

DIVI'S LABORATORIES LIMITED

Hyderabad

PRESS RELEASE

Divi's Labs Q1 total income grows by 142% at Rs.165 crores

Divi's Laboratories has clocked a total income of Rs.165 crores and a PAT of Rs.27 crores for the 1st Quarter ending 30th June, 2006 as against an income of Rs.68 crores and a PAT of Rs.13 crores for the corresponding previous quarter. While income grew by 142%, PAT grew by 110%.

Increase in business is due to significant growth in sales to big pharma companies for the customs synthesis and increase in business of the top 5 generic products of Divi's.

An amount of Rs.6 crores has been charged as expense during the Quarter on account of Stock options granted. The Company has consolidated its accounts including the accounts of the subsidiaries formed during late last year. On a consolidated basis, the PAT for the current Quarter came to Rs.26 crores.

In respect of the speciality ingredient project, the MNC customer has terminated the contract and the company has received an amount of Rs.2394.60 lakhs from the customer towards reimbursement of the Capital Expenditure incurred on the Project.

The company has converted its existing Unit-2 at Chippada into an Export Oriented Unit (EOU) and is operational effective from 1st June, 2006.

The company is developing a sector specific Special Economic Zone (SEZ) at Chippada, Bheemunipatnam Mandal and is setting up its SEZ Unit. First phase of this Unit is expected to be operational shortly.