Granules India's revenue increases to Rs. 176 Cr.; net profit increased by 228%

October 25, 2012

PRESS RELEASE

Hyderabad, October 25, 2012

Granules India Ltd., a fast growing pharmaceutical manufacturing company, announced financial results for its fiscal year 2013 second quarter ended September 30, 2012. Granules' revenue increased 9% to Rs. 176 Cr. while net profit increased 228% to Rs. 8 Cr.

Profitability margins expanded due to an increase in finished dosage sales and high production levels at all the facilities. The EBITDA margin expanded by more than 440 basis points compared to the corresponding quarter in fiscal year 2012 while the net profit margin grew by more than 300 basis points. The Company expects margins to continue expanding due to economies of scale from its formulations capacity expansion and an increasing revenue shift to formulations.

Quarter ended September 30, 2012

Financial Highlights

- Revenue: Rs. 175.7 Cr., an increase of 9% compared to Rs. 161.7 Cr. in Q2FY12
- EBITDA: Rs. 21.7 Cr., an increase of 70% compared to Rs. 12.8 Cr. in Q2FY12
- Net Profit: Rs. 8.1 Cr., an increase of 228% compared to Rs. 2.5 Cr. in Q2FY12

"The second quarter demonstrates that we are continuing to build on our success. We have been able to more than double our market share in several products in five years due to our focus on quality and productivity and expect to increase market share. Our Operational Excellence Program has played an important part in increasing productivity and is one of the primary reasons that revenue has grown 30% while profitability margins have increased in the current fiscal year" said Krishna Prasad, Managing Director of Granules India.

Granules finished its PFI Expansion and now has a capacity of 18,000 tons, which is the largest capacity in the Pharmaceutical industry. The Company commercialized the new capacity in October and will scale up production throughout the third quarter. In addition, Granules is on track to finish its Finished Dosage expansion during the third quarter. Due to the increase of capacities throughout its product lines, Granules anticipates growth to accelerate in the second half of the fiscal year. About Granules India Ltd.

(BSE: 532482, NSE: GRANULES)

Granules is a fast growing pharmaceutical manufacturing company with world class facilities and is committed to manufacturing excellence, quality and customer service. The Company produces Finished Dosages (FDs), Pharmaceutical Formulation Intermediates (PFIs) and Active Pharmaceutical Ingredients (APIs) for quality conscious customers in the regulated and semi-regulated markets. Granules support customers with unique value, extensive product range, proactive solutions and a global network of associates. The Company's global presence extends to over 300 customers in 50 countries through offices in India, U.S., China and Colombia. Granules offer all three components of the pharmaceutical value chain which gives the customers flexibility and choice.

Granules has the largest PFI facility in the world with an industry leading 6 ton batch size. The Company has its own ANDAs and dossiers which enable customers to quickly enter a market instead of filing their own applications. Granules has a highly skilled regulatory affairs department that can offer customers support and can help them navigate through regulatory issues.

Granules has strengthened its advantages through is Operational Excellence (OE) department which looks at every step of the manufacturing process in order to gain efficiencies and has also implemented systems that have standardized quality and reduced variation The Company's OE program is regularly citied by MNCs as a "best in class" program and is the comparative advantage that lets Granules provide world-class quality products at a lower cost than its competitors. The adoption of the OE philosophy by Granules has earned it several recognitions including The Economic Times Manufacturing Excellence Award 2011.

Caution Statement:

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