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NEULAND LABS REPORTS SECOND QUARTER FISCAL YEAR 2013 FINANCIAL RESULTS

--Achieves Fourth Consecutive Quarter of Profitability and Eighth Consecutive Quarter of Revenues Greater than One Billion Indian Rupees--

Hyderabad, India – NOVEMBER 9, 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 second quarter of fiscal year (FY) 2013, ended September 30, 2012.

Revenues for the second quarter of FY 2013 were \$21.37 million (1.18 billion INR*), compared to revenues in the second quarter of FY 2012 of \$22.32 million (1.23 billion INR), a decrease of 4.3%. Neuland reported EBITDA of \$2.16 million (119.45 million INR) in the second quarter of FY 2013, compared to EBITDA of \$2.02 million (111.84 million INR) in the comparable period in FY 2012, an increase of 6.8%.

The company reported after-tax profits in the second quarter of FY 2013 of \$0.56 million (30.85 million INR), compared to a loss of \$0.23 million, (negative 12.58 million INR), in the second quarter of FY 2012.

“In the second quarter of FY 2013 we continued to deliver on our goal of achieving consistently profitable operations,” said Dr. D.R. Rao, Chairman and Managing Director of Neuland Labs. “This is our fourth consecutive quarter of profitability, and the eighth consecutive quarter that we have reported revenues greater than one billion Indian rupees.”

“We believe that our investments in marketing and business development are building the foundation for both near and long-term revenue growth,” noted Sucheth R. Davuluri, Chief Executive Officer of Neuland Labs. “Our revenue growth for the first half of fiscal year 2013 is up compared to the first six months of last year, and our enhanced efforts to manage costs resulted in an increase in profits despite the modest sales dip in the second quarter. While the increase in sales in the first half was partly the result of the strengthening of the US dollar against the rupee, the increased margins we are achieving are primarily due to our success in making our key API products more profitable by implementing ongoing process improvements.”

For a complete set of Neuland’s FY 2013 and FY 2012 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, working with customers in over 100 countries. 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, developed over 60 APIs, and filed more than 40 US drug master files, 10 EU CEPs and a total of more

than 400 DMFs 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.

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