PUBLIC ANNOUNCEMENT TO THE SHAREHOLDERS OF

MATRIX LABORATORIES LIMITED

Registered Office: 1-1-151/1, Sairam Towers, 4th Floor, Alexander Road, Secunderabad 500 003. ("**Target Company/Matrix**")

This Public Announcement (the "PA") is being issued by DSP Merrill Lynch Limited ("**Manager to the Offer**"/"**DSPML**"), on behalf of MP Laboratories (Mauritius) Ltd. (hereinafter referred to as "**Acquirer**"), and Mylan Laboratories Inc. (hereinafter referred to as **"Mylan" / "Person acting in concert**"/"**PAC**") pursuant to Regulations 10 and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (the "**SEBI (SAST) Regulations**").

I. Background to the Offer

a) The Acquirer, a company with limited liability, incorporated under the laws of Mauritius, has entered into a share purchase agreement (the "**Agreement**"/"**SPA**") dated as of August 28, 2006 with Mr. Prasad Nimmagada, Prasad Nimmagada-HUF, G2 Corporate Services Limited, India Newbridge Investments Limited, India Newbridge Partners FDI Limited, India Newbridge Coinvestment Limited, Maxwell (Mauritius) Pte. Limited and Spandana Foundation ("**Sellers**"), to acquire from Sellers their shareholding in Matrix of an aggregate of 79,187,972 fully paid-up equity shares of Rs.2/- each respectively, representing in aggregate about 51.5% of the fully diluted equity share capital of Matrix at a price of Rs. 306 (Rupees three hundred six only) per fully paid up equity share ("**Negotiated Price**") payable in cash.

b) Some of the salient features of the SPA are as follows:

i. Upon the completion of all the formalities of the open offer being announced hereby (the "**Offer**") (as certified by the Manager to the Offer), the Sellers above-named will sell and the Acquirer will purchase from each Seller a pre-determined number of its/his respective shares for a consideration of Rs. 306 per share.

ii. There are conditions precedent to the obligations of the Acquirer and the Sellers under the SPA.

iii. Pending the conclusion of the Offer or the termination of the SPA as provided therein, the Sellers have agreed to use their reasonable best efforts to cause the Target Company to conduct its business in accordance with certain agreed principles.

iv. Articles of association of the Target Company will be suitably amended after the closing of the SPA pursuant to the SPA.

v. Mr. Prasad Nimmagada has agreed not to carry on any pharmaceutical business (as defined in the SPA to cover the business of the Target Company) for a period ended on the later of three years from the transfer of his shares to the Acquirer in accordance with the SPA, and the expiry of a two year period after Mr. Prasad Nimmagada ceases to be on the Board of Directors of Matrix or an employee of Matrix.

c) An agreement has also been executed amongst *inter alia*, the Acquirer and Mr. Prasad Nimmagada in respect of mutual rights and obligations of the Acquirer and Mr. Prasad Nimmagada in respect of their respective shareholding in the Target Company ("**Shareholders Agreement**"/"**SHA**"). The SHA terminates on the earlier of thirty days following the third anniversary of the closing or on either the Acquirer or Mr. Prasad Nimmagada ceasing to hold any shares in the Target Company, except that the right of first offer described below will survive termination. Some of the salient features of the Shareholders Agreement are as follows:

i The Acquirer and Mr. Prasad Nimmagada have each agreed to not dispose of their shares in the Target Company other than in accordance with the Shareholders Agreement.

ii. The Acquirer has a drag along right and a right of first offer vis-à-vis the shares of Mr. Prasad Nimmagada, and Mr. Prasad Nimmagada has a tag along right against the Acquirer.

iii. Mr. Prasad Nimmagada is obligated to exercise his voting rights in the Target Company in such a manner that the Acquirer directs.

iv. The parties to the SHA will use their reasonable best efforts to cause Mr. Robert J. Coury, or a nominee of Mylan in the event Mr. Coury is unable to serve, to be elected as the non-executive chairman of the Matrix Board of Directors and to cause Mr. Prasad Nimmagada to be elected as its non executive vice-chairman.

d) The Sellers have agreed to use a portion of the proceeds received from their sale pursuant to the SPA to invest in newly-issued shares of Mylan common stock, subject to certain other regulatory approvals.

