

Alembic Ltd.

Press Release

For Immediate Release

Vadodara, 29th June 2010

Alembic Board Approves Demerger of Pharma Business

Alembic Limited, the pharma major, at its Board Meeting held today, announced the re-organisation containing demerger of its core pharmaceutical business in to a 100% subsidiary company called Alembic Pharma Limited and reorganization of its Vadodara Undertaking. This Restructure is subject to approval from shareholders, Stock Exchanges, other authorities and the Honorable High Court of Gujarat.

In the scheme of arrangement approved by the Alembic Board, the Company proposes to demerge its Domestic Formulation, International Generic and API Business to its subsidiary company, Alembic Pharma Limited.

Alembic Limited will retain its Vadodara manufacturing facility, which has fermentation facilities manufacturing Penicillin G & Erythromycin Thiocyanate and other products along with the Power infrastructure and the land assets at Vadodara.

Under the demerger scheme, the Shareholders of Alembic Limited will be issued 1 (one) equity share having face value of Rs. 2/- each in the Resulting Company i.e. Alembic Pharma Limited (APL) for every 1 equity share having face value of Rs. 2/- each held by them in the Company. This will be in addition to the equity shares already held by the shareholders in Alembic Limited. Post demerger, Equity Share Capital of Alembic Pharma Limited will be Rs. 37.70 crores of which Alembic Limited will hold 29.18% and the balance will be held by shareholders of Alembic Limited.

After the demerger becomes effective, Alembic Limited will continue to be listed and application will be made to BSE and NSE to list Alembic Pharma Ltd.

The demerger will allow the two companies to focus on their respective core businesses. Alembic Pharma Limited will become a pure pharma player with focus on Domestic Formulation Business and International Business largely driven by the Regulated Markets and Research & Development activities.

Alembic Limited will continue to operate Vadodara Undertaking (including power generating and other utilities) whose products are largely commoditized and face competition from Chinese companies. In future, Alembic Limited will also endeavour to develop its real estate into commercial and residential properties subject to necessary approvals.

This re-organisation exercise will help unlock shareholders value and also help insulate core Pharma operations from severe volatility and uncertainty of Pen G business of Vadodara manufacturing facility.

About Alembic Limited

Established in 1907, Alembic Ltd. engaged in pharmaceutical business.

The company is vertically integrated with the ability to develop, manufacture and market pharmaceutical products, pharmaceutical substances and Intermediates. Alembic is the market leader in Macrolides segment of anti-infective drugs in India.

Alembic's manufacturing facilities are located in Gujarat and Himachal Pradesh. Vadodara has fermentation and other API facility. The Panelav facility houses the API and formulation manufacturing (both US FDA approved) plants. The plant at Baddi, Himachal Pradesh manufactures formulations for the domestic and other export market. The company has a state of the art Research Centre at Vadodara.

For more information:

Noumaan Qureshi
Adfactors PR, Mumbai
9930143522
noumaan@adfactorspr.com