

Press Release

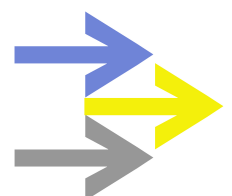
Audited Financial Results Year Ended December 31, 2011

- **Exceeds Guidance**
- **Superior EPS of Rs. 38.65, 48% Growth over 2010 (Rs. 26.11)**

	CONSOLIDATED	STANDALONE
Revenue	Rs. 2,577 Crores Up by 46% (Rs.1,766 Crores in 2010)	Rs. 766 Crores Up by 37% (Rs.561 Crores in 2010)
EBIDTA	Rs.518 Crores Up by 31% (Rs.396 Crores in 2010)	Rs.166 Crores Up by 31% (Rs.126 Crores in 2010)
PBT	Rs.273 Crores Up by 46% (Rs. 186 Crores in 2010)	Rs.126 Crores Up by 42% (Rs. 89 Crores in 2010)
PAT	Rs.225 Crores Up by 83% (Rs.122 Crores in 2010)	Rs.118 Crores Up by 60% (Rs.74 Crores in 2010)
EPS	Rs.38.65 Up by 48% (Rs.26.11 in 2010)	Rs.20.30 Up by 29% (Rs.15.69 in 2010)

Recommends dividend of Rs. 2.00 per share for the year ended December 31, 2011.

Bangalore, February 27, 2012: Strides Arcolab (Strides) today announced its financial results for the year ended December 31, 2011 which exceeded the guidance and delivered a superior EPS.



“Our results showcase our commitment to deliver value to our stakeholders through superior financial performance”, said Arun Kumar, Vice Chairman and Group CEO, Strides Arcolab Limited. He further added that “with significant plant and product approvals, Year 2011 has been testimonial to our focus and vigour in compliance in a challenging regulatory landscape”

Division-wise performance for the year 2011:

Rs. In Crores

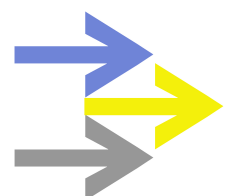
2010			Division	2011			Revenue Growth %
Revenue	EBITDA	%		Revenue	EBITDA	%	
691	224	32%	Specialties	1,024	270	26%	48%
1,075	172	16%	Pharma	1,553	248	16%	44%
1,766	396	22%	Total	2,577*	518	20%	46%

* Consolidated Revenues include R&D/Licensing Income of **Rs.528 Crores in 2011** against **Rs.362 Crores in 2010**

Operations Overview

AGILA (Specialties)

- Agila represents 40% of the group revenue and 52% of the group EBITDA
- Margins at 26% against guidance of 28 - 30%, impacted due to first year of front ended operations in Brazil. Adjusted for Brazil front ended operations, Agila margins at 32%.
- Continuous US FDA compliance for facilities with 2 new facilities in Bangalore receiving approvals.
- Performance boosted by new products launches during the year
- US Joint Venture with Sagent consolidated its position in market place



Pharma

- Pharma business represents 60% of the group revenue and 48% of the group EBITDA
- EBITDA margins at 16%, better guidance
- Successful Regulatory audits - US FDA, UK MHRA and WHO
- **India manufacturing business** - IP products and ATM business post source change, contributed to the growth
- **Australasia business** – delivered solid growth. Revenue and EBITDA growth at 44% and 38% respectively over 2010
- **African business** – Stable business despite political turmoil and civil unrest.
- **India brands** –Revenue growth of 20% over 2010. Reserve brand at Rs. 34 Crores, grown by 45%. Expanded operations to 10 States.

Regulatory Compliance update

Plant Approvals:

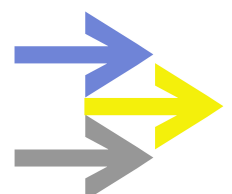
- US FDA approval for new Sterile facility at Bangalore
- US FDA approval for new Oncology facility at Bangalore
- US FDA approval for Brazilian Sterile Penems facility in Feb 2012
- European approval for Oral Oncology facility at Bangalore
- Total US FDA approved facilities at 7 (seven), 6 Injectables and 1 Oral.
- Continued US FDA post approval inspection closure of Specialties Division – 1
- Continued US FDA post approval inspection closure at Oral dosage facility, Bangalore

Product Filings/- approvals:

US Market

	Pharma		Specialties		Total	
	Year 2011	Till date	Year 2011	Till date	Year 2011	Till date
Filings	2	39	29	144	31	183
Approvals	2	22	25	62*	27	84
Tentative approvals /PEPFAR	1	17	3	4	4	21
Commercialised	0	3	13	33*	13	36

* 25 products not commercialized. With increased approved capacities in place, the Company expects to launch most of the approved products in 2012.



- 76 product filings (cumulative: 314) in established markets (other than US) during the year, with 43 approvals (cumulative: 160)
- 115 product filings (cumulative: 1541) in emerging markets during the year, with 91 approvals (cumulative: 1084)

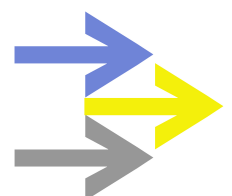
Key financial parameters

Particulars	Dec'11 (audited)	Dec'10 (audited)	Feb ' 12 (Management A/cs)
EBITDA Margin	20%	22%	
Debt (Rs. In Crores)	2,566	2,010	2,250
Cash and cash equivalents (Rs. In Crores)	260	340	1,050
Net Debt	2,306	1,670	1,200
Debt /Equity (Net of Cash)	1.67	1.30	Less than 0.70
Interest / Revenue	7%	9%	
Revenue to Net FA	2.50	2.06	
Effective tax rate	14%	24%	

Significant post balance sheet event

Sale of Generic pharmaceutical operations in Australia and South East Asia

- Business acquired by Watson Pharmaceuticals for AUD 375 Million (approx Rs 1,900 Crores)
- Simultaneous signing / closing on January 24, 2012.
- Strides had significantly increased the value of Ascent since initial Investment in 2008.
- Consideration to be used primarily for debt reduction and Agila growth capital.



Guidance for 2012

Given the unpredictable environment in which we operate, with particular reference to our injectables business, which is dependent on regulatory approvals of key products, the company has decided to defer guidance.

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 13 manufacturing facilities across 5 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.

For further information, please contact:

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