II. The Offer

a) Consequent to the execution of the above-mentioned SPA and the Shareholders Agreement, the Acquirer, would hold a majority of the equity shares in Matrix. As such, the Acquirer is under an obligation to make an open offer for equity shares of Matrix from its public shareholders in accordance with the SEBI (SAST) Regulations. Therefore, the Acquirer along with the PAC, is making an offer to the public shareholders of Matrix ("Shareholders") to acquire up to 30,831,962 voting equity shares ("Share(s)") of Rs. 2 each, representing in the aggregate 20.0% of the fully diluted voting equity capital of Matrix at a price of Rs. 306 (Rupees three hundred six only) per Share ("Offer Price"), payable in cash and subject to the terms and conditions mentioned hereinafter ("Offer"). The Acquirer will purchase all the Shares tendered and accepted under this Offer, subject to certain conditions and other terms and conditions set out in the PA and the letter of offer to be sent to the Shareholders ("Letter of Offer"). This Offer is made to the public Shareholders of Matrix and accordingly, the parties to the SPA are ineligible to participate in the Offer.

b) No other person (other than PAC) is acting in concert with the Acquirer for the purpose of this Offer. Mr. Prasad Nimmagada shall continue to remain promoter of Matrix along with the Acquirer and PAC until the termination of the said Shareholders Agreement.

c) Following the consummation of the transaction disclosed in paragraph I a), the Acquirer will own approximately 51.5% of the equity shares in Matrix. The Acquirer and PAC have not held any shares in Matrix in the past. Accordingly, no shares of Matrix have been acquired by them in the last twelve months preceding the date of this announcement.

d) The Offer is not conditional on any minimum level of acceptance by the Shareholders. The Offer is, however, conditional on receipt of the approvals referred to in Section VI herein.

e) The shares of Matrix are listed on the Bombay Stock Exchange ("BSE") and the National Stock Exchange ("NSE"). Based on the information available, the shares of Matrix are frequently traded on BSE and NSE within the meaning of explanation (i) to Regulation 20 (5) of SEBI (SAST) Regulations.

f) The Offer Price of Rs. 306 (Rupees three hundred six only) per fully paid-up equity share is justified in terms of Regulation 20(4) of the SEBI (SAST) Regulations as it is the highest of the following:

i. Negotiated price : If the Acquirer /PAC has entered into any agreement for acquisition of shares or voting rights or deciding to acquire shares or voting rights exceeding the prescribed percentage	Rs. 306
ii. Price paid by the Acquirer /PAC for any acquisition including by way of allotment in a public or rights or preferential issue during the 26-week period prior to the date of this PA	N.A.
iii. Higher of (A) or (B) below	Rs. 276
Share price data of Matrix on NSE, where it is most frequently traded, is as under:	
A. The average of the weekly high and low of the closing prices of the shares of Matrix during the 26-weeks preceding the announcement	Rs. 262
B. The average of the daily high and low of the shares of Matrix during the 2-weeks preceding the announcement	Rs. 276
The Offer is required to be made at the higher of the above (i), (ii) , and (iii)	Rs. 306

III. Information on Acquirer/Person Acting in Concert

Acquirer

a) The Acquirer is an unlisted company incorporated in Mauritius on August 25, 2006 under the Companies Act, 2001 of Mauritius, with its registered office located at Fourth Floor, IBL House, Caudan, Port Louis, Mauritius.

b) The Acquirer is an indirect wholly owned subsidiary of Mylan. At the time the Offer is completed, the entire paid up capital of the Acquirer will be held by Mylan Holdings Inc., which is a wholly owned subsidiary of Mylan.

c) The paid up capital of the Acquirer is USD 1 consisting of 1 share each of face value of USD 1 per equity share as on the date of this PA. Since it was recently incorporated, no financial statements of PAC have been prepared. The Acquirer is an investment holding company.

