

## Press Release

Bangalore, February 28, 2013

### Strides reports Continued Strong Operational Performance

#### Q4 2012

**Revenues up by 40%\***

**Rs.648 Crores against Rs.463 Crores\* in Q4 '11**

**EBITDA up by 72%\***

**Rs.143 Crores against Rs.83 Crores\* in Q4 '11**

#### FY 2012

**Revenues up by 31%\***

**Rs.2,291 Crores against Rs.1,748 Crores\* in 2011**

**EBITDA up by 36%\***

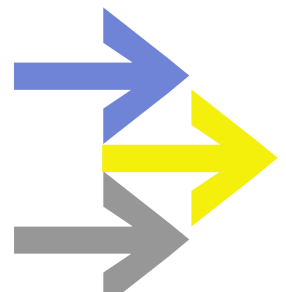
**Rs.562 Crores against Rs.413 Crores\* in 2011**

*\*Excludes divested Ascent Australasian business*

(Source: Audited consolidated results for 2012)

**Bangalore, February 28, 2012 : Strides Arcolab** (BSE: 532531, NSE: STAR) today announced its financial results for the year ended December 31, 2012.

“2012 has been a satisfying year magnified by operating leverage in both Agila and Pharma businesses with continued compliances across all manufacturing facilities globally and a profound regulatory filing programme” said Arun Kumar, Vice Chairman & Group CEO, Strides Arcolab Limited



### **Group Performance Highlights for Q4'12**

- Reported Revenues at Rs.648 Crores and Reported EBITDA at Rs.143 Crores, EBITDA Margin of 22%
- Adjusted for Exchange Loss of Rs.20 Crores, EBITDA at Rs.163 Crores, EBITDA Margin of 25%
- Licensing Income impacted by Rs.48 Crores as the company bought back key product portfolios
- Profit before Taxes at Rs.77 Crores (Rs.87 Crores in Q4'11)
- Profit after Taxes at Rs.61 Crores (Rs.68 Crores in Q4'11)

### **Group Performance Highlights for 2012**

- Reported Revenues at Rs. 2,336 Crores and Reported EBITDA at Rs.564 Crores, EBITDA Margin of 24%
- Adjusted for Exchange Loss of Rs.52 Crores, EBITDA at Rs.616 Crores, EBITDA Margin of 26%
- Licensing Income impacted by Rs.64 Crores as the company bought back key product portfolios
- Profit before Taxes at Rs.950 Crores (Rs.273 Crores in 2011)
- Profit after Taxes at Rs.846 Crores (Rs.225 Crores in 2011)



## Regulatory Filings

### US Market

	Pharma		Agila (Specialties)		Total	
	Q4 '12	Till date	Q4 '12	Till date	Q4 '12	Till date
Filings	4	47	21	210	25	257
Approvals	1	26	4	81	5	107
Tentative approvals /PEPFAR		19		3		22
Available for Commercialization	1	7	4	78	5	85
<b>Commercialised</b>	<b>0</b>	<b>6</b>	<b>1</b>	<b>51</b>	<b>7</b>	<b>57</b>

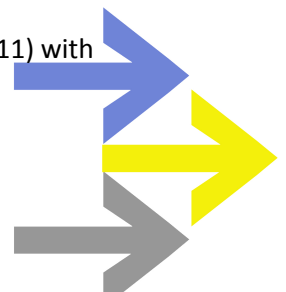
### Other Markets

- 30 product filings (cumulative: 423) in established markets (other than US) during the year, with 18 approvals (cumulative: 249)
- 124 product filings (cumulative: 1791) in emerging markets during the year, with 154 approvals (cumulative: 1320)

## Division Wise Analysis

### Agila Specialties Q4'12 Performance Snapshot

- Total Revenues at Rs. 365 Crores (Rs.285 Crores in Q4'11), with EBITDA of Rs. 115 Crores (Rs.70 Crores in Q4'11)
  - Operational Revenues excluding Brazil at Rs.236 Crores (Rs. 70 Crores in Q4'11), up by 237% with EBITDA Margin of 45% (above guidance range of 23% to 30%)
  - Operational Revenues grew by 151% to Rs.307 Crores (Rs.122 Crores in Q4'11) with EBITDA Margin of 32% (above guidance range of 23% to 30%)



