



## Press Release

BSE Scrip Code: 506943

NSE Symbol: JBCHEPHARM

Mumbai, July 26, 2013:

### Sales Growth 24%, PBT Growth 373%

### Unaudited Financial Results for Q 1- 2013-14

J.B. Chemicals & Pharmaceuticals Ltd. (JBCPL) today announced its standalone unaudited financial results for the quarter ended on June 30, 2013. The company was able to post robust performance during Q1 due to higher sales coupled with favourable product mix on one hand and containment of costs on the other. The highlights of the Y-o-Y results are as under:

Particulars	(Rs. in crores)	
	Q1-2013-14	Q1-2012-13
Net Sales	<b>229.16</b>	<b>184.85</b>
Other Operating income	6.06	4.89
Other Income	1.51	2.70
Total Revenue	236.73	192.44
Profit from ordinary activities after finance cost but before exchange fluctuation translation loss	32.93	15.42
Profit from ordinary activities before tax	<b>27.49</b>	<b>5.80</b>
Profit from ordinary activities after tax	20.32	4.30
EPS (Rs.) (FV 2)	2.40	0.51

The overall operating revenue for the quarter at Rs. 235.22 crores was 23.97% higher against operating revenue of Rs. 189.74 crores in the corresponding quarter in the previous year, while the profit from operations at Rs. 32.88 crores was 135.45% higher against operating profit of Rs. 13.96 crores in the same quarter in the previous year. All businesses of the company registered good growth during the quarter.

The domestic formulations business at sales of Rs. 94 crores registered overall growth of 18.50%, with actively promoted product group growing by 22%. As stated earlier, in the near term, the company would continue to consolidate in the domestic market by harnessing the potential of the existing products basket, enhanced penetration in tier II cities and rural market, selective new product launches and

focus on increase in productivity. These measures being pursued through last 8 quarters have started delivering satisfactory result. Even though domestic market presents severe competition, the company is confident of successfully meeting the growth challenges.

The formulations exports at Rs. 109 crores registered growth of 27.60% during the quarter. The exports of formulations to Rest of the world markets registered growth of 19.83% in Rupee terms and 15% in US \$ terms. The strategy in this business is to focus on contract manufacturing opportunities with continued focus on niche branded generics. Presently, contract manufacturing provides good revenues in this segment due to State-of-the-Art manufacturing facilities, some of which are approved by international health authorities such as US FDA, UK MHRA, TGA Australia, MCC South Africa and PIC/s (MOH Ukraine). The company plans to leverage this strength by building on lucrative contract manufacturing opportunities.

The exports of formulations to Russia-CIS region registered growth of 74.47%. The board of directors has today approved the proposal of marketing of the formulations in Russia-CIS region by a subsidiary company in Dubai. This change is expected to become operational during the current year.

The supply arrangement with Cilag GmbH International, a Johnson & Johnson affiliate has been functioning smoothly. These sales registered growth of 15.50% during the quarter and the relationship with Johnson & Johnson entities is expected to further grow in the coming years.

The API business with sales for the quarter at Rs. 22.74 crores registered growth of 61.65%.

As per Settlement Agreement dated July 16, 2013, the company and Cilag GmbH International ("Cilag") have mutually arrived at a settlement of claims raised by Cilag in connection with transaction of sale of Russia-CIS OTC business undertaking by the company. According to this settlement, the purchase price paid by Cilag has been revised downward by Rs. 64.50 crores. Accordingly, an amount of Rs. 64.50 crores has been released to Cilag from the Escrow Account and balance amount of Rs. 73.07 crores has been released to the company from the said Escrow Account. Consequent to this release, the Escrow Account now stands closed.

### **About JBCPL:**

JBCPL, one of India's leading pharmaceutical companies, manufactures & markets a diverse range of pharmaceutical formulations, herbal remedies and APIs. JBCPL exports to many countries worldwide with a strong presence in Russia, Ukraine, CIS countries and South Africa. The Company continues to invest in growing its share in the regulated markets in USA, Europe and Australia. JBCPL has a strong R & D and regulatory set-up for development of new drug delivery system and formulations,

filing of DMFs and ANDAs. Its State-of-the-Art manufacturing facilities are approved by health authorities of regulated markets.

For more information on JBCPL visit our website at [www.jbcpl.com](http://www.jbcpl.com). For more details, you may contact:

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*Forward Looking Statements:*

*This Press Release may contain Forward Looking Statements regarding future events and future performance of J.B. Chemicals & Pharmaceuticals Ltd. that involve risks and uncertainties that could cause actual results to differ materially from those that may be indicated by such statements.*