PAC

Mylan

a) Mylan is a corporation, incorporated under the laws of the Commonwealth of Pennsylvania, with its corporate headquarters at 1500 Corporate Drive, Canonsburg, Pennsylvania 15317 and registered address at c/o Corporation Service Company, Dauphin County, Pennsylvania. Mylan is a leading pharmaceutical company with three principal subsidiaries, Mylan Pharmaceuticals Inc., Mylan Technologies Inc. and UDL Laboratories, Inc., that develop, license, manufacture, market and distribute an extensive line of generic and proprietary products. Mylan's product portfolio includes approximately 150 pharmaceutical products of which approximately 140 are in capsule or tablet form in approximately 345 dosage strengths. During the most recent fiscal year, Mylan shipped over 12.6 billion dosages. Mylan was founded in 1961 and has been listed on the New York Stock Exchange ("**NYSE**") since 1986. Mylan was added to the S&P 500 index in 2004.

b) Mylan's shares are listed on the NYSE. The closing price of the shares of Mylan on the NYSE as on August 25, 2006 was USD $20.60 (Rs 960.17).

c) Mylan does not belong to any group.

d) Based on the audited consolidated financial statements of Mylan as of March 31, 2006, and as per the annual filings with the SEC available on Mylan's website:

- Total revenues for the fiscal year ended March 31, 2006 were USD 1,257.2 mm (Rs. 58,598.1 mm) as compared to USD 1,253.4 mm (Rs. 58,421.0 mm) for the fiscal year ended March 31, 2005.
- The Net Income for the fiscal year ended March 31, 2006 was USD 184.5 mm (Rs. 8,599.5 mm) as compared to Net Income of USD 203.6 mm (Rs. 9,489.8 mm) for the fiscal year ended March 31, 2005.
- The Equity Share Capital as of March 31, 2006 was USD 154.6 mm (Rs. 7,205.9 mm) as compared to USD 152.2 mm (Rs. 7,094.0 mm) as of March 31, 2005. Reserves & Surplus as of March 31, 2006 were USD 633.1 mm (Rs. 29,508.8 mm) as compared to USD 1,693.7 mm (Rs. 78,943.4 mm) as of March 31, 2005.
- For the fiscal year ended March 31, 2006 return on net worth was 23.4% compared to 11.0% for the fiscal year ended March 31, 2005.
- Book value per equity share of USD 0.50/- on a diluted basis was USD 3.36 (Rs 156.6) as of March 31, 2006 compared to USD 6.75 (Rs. 314.6) as of March 31, 2005.
- For the fiscal year ended March 31, 2006 earnings per share of USD 0.50/- on a diluted basis were USD 0.79 (Rs. 36.8) compared to USD 0.74 (Rs. 34.5) for the fiscal year ended March 31, 2005.
- Based on the closing price of the shares as of August 25, 2006 on the NYSE, and the EPS for the fiscal year ended March 31, 2006, the P/E ratio is 26.1 times.

IV. Information about Matrix *[Based on publicly available information]*

a) Matrix was incorporated as a private limited company on November 29, 1984. It was converted into a public limited company on June 27, 1994. The Company's registered office (also the corporate office) is located at 1-1-151/1, Sairam Towers, 4th Floor, Alexander Road, Secunderabad 500 003. Matrix is engaged in the manufacture of Active Pharmaceutical Ingredients and Solid Oral Dosage Forms.

b) Matrix changed its name from Herren Drugs & Pharmaceuticals Limited to Matrix Laboratories Limited on March 21, 2001. Subsequently, Medicorp Technologies India Limited and Vorin Laboratories Limited merged with Matrix in May 2003. In March 2004, Matrix announced a merger of Vera Laboratories Limited, Fine Drugs and Chemicals Limited, Medikon Laboratories Limited and Calibre Engineering Private Limited with itself. In September 2005, Matrix entered into a definitive agreement for acquiring controlling stake in Mchem Group, China. In September 2005, Matrix announced that it had acquired 43 per cent stake in Explora Laboratories S.A, Switzerland. In September 2005, Matrix announced that the Company and Aspen Pharmacare Holdings Ltd, South Africa, had executed definitive agreements for a long-term business relationship between the two Companies through the Joint Venture (JV) route. In October 2005 Matrix completed the acquisition of Docpharma, Belgium by obtaining a 95.51% stake in a public takeover bid. In December 2005 Matrix announced its decision to acquire controlling stake in Concord Biotech Ltd., India.

