

January 2, 2012

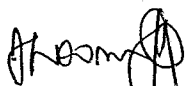
The Manager
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor, Plot No: C/1
G - Block, Bandra - Kurla Complex
Bandra (East), Mumbai - 400 051

Dear Sir,

In accordance with the requirements of the Listing Agreement, we enclose a press release conveying that Orchid has successfully completed Phase I study of its novel PDE4 inhibitor molecule, OCID 2987.

Thanking you,

Yours truly,



Bhoomijha Murali
Sr. G.M. – Legal & Company Secretary

Encl.: a/a

Media release

Chennai, India – January 02, 2012

Orchid Pharma reports successful completion of Phase I study of its novel PDE4 inhibitor molecule, OCID 2987

The Chennai-based global pharma major, **Orchid Chemicals & Pharmaceuticals (Orchid)** today stated that it has successfully completed in Europe a **Phase I** trial of its **orally administered PDE4 (phosphodiesterase 4 inhibitor) molecule OCID 2987** positioned for the treatment of inflammatory disorders including COPD (Chronic Obstructive Pulmonary Disease).

The Phase I study was conducted to evaluate the safety, tolerability, pharmacokinetic and pharmacodynamic effects of **OCID 2987** at escalating single or repeated doses on healthy male volunteers. OCID 2987 was well tolerated up to the highest doses administered in both single and repeat dose studies and did not demonstrate a potential for nausea/emesis, a common unacceptable side-effect with most PDE4 inhibitors. There were no serious adverse events or any cardiac safety concerns reported in the study.

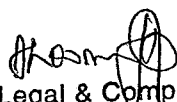
"We are extremely pleased with the results of the Phase I study of OCID 2987 and are committed to moving the molecule further in clinical development for the treatment of COPD and other inflammatory diseases. Given the positive results achieved in the earlier animal trials and now the Phase 1 trial, we are confident of successfully completing the further trials as we move forward." said Mr K Raghavendra Rao, Chairman & Managing Director, Orchid Chemicals & Pharmaceuticals Ltd.

Orchid's drug discovery efforts are conducted through its wholly-owned subsidiary, **Orchid Research Laboratories Limited**.

About OCID 2987

OCID 2987 is a proprietary novel PDE4 inhibitor with a distinct chemical scaffold. In preclinical studies, OCID 2987 has demonstrated excellent preclinical pharmacological properties in models of inflammatory diseases, including respiratory diseases such as COPD and asthma. OCID 2987 has no interaction with more than 150 other targets tested; has a once a day pharmacokinetic profile and exhibits an excellent safety and toxicological profile.

**For ORCHID CHEMICALS
& PHARMACEUTICALS LTD.**


Sr.GM - Legal & Company Secretary