



## PRESS RELEASE

**Nicholas Piramal reports Q4 FY2007 results; Consolidated Revenues up 51.7% to Rs. 6.4 billion, Operating Profit up 137.9% to Rs. 848.9 million, Net Profit up 262.2% to Rs. 549.5 million**

**Avecia acquisition successfully turned-around, both UK and Canadian operations are now profitable**

**Mumbai, 26 April 2007:** Nicholas Piramal India Limited (NPIL) today reported fourth quarter (Q4) and annual audited results for FY2007.

Consolidated total operating income for the quarter ended 31 March 2007 was up 51.7% to Rs. 6.4 billion over Q4-FY06, while Operating profit increased 137.9% to Rs. 848.9 million, net profit for the quarter was up 262.2% to Rs. 549.5 million.

During the quarter, NPIL's domestic branded formulations business grew 13.3% to Rs.2.6, billion driven by increased productivity of the sales force and growth in both large brands and new products. Global sales (excluding India) grew 146.1% to Rs. 3.2 billion, driven by consolidation of businesses acquired from Avecia Pharmaceuticals and formerly Pfizer's Morpeth facility, UK. Custom manufacturing revenues relating to contracts from Indian facilities were Rs.227.2 million during the quarter.

During FY2007, NPIL acquired Pfizer's manufacturing facility at Morpeth, UK. The acquisition is alongwith a Pfizer supply contract till November 2011, with potential revenues totaling US\$350 million. Morpeth facility has since been fully integrated with NPIL's global custom manufacturing operations. During the year, NPIL also completed turnaround of Avecia Pharmaceuticals. At the time of its acquisition in December 2005, Avecia Pharmaceuticals had operating losses of 12.8%, because of lower revenues and the high cost structure at its UK operations. During the year, NPIL has grown Avecia revenues significantly, while reducing its material sourcing costs and fixed expenses at the same time. This has resulted in Avecia reporting a positive Net Profit for FY2007 from both its Canadian and UK operations.

On the Research & Development front, NPIL continued to invest and build its program. R&D expenditure during the year was up 63% to Rs. 1.3 billion. NPIL's discovery research pipeline has expanded to thirteen new chemical entities. Of these, three molecules are in human phase I/II trials. The Company also signed a drug development agreement with Eli Lilly & Company for development of a novel, patented, late pre-clinical drug candidate in the metabolic disorders segment. NPIL will design and execute the global clinical development program of this optimized lead, and take it upto beginning of Phase III. In return, NPIL will receive milestone payments upto USD 100 million. If the molecule is successfully launched, NPIL will also get commercialization rights for select markets and royalties on global sales.

For the year ended 31 March 2007, Nicholas Piramal's Consolidated sales grew 55.0% to Rs. 24.7 billion, while Operating profit increased 83.0% to Rs. 3.8 billion. Net profit for the

year was up 80.7% to Rs. 2.2 billion. Consolidated EPS for the year was Rs. 10.3 as compared to Rs. 5.8 for FY2006.

The Board has declared today a final dividend of 25%. This is in addition to the interim dividend of 150% making it to a total of 175% for the year.

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About Nicholas Piramal India Limited:

Nicholas Piramal India Limited ("NPIL") is one of India's leading pharmaceutical companies with a growth track record of above 30% CAGR since 1988. The Company had consolidated Revenues of Rs. 25 billion in FY2006-07. NPIL is currently ranked fourth in the Indian market with a diverse product portfolio spanning nine therapeutic areas. The Company has R&D capabilities in Custom Chemical Synthesis, Process Innovation, NDDS and Discovery Research. It has USFDA inspected 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 and National 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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