c) The shares of Matrix are listed on BSE and NSE. The closing price of the shares of Matrix as on August 28, 2006 was Rs. 277.55 on BSE and Rs. 277.90 on NSE.

d) Based on the latest standalone audited annual accounts, the Total Income on a standalone basis for the fiscal year ended March 31, 2006 was Rs. 8257.01 mm as compared to Rs. 6522.9 mm for the fiscal year ended March 31, 2005.

e) Profits/(Loss) after Tax on a standalone basis for the fiscal year ended March 31, 2006 was Rs. 1823.8 mm as compared to Rs 1302.67 mm for the fiscal year ended March 31, 2005.

f) The EPS on a standalone basis for the fiscal year ended March 31, 2006 was Rs 12.11 as compared to Rs 8.90 for the fiscal year ended March 31, 2005. Based on the closing price of the shares as on August 28, 2006 on NSE, and the EPS for the fiscal year ended March 31, 2006, the P/E ratio is 22.9 times. Based on the Offer Price of Rs. 306, and the EPS for the fiscal year ended March 31, 2006, the P/E ratio is 25.3 times.

g) The Equity Share Capital as on March 31, 2006 was Rs 307.26 mm as compared to Rs. 299.47 mm as on March 31, 2005. Reserves & Surplus (excluding revaluation reserves) on stand alone basis as on March 31, 2006 were Rs. 8,333.87 mm as compared to Rs. 5,934.09 mm as on March 31, 2005.

h) Total Paid-up Equity Share Capital of Matrix, as on the date of this PA is Rs. 307.61 mm, divided into 153,805,575 fully paid-up shares of Rs. 2/- each. The book value per share as on March 31, 2006 was Rs. 56.2. There are neither partly paid-up shares nor outstanding convertible instruments as on the date of this PA based on the public information except for the options issued to employees under the two stock option plans, The Employee Stock Option Plan, 2004 and The Employee Stock Option Plan, 2006.

V. Reason for the Offer and Future Plans

a) The Offer to the Shareholders is being made following the transaction referred in paragraph I a) above, which upon conclusion will result in substantial acquisition of shares and control of Target Company. In accordance with Regulations 10 and 12 read with Regulation 14 (1) of the SEBI (SAST) Regulations, the Acquirer along with PAC is making this Offer to the Shareholders.

b) By this proposed acquisition Mylan is executing on its commitment to establish a global platform, expand its dosage forms and therapeutic categories, and deepen and enhance its vertical integration

c) As of the date of this public announcement, the Acquirer along with PAC has no plan to sell, dispose of or otherwise encumber any assets of the Target Company in the next two years, except to the extent that may be required (i) for the purposes of restructuring or rationalization of assets, investments, liabilities or otherwise of the Target Company or (ii) in the ordinary course of business of the Target Company. It will be the responsibility of the Board of Directors of the Target Company to make appropriate decisions in these matters, in accordance with the requirements of the business of the Target Company. Such decisions will be governed by the provisions of the relevant regulations or any other applicable laws or legislation at the relevant time.

VI. Statutory Approvals Required for the Offer

a) The Transaction and this Offer, along with any obligation in terms of SEBI (SAST) Regulations to make payment for, or purchase the Shares tendered and accepted, is subject to the receipt of approval from Reserve Bank of India ("**RBI**"), under the Foreign Exchange Management Act, 1999 ("**FEMA**"). Besides this, as on the date of this PA, to the best of the Acquirer's knowledge, no other statutory approval is required to purchase the Shares tendered pursuant to this Offer. In terms of Regulation 27 of SEBI (SAST) Regulations, the Acquirer will not proceed with the Offer in the event that any statutory approval required for the Offer is not obtained.

b) To the best knowledge of the Acquirer, there are no other statutory approvals, which are required for the consummation of the Transaction and the Offer. If any other statutory approval becomes applicable either for the Transaction or for the Offer, the Acquirer will have a right to not proceed with the Offer.

c) In case of delay in receipt of any statutory approval(s), SEBI has power to grant extension of time to the Acquirer for payment of consideration to Shareholders, subject to the Acquirer agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of SEBI (SAST) Regulations. Further, if the delay occurs on account of willful default by the Acquirer in obtaining the requisite approval, Regulation 22(13) of SEBI (SAST) Regulations will also become applicable.

d) Acquirer does not require any approvals from financial institutions or banks for the Offer.

