

Zydus Cadila's Net Sales up by whopping 27% in FY 08

Ahmedabad, April 29, 2008

Posting excellent results for the year ended 31st March 2008, Zydus Cadila registered a Total Operating Income of Rs. 2325 crores, up by 27% from Rs. 1829 crores in the corresponding period last year on a consolidated basis. Net Operating Profit for the same period is up 23% y-y to Rs. 254 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 72% growth in formulation exports, 13% growth in domestic branded formulations business and 131% growth in animal health business after acquisition of remaining 50% stake in the JV with Sarabhai, which is now renamed as Zydus Animal Health Ltd. The growth in exports was buoyed by 80% growth in sales in the US markets and 55% growth in the French generics business, which has, for the first time after acquisition, started contributing positively to the bottomline of the company and posted net profit of Rs. 129 Mio. The consumer business also grew by a healthy 26%.

Strengthening its global operations, Zydus Cadila had made a foray in the 'branded generics' business in Brazil. The company acquired 100% stake in Quimica e Farmaceutica Nikkho do Brasil Ltda. (Nikkho), a mid-sized, privately held company in Brazil. Nikkho, with its high quality therapeutic products and strong equity with doctors adds value to the operations in Latin America and posted sales of over Rs. 100 crores in 2007-08, which also spurred exports growth.

The year 2007-08 saw Zydus Cadila and Nycomed expanding the scope of their joint venture company, Zydus Nycomed. With this, Nycomed will be transferring its current API production from facilities at Linz (Austria) and Singen (Germany) to Zydus Nycomed in India. This would result in manufacture of 18 APIs over the next four years.

Taking stock of the company's growth in operations, the Board of Directors have recommended a dividend of 90% (Rs. 4.50 per share of Rs. 5 each) subject to approval by the shareholders at the Annual General Meeting.

Strengthening its regulatory pipeline, the company filed 18 ANDAs and 8 DMFs during the year taking the cumulative to 78 ANDA filings and 59 DMFs. It has so far received 34 ANDA approvals. The company filed 17 dossiers for new products and 16 site transfer applications for the French market during the year. With this the number of cumulative filings for new products is 40 and that for site transfer is 41.

The group's Global Contract Manufacturing Cell signed 7 more contracts during the year with a peak revenue potential of \$ 9 mn. With this, the cumulative number of contracts signed stands at 29, with a peak revenue potential of \$ 43 mn.

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