



Nicholas Piramal reports Q2 FY2007 results; Consolidated Revenues up by 79.3% to Rs. 6.5 billion, Operating Profit up by 76.7% to Rs. 1.1 billion, Net Profit up by 17.7% to Rs. 536.9 million

Mumbai, 18 October 2006: Nicholas Piramal India Limited (NPIL) today reported second quarter (Q2) results for FY2007.

Total Operating Income on consolidated basis for the quarter ended 30 September 2006 was up by 79.3% to Rs. 6.5 billion over Q2FY06. Operating profit increased by 76.7% to Rs. 1.1 billion. Net profit for the quarter after providing for an amount of Rs.102.0 million towards proportionate share of Income/Expense in the Boots Piramal JV for FY2006 was up by 17.7% to Rs. 536.9 million.

During the quarter, NPIL's domestic branded formulations business reported a robust growth of 22%. As per ORG-IMS MAT August-06 reports, NPIL continues to be the second fastest growing company among the Top-10 companies with growth rate of 20.9% against the market growth of 16%. NPIL has performed particularly well in Respiratory, Anti-Diabetic, Gastro-intestinal, Dermatology and NSAIDS segments with growth rates in each of these therapeutic areas being higher than 25%.

NPIL's international sales (excluding India) registered a growth of 393% to Rs. 2.6 billion, largely due to consolidation of revenues of the businesses acquired in UK from Avecia/Pfizer. They now form 40% of the total revenues of NPIL. During the quarter, Sales from Custom Manufacturing contracts from Indian Facilities were Rs.156.9 million. The integration process of Avecia and the newly acquired manufacturing facility of Pfizer at Morpeth, UK continue to gain momentum and the combined entity made a profit of Rs.16 million in Q2FY07.

NPIL continues to invest in R&D. R&D expenditure during the quarter was up by 87.7% from Rs. 155.0 million in Q2FY06 to Rs. 290.9 million.

During the quarter, NPIL acquired the balance 51% equity stake in its 49:51 joint venture company Boots Piramal Healthcare Private Limited (BHPL). Pursuant to the agreement, the Joint Venture's marketing rights in the brands Strepsils, Clearasil and Sweetex in India were transferred to Reckitt Benckiser India Limited and BPHL has become wholly owned subsidiary of the company. It will continue to actively market and distribute Over The Counter (OTC) products viz. Saridon, Polycrol and Lacto Calamine. As a part of the agreement, NPIL received a sum of Rs. 178.0 million from Alliance Boots Plc / Reckitt Benckiser India Limited.

During the quarter, NPIL acquired the balance 40% equity stake in its 60:40 joint venture company NPIL – Dr. Phadke Pathology Laboratory & Infertility Center Pvt. Ltd. for an aggregate consideration of Re.140.0 Million. The company has now become a wholly owned subsidiary of NPIL. Further, NPIL has also entered into a Joint Venture Agreement (effective July 01, 2006) to take a 50% stake in DDRC Wellspring Pathlabs

Private Limited for Rs.70.0 Million. Wellspring, the Pathlabs arm of NPIL now has presence across India with over 40 centres.

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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 29% 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 Rs. 15.8 billion 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 or visit www.nicholaspiramal.com
