

CHC/CA/UHS/ZE/02/08

June 17, 2008

To,
Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400001.

Attention : Mr. Kapoor
Mr. Gopalkrishnan

Fax No. 022 – 22722039 / 3121

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G-Block, Bandra Kurla Complex,
Bandra (East)
Mumbai – 400 051.

Attention : Famroze Pochara
Asst. Vice President

Fax No. 022 – 26598237 / 38

Ahmedabad Stock Exchange Limited
Kamdhenu Complex, Opp. Sahajanand College,
Panjara Pole,
Ahmedabad – 380 015.

Fax No. 079 - 26308877

Dear Sir,

Re: Outcome of the meeting of the Board of Directors held on 17th June, 2008

The Board of Directors of the Company at its meeting held today has

- decided “in principle” to consolidate/restructure the Consumer Products Division with its subsidiary Company, namely Carnation Nutra Analogue-Foods Limited {Carnation}, (which is also into similar business activity), subject to the promoters of the Company agreeing to the request of the Board of the Company to consider restructuring of their shareholding in the Company, under a structure wherein Carnation continues to remain a listed subsidiary of the Company
- authorised an independent director of the Company to consider and accept the decision of the promoters, if the promoters agree to restructure their shareholding in line with the aforesaid objective and thereafter appoint advisors/consultants/Chartered Accountants to finalise structure of scheme including valuation to determine the share exchange ratio in relation to the proposed restructuring.

- Final decision on the scheme and share swap ratio will be taken at a subsequent board meeting, if the promoters agree to the restructuring of their shareholding in the Company as aforesaid.

Yours Faithfully,

For **CADILA HEALTHCARE LIMITED**

UPEN H. SHAH
COMPANY SECRETARY