NEULAND
WHERE OPPORTUNITY BECOMES REALITY

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May 11, 2018

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: NEULANDLAB
Series: EQ

Dear Sirs,

Sub: Press Release

Please find attached a copy of the Press Release being issued by the Company and 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

NEULAND LABORATORIES LTD HYDERABAD

Encl : as above

Neuland Q4 FY18 income at Rs.1605.2 mn, PAT at Rs. 80.5 mn

Hyderabad, India, May 11, 2018 - Neuland Laboratories Limited(NLL) (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 around 80 countries, today announced financial results for the fourth quarter (Q4FY18) and full year (FY18) ended March 31st, 2018.

Financial Highlights

Standalone FY18 (Y/Y%)

- Total Revenue was Rs. 5,336.9 mn for FY18 as compared to Rs. 5,888.9 mn in FY17, a decline of 9.4%
- EBITDA stood at Rs. 546 mn as compared to Rs. 1,067 mn during the previous financial year
- EBITDA Margin at 10.2% for FY18 as against 18.1% in FY17
- Net profit stood at Rs. 118.1mn for FY18 as compared to Rs. 463.8 mn in FY17
- Basic EPS stood at Rs. Rs. 10.6 as against Rs. 41.6 in FY17

Standalone Q4FY18 (Y/Y%)

- Total Revenue was Rs. 1,605.2 mn for Q4FY18 as compared to Rs. 1,416.9 mn in the corresponding period of the previous year reflecting an increase of 13.3 %
- EBITDA stood at Rs. 190.7 mn as compared to Rs. 286.0 mn during the same period of previous year
- EBITDA Margin at 11.9 % for Q4FY18 as against 20.2% in Q4FY17
- Net profit stood at Rs. 80.5 mn for Q4FY18 as compared to Rs. 146.9 mn in the corresponding period of the previous year
- Basic EPS stood at Rs. 7.22 as against Rs. 13.17 in the corresponding quarter of last fiscal

Commenting on the performance Mr. Sucheth Davuluri, Vice-Chairman and Chief Executive Officer of the Company said *"After the subdued 3 quarters of FY 18, we are pleased with the growth in this quarter. The drivers for this growth are across all the three segments of the business that we focus on, namely, Prime, Niche and the CMS businesses."*

He also added, "The integration of the Unit 3 facility is proceeding well and we have already started manufacturing trials for some intermediates from this facility as a backward integration process for some of our products. Selection of new products and qualifying them for the facility is currently underway and we believe that this acquisition will add value to the Company in the forthcoming quarters."

In addition, **Mr. Saharsh Davuluri, Joint Managing Director, Neuland Labs added** "*As we step into the new fiscal, we are extremely pleased with the visibility for GDS and order pipeline from the CMS business which we see as one of the key growth drivers for the Company. There are industry pressures on raw material costs that could put some strain on the margins for Prime APIs. The backward integration of some of the products in Unit 3 is therefore a step in that direction to partially mitigate costs and shore up margins."*

Business Performance

Operational Highlights

- Filed 4 USDMFs – Apixaban, Paliperidone Palmitate (Sterile), Rotigotine and Aripiprazole Lauroxil.
- Industry faces pressure on margins on account of increase in raw material prices as a result of actions taken by the Chinese government with respect to the environment.

Business Saliency

- The total operating revenues for the Q4FY18 account for 61.2% (44% for Q4FY17 and 56% for Q3FY18) from prime products, 16.4% (27% for Q4FY17 and 17% for Q3FY18) from niche APIs and the remaining 22.4% (29% for Q4FY17 and 27% for Q3FY18) from CMS business.
- From a project perspective, the Company derived CMS revenues from 13 projects (12 in Q4FY17 and 6 in Q3FY18) of which 6 are in commercial stage and remaining 7 being in the clinical stage.

CMS Pipeline Details

Q4 FY18	Pre-Clinical	P-1	P-2	P-3	Development	Commercial	Grand Total
API	7	2	3	4	5	5	26
Intermediate	1	1		7		5	14
Grand Total	**8**	**3**	**3**	**11**	**5**	**10**	**40**

Q4 FY17	Pre-Clinical	P-1	P-2	P-3	Development	Commercial	Grand Total
API	2	2	3	2	4	5	18
Intermediate				7		5	12
Grand Total	**2**	**2**	**3**	**9**	**4**	**10**	**30**

Q3 FY18	Pre-Clinical	P-1	P-2	P-3	Development	Commercial	Grand Total
API	7	2	4	4	6	5	28
Intermediate	1	1		7		5	14
Grand Total	**8**	**3**	**4**	**11**	**6**	**10**	**42**

Update on Merger Scheme

NCLT, Hyderabad Bench, vide its order dated March 28, 2018, has approved the Scheme of Amalgamation and Arrangement between Neuland Laboratories Limited (Transferee Company) and Neuland Health Sciences Private Limited (First Transferor Company) and Neuland Pharma Research Private Limited (Second Transferor Company) and their respective shareholders and creditors.

Q4FY18 Earnings Call

The company will conduct a one-hour Earnings call at **05:30 PM IST** on **Friday, May 11th, 2018** 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 numbers for this call are **+91 22 6280 1107 / +91 22 7115 8008**. 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

Neuland Labs is a leading pharmaceutical company engaged in the manufacturing of APIs through its cGMP manufacturing facilities, working with customers in over 80 countries. Neuland Labs has has filed around 53 U.S. drug master files (USDMFs) and a total of around 650 Regulatory filings in the European Union (EU) and other jurisdictions. 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), Health Canada, CFDA (China), 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

IR Department at Neuland

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