



## **Nicholas Piramal signs agreement to acquire Pfizer's Morpeth, UK Facility with potential outsourcing revenues exceeding US\$350 million**

**Mumbai, India and Huddersfield, UK, 15 June 2006:** Nicholas Piramal India Limited ("NPIL") today announced its intention to acquire the manufacturing facility of Pfizer, Inc. located at Morpeth, Northumberland, UK ("Morpeth"). The site is one of Pfizer's global, high-quality, integrated facilities. It has end-to-end production and supply chain capabilities that cover APIs, Finished dosage, Packaging and Distribution.

The purchase expands NPIL's global footprint, particularly in the finished API, contained finished dosage, packaging and supply chain areas.

NPIL's 100% UK subsidiary, NPIL Pharmaceuticals (UK) Limited (earlier, Avecia Pharmaceuticals, UK) has entered into an agreement to acquire the Morpeth Facility on an asset purchase basis. The transaction includes:

1. A supply agreement up till November 2011 totaling potential revenues above \$350 million.
2. Site fixed assets and property.
3. Certain net current assets.

NPIL anticipates funding the total consideration to be paid and any needed incremental net current assets from its projected pre-acquisition internal accruals of FY2007.

The transaction is on a liability and cash free basis. Completion is subject to required regulatory and other approvals, which are expected by 19 June 2006.

Morpeth's team of about 450 people has rich experience in new product launch, site technical transfer and operational excellence initiatives such as JIT & Right-First-Time. Its facilities are approved by USFDA and UKMHRA. Morpeth is a supply hub for certain Pfizer products supplied to USA, Europe and Japan.

Nicholas Piramal expects significant synergies of its current operations and business pipeline with Morpeth. The Morpeth acquisition will be EPS accretive from FY2007.

This transaction is NPIL's third acquisition in the UK after its acquisition of Rhodia's Inhalation Anaesthetics business in December 2004 and acquisition of Avecia's Custom Manufacturing business in December 2005.

With the acquisition of Morpeth, NPIL has gained strategic entry into the global sourcing network of Pfizer, Inc. This transaction is a higher step in the sourcing relationship that the Company began with Pfizer in December 2005. In that month, Nicholas Piramal secured a 7-year contract manufacturing-related R&D services agreement with Pfizer International LLC under which NPIL is to provide process development and scale-up services to Pfizer's animal health division. With the acquisition of Morpeth, NPIL will become the biggest supplier (in terms of spend) within Pfizer's Global Contract Manufacturing network; with supplies to over 100 global markets.

For Nicholas Piramal, the acquisition of Morpeth is consistent with its intent to become a global leader in Custom Manufacturing across the Pharmaceutical Value Chain. At the transaction's completion, Nicholas Piramal will emerge as one of the world's top-10 Pharmaceuticals Outsourcing Companies, across Custom Synthesis, APIs and Finished Dosage. In annualized terms, NPIL is expected to have custom manufacturing revenues exceed US\$200 million.

Commenting on the transaction, Ajay Piramal, Chairman, Nicholas Piramal, said, "This acquisition again demonstrates NPIL's commitment to provide an across-the-life-cycle and across-the-value-chain service to Pharmaceutical Companies. We are proud to have the highly respected Morpeth team aboard. Morpeth has a long tradition of excellence in manufacturing and supply chain. We believe we have an exciting future before us, with Morpeth playing a key role in NPIL's global CMO network."

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Notes to editors:

About Nicholas Piramal India Limited:

Nicholas Piramal India Limited ("NPIL") is one of India's largest pharmaceutical companies with a growth track record of above 25% CAGR since 1988. The Company is currently ranked 4th in the Indian market with a diverse product portfolio spanning nine therapeutic areas. NPIL's had consolidated Revenues of US\$352 million in 2005-06. The Company has R&D capabilities in Custom Chemical Synthesis, Process Innovation, NDDS and Basic Research. It has world-class formulations facilities and USFDA-approved API facilities without any 483s.

NPIL has a long track record of successful collaboration with innovator companies. Since 2003, the Company has made significant investments to become a global custom manufacturing organisation ("CMO") for large and medium-sized innovator companies. Nicholas Piramal has a global CMO footprint across North America, Europe & Asia, and is committed to respecting Intellectual Property.

NPIL is listed in India on the Bombay Stock Exchange, National Stock Exchange and Ahmedabad Stock Exchange. For further information, please mail [investorrelations@nicholaspiramal.co.in](mailto:investorrelations@nicholaspiramal.co.in) or visit [www.nicholaspiramal.com](http://www.nicholaspiramal.com)

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