

Media Release

Chennai, India – August 14, 2012

Orchid Pharma registers a turnover of Rs 407 crore in Q1 FY13

Consolidated earnings for the first quarter ended June 30, 2012 (Q1 FY13)

Orchid registered a turnover of Rs 406.70 crore for the quarter ended June 30, 2012 (Q1 FY13) in comparison to Rs 449.23 crore registered during the corresponding first quarter of last fiscal. Earnings before Interest, Depreciation and Tax (EBIDTA) stood at Rs 54.11 crore during Q1 FY13 compared to Rs 90.69 crore registered during the corresponding quarter of last fiscal. At the net level, the Company registered a loss of Rs 54.02 crore compared to a profit of Rs 16.92 crore for the Q1 of last fiscal.

From the Managing Director

“Our performance during the first quarter of this financial year witnessed a slump both in our sales and profitability. Higher input costs coupled with lower price realizations in key products impacted the overall performance during the quarter. The additional interest burden on account of the External Commercial Borrowing (ECB) availed for the FCCB redemption has contributed to a higher interest outflow, adding to the negative bottom line. Our immediate focus is on consolidating our operations, optimising the product mix in key high-value markets, leveraging on the robust non-antibiotic product pipeline and de-leveraging our debt position. We foresee a flat year on the whole with pressure on profitability as we progress on this consolidation journey,” said Mr K Raghavendra Rao, Chairman & Managing Director, Orchid Chemicals & Pharmaceuticals Ltd.

Regulatory update

Orchid has been steadily increasing its regulatory filings with more focus on key, high-value products. These filings are expected to start yielding revenues as we move forward.

API

Orchid’s cumulative filings of DMFs in the US stood at 89. Of these, 28 pertain to the Cephalosporin product space, 47 to the NPNC (Non-penicillin, Non-cephalosporin) segment, 2 to the Betalactam segment and 12 to the Carbapenem product segment.

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Similarly, in the EU market, the cumulative filings of CoS (Certificate of Suitability) applications stood at 21 which includes 14 in Cephalosporin space, 6 in the NPNC space and 1 in the Betalactam segment.

Formulations

Filings

The cumulative filings of Abbreviated New Drug Applications (ANDA) in the US market stood at 43 which include 8 Para-IV FTF (First-To-File) applications. The company has already settled with the Innovators for 4 FTF products and these products will be launched as per the agreed terms.

The break-up of the total ANDAs filed are 13 in Cephalosporin product segment and 30 in the NPNC product space.

The cumulative count of Marketing Authorizations (MAs) filed in the EU market rose to 28. Of these, 13 filings pertain to the Cephalosporin products and 15 to the NPNC product space.

Approvals

The rate of ANDA approvals has been steadily increasing with the company receiving final approvals for key NPNC products like Naratriptan and Olanzapine. The final approved ANDAs count stood at 31, with 11 approvals pertaining to the Cephalosporin segment and 20 to the NPNC segment.

Similarly in the EU region, the cumulative approval count of Marketing Authorizations (MA) stood at 21. The break-up of the total MA approval count is 9 in the Cephalosporin space and 12 in the NPNC space.

About Orchid Pharma

Orchid Chemicals & Pharmaceuticals Ltd. (Orchid Pharma) is a leading global pharmaceutical company headquartered in Chennai, India involved in the development, manufacture and marketing of diverse bulk actives, formulations and nutraceuticals. With exports spanning more than 75 countries, Orchid is a globally acclaimed pharmaceutical major with presence across the pharmaceutical value chain starting from drug discovery & development, to delivering high-value finished dosage forms.

Orchid's world-class manufacturing infrastructure is approved by several leading international regulatory agencies including the US FDA and UK MHRA. Orchid has dedicated state-of-the-art GLP compliant R&D centres for API research, drug discovery

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and pharmaceutical research at Chennai. Orchid is listed on the National Stock Exchange (NSE), Bombay Stock Exchange (BSE) and the Madras Stock Exchange (MSE) in India.

Additional information is available at the company's website at www.orchidpharma.com

Safe Harbour

This release may include forward-looking statements and information that involve risks, uncertainties and assumptions. Forward-looking statements are all statements that concern plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are other than statements of historical fact, including, but not limited to, those that are identified by the use of words such as "anticipates," "believes," "estimates," "expects," "intends," "plans," "predicts," "projects" and similar expressions. Risks and uncertainties that could affect us include, without limitation:

- General economic and business conditions in the markets we operate in;
- The ability to successfully implement our strategies, our research and development efforts, growth and expansion plans and technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in the Indian and international interest rates;
- Changes in laws and regulations that apply to our customers, suppliers, and the pharmaceutical industry;
- Increasing competition in and the conditions of our customers, suppliers and the pharmaceutical industry

Should one or more of such risks and uncertainties materialize, or should any underlying assumption prove incorrect, actual outcomes may vary materially from those indicated in the applicable forward-looking statements. Any forward-looking statement or information contained in this presentation speaks only as of the date of the statement. We are not required to update any such statement or information to either reflect events or circumstances that occur after the date the statement or information is made or to account for unanticipated events.

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& PHARMACEUTICALS LTD.


Sr.GM - Legal & Company Secretary

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