

## Zydus Cadila Q1 Net profit up by 27%

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Ahmedabad, 31<sup>st</sup> July 2007

For the first quarter ended June 30, 2007, Zydus Cadila reported a total income of Rs. 572 crore, up 28% from Rs. 446 crore in the corresponding quarter of the previous year on a consolidated basis. The net profit is up by 27% to Rs. 74 crore from Rs. 58 crore in the first quarter of 2006-07.

The Income growth was mainly driven by 70% growth in formulation exports. The U.S. business posted a whopping sales growth of 122% and the generics business in France grew by 134%. The domestic branded formulations business posted a healthy 18% growth with API exports registering 43% growth.

During the quarter, the company made two strategic overseas acquisitions. The group acquired Nippon Universal Pharmaceutical Ltd. in Japan, the world's second largest pharma market and Quimica e Farmaceutica Nikkho do Brasil Ltda. (Nikkho) in Brazil, the largest of the Latin American Pharma markets.

The acquisition of Nippon strengthens the group's manufacturing and marketing base and also provides a strong distribution reach, enabling the group to jumpstart its operations in the Japanese generics market. The acquisition of Nikkho brings in an added advantage of making a foray in the 'branded generics' business in Brazil with the group already having established itself in the generics segment through its subsidiary Zydus Healthcare Brasil Ltda.

The quarter also witnessed the complete buyout of Sarabhai Zydus Animal Health Ltd. by the group. Now renamed as Zydus Animal Health Ltd., the company addresses the unmet needs in the livestock, poultry and companion animal business.

The group received tentative approvals for Losartan Potassium, Topiramate and Amlodipine Besylate Tablets and approvals for Benzonatate Capsules and Naproxen Tablets during the quarter. The group has so far filed 62 ANDAs and 53 DMFs.

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