

## Press Release

### Strides Arcolab reports Robust Q2 FY 2014-15 Results

**Pharma Revenues at INR 2,929 Mn with an EBITDA of INR 651 Mn  
Revenue Growth of 19%, EBITDA growth of 66% over Jul-Sep FY13-14  
EBITDA Margin at 22%**

Bangalore, November 7, 2014 Strides Arcolab (BSE: 532531, NSE: STAR) today announced its financial results for the Quarter ending September 30, 2014

#### Consolidated Financial & Performance Highlights (Pharma & Biotech)

	INR Mn					
	Jul-Sep FY13-14	Q2 FY15	Growth %	Apr-Sep FY13-14	H1 FY15	Growth %
Revenues	2,457	<b>2,929</b>	19%	4,747	<b>5,524</b>	16%
EBITDA	394	<b>628</b>	60%	801	<b>1,152</b>	44%
EBITDA %	16%	<b>21%</b>		17%	<b>21%</b>	
Adjusted PAT*		<b>507</b>			<b>813</b>	
PAT Margin %		<b>17%</b>			<b>15%</b>	
Adjusted EPS*		<b>8.51</b>			<b>13.64</b>	

\*PAT & EPS adjusted for income on growth funds not accrued INR 84 Mn for Q2 FY15 and INR 200 Mn for H1 FY15

\*PAT & EPS after absorbing merger related expenses of INR 44 Mn

\*PAT and EPS not comparable with the corresponding period in the previous year

- Q2 FY15 EBITDA grew by 60% and Revenues grew by 19%
- The company continues to enjoy a debt free status

#### Corporate Actions

- Board of Directors approved the proposed Scheme of Amalgamation with Shasun Pharmaceuticals Ltd
- Successful closure of the acquisition of Bafna Domestic Business including Raricap - enabling pan India presence for the India Branded Generics business
- Acquired a majority stake in Fagris Medica, an entry for the CIS Markets
- Strategic Investment by GMS Holdings of USD 21.90 Mn for a 25.1% stake in Stelis Biopharma
- Merger of Stelis Biopharma with Inbiopro approved by the Hon'ble High Court of Karnataka
- Strides Pharma Asia Pte Ltd, Singapore received USD 150 Mn from Mylan Inc as full and final settlement against the Contingent Holdback of upto USD 250 Mn
- Distributed a Special Dividend of INR 105 per Equity Share

Commenting on the results, Arun Kumar, Founder and Group CEO, stated “We continue to see positive results on our calibrated approach to product selection and margin maximization across our businesses. With our recently commissioned R&D infrastructure for both the Pharma & Biotech business, we will achieve momentum of products filing in the near term. Additionally our announced merger with Shasun, on completion, will accelerate our growth & strategy”.

## Performance Highlights

### Global Pharma

	INR Mn					
	Jul-Sep FY13-14	Q2 FY15	Growth %	Apr-Sep FY13-14	H1 FY15	Growth %
Revenues	2,457	<b>2,929</b>	19%	4,747	<b>5,524</b>	16%
EBITDA	394	<b>651</b>	66%	801	<b>1,195</b>	49%
EBITDA %	16%	<b>22%</b>		17%	<b>22%</b>	

- Q2 FY15 EBITDA grew by 66% and Revenue grew by 19%, aided by growth in emerging markets and launch of niche products in US and Europe
- H1 FY15 EBITDA grew by 49% and Revenue grew by 16%

### Pharma R&D and Regulatory Update

- New dedicated Global R&D Centre at ODF Facility, Bangalore goes on-stream
- 1 Product Filing with USFDA during Q2 FY15
- Received 5 product approvals for the US Market during H1 FY15
- Continued niche product approvals in Europe
- R&D spend at INR 67 Mn during Q2 FY15 and INR 123 Mn during H1 FY15
- Filing expected to gain momentum in H2 FY15

### Biotech

- Merger of Stelis Biopharma with Inbiopro approved by the Hon’ble High Court of Karnataka
- Strategic investment by GMS Holdings of USD 21.90 Mn for a 25.1% stake in Stelis Biopharma
- 2 products have reached the Animal Toxicity Study stage
- R&D Spend for Q2 FY15 at INR 24 Mn and at INR 39 Mn during H1 FY15
- Construction expected to commence at the Malaysian bio-pharmaceutical manufacturing facility in Q3 FY15

## Revenue Composition by Business - Global Pharma

	INR Mn				
	Q1 FY15	% Composition	Q2 FY15	% Composition	QoQ Growth %
Regulated Markets	1,032	40%	1,093	37%	6%
Institutional Business	787	30%	813	28%	3%
Emerging Markets	777	30%	1,022	35%	32%
<b>Total Revenues</b>	<b>2,596</b>	<b>100%</b>	<b>2,929</b>	<b>100%</b>	<b>13%</b>

### Regulated Markets

- Revenues at INR 1,093 Mn in Q2 FY15, representing 37% of the total revenues
- Revenues grew by 6% to INR 1,093 Mn against INR 1,032 Mn in Q1 FY15
- Received USFDA Product approval for Buspirone Hydrochloride Tablets (Market Value ~USD 65 Mn)
- Successfully launched 2 new products in the US - Methoxsalen Softgel capsules and Imiquimod cream

### Institutional Business

- Revenues at INR 813 Mn in Q2 FY15, representing 28% of the total revenues
- Revenues increased by 3% to INR 813 Mn against INR 787 Mn in Q1 FY15
- Partnership with Gilead Sciences, Inc. to bring generic Sofosbuvir (Sovaldi®) to 91 developing countries
- Received orders against the Anti-Malarial Global Fund tender. Supplies to commence in H2 FY15

### Emerging Markets

- Revenues at INR 1,022 Mn in Q2 FY15, representing 35% of the total revenues
- Revenues grew by 32% to INR 1,022 Mn against INR 777 Mn in Q1 FY15
- Trial production commenced at the dedicated manufacturing facility in Bangalore for Africa
- Packaging facilities in Namibia and Botswana ready for commercialisation



### **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.

The Company has 8 manufacturing facilities presence in more than 75 countries in developed and emerging markets.

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

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

<p><u>Strides</u></p> <p>Badree Komandur, CFO +91 80 6784 0747</p> <p><u>Investors:</u></p> <p>Kannan. N: +91 98450 54745 Vikesh Kumar +91 80 6784 0827</p>	<p><u>PR Consultancy</u></p> <p><b>Weber Shandwick</b></p> <p>Kaveri Mandanna: +91 90089 59697 <a href="mailto:KMandanna@webershandwick.com">KMandanna@webershandwick.com</a></p> <p>Mahesh Nair: +91 98803 76648 <a href="mailto:MNair@webershandwick.com">MNair@webershandwick.com</a></p>
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