

KERALA AYURVEDA REGISTERS HEALTHY SECOND QUARTER RESULTS

- Second Quarter Revenues up 94 percent; Net Profit positive
- Cumulative 6 months ended September 30, 2006; revenues up by 79.5 percent

	Sept 30, 2006 (Rs lacs)	Sept 30, 2005 (Rs lacs)	% Change	Cumulative upto Sept 30, 2006 (Rs lacs)	Cumulative upto Sept 30, 2005 (Rs lacs)	% Change
Total Income	539.93	278.31	94%	991.44	552.33	79.5%
PBT	28.16	(2.06)	++	53.37	(4.89)	++
PAT	26.97	(4.11)	++	51.43	(8.99)	++

Kerala Ayurveda Pharmacy Ltd, one of India's leading Ayurveda companies and one of the few companies to cover the entire gamut of Ayurveda range of products and services announced its second quarter results. Kerala Ayurveda maintained the revenue growth momentum with second quarter revenues of Rs 540 Lakhs, registering a 94% growth over the same period in 2005. Cumulative revenues stood at Rs 991 Lakhs for the six month period ended September 2006, which was 79% higher than the same period last year.

Mr Ramesh Vangal said "We now have a clear plan in place for the business both here in India, as well as, globally in US and Europe. This will ensure that we participate and play in the growing wellness piece of the business globally, thus growing value. The results are the reflection of the operational strategy which is being executed with speed as we build a new brand of Ayurveda."

For 2006, the second quarter net profits after tax stood at Rs 26.97 lakhs compared to a loss of Rs 4.11 lakhs for the same period in 2005, reflecting a positive trend. Net profit after tax for the six months ended September 2006 was Rs 51.43 lakhs compared to loss of Rs 8.99 lakhs during the same period in 2005. Improvement in profitability resulted from higher revenues and continued operational efficiencies.

"We are investing significantly across the value chain with an aim to create a national footprint, primarily through 100 clinics planned by the end of 2007. At Kerala Ayurveda, our endeavor is to evolve Ayurveda and its efficacy while providing an end-to-end healthcare solution" said Managing Director & CEO,

Sonjoy Mohanty. Commenting on the results Mr Mohanty said, “The investments into systems and processes have paid off and this is reflected in the improved results for the current quarter. The initiatives are now in place to scale the business and will reflect itself quarter on quarter.”

Key Developments over the last quarter:

- Opened 5 new clinic in Chennai and Bangalore
- Started a new Academy in New York, USA
- New treatment facility opened at Ayurvedagram
- Sales operations commenced in Western India
- New renovated hospital facility at Aluva, Kerala
- Export performance up by 100%
- Land acquired near Aluva, Kerala for building a new world class facility

About Kerala Ayurveda

Kerala Ayurveda was founded in Aluva, Kerala in 1945 by Late Vadiyan KGK Panicker, the renowned Ayurvedacharya. Now, more than half a century later, his inspired creation epitomizes all that is modern and state-of-the-art in Ayurveda. Kerala Ayurveda has over 60 Ayurvedic doctors, graduates and post-graduates, with several years of experience. Kerala Ayurveda operates a chain of 36 clinics and 5 Ayurveda Hospitals located across South India, and a wellness resort in Bangalore.

Through its wholly owned subsidiary, AYU Inc, Kerala Ayurveda has significant presence in the United States of America and offers a range of ayurvedic treatments and products and offers certificate programs in ayurveda through AYU Academy.

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