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January 28, 2011

Bombay stock Exchange Limited
1st Floor, P.J. Towers
Dalal Street
MUMBAI – 400 001

Attention : Mr. Sanjay Golecha
Mr. Gopalkrishnan

Fax No. 022 – 22722039 / 3121

National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block
Bandra-Kurla Complex
Bandra – (East)
Mumbai – 400 051

Attention : Famroze Pochara
Asst. Vice President

Fax No. 022 – 26598237/38

Ahmedabad Stock Exchange Limited
Kamdhenu Complex
Opp. Sahajanand College
Panjara Pole,
Ahmedabad – 380 015

Attention : Mr. K. K. Mishra
Managing Director
Fax No. 079 - 26308877

Re.: Press release

Dear Sir / Madam

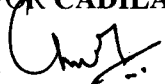
We are pleased to inform that the Company has signed an Agreement with Bayer HealthCare to set up 50:50 Joint Venture Company in the name of "Bayer Zydus Pharma" for the sales and marketing of pharmaceutical products in India.

We enclose herewith a copy of Press Release dated 28th January 2011 titled "**Bayer and Zydus join hands to set up a new pharmaceuticals Joint Venture in India**" to be released in the news papers, which provides the complete details.

Please bring the aforesaid news to the notice of the members of the exchange and the investors at large.

Thanking you,

Yours faithfully,
FOR CADILA HEALTHCARE LIMITED


UPEN H. SHAH
COMPANY SECRETARY

Encl.: As above.

PRESS RELEASE**Bayer and Zydus join hands to set up a new pharmaceuticals Joint Venture in India**

***- Joint Venture starts operations with a critical mass in leading therapeutic segments:
Women's healthcare, Metabolic disorders and Oncology in India-***

Mumbai, January 28, 2011

Bayer HealthCare and Zydus Cadila ("Zydus"), have signed an agreement to set up the Joint Venture Company Bayer Zydus Pharma for the sales and marketing of pharmaceutical products in India. Each party will hold 50 percent of the shares of Bayer Zydus Pharma, headquartered in Mumbai, and be equally represented on its management board.

Bayer Zydus Pharma will start operations with Bayer HealthCare's Pharmaceutical Division contributing its existing sales and marketing business in India to the new company, and Zydus contributing its women's healthcare products, diagnostic imaging business and other products.

Bayer Zydus Pharma will operate in key segments of the Indian pharmaceuticals market with a focus on: women's healthcare, metabolic disorders, diagnostic imaging, cardiovascular diseases, anti-diabetic treatments and oncology. In addition to Bayer HealthCare's currently existing pharmaceutical product portfolio in India, the Joint Venture is also intended to focus on the sales and marketing of future patented pipeline pharmaceutical products. Both Bayer HealthCare and Zydus will supply the Joint Venture with products sourced from its manufacturing operations at existing locations.

Through this transaction Bayer HealthCare and Zydus underline the importance of the emerging markets, specifically India. Bayer HealthCare will significantly enhance its marketing capabilities in India as part of its emerging market growth strategy. Zydus will maintain its strong position in India and will strengthen its network with global healthcare players, including in relation to its manufacturing capabilities. Bayer Zydus Pharma builds upon and significantly enhances the existing relationship of both parties with long term goals.

Commenting on Bayer Zydus Pharma, Mr. Pankaj R. Patel, Chairman and Managing Director of Zydus Cadila, said, "We have always believed in partnering growth, have keenly explored new opportunities to collaborate and look at synergies in the marketplace. We are happy to collaborate with Bayer HealthCare and jointly evolve this win-win combination that leverages strengths, looks at future possibilities and creates a common platform to pool in expertise."

"With this step, Bayer HealthCare aims to significantly accelerate its capabilities to better serve the fast growing Indian market. We believe that the joint venture between Bayer HealthCare and Zydus Cadila will provide a win-win situation for both partners," said Dr. Jörg Reinhardt, CEO of Bayer HealthCare AG. "We expect to leverage the strengths of Bayer Zydus Pharma such as the optimized product portfolio and the distribution capabilities to enhance the launch of new products and the sales of existing brands."

About Bayer HealthCare

The Bayer Group is a global enterprise with core competencies in the fields of health care, nutrition and high-tech materials. Bayer HealthCare, a subgroup of Bayer AG with annual sales of more than EUR 15.9 billion (2009), is one of the world's leading, innovative companies in the healthcare and medical products industry and is based in Leverkusen, Germany. The company combines the global activities of the Animal Health, Consumer Care, Medical Care and Pharmaceuticals divisions. Bayer HealthCare's aim is to discover and manufacture products that will improve human and animal health worldwide. Bayer HealthCare has a global workforce of 53,400 employees and is represented in more than 100 countries. Find more information at www.bayerhealthcare.com.

About Zydus Cadila

Zydus Cadila is an innovative global pharmaceutical company that discovers, develops, manufactures and markets a broad range of healthcare therapies. At the recently held Economic Times Awards for Corporate Excellence, Zydus Cadila won the award for the 'Emerging Company of the Year'. The group employs over 12,000 people worldwide and is dedicated to creating healthier communities globally. Additional information about Zydus is available at www.zyduscadila.com.

For further details :

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