

FULFORD (INDIA) LIMITED
CHAIRMAN'S SPEECH AT THE 60TH ANNUAL GENERAL MEETING
APRIL 16, 2008

Dear Shareholders,

On behalf of the Board of Directors, it gives me great pleasure in extending a very warm welcome to all of you on the occasion of the 60th Annual General Meeting of the Company.

I take this opportunity to introduce my colleagues on the dais.

The Report of the Directors and audited accounts for the year ended December 31, 2007 are already with you and with your permission I shall take them as read.

During 2007, the Company's performance was satisfactory, both in terms of sales and profits. Sales growth has been in line with the industry growth and Sales for the year 2007 has grown by 12.4% to Rs. 173.80 crores as against Rs 154.22 crores in 2006. During the same period, the Indian Pharmaceutical market recorded a 12% growth. Profit before tax was Rs. 33.89 crores as against Rs. 19.75 crores in 2006, registering a substantial growth of 71.6%. This substantial growth in profit is, in a large part, due to exchange rate gains, interest from investments and manufacturing efficiencies. Considering the operational performance of the Company and keeping in mind the long term investment and growth strategies, the Board of Directors recommends a dividend of 40% for the year ended December 31, 2007.

In 2007, products like REMICADE, CAELYX, ALASPAN Tablet and EMOLENE have registered good growth. The Company launched two new products namely ALASPAN Syrup and ALASPAN AM; both used in treatment of Allergic Rhinitis, Chronic Urticaria and for relief of symptoms associated with seasonal and perennial Allergic Rhinitis, acute and chronic disorders of Respiratory Tract associated with abnormal bronchial secretions respectively. I am pleased to inform you that both these new introductions are progressing well. During the current year, several programs were conducted to increase the awareness and treatment of Hepatitis B & C, allergy and rheumatoid arthritis. The Company has continued its focus on human resources and investment in training & development initiatives.

AS a Company, we continue to explore all opportunities to strengthen our existing product portfolio either through our own R & D pipeline or through in licensing options to expand our product range. In addition we are focusing our efforts on strengthening our marketing and implementing innovative marketing initiatives to increase our market share in key market segments. The Company is in the process of development of strategic plans covering investments in growth and expansion.

I am sure all of you would want to know the first quarter performance of the Company. I am happy to announce that the Company has recorded sales of Rs. 32.32 crores and Profit after Tax of Rs. 40.32 lakhs for the quarter ended March 31, 2008 as against Rs. 30.97 crores and Rs. 99.29 lakhs respectively in the first quarter of 2007.

These results have been taken on record today at the Board Meeting held just prior to this Annual General Meeting and have been provided to the Bombay Stock Exchange Limited.

Last year results and the progress we are making would, I am sure, inspire confidence in the current management team of the Company. I assure you that the team is under the able leadership and guidance of Mr. K.G. Ananthakrishnan, President and Managing Director. .

The Product Patent regime has now been in effect in India for about three years. Yet, several issues like patentability, compulsory licensing and data exclusivity are areas of concern. We all hope that patent protection in true spirit would be in place in India in the near future.

As you all are aware, Budget 2007 has ushered some welcome changes, which shows fiscal responsibility and gives the right impetus for manufacturing, research & development field and also expands the scope of Public-Private-Partnership. However, one of the greatest challenges the Government faces is its ability to see that benefits really reaches the people to whom it is meant for, and that these projects get implemented within the framework of budget and time.

The much awaited reduction in Excise Duty for Pharmaceuticals was announced. Excise Duty has been reduced from 16% to 8% and this will benefit the consumers. In support of the efforts made by the Government, the Company has immediately after the budget decided to pass on the excise duty benefit to the consumers.

The new Pharmaceutical policy is still awaited. The excessive control on pharmaceutical pricing needs to change and should create an environment for innovation and investment in research.

The pace of clinical trials in India is accelerating and the Health Sector is gaining priority, both of which are a positive signs for the entire pharmaceutical industry as well as for your Company.

As you are aware our parent company Schering- Plough Corporation has acquired Organon BioSciences and Organon has good presence in India with a strong product portfolio. We are looking at opportunities for synergies of operations between the two organizations.

With these remarks, I would like to conclude by expressing my sincere gratitude to all the members of the Board for their continued support. I would also like to thank Schering-Plough Corporation which makes available to us the benefits of their ongoing research and development efforts, the employees for their dedication and commitment, the distributors, vendors, hospitals, pharmacists, bankers, medical professionals and, last but not the least, all the shareholders for their continued support.

Thank you,

Mumbai
April 16, 2008

DR. V.S. SOHONI
CHAIRMAN