VII. Financial Arrangements

a) The total fund requirement for the acquisition of up to 30,831,962 shares held by shareholders in Matrix at Rs. 306 per share is Rs. 9,434,580,372 (Rupees nine billion four hundred thirty four million five hundred eighty thousand three hundred seventy two only). The PAC has currently cash/cash equivalent investments in excess of USD 215.0 mm (Rs. 10,021.15 mm) with JP Morgan Asset Management. The PAC vide their letter dated August 28, 2006, have undertaken to use the aforesaid cash/cash equivalent and/or replace the aforesaid cash/cash equivalent investments with similar cash/cash equivalent investments with consent of the Manager to the Offer for the purpose of fulfillment of the Acquirer's or the PAC's obligations under Regulation 29 of SEBI (SAST) Regulations. As a firm financial arrangement is in place, the Manager to the Offer is satisfied about the ability of the Acquirer to fulfill its obligations in accordance with the SEBI (SAST) Regulations.

b) In accordance with Regulation 28 of the SEBI (SAST) Regulations, PAC has created an escrow account in the form of a Bank guarantee of an amount of Rs. 1,187,803,841 issued by Citibank N.A., Mumbai being in excess of the amount required under Regulation 28(2) of the SEBI (SAST) Regulations, i.e., 25% of the maximum consideration payable up to Rs. 1,000 mm and 10% of the maximum consideration payable beyond Rs. 1,000 mm and the Acquirer has made a cash deposit in a bank account with Citibank N.A., New York for USD 2.3 mm (USD two million three hundred thousand only) Rs. 107,203,000 (Rupees one hundred seven million two hundred three thousand only) which is in excess of 1% of the maximum consideration payable in favor of DSPML – the Manager to the Offer. DSPML has been authorized to realize the value of the aforesaid bank account. This amount will be transferred from the aforesaid bank account to a scheduled commercial bank in India after the requisite approval has been obtained from RBI for opening and operating the escrow account in India.

VIII. Other Terms of the Offer

a) The Letter of Offer together with the Form of Acceptance cum Acknowledgement will be mailed to the Shareholders of Target Company (except the parties to the SPA referred to in paragraph (I) a) above), whose names appear on the Register of Members of Target Company and to the beneficial owners of the shares of Target Company, whose names appear as beneficiaries on the records of the respective Depositories, at the close of business on September 22, 2006 ("**Specified Date**").

b) Shareholders who wish to tender their Shares, held in physical form, will be required to send the Form of Acceptance cum Acknowledgement, original Share Certificate(s) and transfer deed(s) duly signed to the Registrar to the Offer, Mondkar Computers Private Limited, 21, Shakeel Nivas, opposite Satya Sai Baba Temple, Mahakali Caves Road, Andheri East, Mumbai 400 093, Maharashtra, India, Phone: +91 22 2826 2920, Fax: +91 22 2836 6620, E-mail: mcplrt@rediffmail.com, Name of the contact person: Mr. Ashok Gupta, either by hand delivery on weekdays or by Registered Post, at their sole risk, on or before the close of the Offer, i.e., no later than November 8, 2006 in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance Cum Acknowledgement.

c) The Registrar to the Offer, Mondkar Computers Private Limited, has opened a special depository account with DSP Merrill Lynch Ltd called, "Escrow Account – Open Offer for Matrix Laboratories Ltd". The Depository Participant ("**DP**") name is DSP Merrill Lynch Ltd, DP ID is IN302638 and Client ID is 10022740. Shareholders having their beneficiary account in CDSL have to use inter-depository delivery instruction slips for crediting their shares in favour of the special depository account with NSDL.

