

Granules India's Net Revenue soars 37%; PBT before non-cash expense jumps 70%

PRESS RELEASE

Hyderabad, October 17, 2011

Granules India Ltd., a vertically integrated formulation manufacturer, announced financial results for its fiscal year 2012 second quarter ended September 30, 2011. Granules' consolidated net revenue increased 37% to Rs. 161 Cr. while PBT before exceptional items increased by 70% to Rs. 7 Cr.

Growth was driven by strong performances in all three divisions. The Finished Dosage division contributed Rs. 44.8 Cr., an increase of 114% over the prior year. Granules expects high growth in the division to continue as orders for its Ibuprofen and Metformin ANDA products continue to ramp up. The API and PFI divisions had strong double-digit growth due to their usage in Finished Dosage sales and also because of increased demand from API and PFI customers. .

“We are proud of our top-line growth but are more excited that we were able to increase our PBT before exceptional items margin by 24% which demonstrates the strength of our business. Due to the depreciation of the Rupee, we incurred a Rs. 2.9 Cr. F/X adjustment, which is a non-cash expense that does not accurately reflect the improvement in our operations. The improvement in profitability is due to an increase in finished dosage and PFI sales along with higher efficiencies in our operations. In order to support our growth and improve profitability, our team is implementing systems to enhance the productivity of our existing facilities. Over the past year, we improved our metformin production by 110% to 2,000 tons per year. In addition to optimizing our API capacity, we are on track to finish the expansion of our 8,000 tpa PFI module and 12 billion dose formulation module during Q4, which will be essential in filling our strong order book” said Krishna Prasad, Managing Director of Granules India.

Quarter ended September 30, 2011

- Net Revenue: Rs. 161.4 Cr., as compared to the same period last year at Rs. 117.9 Cr.

Standalone Net Sales: Rs. 140.0 Cr., as compared to the same period last year at Rs. 100.2 Cr.

- PBT before F/X Adjustment: Rs. 6.9 Cr., as compared to the same period last year at Rs. 4.1 Cr.

Standalone PBT before F/X Adjustment: Rs. 8.7 Cr., as compared to the same period last year at Rs. 4.9 Cr.

About Granules India Ltd.,

(BSE: 532482, NSE: GRANULES)

Granules India Ltd. is a vertically integrated formulation manufacturer. The Company is a large-scale manufacturer of Finished Dosages (FDs), Pharmaceutical Formulation Intermediates (PFIs) and Active Pharmaceutical Ingredients (APIs), which are distributed in over 50 countries. The Company's operations and logistics expertise along with its scale allow Granules to provide customers high quality products across the pharmaceutical manufacturing value chain at a cost-effective price.

Caution Statement:

Certain statements made above may be "forward looking statements" within the meaning of applicable laws and regulations.