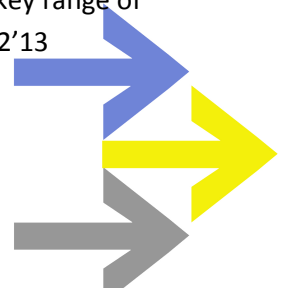
- Licensing Revenues of Rs.58 Crores in Q4'12 (Rs.163 Crores in Q4'11)
- Licensing Revenues impacted by Rs.29 Crores as the company bought back key product portfolios
- 46% of Operational Revenues from North America, 27% from Latin America and 27% from the rest of the world in Q4'12

#### **Agila Specialties 2012 Performance Snapshot**

- Total Revenues at Rs. 1,365 Crores (Rs.1,032 Crores in 2011), with EBITDA of Rs. 459 Crores (Rs.261 Crores in 2011), EBITDA Margin of 34%
  - Operational Revenues excluding Brazil at Rs.798 Crores (Rs.391 Crores in 2011), up by 104% with EBITDA Margin of 36% (above guidance range of 23% to 30%)
  - Operational Revenues grew by 76% to Rs.1089 Crores (Rs.616 Crores in 2011) with EBITDA Margin of 27% (in guidance range of 23% to 30%)
  - Licensing Revenues of Rs.276 Crores in 2012 (Rs.417 Crores in 2011)
  - Licensing Revenues impacted by Rs.45 Crores as the company bought back key product portfolios
- 40% of Operational Revenues from North America, 30% from Latin America and 30% from the rest of the world in Q4'12

#### **Pharma Q4'12 Performance Snapshot**

- Total Revenues excluding divested Ascent Australasian Operations at Rs.284 Crores (Rs.178 Crores in Q4'11), with EBITDA of Rs.28 Crores (Rs.14 Crores in Q4'11)
  - Operational Revenues excluding Ascent Operations grew by 58% to Rs.271 Crores (Rs.172 Crores in Q4'11) with EBITDA Margin at 18%
  - Licensing Revenues of Rs.13 Crores in Q4'12 (Rs.6 Crores in Q4'11)
  - Licensing Revenues impacted by Rs.19 Crores as the company bought back key range of immunosuppressants which the company expects to launch on its own in Q2'13



### Pharma 2012 Performance Snapshot

- Total Revenues excluding divested Ascent Australasian Operations at Rs.926 Crores (Rs.716 Crores in 2011), with EBITDA of Rs.103 Crores (Rs.152 Crores in 2011)
  - Operational Revenues excluding Ascent Operations grew by 46% to Rs.883 Crores (Rs.605 Crores in 2011) with EBITDA Margin at 13%
  - Licensing Revenues of Rs.43 Crores in 2012 (Rs.111 Crores in 2011)
  - Licensing Revenues impacted by Rs.19 Crores as the company bought back key range of immunosuppressants which the company expects to launch on its own in the US market in Q2'13

*The company recommends a dividend of Rs. 2.00 per share for the year ended December 31, 2012.*

### Significant post balance sheet event

**Sale of Agila Specialties division for a cash consideration of approx. Rs.8,610 Crores and potential additional consideration of approx. Rs.1,345 Crores**

- Definitive Agreement with Mylan Inc
- Transactions independently approved by the respective board of directors of Strides, its overseas subsidiary and Mylan Inc
- Closing of the transactions is conditioned upon Foreign Investment Promotion Board approval, customary anti-trust approvals and other closing conditions. The transactions are not subject to financing conditions
- Pharma and Biotech business to be future growth areas for Strides

### Guidance 2013

Consequent to today's announcement of sale of Agila Specialties division, the company discontinues its guidance for the specialties business. The pharma business will continue to demonstrate significant growth for Strides through launch of new products in the US Market. EBITDA is expected to double to about Rs.200 Crores in 2013 against Rs.103 Crores in 2012, a significant margin expansion on Revenues of about Rs.1,000 Crores



### **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**

Agila, Specialties business of Strides Arcolab is focused on key domains such as oncolytics, penems, pencyllins, 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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