d) Beneficial owners (holders of Shares in dematerialized form) who wish to tender their Shares will be required to send their Form of Acceptance cum Acknowledgement along with the photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the DP , in favour of the special depository account to the Registrar to the Offer – Mondkar Computers Private Limited, 21, Shakeel Nivas, opposite Satya Sai Baba Temple, Mahakali Caves Road, Andheri East, Mumbai 400 093, Maharashtra, India, Phone: +91 22 2826 2920, Fax: +91 22 2836 6620, E-mail: mcplrt@rediffmail.com, Name of the contact person: Mr. Ashok Gupta, either by hand delivery on weekdays or by Registered Post, on or before the close of the Offer, i.e., no later than November 8, 2006, in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement. The credit for the delivered shares should be received in the special depository account on or before close of the Offer, i.e., no later than November 8, 2006.

e) In addition to the above-mentioned address, the Shareholders of Target Company, who wish to avail of and accept the Offer, can also deliver the Acceptance Form along with all the relevant documents at the collection centers below in accordance with the procedure as set out in the Letter of Offer. The centers mentioned herein below would be open as follows: *(Monday to Friday 10.30 am to 4.30 pm & Saturdays 10.30 am to 1pm.)*

Address	Contact Person	Delivery Mode	Phone
Mondkar Computers Pvt. Limited C/o Pace 101, Shivam Complex, Nr. Law Garden Off. C G Road, Navrangpura Ahmedabad - 380 009	Mr. Suraj Shah	Hand Delivery	079-55415807
Mondkar Computers Pvt. Limited C/o Pace Alpine Murali Point 53, Hospital Road, Shivaji Nagar Bangalore - 560 052	Mr. Shilloo Zackaria	Hand Delivery	080 - 51132823
Mondkar Computers Pvt. Limited C/o Pace 115, Nelson Chamber, E Block 3rd Floor, Nelson Manickkam Road Chennai - 600 029	Mr. T. Ramesh	Hand Delivery	044-55557191
Mondkar Computers Pvt. Limited C/o Pace 205, Nischint Towers, 2nd Floor 1-10-233/A, Ashok Nagar, Above Gtb Hyderabad - 500 020	Mr. A.R. Ranganathan	Hand Delivery	040-27656051
Mondkar Computers Pvt. Limited C/o Agarwal Infin Consultants (P) Limited 503, Gurukripa Tower, C Scheme Jaipur 302001	Mr. Sunil Dutt Vyas	Hand Delivery	0141-2368071
Mondkar Computers Pvt. Limited C/o Mr. Hemant Tandon 14/76, G, Civil Lines Near Merchants Chamber Of U P Kanpur 208 001	Mr. Hemant Tandon	Hand Delivery	0512-2535630
Mondkar Computers Pvt. Limited C/o Pace Ground Floor, Opp. Bijoli Grill Restaurant 34, Raja Basanta Roy Road Kolkata - 700 029	Mr. Pannalal Das	Hand Delivery	033-24636133
Mondkar Computers Pvt. Limited 21, Shakeel Nivas, Opp Satya Sai Baba Temple, Mahakali Caves Road, Andheri East Mumbai 400 093	Mr. Ashok Gupta	Hand Delivery/ Registered Post	022-28262920 Fax: 022-28366620
Mondkar Computers Pvt. Limited 83 B, Mittal Court, 224, Nariman Point Mumbai 400 021	Mr. Rajesh Karlekar	Hand Delivery	022-22048853
Mondkar Computers Pvt. Limited C/o Pace 1e/18 Jandewalan Extention, 2nd Floor Above Hot & Spice Restaurant New Delhi - 110 055	Mr. Shiv Bose	Hand Delivery	011-51511466
Mondkar Computers Pvt. Limited C/o Pace 3rd Floor, 303, Komal Chambers Opp. Chaudhary High School Rajkot	Mr. Shailesh Khatri	Hand Delivery	0281-2647371
Mondkar Computers Pvt. Limited C/o Pace 7, Subhalaxmi Complex City Light Road Surat - 395 001	Mr. Sajid Desai	Hand Delivery	0261-5541797
Mondkar Computers Pvt. Limited C/o Pace 209/210, 2nd Floor, Race Course Towers Opp. Citibank, Towards Gotri Vadodara - 390 015	Mr. Mohammedi Barodawala	Hand Delivery	0265 -5540374

