



Contacts:

Neuland Laboratories Ltd.
NS Viswanathan
Vice President- Finance
+91 40 30211600
nsviswanathan@neulandlabs.com

US Media
BLL Partners/Brandwidth Solutions
Barbara Lindheim
+1 212 584-2276 x 201
blindheim@bllbiopartners.com

NEULAND LABS REPORTS FINANCIAL RESULTS FOR FISCAL YEAR 2012

—Revenues Increased 13% Year-Over-Year—

—Successful Completion of Rights Offering Shores Up Equity—

Hyderabad, India – May 3, 2012 – Neuland Laboratories Ltd., (NSE:NEULANDLAB; BOM:524558) a pharmaceutical manufacturer providing active pharmaceutical ingredients (APIs), complex intermediates, and contract research and manufacturing services to customers located in 85 countries, today announced financial results for the 2012 fiscal year (FY) ended March 31, 2012.

“We are pleased to begin the new fiscal year with the successful closing of our rights offering, which has both strengthened the firm’s equity and infused cash into operations to fuel growth. We continue to see promise in all three Neuland business segments -- APIs, Contract Research and Manufacturing and Peptides, and we look forward to continued growth during the coming year,” said Dr. D.R. Rao, Chairman and Managing Director of Neuland Labs.

Revenues for FY 2012 were \$88.07 million (4.48 billion INR*) compared to FY 2011 revenues of \$78.04 million (3.97 billion INR*), an increase of 13%. The increase in revenues primarily reflects gains in sales of the company’s products and services from its API and Contract Research and Manufacturing businesses.

Neuland reported FY 2012 EBITDA of \$9.50 million (483 million INR*), compared to EBITDA of \$9.83 million (500 million INR*) in FY 2011. The decrease in EBITDA primarily reflected higher costs for raw materials, energy and other inputs during the 2012 fiscal year.

After-tax profits in FY 2012 were \$0.40 million (20 million INR*), compared to after-tax profits in FY 2011 of \$1.00 million (51 million INR*). The decrease in after-tax profits primarily reflects increases in finance costs and the impact of foreign exchange adjustments.

“We launched four new APIs for the generic market in the past year, which have all been successful in terms of our customers’ ability to gain significant market share based on the strong pricing position and sustainable capacity our products make possible,” commented Sucheth R. Davuluri, Chief Executive Officer of Neuland Labs. “In addition, the company is focusing on reducing the costs of existing key products and increasing margins significantly in the current year. For 2012-13, we are targeting an overall cost reduction equal to 4% of sales as a result of our planned reductions in cost of goods.”

For a complete set of Neuland’s FY 2012 and FY 2011 financial data, visit <http://neulandlabs.com/about/financials.html>

Neuland Laboratories is listed on India’s National Stock Exchange under the symbol NEULANDLAB and on the Bombay Stock Exchange under code 524558 and the symbol Neuland.EO.

* = Indian rupees

About Neuland Labs

For over 25 years Neuland Labs has been at the forefront of supporting drug development through its consulting services and its cGMP contract and API manufacturing. The company is committed to research, supporting a state-of-the-art R&D operation. Neuland Labs scientists have developed more than 300 processes from bench scale to commercial production and filed more than 400 drug master files worldwide. Its manufacturing facilities are inspected and approved by the FDA and other leading regulatory agencies. Its record of quality manufacturing and reliability is highlighted by cGMP certifications that include the FDA, TGA, EDQM, German Health Authority, ISO 14001, ISO 27001 and OHSAS 18001. For more information, visit www.NeulandLabs.com

#