Orchid Chemicals & Pharmaceuticals Ltd.

Corp. Off. 'Orchid Towers' 313, Valluvarkottam High Road, Nungambakkam, Chennai - 600 034. India. Tel : (91) - 44- 2821 1000 Fax : (91) - 44 - 2821 1002

February 08, 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 copy of the press release issued by the Company, pursuant to the meeting of the Board of Directors of Orchid held on February 08, 2012.

Thanking you,

Yours faithfully,

Bhoomija Murali
Sr. GM – Legal & Company Secretary

Encl.: a/a

Orchid Chemicals & Pharmaceuticals Ltd.

BSE: 524372 NSE: ORCHIDCHEM Bloomberg: OCP@IN Reuters: ORCD.BO

Q3 FY12 Earnings **Chennai, India – February 08, 2012**

Orchid Pharma's strong growth trajectory continues in Q3 FY12

Higher interest charges impact profitability

Financial highlights for Q3 FY12 (Earnings on consolidated basis)

- Revenue grows by 4%, Rs 496.8 crore (US$ 93.6 million) in Q3 FY12 versus Rs 478.5 crore (US$ 90.1 million) in Q3 FY11
- EBITDA of Rs 129.0 crore (US$ 24.3 million) in Q3 FY12 versus Rs 131.3 crore (US$ 24.7 million) in Q3 FY11
- Profit before Tax (before exceptional item loss of Rs 49.07 crore) of Rs 41.1 crore (US$ 7.8 million) in Q3 FY12 compared to Rs 71.9 crore (US$ 13.5 million) during Q3 FY11
- At the net level, the company registered a loss (after exceptional item loss of Rs 49.07 crore) of Rs 11.06 crore (US$ 2.0 million) in Q3 FY12 compared to Rs 56.62 crore (US$ 10.7 million) during Q3 FY11

The net profit of the company for the 9-mths ended December 31, 2011 stood at Rs 82.2 crore representing a strong performance for the period. The net profit for H1 FY12 stood at Rs 37.65 crore.

Financial highlights for 9-mths ended December 31, 2011 (Earnings on consolidated basis)

- Revenue grows by 13% - Rs 1411.8 crore (US$ 265.9 million) in the 9-months ended December 31, 2011 versus Rs 1245.6 crore (US$ 234.6 million) in the corresponding period of last fiscal
- EBITDA growth of 9% - Rs 324.1 crore (US$ 61 million) in the 9-months ended December 31, 2011 versus Rs 296.3 crore (US$ 55.8 million) in the same period of last fiscal
- Profit before Tax (before exceptional item loss of Rs 81.6 crore / extraordinary item gain of Rs 80 crore) of Rs 91.9 crore (US$ 17.3 million) in the 9-months ended December 31, 2011 compared to Rs 116.3 crore (US$ 21.9 million) during the corresponding period of last fiscal
- Net Profit after Tax (PAT) (after exceptional item loss of Rs 81.6 crore / extraordinary item gain of Rs 80 crore) of Rs 82.2 crore (US$ 15.5 million) in the 9-months ended

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December 31, 2011 compared to Rs 97.4 crore (US$ 18.4 million) registered during the same period last fiscal

From the Chairman & Managing Director

"The operational performance of the company continues to register strong growth. Higher interest charges due to the hardening of interest rates coupled with the exchange loss on outstanding foreign currency loans have impacted the bottomline in the 3rd quarter. The exceptional item loss is a point-in-time restatement and with the rupee strengthening the company will have a write-back on this account", said Mr K Raghavendra Rao, Chairman & Managing Director, Orchid Chemicals & Pharmaceuticals Ltd.

Performance of Key Business Segments

Global API business

The Global API (Active Pharmaceutical Ingredients) business of Orchid continued to witness strong growth backed by the long-term supply arrangements with key, large global majors.

During Q3 FY12, the API sales of Orchid rose to Rs 353.3 crore (US$ 66.5 million) as compared to Rs 329.66 crore (US$ 62.1 million), registered during the corresponding period of last fiscal.

Global Generics business (Formulations)

Aided by key launches in the oral formulations space, the Global Generic formulations business of Orchid maintained its growth momentum.

During the quarter ended December 31, 2011 (Q3 FY12), the formulations division registered a sale (global, including India) of Rs 114.0 crore (US$ 21.5 million) as compared to a sale of Rs 90.24 crore (US$ 17.0 million) achieved during the corresponding 3rd quarter of last fiscal.

**** 1 US$ = Rs 53.1***

About Orchid Pharma

Orchid Chemicals & Pharmaceuticals Ltd. is a leading pharmaceutical company headquartered in Chennai, India involved in the development, manufacture and marketing of diverse bulk actives, formulations and

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nutraceuticals. With exports spanning more than 75 countries, Orchid is the largest manufacturer-exporter of cephalosporin bulk actives in India and is ranked amongst the Top 5-cephalosporin producers in the world. Orchid's world-class manufacturing infrastructure including USFDA and UK MHRA approved API and dosage form facilities are located at Chennai and Aurangabad. Orchid has dedicated state-of-the-art GLP compliant R&D centres for API research, drug discovery and pharmaceutical research at Chennai. Orchid has ISO 9001:2000, ISO 14001 and OHSAS 18001 certifications. Orchid is listed on the National Stock Exchange (NSE), Bombay Stock Exchange (BSE) and the Madras Stock Exchange (MSE) in India.

Additional information is available at the company's website at www.orchidpharma.com

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For ORCHID CHEMICALS & PHARMACEUTICALS LTD.

Sr.GM - Legal & Company Secretary