entacapone, Levofloxacin and several NCE molecules

Regulatory Accreditations

USFDA, EDQM (Europe), EMA (Europe), PMDA (Japan), TGA (Australia), BfArM (Germany), AFSSAPS (France), ANVISA (Brazil), COFEPRIS (Mexico) and KFDA (South Korea)

Hyderabad, India, February 3, 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 third quarter(Q3FY16) and nine months' period (9MFY16) ended December 31st, 2015.

Standalone Q3FY16 review (Y-o-Y)

- Total Operating income was Rs 1,219.4 mn for Q3FY16 as compared to Rs 1,077.5 mn in the corresponding period of the previous year reflecting an increase of 13% in rupee terms.
- EBITDA stood at Rs 194.4 mn as compared to Rs 143.0 mn during the corresponding period of previous year, an increase of 36%
- EBITDA Margin at 15.9% for Q3FY16 as against 13.3% in Q3FY15, improved by 267bps
- Net profit stood at Rs 62.8 mn for Q3FY16 as compared to Rs 19.2 mn in the corresponding period of the previous year, an increase of 226%
- Basic EPS stood at Rs 7.07 as against Rs. 2.21 in the corresponding quarter of last fiscal

Standalone 9MFY16 review (Y-o-Y)

- Total Operating income was Rs 3,716.7 mn for 9MFY16 as compared to Rs 3,317.4 mn in the 9MFY15, an increase of 12%
- EBITDA stood at Rs 605.7 mn as compared to Rs 463.4 mn during the same period in the previous year(9MFY15), an increase of 31%
- EBITDA Margin at 16.3% for 9MFY16 as against 14.0% in 9MFY15, improved 233bps
- Net profit stood at Rs 197.8 mn for 9MFY16 as compared to Rs 100.9 mn in 9MFY15
- Basic EPS stood at Rs 22.27 as against Rs. 11.97 in 9MFY15

Business Review and Strategy

Neuland is in the process of entering into a modified agreement with APIC Corporation, Japan, to transfer the assets created for APIC to Neuland. The capacity will be immediately accretive for Neuland and would offset Neuland's short term capacity needs along with the benefits which company envisages from APIC business in the long term.

Management Comments

"The Q3 results reflects another consistent performance in the strategic direction we have set for the company. We are also happy to announce that our renegotiation with APIC will give us additional capacity which we have been looking to add in the near term. We remain positive on the business outlook."

Sucheth Davuluri,
CEO, Neuland Labs

"We have had another good quarter in terms of operations. During the quarter we faced several audits including few of the leading generic companies"

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



Income Statement for Q3/9M FY16

Profit and Loss account for Q3/9MFY16								
Particulars (INR Mn)	Q3FY16	Q2FY16	QoQ%	Q3FY15	YoY%	9MFY16	9MFY15	YoY%
Income from Operations								
Net Sales/ Income from Operations	1,157.5	1,195.9		1,019.5		3,505.0	3,214.8	
Other Operating Income	61.9	75.0		57.9		211.7	102.6	
Total Income from Operations (Net)	1,219.4	1,271.0	-4%	1,077.5	13%	3,716.7	3,317.4	12%
Expenses								
(a) Cost of Material Consumed	598.1	669.7		680.7		1,937.9	2,010.4	
(b) Changes in inventories/WIP	18.2	10.9		(189.6)		(8.5)	(292.1)	
(c) Employee Benefit Expense	127.6	122.8		123.9		381.3	352.1	
(d) Depreciation & Amortization	39.3	39.0		39.0		116.3	117.0	
(e) Manufacturing Expenses	150.8	140.3		145.6		435.5	429.7	
(f) Other Expenditure	145.0	142.9		182.8		406.2	393.2	
Total Expenses	1,079.1	1,125.6		982.4		3,268.8	3,010.3	
EBIT Before Other Income / Exceptional Items	140.3	145.4	-3%	95.1	48%	447.8	307.1	46%
Other Income	14.7	10.6		8.8		41.5	39.3	
EBIT Before Exceptional Items	155.0	156.0	-1%	104.0	49%	489.4	346.4	41%
Finance Costs	63.6	62.8		67.7		191.8	187.4	
PBT Before Exceptional Items	91.4	93.2	-2%	36.3	152%	297.5	159.0	87%
Exceptional Item	-	-		-		-	-	
PBT	91.4	93.2	-2%	36.3	152%	297.5	159.0	87%
Tax Expense	28.6	31.2		17.1		99.7	58.0	
PAT	62.8	62.0	1%	19.2	226%	197.8	100.9	96%
Paid-up Equity Share Capital	89.5	89.5		89.5		89.5	77.3	
Earnings Per Share								
Basic EPS (Not annualized)	7.07	6.98	1%	2.21	220%	22.27	11.97	86%
Diluted EPS (Not annualized)	7.07	6.98	1%	2.21	220%	22.27	11.97	86%

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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