



KERALA AYURVEDA PHARMACY LTD

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Website: www.keralaayurveda.biz

Unaudited Financial Results (Provisional)

For the Quarter ended 31-12-2006



Press Release
For Immediate Publication
Kochi, January 31, 2007

KERALA AYURVEDA REGISTERS HEALTHY TOP LINE GROWTH IN 3RD QUARTER RESULTS

- Third Quarter Revenues up 116 percent
- Cumulative 9 months ended December 31, 2006; revenues up by 97 percent

	Dec 31, 2006 (Rs. Lakhs)	Dec31, 2005 (Rs. Lakhs)	% Change	Cumulative upto Dec31, 2006 (Rs. Lakhs)	Cumulative upto Dec31, 2005 (Rs. Lakhs)	% Change
Total Income	648.48	300.24	116	1675.93	852.57	97
PAT	(25.44)	(5.61)	++	25.99	(14.61)	++

Kerala Ayurveda Pharmacy Ltd, a leading listed Ayurveda company, one of the few companies doing business over the entire spectrum of Ayurveda products and services announced its third quarter results today. Kerala Ayurveda registered a blistering rate of growth. Third quarter revenues of Rs. 648 Lakhs, registering a 116 % growth over the same period in 2005. Cumulative revenues stood at Rs. 1676 Lakhs for the nine month period ended December 2006, which was 97 % higher than the same period last year.

Mr. Ramesh Vangal, Chairman, Katra Group & Kerala Ayurveda said,

"We continue to invest significantly across the value chain in line with our vision and plans. These investments are also made to lay foundations for the future. We now have a new brand identity ready to take on the challenges of the global marketplace. This will require upfront investments in Manpower, Brand Building, Research and Planning which will depress short term profitability while paving the way for the future. " added Mr. Vangal.

For 2006, the net profit after tax for the nine months ended December 2006 was Rs 25.99 lakhs compared to loss of Rs 14.61 Lakhs during the same period in 2005. The third quarter results reflected a loss of Rs 25.44 Lakhs as a result of new investments made in the new identity and extensive rebrand exercise including new packaging, as well as the new expansion in the U.S. These changes will help us make the product truly world class and ready for the global market.

Mr. Sonjoy Mohanty, Managing Director & CEO, Kerala Ayurveda said, "As we move across India and into global markets, our new brand identity and strategic initiatives in the U.S. will ensure the translation of the the vision of making Ayurveda mainstream in global markets. The key developments for the quarter include

- a. Starting of the 5th new Academy in the USA,
- b. The new invigorating look of Ayurvedagram
- c. New Global Brand identity launched, and
- d. A new website dedicated to academy www.ayurvedaacademy.com

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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