

Zydus Cadila's Net Profit up by whopping 53% in FY 07

Ahmedabad, April 26, 2007

Posting excellent results for the year ended 31st March 2007, Zydus Cadila registered Total Operating Income of Rs. 1,829 crores, up by 23% from Rs. 1,485 crores in the corresponding period last year on a consolidated basis. Net Profit for the same period is up 53% y-y to Rs. 234 crores.

Riding high on the back of a strong all round performance in all spheres of the business, the group's formulations exports (US, France and ROW), API and consumer business touched new peaks.

The topline growth was driven by 91% growth in formulation exports, robust 31% growth in API exports and 54% growth in consumer business. The growth in exports was buoyed by 186% growth in sales in the US markets, 103% growth in the French market, and 26% growth in exports to other emerging markets. The newly acquired Carnation Nutra Analogue Foods Ltd. recorded sales of Rs. 43 crores, while the existing consumer business grew by a healthy 23%, with Sugar Free, India's No. 1 sweetener crossing Rs. 50 crores in sales. In what has been a year of resounding growth, the company crossed the \$ 400 mn mark in sales - a goal that it had set for itself in its vision in 2004.

In a significant move that will boost its global operations, Zydus Cadila made a foray in Japan, setting up Zydus Pharma Inc. The company recently acquired 100% stake in Nippon Universal Pharmaceutical Ltd., a company with a ready manufacturing, marketing and distribution base, which will enable it to jumpstart its business.

The year 2006-07 also saw the company making a foray in the Rs. 1500 crore Derma market with the acquisition of Liva Healthcare, a Mumbai-based company with a strong focus on the derma segment. The company launched 39 new products during the year in the domestic pharma market of which 8 were for the first time in India. 17 of the company's formulation brands now feature amongst the top 300 brands of India (ORG IMS MAT Feb-07).

Taking stock of the company's growth in operations, the Board of Directors have recommended a dividend of 80 % (Rs. 4 per share of Rs. 5 each) subject to approval by the shareholders at the Annual General Meeting.

Strengthening its regulatory pipeline, the Company filed 26 ANDAs and 11 DMFs during the year taking the cumulative to 60 ANDA filings and 51 DMFs. It has so far received 23 ANDA approvals. The company filed 15 dossiers for new products and 21 site transfer applications for French market during the year. With this the number of cumulative filings for new products is 23 and that for site transfer is 25.

Making brisk progress in its research programme, the Company's NME ZYI1 to treat pain and inflammation has completed Phase I trials and ZY H2 to treat diabetes has entered Phase I clinical trials. Additionally, the group also filed an IND for an anti-obesity drug ZYO1.

The group's Global Contract Manufacturing Cell signed 12 more contracts during the year with a peak revenue potential of \$ 10.3 mn. With this, the cumulative number of contracts signed stands at 23, with peak revenue potential of \$ 33.9 mn.

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