AUROBINDO

PRESS RELEASE

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Aurobindo Pharma Announces Strategic Divestment of Aurobindo (Datong) Bio Pharma, China

Aurobindo Pharma Ltd (APL) is pleased to announce that it has entered into a definitive agreement with China National Pharmaceutical Group Corporation (Sinopharm) to divest in its subsidiary company Aurobindo (Datong) Bio Pharma Co Ltd, China (ADBPL), subject to regulatory approvals. Sinopharm will acquire the shares through its subsidiary company Sinopharm Weiqida Pharmaceutical Co Ltd.

ADBPL is engaged in manufacturing of 6APA, a derivative of Penicillin-G & most of its production is consumed by APL, India. In past the performance of ADBPCL has been affected due to economies of scale and is incurring losses.

After acquisition of 51% equity in ADBPL, the investors will further infuse capital to enhance its shareholding to 80.50%, reducing APL share in the JV to 19.5%. APL's loan of USD 23 Million to ADBPL will entirely be paid back.

Sinopharm group will infuse sufficient funds to relocate plant as required by local government in China and significantly enhance capacity and downstream products leading to better economies of scale and reduced cost of production. APL's investment of 19.50% will be strategic in nature to ensure uninterrupted supply of raw materials at competitive price.

Over the past six years APL has undertaken a paradigm shift from API to Formulations business. Hence, the Board feels that the said divestment is in the best interest of the company. This will strengthen the overall cash flow and operating margins.

About Sinopharm Group:

China National Pharmaceutical Group (Sinopharm) is the largest pharmaceutical and healthcare group in China with core business in pharmaceutical distribution, scientific research and manufacturing of medical and biotech products. The group has 16 wholly owned subsidiaries. In 2009, the group's revenue were Rmb 65 billion (USD 9.7 Billion). Sinopharm plans to build an antibiotic manufacturing centre in Datong and ADBPL investment will be the core of its antibiotic manufacturing in Datong.

About Aurobindo Pharma Limited:

Aurobindo Pharma Limited (www.aurobindo.com), headquartered at Hyderabad, India, manufactures generic pharmaceuticals and active pharmaceutical ingredients. The company's manufacturing facilities are approved by several leading regulatory agencies like US FDA, UK MHRA, WHO, Health Canada, MCC South Africa, ANVISA Brazil. The company's robust product portfolio is spread over 6 major therapeutic/product areas encompassing Antibiotics, Anti-Retrovirals, CVS, CNS, Gastroenterologicals, and Anti-Allergics, supported by an outstanding R&D set-up. The Company is marketing these products globally, in over 125 countries.

For further information, please contact:
Investor Relations
Aurobindo Pharma Limited
Reg Off: Plot No. 2, Maitrivihar, Ameerpet, Hyderabad
Phone: 040-66725000 / 66725401 : Email: ir@aurobindo.com