

## Press Release

Bangalore, April 26, 2012

### Strides delivers Robust Q1'12 Performance

**Performance driven by significant scale up in Specialties (Agila) operations  
40% Revenue Growth and 64% EBITDA Growth over Q1 2011**

**Revenue up by 40 %\***

Revenues at Rs.495 Crores against Rs. 353 Crores in Q1 '2011

**EBITDA up by 64%\***

EBITDA at Rs.137 Crores against Rs.83 Crores in Q1 '2011

**PAT at Rs.61 Crores\***

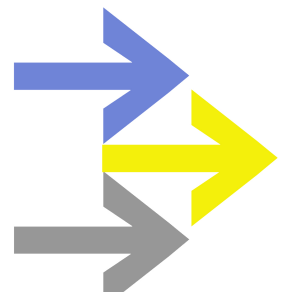
**Reported PAT at Rs.642 Crores**

*(Source: Unaudited consolidated results for Q1'2012)*

*\* Normalized performance excludes Ascent and other exceptional items*

**Bangalore, April 26, 2012 : Strides Arcolab** (BSE: 532531, NSE: STAR) today announced its financial results for the Quarter ended March 31, 2012.

“The quarter’s strong operational performance in both Specialties and Pharma businesses reflect the company’s strongly articulated niche IP led strategy. Agila’s performance is driven by significant operating leverage and ramp up in capacity utilization with continued regulatory approval momentum” said Arun Kumar, Vice Chairman & Group CEO, Strides Arcolab Limited.



## Group Performance Highlights

- Revenues excluding divested operations grew by 40% to Rs.495 Crores (Rs.353 Crs in Q1'11)
- EBITDA excluding divested operations grew by 64% to Rs.137 Crores (Rs.83 Crs in Q1'11)

Normalized Performance*	Q1'12 (INR Crores)
EBITDA	137
Less : Interest	(37)
Less : Depreciation	(23)
PBT	77
Taxes	(16)
<b>PAT</b>	<b>61</b>
<b>EPS</b>	<b>10.43</b>

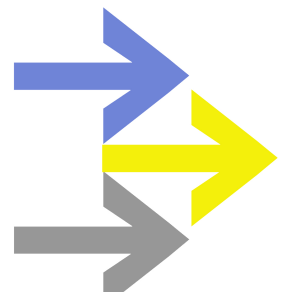
\* Normalized performance excludes Ascent and other exceptional items

- Reported Revenues at Rs.540 Crores and Reported EBITDA at Rs.139 Crores, EBITDA Margin of 26% (includes financials for 24 days of Australasian operations)
- Profit on Sale of Investment at Rs.632 Crores
- Profit before Taxes at Rs.681 Crores (Rs.54 Crores in Q1'11)
- Profit after Taxes at Rs.642 Crores (Rs.41 Crores in Q1'11)
- Net Debt/Equity reduced from 1.67 to 0.63
- Cash and Cash equivalents at Rs.945 Crores against Rs.260 Crores in Dec'11

## Regulatory Filings

### Filing Momentum to continue

We expect filing momentum to continue with focus on key geographies with about 50 US ANDA filings from Agila and Pharma businesses. Agila will continue to focus on expanding regulatory filings in established markets like Canada, Australia and Europe, while Pharma would focus on niche US product filings.



### Specialties (Agila)

- 5 ANDA filings during Q1'12, cumulative ANDA filings at 152
- 9 ANDA approvals during Q1'12, cumulative ANDA approvals at 70 including 4 Tentative approvals

### Pharma

- 39 Cumulative ANDA filings with 24 ANDA Approvals (17 Tentative Approvals under PEPFAR program)

