

Jubilant Life Sciences Limited – Chairman’s speech – AGM September 02, 2014

Good morning Ladies and Gentlemen,

Welcome to the Annual General Meeting of Jubilant Life Sciences Limited.

We are currently going through a very important phase in our country’s evolution. People expect the policy decision process to be expedited which will accelerate growth and play a significant role in economic revival across all sectors.

International activity and world trade picked up in the second half of 2013, as the US economy led global economic recovery. The pharmaceutical sector is also witnessing constant evolution and innovation. This is led by enhanced focus on unmet medical needs balanced by affordable healthcare.

We, at Jubilant Life Sciences, are cognizant of our role in maximizing the wealth of our shareholders and constantly working towards contributing to the society at large.

The year FY 2014 saw Income from Operations of Rs. 5,803 crore, a growth of 12% year on year. EBITDA stood at Rs. 1,027 crore with EBITDA margins of 17.7%. Profits before Exceptional Items, Tax and Minority Interest were at Rs. 422 crore. The Profit after Tax was Rs. 109 crore whereas the Normalized PAT after adjusting for exceptional items was Rs. 324 crore.

In FY 2014, the Pharmaceuticals segment witnessed a revenue increase of 2% at Rs. 2,728 crore, contributing 47% to the overall Income from Operations. This progression is driven by new product introductions and revenue increases in Radiopharmaceuticals. Life Science Ingredients segment delivered revenue growth of 23% to Rs. 3,076 crore thus contributing 53% to the overall Income from Operations. Volume growth along with the price hikes that we took in some of our key products aided our performance in this segment.

We continue to focus on expanding our business globally. Our products and services now reach out to customers in over 100 countries of the world. International revenues account for 75% of the revenue mix at Rs. 4,327 crore with revenues primarily from North America, Europe and Japan.

We are building a more agile company to seize evolving market opportunities. Our competitive strength lies in our integrated low cost production and our innovative product portfolio backed by efficient R&D capabilities and manufacturing capabilities. In FY 2014, our spending on R&D stood at 5% of our

Pharmaceuticals segment revenues and we continue to make significant investments on R&D, backed by a team of around 1,000 employees.

We have completed the consolidation of all our Pharmaceutical business under Jubilant Pharma, Singapore with effect from 1st July, 2014. This has been financed by a US\$ 147.5m funding from IFC, which includes US\$ 87.5m long term loan, US\$ 60m of zero coupon convertible loan and a further loan of US\$ 52.5m to be syndicated by IFC.

Dividend

With a stable performance on a consolidated basis, the Board has recommended a dividend of 300% or Rs. 3 per equity share of Re. 1 for the year. This will result in a cash outgo of Rs. 56 crore (including tax) post all approvals.

Q1 FY 15 Results

In the first quarter of Financial Year 2015, the company reported revenue at Rs. 1,473 crore, an increase of 8% YoY. EBITDA for the quarter was at Rs. 150 crore and margins at 10.2%. Normalized PAT stood at Rs. 23 crore. Income from the international market stood at Rs. 1051 crore contributing 71% to the overall mix and up 5% YoY.

Income from operations of the Pharmaceuticals segment stood at Rs. 604 crore, contributing 41% to the revenue mix. The segment EBITDA stood at Rs. 36 crore with EBITDA margins of 5.9%.

Income from operations for the Life Science Ingredients segment stood at Rs. 869 crore, growing 23% YoY and contributing 59% to total revenues. The segment EBITDA was at Rs. 133 crore with EBITDA margins at 15.3%.

Performance of the quarter was affected due to extended plant shut-down in CMO business to address USFDA issues. We hope to normalize our production in Spokane in Q2 FY2015 and we are confident of recovering some of the business affected in the quarters going forward. In Life Science Ingredients, we witnessed growth across all businesses aided by price and volume gains.

Outlook

We are confident that we have laid the foundation for a strong performance in the remaining quarters of the year and therefore expect strong growth momentum led by our Pharmaceuticals segment. This growth in Pharmaceuticals will be

driven by new products and new markets, expanding volumes in CMO operations and revenue increase in Radiopharmaceuticals. Life Science Ingredients should continue its robust performance on account of higher capacity utilization, better pricing of our key products and expansion into new markets.

We wish to convey our earnest gratitude to all our esteemed stakeholders including customers, suppliers, vendors, bankers and shareholders for reposing faith in us and being supportive through all our endeavors. We would like to welcome Mrs. Sudha Pillai, who joined us as an Independent Director on our Board. We would also like to express a note of thanks to our employees, globally, for assisting us in the delivery of our broader agenda of profitable growth.

May the coming year be successful for all of us!

Thank you.