

# Press Release



**For further information:**

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## **Synutra International Amends Form 10-K for Fiscal Year 2007**

October 5, 2007, Qingdao, PRC/Rockville, MD, USA -- Synutra International, Inc. (NASDAQ: SYUT, "Synutra"), one of China's leading manufacturers of dairy-based nutritional products for infants, children and adults, today filed an amendment to its Form 10-K for the fiscal year ended March 31, 2007 with the U.S. Securities and Exchange Commission.

As explained in the Form 10-K/A, the Company identified and assessed certain accounting errors and irregularities during the preparation of its Form 10-Q for the fiscal quarter ended June 30, 2007. As a result of such assessment, the Company filed the Form 10-K/A, which restates the Company's financial statements as and for the fiscal year ended March 31, 2007. The Company will file amended Quarterly Reports on Form 10-Q with restated financial statements as of and for each fiscal quarter ended September 30, 2006 and December 31, 2006, as soon as practicable. Synutra intendeds to file with the SEC its Form 10-Q for the fiscal quarter ended June 30, 2007 immediately after filing this amended Form 10-K.

The background and circumstances relating to the assessment of the accounting errors and irregularities identified during the preparation of the Company's Form 10-Q for the fiscal quarter ended June 30, 2007 are described in the Company's previously-filed Exchange Act documents as follows:

- the Current Report on Form 8-K filed on July 27, 2007;
- the Current Report on Form 8-K/A filed on August 9, 2007;
- the Company's Notification of Late Filing on Form 12b-25 filed on August 15, 2007;
- the Current Report on Form 8-K filed on August 17, 2007;
- the Current Report on Form 8-K filed on August 24, 2007; and
- the Current Report on Form 8-K filed on October 2, 2007.

Synutra International, Inc. Chairman and Chief Executive Officer Liang Zhang commented, "We are very optimistic about Synutra's prospects, as we focus on growth, profitability, brand building initiatives and producing the highest quality products. In the meantime, we strive to enhance compliance in capital market operations. I am confident that we have a strong team in place to support our progress."

### **Fiscal Fourth Quarter Ended March 31, 2007**

Sales in the fourth quarter ended March 31, 2007 increased 76.5%, to \$65.6 million, compared to \$37.1 million for the same three months in 2006. Gross profit increased by 114.6% to \$33.7 million in the fourth quarter ended

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March 31, 2007, which amounts to 51.4% of sales. Fourth quarter net income decreased by 3.17% to \$4.1 million, compared to \$4.2 million for the same period in 2006. Synutra earned \$0.08 per share in the fourth quarter of fiscal 2007, flat compared to \$0.08 earned in the prior year period.

**Full Year Ended March 31, 2007 (Restated and Unaudited)**

Sales for the full year ended March 31, 2007 increased by \$84.3 million, or 63.7%, to \$216.6 million, compared to \$132.3 million for the same period in 2006. Gross profit was \$106.7 million, or 49% of sales, for the full fiscal year. Full year net income increased by \$8.8 million, or 80%, to \$19.9 million from the same period in 2006. Synutra earned \$0.40 per share for the full fiscal year, a 74% increase from \$0.23 earned in the prior year period.

**Synutra's Amended 10-K is available on-line:** [www.synutra.com](http://www.synutra.com)

**About Synutra International, Inc.**

Synutra operates eight subsidiaries developing, producing, distributing and selling dairy-based nutritional products across the People's Republic of China. It offers its products for infants, children, adults and pregnant women and nursing mothers under the brand series of "Super," "U-Smart" and "U-Strong." The Group's extensive sales network covers 24 provinces, 264 cities and more than 1320 counties throughout China. For more information, please contact Weiguo Zhang of Synutra, Inc. (301 840 3888, [wzhang@synutra.com](mailto:wzhang@synutra.com)), Brian Rafferty of Taylor Rafferty (212 889 4350, [synutra@taylor-rafferty.com](mailto:synutra@taylor-rafferty.com)) or visit: [www.synutra.com](http://www.synutra.com).

*The information contained herein includes forward-looking statements. These statements relate to future events or to our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. You should not place undue reliance on forward-looking statements since they involve known and unknown risks, uncertainties and other factors which are, in some cases, beyond our control and which could, and likely will, materially affect actual results, levels of activity, performance or achievements. Any forward-looking statement reflects our current views with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to our operations, results of operations, growth strategy and liquidity. We assume no obligation to publicly update or revise these forward-looking statements for any reason, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future. The safe harbor for forward-looking statements contained in the Securities Litigation Reform Act of 1995 protects companies from liability for their forward looking statements if they comply with the requirements of the Act.*

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