

Media Release

Chennai, India – June 10, 2010

Orchid to acquire US-based marketing company Karalex Pharma, LLC.

Front-end marketing arm to add strong generic marketing capability to Orchid

The Chennai-based generic pharma major, **Orchid Chemicals & Pharmaceuticals Ltd** (Orchid) today announced that it had entered into an agreement to acquire **Karalex Pharma, LLC**, a US-based generic marketing and sales services company headquartered in New Jersey, USA through an all-cash deal for an undisclosed amount. The transaction is expected to close by this month subject to customary closing conditions.

Through this acquisition, Orchid has created its presence in the front-end US market and will be able to reach its generic products to the US customers directly.

Karalex Pharma is a leading provider of generic pharmaceuticals focused exclusively on the US healthcare market. Karalex Pharma LLC., was launched in 2007 as a Pharmaceutical company committed to becoming a leading provider of marketing and sales services to US classes of trade for developers and manufacturers of generic Pharmaceuticals.

Karalex Pharma was founded by Mr Nick DiMaio and Ms Julie Trendowicz who have a collective experience in the generic pharmaceutical sales and marketing field of over 50 years. They have launched over 100 generic pharmaceutical products in the US with a combined value in excess of US\$ 1 billion.

“We are happy that we have established our presence in the generic sales and marketing area with this acquisition. This acquisition will provide a strong commercial US-based sales capability to Orchid, paving the way for synergistic returns from our upcoming and long-term strategic generic pharmaceuticals pipeline comprising key first-to-file and Paragraph-IV products. This move also endows Orchid, for the first time, with a complete end-to-end coverage capability of the entire generic pharmaceutical business cycle from product development to product sales and would enable Orchid to internalize value, said Mr K Raghavendra Rao, Managing Director, Orchid Chemicals & Pharmaceuticals Ltd.

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 nutraceuticals. With exports spanning more than 75 countries, Orchid is the largest manufacturer-exporter of

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cephalosporin bulk actives in India and is ranked amongst the Top 5-cephalosporin producers in the world.

Orchid's world-class manufacturing infrastructure including US FDA and UK MHRA compliant 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. Orchid has two subsidiaries to undertake drug discovery, Orchid Research Laboratories Ltd in Chennai and Bexel Pharmaceuticals Inc in the US, developing new chemical entities in six therapeutic areas. Additional information is available at the company's website at www.orchidpharma.com

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