f) All owners (registered or unregistered) of Shares of Target Company (except the parties to the SPA referred in (I) (a) above) are eligible to participate in the Offer anytime before the closure of the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer, on a plain paper stating the Name, Address, number of Shares held, number of Shares offered, Distinctive numbers, Folio number, together with the original Share Certificate(s), valid transfer deeds and the original contract notes issued by the broker through whom they acquired their Shares. No indemnity is required from the unregistered owners.

g) In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar to the Offer, on a plain paper stating the Name, Address, number of Shares held, Distinctive numbers, Folio number, number of Shares offered along with documents as mentioned above so as to reach the Registrar to the Offer on or before the Close of the Offer, i.e., no later than November 8, 2006 or in case of beneficial owners, they may send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, number of Shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar to the Offer, on or before the close of the Offer, i.e., no later than November 8, 2006.

h) Duly executed Form of Acceptance along with share certificate(s) and share transfer form(s) should be sent only to the Registrar to the Offer and not to the Manager to the Offer, or Acquirer.

i) In terms of Regulation 22 (5A) of the SEBI (SAST) Regulations, equity Shareholders desirous of withdrawing the acceptance tendered by them in the Offer, may do so up to 3 (three) working days prior to the date of closure of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centers mentioned above as per the mode of delivery indicated therein on or before November 3, 2006.

i. The withdrawal option can be exercised by submitting the Form of Withdrawal, enclosed with the Letter of Offer.

ii. In case of non-receipt of Form of Withdrawal, the withdrawal option can be exercised by making a plain paper application along with the following details:

- In case of physical Shares: Name, Address, Distinctive numbers, Folio number, number of shares tendered; and
- In case of dematerialized Shares: Name, Address, number of Shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account.

j) The Registrars to the Offer will hold in trust the Shares/Share Certificates, shares lying in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of Target Company who have accepted the Offer, till the cheques/drafts for the consideration and/or the unaccepted Shares/Share Certificates are dispatched/returned.

k) If the aggregate of the valid responses to the Offer exceeds the Offer size, then Acquirer shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations. The shares of Target Company are compulsorily traded in dematerialized form, hence minimum acceptance will be one share.

l) Locked in shares can be tendered in the open offer subject to the continuation of the lock-in in the hands of the Acquirer and the PAC. The Manager to the Offer will ensure that there is no discrimination in the acceptance of locked in and non-locked in shares. Shares that are subject to any other charge, lien or encumbrance are liable to be rejected.

m) Shares received to the credit of the above referred Escrow account or receipt of share certificates on or before closure of the Offer without receipt of Form of acceptance cum acknowledgement will be deemed as acceptance of the Offer by the shareholder.

n) Unaccepted Share Certificates, Transfer Forms and other documents, if any, will be returned by Registered Post at the Shareholders'/unregistered owners' sole risk to the sole/first Shareholder. Unaccepted Shares held in demat form will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement.

o) Shareholders, who have sent their Shares for dematerialization, need to ensure that the process of getting their Shares dematerialized is completed well in time so that the credit in the special depository account is received on or before the date of Closure of the Offer, i.e., no later than November 8, 2006, else their application would be rejected.

p) While tendering the Shares under the Offer, NRIs/OCBs/foreign Shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring the Shares of Target Company. In case the previous RBI approvals are not submitted, Acquirer/PAC reserves the right to reject such Shares tendered.

q) TAX TO BE DEDUCTED AT SOURCE- As per the provisions of section 195(1) of the Income Tax Act, any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess as applicable). Since the consideration payable under the Offer would be chargeable to capital gains under applicable section of the Income Tax Act or as business profits as the case may be, Acquirer may need to deduct tax at source (including surcharge and education cess) at the applicable rate on the gross consideration payable to the following categories of shareholders, as given below:

- Non resident Indians
- Overseas Corporate Bodies/ Non-domestic companies
- Other persons who are not resident in India

Accordingly, while tendering Shares under the Offer, NRI/OCBs/foreign Shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by Acquirer under the Income Tax Act, 1961, before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, Acquirer will arrange to deduct tax at the rate as may be applicable to the category of the Shareholder under the Income Tax Act, 1961, on the entire consideration amount payable to such Shareholder.

