CHL announces Bonus Shares in the ratio of 1:2

Ahmedabad, February 25, 2010

The Board of Directors of Cadila Healthcare Ltd. (CHL), have recommended a bonus issue of one equity share for every two equity shares held, to reward the shareholders who have been a part of its value creation process, as the company moves closer to its goal of becoming a billion dollar company in 2010-11.

The proposal to issue bonus shares has been mooted after a sustained period of value creation and accelerated growth, reinforcing the confidence in the company's future prospects. In a notice to the Bombay Stock Exchange, the company said the bonus issue was subject to the approval of the shareholders to be obtained at the company's general meeting to be held on March 22, 2010.

Post the announcement, Mr. Pankaj R. Patel, Chairman and Managing Director, Zydus Cadila, said, "We have been focusing on consistent growth in all areas of our business performance and have explored strategic initiatives that create value for our shareholders in the long term. As we accelerate the pace of growth, our aim would be to look at differentiated ideas, new business models and winning solutions that can help us in the next big leap of becoming a \$ 3bn company by 2015."

For the 3rd quarter this year, CHL had registered 31% growth in its a Total Income of Rs. 993 crores up from Rs. 761 crores in the corresponding period last year, on a consolidated basis. The Net Profit after tax stood at Rs. 130 crores, up by 114% from Rs. 61 crores, during the same period last year.

Recently, at the BSE 5th Social and Corporate Governance Awards 2010 held at Mumbai, the company bagged the award for the organisation that offers the Best Return to Investors. For the period Jan 2008 to 2009 as per the BSE Index, CHL topped the BSE 500 stocks delivering a return of almost 65% to its shareholders. BSE 500 index represents nearly 93% of the total market capitalisation on BSE and covers 20 major industries of the economy.