



TTK HEALTHCARE LIMITED

Regd. Office : No.6, Cathedral Road, Chennai 600 086

CHAIRMAN'S SPEECH

Ladies and Gentlemen,

It gives me great pleasure to welcome you all to this 50th Annual General Meeting of your Company.

FINANCIAL YEAR 2007-08:

The Annual Report for the year has already been circulated. I would just cover the highlights:

Financial Highlights:

- ☞ Your Company achieved a Sales turnover of Rs.200.46 crores as against the previous year figure of Rs.214.29 crores. The drop in sales was mainly due to the discontinuation of the distribution arrangement with M/s Sara Lee. The impact of the loss of Sara Lee Business had been to a great extent covered by ensuring growth in other businesses.

On the rest of the sales operations (excluding Kiwi), the growth achieved was 18%.

- ☞ You will be pleased to note the Profit before tax amounted to Rs.21.99 crores after considering the income on sale of property and the loss incurred on the sale of Medical Devices Division, as against the previous year figure of Rs.5.84 crores.
- ☞ The Cash position of the Company stands at a healthy level of Rs.49.85 crores as against the previous year figure of Rs.26.02 crores.

Businesswise Performance:

- ☞ Woodward's Gripewater, the flagship brand of your Company, achieved a growth of 12% as against 7% in the previous year. EVA Range recorded an impressive growth of around 55%.

During the latter part of the year, Air Freshners, Scrub Pads, etc., were launched under the Good Home Brand in select regions and the initial response has been encouraging. The range would be launched in other Regions in phases.

The distribution arrangement with TTK-LIG for Condoms is yielding desired results.

- ☞ The performance of the Pharma Division during the latter part of the year was affected due to the Government's decision to withdraw Fixed Dose Combinations. However, necessary steps have subsequently been taken by your Company to lessen the impact reasonably.

Ventura Division recorded a growth of 14%. The performance would have been much better, but for the huge attrition of manpower.

The performance of Animal Welfare Division (AWD) was in line with the expectations, despite the impact of the Avian Flu in the Eastern part of the country.

- ☞ I am very happy to inform you that the Heart Valve Division's performance was impressive with a sale of 7490 valves including export of 300 valves.

You will be happy to note that the state-of-the-art Manufacturing Facility at Trivandrum for Heart Valves and other Medical Devices has been commissioned and is fully functional. Your Company has also obtained ISO Certification for this facility from TUV, Germany. Further, CE marking for Heart Valves would also be obtained soon.

The developmental works of the Improved Heart Valve, Vascular Graft and Coronary Stent are progressing satisfactorily.

- ☞ The performance of the Foods Division has been satisfactory.

The production was affected due to frequent machinery break-downs. Considering the age of the existing machines, it is proposed to go in for a pre-owned Pellet Manufacturing Line with a capacity of 2000 MTs per annum and this project would be taken up for implementation shortly.

Your Company is also planning to launch of ready-to-eat snack products under the brand name "Yummies".

- ☞ Having established the basic infrastructure, including manpower, for the Digital Cartography / GIS Division, your Company is now focusing on generating business and the response so far has been satisfactory.

A full-fledged facility is also under construction for this Division at Mahindra City, near Chennai.

SALE OF PROPERTY:

As part of the initiative to unlock values from assets for productive deployment, your Company disposed of the Printing Division's property at Chromepet at a consideration of Rs.21 crores.

DIVIDEND:

Your Directors have recommended a **higher dividend of Rs.3.00 per share** as compared to the last year's dividend of Rs.2.50 per share.

BUY-BACK OF SHARES:

Your Company proposes to buy-back its shares so as to create better shareholder value in the long run and also to enhance the return on equity, earnings per share and book value of the Company.

The buy-back process would commence after obtaining the approval of the Shareholders and the concerned statutory authorities.

FINANCIAL YEAR 2008-09:

During the First Quarter, the performance of your Company was as per plans. Your Company achieved a Sales turnover of Rs.56.49 crores as against the previous year figure of Rs.50.10 crores (excluding Kiwi) representing a growth of 13%. Profit before tax amounted to Rs.94.48 lakhs as against the previous year figure of Rs.70.46 lakhs.

Your Company would continue the strategy adopted over the last two years for growing the businesses that included consolidating / growing the existing brands, launch of new products in the relevant categories, investment in select businesses, etc.

The overall outlook for the year 2008-09 is positive.

ACKNOWLEDGEMENT:

I acknowledge the valuable contributions of Banks, Financial Institutions, Business Associates, Employees and the Shareholders at all levels who have supported the Company in all its endeavour.

Thank you for your attention.

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