In respect of Foreign Institutional Investors ("FII"): The Acquirer will not deduct tax at source if the Shares are held by the FII on investment/capital account. FIIs will have to certify in the Form of Acceptance cum Acknowledgment that the said shares are held on investment/capital account and enclose the certificate of registration by SEBI as FII.

r) A schedule of the activities pertaining to the Offer is given below:-

Activity	Day & Date
PA Date	Tuesday, August 29, 2006
Specified Date *	Friday, September 22, 2006
Last date for a competitive bid	Tuesday, September 19, 2006
Date by which Letter of Offer to be dispatched to shareholders	Saturday, October 7, 2006
Date of opening of the Offer	Friday, October 20, 2006
Last date for revising the Offer Price	Monday, October 30, 2006
Last date for withdrawing acceptance from the Offer	Friday, November 3, 2006
Last date of closing of the Offer	Wednesday, November 8, 2006
Last date of communicating rejection/ acceptance and payment of consideration for accepted tenders	Thursday, November 23, 2006

** Specified date is only for the purpose of determining the names of the Shareholders as on such date to whom the Letter of Offer would be sent and all owners (registered or unregistered) of the Shares of Matrix (except parties to the SPA referred in paragraph (1) a) above). All owners of Matrix (except parties to the SPA referred in paragraph (1) a) above) are eligible to participate in the Offer anytime before the closure of the Offer.*

IX. General

a) *Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the PA / Letter of Offer shall have the option to withdraw acceptance tendered by them upto 3 (three) working days prior to the date of closure of the Offer, in terms of Regulations 22 (5A) of the SEBI (SAST) Regulations.*

b) If there is any upward revision in the Offer Price by Acquirer till the last date of revision viz. Monday, October 30, 2006 or withdrawal of the Offer, the same would be informed by way of a public announcement in the same newspapers in which the original PA had appeared. Acquirer would pay such revised price for all the Shares validly tendered any time during the Offer and accepted under the Offer.

c) **If there is a competitive bid:**

- **The public offers under all the subsisting bids shall close on the same date.**
- **As the Offer Price can not be revised during 7 (seven) working days prior to the Closing date of the Offers / bids, it would, therefore, be in the interest of the Shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.**

d) Acquirer and PAC have not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B or any other regulations made under the SEBI Act.

e) Pursuant to Regulation 13 of the SEBI (SAST) Regulations, Acquirer and PAC have appointed DSPML as Manager to the Offer. DSPML does not hold any shares of Matrix as on the date of PA.

f) Acquirer and PAC accept responsibility for the information contained in this PA. Acquirer and PAC are jointly and severally liable for the fulfillment of their obligations under the SEBI (SAST) Regulations.

g) Certain financial details contained in this PA are denominated in US Dollars (USD). The Rupee equivalent quoted in each case is calculated in accordance with the RBI Reference rates as on August 25, 2006, namely 1 USD = Rs 46.61. *(Source: www.rbi.org.in)*

This Public Announcement would also be available on SEBI's website *(www.sebi.gov.in)*. Eligible persons to the Offer may also download a copy of the Form of Acceptance cum Acknowledgement, which will be available on SEBI's website at *(www.sebi.gov.in)* from the Offer Opening Date, i.e. October 20, 2006

Issued on behalf of Acquirer by:
Manager to the Offer

DSP Merrill Lynch

DSP Merrill Lynch Limited
10th Floor, Mafatlal Centre, Nariman Point, Mumbai- 400 021
Tel No: 6632 8000; Fax No: 2204 8518, Email: matrix_offer@ml.com
Contact Person: Shradha Kothari

Date: August 29, 2006