

PRESS RELEASE

FOR IMMEDIATE DISSEMINATION

MUMBAI

16th August 2012

Jain Irrigation declares steady operating results for Q1 FY2013

Rs. in mn

Sr. No.	Particulars	Unaudited		Standalone		Consolidated	
		30 th June 2012	30 th June 2011	31 st March, 2012	31 st March, 2011	31 st March, 2012	31 st March, 2011
1.	Net Sales/Consolidated Operating income	8,436	9,316	37,099	32,507	49,329	41,634
2	Export sales	1,507	1,125	6,726	5,159	-	-
3	EBIDTA	1,831	2,304	8,524	7,386	9,548	7,754
4	Net Profit for the Year/Quarter	(169)	823	2,683	2,953	2,235	2,807

Jain Irrigation has declared lower sales by 9.40 % due to planned reduction in Micro irrigation business as part of its effort to revamp its micro irrigation business model. These lower sales coupled with significant mark-to-market notional forex losses due to depreciating rupee has resulted in net loss of Rs.169 million.

Company reported EBIDTA of Rs.1,831 million at 21.70 % (PY Rs.2,304 million at 24.70 %) registering reduction by 300 basis points mainly because of lower absolute profits in Micro irrigation business with less revenue of 32 % YoY.

Pipe business has registered very strong growth of 33.70 % indicating good rural demand. Agro processing business reveals 6.50 % lower growth in value despite 37 % positive growth in quantities shipped due to lower raw-material price of *totapuri* mangoes. Overall exports of Company's various products grew by 34 % in the current quarter with major growth coming from Micro irrigation business in Africa.

Based on management numbers, overseas subsidiaries have registered approximately 10 % growth in April-June quarter. Thus, consolidated sales for the quarter will be at Rs.12,615 million (PY Rs.12,771 million) registering nominal negative growth of only approximately 1.00 %.

Board also took on record FY2012 consolidated results. Overall business grew to Rs.49,329 million (PY Rs.41,634 million) registering 18.50 % growth. Net profit was at Rs.2,235 million (PY Rs.2,807 million) registering decline due to mark-to-market forex losses despite strong operational performance. Consolidated EBIDTA grew to Rs.9,548 million (PY Rs.7,754 million) showing significant growth. EBIDTA of overseas subsidiaries grew substantially to Rs.902 million (PY Rs.378 million).



The Board has recommended a 50% dividend on Ordinary and DVR Equity Shares subject to approval by Shareholders at 25th AGM, resulting in an outgo of Rs 405 mn and DDT of Rs. 6.59 mn.

The Board has decided/ approved fund raising upto \$210 mn by way of mix of equity/convertible bonds/external commercial borrowings and has formed 2 Board sub committee(s) christened as Securities Issuance Committee (SIC) to negotiate/finalise and seek various approvals for the fund raising action.

Company's Managing Director, Mr. Anil Jain said, " In last 9 years for the first time, we have negative revenue growth in the domestic market as well as net loss due to mark-to-market forex charge as rupee moved by almost Rs.5 between end March 2012 to end June 2012. This loss is temporary in nature due to Forex and we will maintain our profitability for the entire year as before. Reduction in revenue growth was anticipated and part of our deliberate strategy to change our underlying business in Micro irrigation. Expected outcome of this strategy over next few quarters will result in reduction in net subsidy receivable from state governments and create new business model which will enable sustained growth going forward with improved working capital cycle. We expect micro irrigation business to start doing better from 3rd quarter onwards."

"We also see some positive changes in the way various state governments are operating and we are optimistic that modified policies of state governments will bring more predictability in finances for farmers. During last month we have also received long awaited nod from regulator to start our non banking finance company named as Sustainable Agro-Commercial Finance Limited (SAFL). This entity will start operating from October 2012 in coming busy season. Its functioning will further aid us in executing our strategy of reducing receivables. We have already achieved about Rs. 1,200 million reduction in subsidy receivables in past quarter and are confident of reducing by more than Rs. 5,000 million in the entire year."

"During this period, we have also focused on optimum capitalization of balance sheet to reduce cost of funds and to align source of capital to appropriate business cycle. Part of this we have achieved already with the help of consortium of banks and remainder we shall accomplish very soon with capital market transactions."

"Meanwhile, our other business of pipes and food continue to maintain strong momentum and overseas business is also doing fairly well. We also look forward to significant growth in our renewable energy business and biotechnology business of tissue culture."

"We remain steadfast in our resolve to build a sustainable entity which is global leader in every segment in which it operates in a profitable manner. Our people continue to work hard and deliver every day so that we can satisfy all our stakeholders in near term and possibly exceed their expectations in medium to long term."



Jain Irrigation Systems Ltd. (JISL) is the largest Company in Asia in the field of drip irrigation and second largest in the world. JISL has a multi product industrial profile aimed at the farmer community spread largely in the rural and semi-urban areas all over India. The major and substantive portion of the business relates to Micro Irrigation Systems (MIS) and plastic Pipes. Other business include food processing, onion dehydration, tissue culture, solar appliances and a large training center devoted to farmer training. Jain Irrigation annual turnover stands at \$1billion approx. with global presence in 120 countries and 4 continents. The Company was named as one of the eight Indian companies expected to emerge as challengers to the World's leading companies by Standard and Poor. For more information, visit www.jains.com