

Press Release

Bangalore, October 19, 2012

Strides reports Continued Strong Operational Performance in Q3'12

Revenues up by 12%*

Rs.601 Crores against Rs.535 Crores* in Q3'11

EBITDA at Rs.167 Crores (adjusted for Exchange) in Q3'12

Reported EBITDA up by 27%*

Rs.154 Crores against Rs.121 Crores* in Q3'11

PBT up by 55%

PBT at Rs.82 Crores against Rs.53 Crores in Q3'11

Net Debt to Equity at 0.60

*Excludes divested Ascent Australasian business

(Source: Unaudited consolidated results for Q3'2012)

Bangalore, October 19, 2012: Strides Arcolab (BSE: 532531, NSE: STAR) today announced its financial results for the Quarter ended September 30, 2012.

Highlights:

- USFDA Approval for Polish Sterile Facility, product launch expected in Q4'12. With this approval all 9 Sterile sites are USFDA approved
- 8 new ANDA's commercialized during Q3'12, including day 1 launch of Oxaliplatin
- Record 28 Sterile ANDA filings during the quarter, cumulative ANDA filings at 232 (189 Steriles, 43 Pharma)
- Canadian JV with Jamp Pharma became operational and 2 products launched in Canada

“Our performance this quarter reflects the momentum we have carried through the year in both Agila and Pharma divisions. Both divisions continue to deliver on all key operating indicators including regulatory filings, approvals and product launches. We are particularly pleased with our operating leverage that has been consistently achieved” said Arun Kumar, Vice Chairman & Group CEO, Strides Arcolab Limited.

Group Performance Highlights for Q3'12

- Reported Revenues at Rs.601 Crores and Reported EBITDA at Rs.154 Crores, EBITDA Margin of 26%
- Adjusted for Exchange Loss of Rs.13 Crores, EBITDA at Rs.167 Crores, EBITDA Margin of 28%
- Profit before Taxes at Rs.82 Crores (Rs.53 Crores in Q3'11)
- Profit after Taxes at Rs.53 Crores (Rs.47 Crores in Q3'11)

Group Performance Highlights for YTD Sep'12

- Reported Revenues at Rs. 1,687 Crores and Reported EBITDA at Rs.421 Crores, EBITDA Margin of 25%
- Adjusted for Exchange Loss of Rs.31 Crores, EBITDA at Rs.452 Crores, EBITDA Margin of 27%
- Profit before Taxes at Rs.872 Crores (Rs.186 Crores in YTD Sep'11)
- Profit after Taxes at Rs.785 Crores (Rs.156 Crores in YTD Sep'11)

Regulatory Filings

US Market

	Pharma		Agila (Specialties)		Total	
	Q3 '12	Till date	Q3 '12	Till date	Q3 '12	Till date
Filings	-	43	28	189	28	232
Approvals	1	25	5	77	6	102
Tentative approvals /PEPFAR	-	18	-	3	-	21
Available for Commercialization	-	7	-	74	-	81
Commercialised	1	6	7	50	8	56

Other Markets

- 17 product filings (cumulative: 393) in established markets (other than US) during the quarter, with 19 approvals (cumulative: 231)
- 56 product filings (cumulative: 1670) in emerging markets during the quarter, with 44 approvals (cumulative: 1169)

Division Wise Analysis*

* Exchange Gain/Loss Excluded

Agila Specialties Q3'12 Performance Snapshot

Q3'12 vs Q2'12								
Q2'12				Q3'12			Growth over Q2'12	
Revenue	EBITDA	%		Revenue	EBITDA	%	Revenue	EBITDA
181	61	34%	Operations Excl Brazil	196	65	33%	8%	6%
69	3	4%	Operations - Brazil	76	(2)	-2%	11%	-100+%
49	25	51%	Licensing	99	72	72%	100+%	100+%
299	89	30%	Specialties	371	135	36%	24%	52%

- Total Revenues at Rs. 371 Crores (Rs.289 Crores in Q3'11), with EBITDA of Rs. 135 Crores (Rs.66 Crores in Q3'11)
- Operational Revenues excluding Brazil at Rs.196 Crores (Rs. 118 Crores in Q3'11), up by 66% with EBITDA Margin of 33% (above guidance range of 23% to 30%)
- Operational Revenues grew by 38% to Rs.272 Crores (Rs.196 Crores in Q3'11) with EBITDA Margin of 23% (at guidance range of 23% to 30%)
- Licensing Revenues of Rs.99 Crores in Q3'12
- EBITDA Performance in Brazil impacted by ANVISA strike
- Brazil Manufacturing impacted by continued delays in product approvals of Penems from USFDA
- 7 Products commercialized in US during Q3'12, including day 1 launch of Oxaliplatin, taking the total products commercialized at 50
- 40% of Operational Revenues from North America, 36% from Latin America and 24% from the rest of the world in Q3'12

Agila Specialties YTD Sep'12 Performance Snapshot

- Agila crosses Rs.1,000 Crores Revenues in Sep'12
- Agila contributed to 60% of Group Revenues and 74% of Group EBITDA
- Total Revenues at Rs. 1,000 Crores (Rs.736 Crores in YTD'11), with EBITDA of Rs. 332 Crores (Rs.204 Crores in YTD'11), EBITDA Margin of 33%
- Operational Revenues excluding Brazil at Rs.561 Crores (Rs.311 Crores in YTD'11), up by 81% with EBITDA Margin of 31% (above guidance range of 23% to 30%)
- Operational Revenues grew by 62% to Rs.782 Crores (Rs.483 Crores in YTD'11) with EBITDA Margin of 24% (in guidance range of 23% to 30%)
- Licensing Revenues of Rs.218 Crores in YTD Sep'12 (Rs.253 Crores in YTD'11)
- 38% of Operational Revenues from North America, 32% from Latin America and 30% from the rest of the world in Q3'12

Pharma Q3'12 Performance Snapshot

Q3'12 vs Q2'12								
Q2'12				Q3'12			Growth	
Revenue	EBITDA	%		Revenue	EBITDA	%	Revenue	EBITDA
246	57	23%	Operations	213	30	14%	-13%	-47%
8	6	70%	Licensing	16	1	6%	92%	-83%
254	63	25%	Pharma	229	31	14%	-10%	-50%

- Total Revenues excluding divested Ascent Australasian Operations at Rs.229 Crores (Rs.263 Crores in Q3'11), with EBITDA of Rs.31 Crores (Rs.85 Crores in Q3'11)
 - Operational Revenues excluding Ascent Operations grew by 16% to Rs.213 Crores (Rs.185 Crores in Q3'11) with EBITDA Margin at 14%
 - Retained Vancomycin Oral market share of over 30% but price impacted by entry of other generic players
 - Profit Share for Vancomycin Oral in Q3'12 at Rs.8 Crores against Rs.27 Crores in Q2'12
 - Licensing Revenues of Rs.16 Crores in Q3'12 against Rs.78 Crores in Q3'11

Pharma YTD Sep'12 Performance Snapshot

- Total Revenues excluding divested Ascent Australasian Operations at Rs.643 Crores (Rs.549 Crores in YTD'11), with EBITDA of Rs.118 Crores (Rs.136 Crores in YTD'11)
 - Operational Revenues excluding Ascent Operations grew by 38% to Rs.613 Crores (Rs.444 Crores in YTD'11) with EBITDA Margin at 19%
 - Licensing Revenues of Rs.30 Crores in YTD Sep'12 against Rs.105 Crores in YTD Sep'11

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.

About Agila Specialties

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:

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