

**Press Release**

**Audited Financial Results Year Ended December 31, 2010**

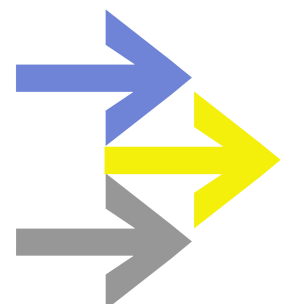
- **Beats Guidance**
- **Strong Growth in Revenue and Profitability**
- **Record ANDA approvals**
- **Specialties business on rapid growth track**

	<b>CONSOLIDATED</b>	<b>STANDALONE</b>
<b>Revenue</b>	<b>Rs. 1,765 Crores</b> Up by 33%  (Rs.1,328 Crores in 2009)	<b>Rs. 530 Crores</b> Up by 9%  (Rs.488 Crores in 2009)
<b>EBIDTA</b>	<b>Rs.396 Crores</b> Up by 88%  (Rs.210 Crores in 2009)	<b>Rs.95 Crores</b> Up by 52%  (Rs.62 Crores in 2009)
<b>PBT</b>	<b>Rs.186 Crores</b> Up by 30%  (Rs. 143 Crores in 2009)	<b>Rs.89 Crores</b> Up by 23%  (Rs. 73 Crores in 2009)
<b>PAT</b>	<b>Rs.123 Crores</b> Up by 12%  (Rs.110 Crores in 2009)	<b>Rs.74 Crores</b> Up by 20%  (Rs.62 Crores in 2009)

PBT includes Rs.15 Crores provided for non-cash interest.

***Recommends dividend of Rs. 1.50 per share for year ended December 31, 2010.***

**Bangalore, February 24, 2011: Strides Arcolab** (Strides) today announced its financial results for the year ended December 31, 2010 which exceeds the revised upward guidance it had announced on March 18, 2010. The Company's strong performance was supported by contributions from all its divisions, and in particular its specialty business.



“2010 was a game changing year for us as we saw the fructification of many of our plans in our goal to become a global sterile powerhouse,” said Arun Kumar, Vice Chairman & Group CEO, Strides Arcolab Limited. “Our partnerships with Pfizer and entry into the biologics space has strengthened and consolidated our position in the specialty segment. Ray of Life, our critical care offering for the domestic market, has also made significant progress with a wide range of high quality oncology products at an affordable price for Indian consumers.”

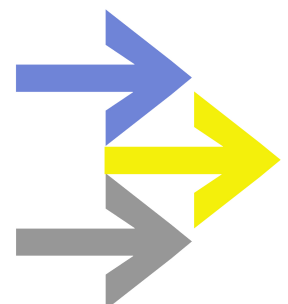
Some of the highlights of 2010 include:

### **Specialties (AGILA)**

- Performance boosted by new product launches in regulated markets and additional revenue generated by new facilities
- Collaboration with Pfizer for 40 off patent sterile injectable and oral products for the USA market
- Extended collaboration with Pfizer to cover 38 generic oncology products in an expanded geography that includes Europe, Canada, Japan, Australia, New Zealand and Korea
- Agreement with Pfizer to sell 16 ANDAs and 6 filed ANDAs through its US joint venture Akorn-Strides LLC
- Acquisition of Penem and Penicillin facility in Campos, Brazil
- Acquisition of 100% ownership in Oncology business
- Acquisition of 70% stake in Bangalore-based biotechnology firm, Inbiopro Solutions marking entry into biologics space
- 16 new product launches in regulated market, 5 in USA and 11 in other regulated markets
- Significant ramp up in capacity utilization
- Rebranding of specialties business as ‘Agila’

### **Pharma and Branded Generics**

- Ascent’s Australasia business delivers strong growth with sales up by 26% to AU\$132.3 Million and EBITDA up by 27% to AU\$17.7 Million over previous year
- Africa business delivered strong growth with sales of US\$ 30.56 Million and EBITDA of US\$ 6.09 Million up by 44% over previous year
- Added 4 new markets, Congo, Mali, Mozambique, Malawi
- 57 new products registered in Africa
- Commenced full fledged production of tablets in Nigerian facility



- India Brand business achieved Rs. 47 Crores in sales with EBIDTA over Rs.9 Crores
- India Brands (Grandix) operations integrated into Strides with flagship brand ‘Renerve’, consolidating its leadership position
- Ray of Life launched 3 therapeutic segments in India, i.e., Oncology, Nephrology and Hi-end Antibiotics
- Ray of Life launched over 15 brands in the cancer chemotherapy segment in Oncology and around 10 top molecules introduced in Hi-end antibiotics
- India Pharma manufacturing affected due to pricing and margin pressure in ARV business
- Prequalification from WHO for Strides H1NI generic drug Oseltamivir 75mg capsules
- Commercialisation of Ergocalciferol in Q3 of 2010 in USA

### **R&D**

On the R&D front, Strides continued its record streak of regulatory filings in all markets.

Filings/- approvals during the year:

Region	Filings	Approvals
US (ANDAs)	28	22
Other regulated markets	39	28
Emerging markets	118	124

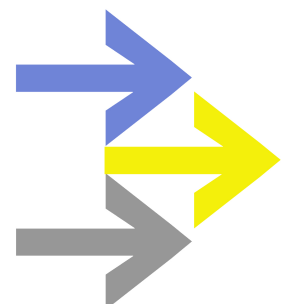
As on December 31, 2010, Strides had 151 ANDA filings (113 in specialties) with 53 approvals (33 in specialties). The Company had 124 and 988 product registrations in other regulated markets and emerging markets respectively.

Revenue from Licensing Income at Rs. 362 Crores against Rs.101 Crores in FY 2009.

***A brief presentation on the financials forms part of this press release.***

### **Guidance for 2011**

- Consolidated revenue to increase by 25% to Rs.2200 Crores with EBIDTA in the range of Rs.440 Crores to Rs. 480 Crores (EBIDTA margins to be in the range of 20-22%)
  - Specialties business to grow by 45% to Rs.1000 Crores with EBIDTA in the range of Rs.280 Crores to Rs.300 Crores (EBIDTA margins to be in the range of 28-30%)



*Guidance considers commencement of commercial supplies to USA market from new steriles complex (Bangalore) latest by beginning of H2 2011.*

- Pharma business to grow by 12% to Rs.1200 Crores with EBIDTA in the range of Rs.160 Crores to 180 Crores (EBIDTA margins to be in the range of 13% to 15%)
- Licensing income to be in the range of Rs.250 Crores to Rs. 270 Crores against Rs.362 Crores in 2010, as the Company moves to late stage licensing model
- Interest to Revenue to be capped at 6% in 2011 against 8.3% in 2010. Effective corporate tax rate to be capped at 21% in 2011 against 24% in 2010

### **About Strides Arcolab**

Strides Arcolab, listed on the Bombay Stock Exchange Limited (532531) and National Stock Exchange of India Limited (STAR), is a global pharmaceutical company headquartered in Bangalore, India, that develops and manufactures a wide range of IP-led niche pharmaceutical products with an emphasis on sterile injectables.

The company has 14 manufacturing facilities across 6 countries with presence in more than 75 countries in developed and emerging markets. Manufacturing is ably supported by a 350-scientist strong global R&D Centre located in Bangalore.

Additional information is available at the Company's website at [www.stridesarco.com](http://www.stridesarco.com).

### **For further information, please contact:**

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