

KERALA AYURVEDA LTD

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KERALA
ayurveda™
wellness, naturally

AyurvedaGram™
HERITAGE WELLNESS CENTRE

Bangalore
May 11, 2011

YEAR OF CONSOLIDATION, GROWTH AND NEW INITIATIVES

The year has been a very productive one for the company, with the completion of the restructuring of the operations and embarking on new landmark initiatives which are expected to fuel growth significantly in the coming months.

Key highlights for the year include:

- Rationalisation of the product range to focus on key areas of growth.
- Price increase has been accepted by the market, which covers cost inflation and ensures sustenance of margins.
- Treatment centers have been renovated and the revenues have grown substantially.
- Agreements have been entered into with Tata Global Beverages Ltd and Banaras Hindu University, which have significant potential to drive the growth potential for products and research.
- We have been granted approval by the State of California to operate the ayurveda institute in the US, which is probably the largest market in the entire US for the company's offerings.
- Our subsidiary, AyurvedaGram Heritage Wellness Centre, received the Best Practices Award from Frost & Sullivan for the "**Integrated Wellness Service Provider Company of the year 2010**".
- Our research project has shown immense progress and has put the company on a strong foundation to bring out products backed by science and research.

Key Business highlights:

- Ayurveda revenues have grown by 9% for the current year and 15% over the corresponding quarter of previous year, which augurs well for the future.
- The Net loss for the year has declined from Rs 163 Lacs to Rs 107 Lacs showing an improvement of Rs 56 Lacs.

About Kerala Ayurveda Limited

Kerala Ayurveda was founded in Aluva, Kerala in 1945 by Late Vaidiyan 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 Limited has over 100 Ayurvedic doctors, graduates and post-graduate medical staff, with several years of experience under its network. Kerala Ayurveda Limited operates a chain of 30 treatment centers and clinics and 3 Ayurveda Hospitals located across India, and a wellness resort in Bangalore, “AyurvedaGram”. Through its subsidiaries in the United States, Kerala Ayurveda has a significant presence across 3 locations and a exciting distance education program and offers a range of ayurvedic courses, treatments and healthcare services.

KAL has embarked on an exciting journey over the last 3 years to validate Ayurveda through a rigorous, scientific process based on US FDA norms. The research chain has dug deep into the ancient Ayurvedic texts, purity of ingredients, herbal chemistry and validation of claims through science.

*Kerala Ayurveda’s subsidiary, AyurvedaGram Heritage Wellness Centre received the Best Practices Award from Frost & Sullivan in 2010 for the “**Integrated Wellness Service Provider Company of the year 2010**”. The award of “Integrated Wellness Service Provider Company of the year 2010” is a testimony of the company’s vision to furthering the acceptance of alternative medicine, like ayurveda, worldwide, by providing products and services that are authentic, pure and meet global standards*

Safe Harbor

Certain statements in this release are forward looking statements which involve a number of risks and uncertainties that could cause actual results and outcomes to differ materially from those in such forward looking statements. The risks and uncertainties relate to changes and variations in the project, unexpected delays in development, obtaining regulatory approvals, etc. The statements in this release represent Kerala Ayurveda’s expectations and beliefs as of the date of this release. Kerala Ayurveda anticipates that subsequent events and developments may cause these expectations and beliefs to change. However, while Kerala Ayurveda may elect to update these forward-looking statements at some point in the future, it specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing Kerala Ayurveda’s expectations or beliefs as of any date subsequent to the date of this release.

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