



Jubilant Life Sciences Limited – Chairman’s speech – AGM August 28, 2012

Good morning Ladies and Gentlemen,

Welcome to the Annual General Meeting of Jubilant Life Sciences Limited. During the year there has been a challenging business environment across the world. GDP growth in India has slowed down to 6.9% though it is still higher than growth rates in many other countries. European Union has been facing headwinds, Japan has been recovering from the ill effects of Tsunami and US has been showing signs of growth. However, macro environment is still very fragile.

Despite these uncertainties, Financial Year 2012 has been a remarkable period at Jubilant Life Sciences. The performance this year was characterised by robust momentum in all business segments, with strong revenue growth of 24% and earnings growth of 57%. Our enhanced focus on international business brought in 37% growth in regulated market operations. With our international business accounting for 70% of revenue and with about 50% assets outside India, Jubilant is now truly transformed into a Global Life Sciences Company.

Our strategy of continuously moving up the value chain with wider geographic reach and on-going investments in R&D have yielded excellent results. In FY 2012 your Company reported Income from Operations of Rs. 4,278 Crore with Earnings before Interest, Taxes, Depreciation and Amortisation at an all-time high of Rs. 893 Crore. This led to enhanced margins of 20.9%. The Company reported Profit after Tax of Rs. 15 Crore in FY 2012. However, Normalised PAT was much higher at Rs. 363 Crore after adjusting for exceptional items of Rs. 349 Crore.

In FY 2012, income from operations in pharmaceutical segment recorded growth of 41% YoY, at Rs. 2,175 Crore. This constituted 51% of overall income and over 60% of operating profits of the Company. The excellent performance in



the segment was driven by new product launches, better pricing and demand for our niche products as well as geographic outreach program.

With over 3 decades of experience in chemistry, Jubilant is today an established name in the Life Science Ingredients space. We are well-positioned as a cost effective high quality manufacturer of life science products with global leadership positions. Life Science Ingredients segment recorded income from operations at Rs. 2,103 Crore in FY 2012. We have taken significant initiatives to enhance growth in this segment with commissioning of new capacities in all its three business lines, thereby enhancing market share in key products.

Dividend

For the year FY 2012, based on strong operational performance of the Company, we are happy to share that the Board has proposed to increase the dividend from 200% in FY 2011 to 300% per equity share of Face Value Rs. 1 each. If approved, this will result in the final cash outgo of Rs. 56 Crore including dividend tax.

Q1 FY 13 Results

In the first quarter of Financial Year 2013, we are happy to report strong revenue growth of 31%, at Rs 1240 crs, along with operating profit growth of 46%, year on year with EBITDA at Rs 277 crs. Our strategy of geographic expansion is yielding fruits in terms of 37% growth in International revenues, which now account for 73% of revenue mix. The exceptional performance has been driven by focus to continuously move up the value chain and launch new products through innovative processes. We are confident to demonstrate robust revenue and profit growth with stable EBITDA margins in times to come.

Outlook

The strategy of your Company consists of four key pillars of growth namely Integrated Operations, Global Outreach, Innovation and Sustainability. This will enable the Company to target a compounded annual revenue growth of over



20% for next 3 years. Operating Profit growth is expected to be higher due to focus on cost competitiveness, vertical integration and operating leverage. Better financial performance is expected to strengthen the Balance Sheet, reduce debt levels and improve financial ratios.

In FY 2013, we expect to achieve 20-22% revenue growth with EBITDA margins at about 21%. Key focus area for FY 2013 is harvesting the investments already made over the last few years in the chosen business lines. Your Company would aspire to continue on the growth momentum with a focus to generate maximum operating and free cash flows in order to bring down the net debt levels of the consolidated entity.

We take this opportunity to express heartfelt gratitude to all our stakeholders including customers, partners, vendors, suppliers, independent directors, bankers and shareholders for reposing faith in us. We also take this moment to commend our employees in India and around the world for their commitment to Jubilant values of inspiring confidence, nurturing innovation and in providing quality products and services to Life Science industry across the globe.

Thank you.