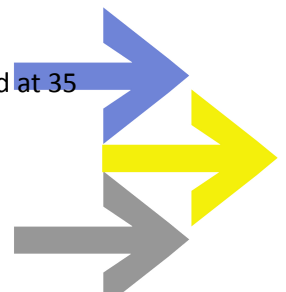
## Business Divisions

### Agila Specialties Guidance

- Operating EBITDA (Excluding Licensing) in Agila to be in the range of 23% to 30% during the year
- Growth in Revenues and EBITDA to be driven by operating leverage
- Lumpy quarters going forward, given the industry dynamics and Agila's early phase of product introductions in the US Market
- Brazilian operations delivered positive EBITDA during the quarter; however company is cautiously optimistic on its turnaround and will provide periodic updates
- Continued focus on R&D with varying spends on newer domains and niche regulatory filings, as the business moves higher up the value chain. Licensing Revenues may taper down due to shift towards late stage licensing model and products reserved for front end market strategies for the next phase of growth

### Agila Specialties Q1'12 Performance

- Operational Revenues grew by 103% to Rs.274 Crores (Rs.135 Crores in Q1'11) with EBITDA Margin of 26%
- Total Revenues at Rs.337 Crores (Rs.237 Crores in Q1'11), with EBITDA of Rs.115 Crores (Rs.73 Crores in Q1'11)
- 9 Products commercialized in US during Q1'12 taking the total products commercialized at 35



- 33% of Operational Revenues from North America, 29% from Latin America and 38% from the rest of the world
- Brazilian operations delivered positive EBITDA during the quarter

#### **Acquisition of Star Drugs manufacturing facility**

Current approved USFDA capacities of liquid injectable at Agila are fully booked due to global shortage situation. STAR Drugs USFDA approved status will add 97 Million vials of additional liquid injectable capacity available for commercial supplies effective Q3'12. With the addition of this new site, Agila has secured significant future capacities (Refer separate Strides Press Release).

#### **Pharma Q1'12 Performance**

- Operational Revenues excluding Divested Operations grew by 48% to Rs.157 Crores (Rs.106 Crores in Q1'11) with EBITDA Margin at 19%
- Total Revenues excluding Divested Operations at Rs.158 Crores (Rs.115 Crores in Q1'11), with EBITDA of Rs.23 Crores (Rs.10 Crores in Q1'11)

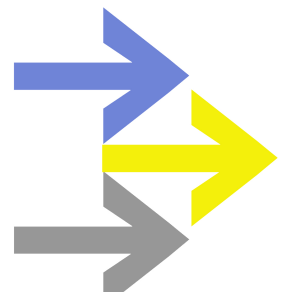
Pharma delivered a strong performance, displaying higher EBITDA Margins post divestment of low margin Ascent Australasia Operations. Growth driven by focus on IP led Pharmaceutical business for the regulated markets and front ended branded operations of Africa and India.

#### **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).



**About Agila Specialties (Wholly Owned Subsidiary of Strides Arcolab)**

Agila, Specialties business of Strides Arcolab is focused on key domains such as oncolytics, penems, pencyclins, cephalosporins, ophthalmics, peptides and biosimilars and operates from 9 world-class global manufacturing facilities, including one of the largest steriles capacity in India and amongst the largest lyophilization (freeze drying) capacities in the world. Agila's marketing network covers 70 countries and it has partnerships with some of the world's leading pharmaceutical companies for both developed and emerging markets.

**For further information, please contact:**

<p><u>Strides</u></p> <p>Dr. T.S. Rangan, Group CFO +91 80 6784 0115</p> <p><u>Investors:</u></p> <p>Mr. Kannan. N: +91 98450 54745 Mr Ajay Singh: +91 80 6784 0813</p>	<p><u>PR Consultancy</u></p> <p>Corporate Voice/Weber Shandwick</p> <p>Kaveri Mandanna, +91 90089 59697 <a href="mailto:kaveri@corvoshandwick.co.in">kaveri@corvoshandwick.co.in</a></p> <p>Mahesh Nair: +91 98803 76648 <a href="mailto:maheshn@corvoshandwick.co.in">maheshn@corvoshandwick.co.in</a></p>
---	---

