PRESS RELEASE

Jubilant Organosys board approves scheme of amalgamation & demerger

Existing shareholders of Jubilant Organosys to get 1 additional share in demerged company for every 20 shares held

Noida (UP) India, July 8, 2010

Jubilant Organosys Limited, (Jubilant Organosys) an integrated pharmaceutical industry player and the largest Custom Research and Manufacturing Services Company in India, today announced that the Board has approved the scheme of amalgamation and demerger. This is to enable focused growth and value realization across operating entities. The amalgamation is in the nature of merger of Speciality Molecules Limited (SML), a wholly owned subsidiary of Jubilant Organosys and Pace Marketing Specialities Limited (PMSL), an exclusive contract manufacturer for adhesives of Consumer Products Division of Jubilant Organosys. The demerger is of its Agri and Performance Polymer business (APP).

The demerged entity will be referred to as Jubilant Industries Ltd. (Jubilant Industries) where as the name of Jubilant Organosys Ltd. will be changed to Jubilant Life Sciences Ltd.

The scheme of arrangement will be filed with the Court for its approval which will be followed by listing of Jubilant Industries share on the BSE and NSE. 1 additional share of Re. 10 each of Jubilant Industries will be issued for every 20 shares held in Jubilant Organosys of Re 1 each.

Commenting on the development, Shyam S Bhartia, Chairman & Managing Director and Hari S Bhartia, Co-Chairman & Managing Director of Jubilant Organosys said:

"The merger of SML & PMSL will be a synergistic integration of business and will improve the managerial & operational efficiencies. In order to create a focused Life Science entity of Jubilant Organosys, our APP business is being demerged. This strategic move will enable us to pursue growth opportunities for both the businesses independently through two separate listed entities to create greater value for all our stakeholders."

SML, acquired by Jubilant Organosys in June 2008, is engaged in the business of developing, manufacturing and selling primarily pyridine derivatives used in Pharma & Life Sciences, located in Ambernath (near Mumbai). Consequent to amalgamation, the shares held by Jubilant Organosys in SML will be cancelled and no fresh shares shall be issued by Jubilant Organosys.

PMSL is an exclusive contract manufacturer for adhesives of Consumer Product Division of Jubilant Organosys. In consideration of the amalgamation, 501,364 shares of Jubilant Organosys will be issued to the shareholders of PMSL. The share exchange ratio is based on the valuation by PWC and fairness opinion by Kotak Mahindra Capital Company Ltd.

The key objectives of the **merger** of SML and PMSL are as follows:

SML

- SML was acquired with the rationale of strengthening product portfolio of pyridine derivatives and customer relationships
- To increase managerial and operational efficiencies, synergistic integration of business and to further expand the capacity in order to meet the growing demands of the customers, the merger therefore is imperative.

PMSL

- Creating an asset base and securing conversion capacity
- Integrating operations to provide higher value addition
- No cash outlay for asset augmentation; only shares in Jubilant Organosys to be issued

The key objectives of the scheme of **demerger** of APP business are as follows:

- To further sharpen Jubilant Organosys as a Pharma and Life Sciences entity
- To create two independent listed and focused companies to pursue rapid growth opportunities
- To enable each business to independently pursue and efficiently realise its operating objectives
- Each company will be able to adopt a capital structure and investment policy more tailored to its specific needsTo enable greater stakeholder value recognition

About Jubilant

Jubilant Organosys Ltd., an integrated pharmaceutical industry player, is the largest custom research and manufacturing services (CRAMS) Company out of India. The company has a presence across the pharmaceutical value chain for providing products and services such as proprietary products,

exclusive synthesis, active pharmaceutical ingredients, contract manufacturing of sterile injectables & non-steriles products, radiopharmaceuticals, generic dosage forms, drug discovery services, medicinal chemistry services, clinical research services, Life Science Chemicals, Nutrition Ingredients and Health Care. The Company also manufactures Agri and Performance Polymer products.

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