

ASX / Media Release

ASCENT PHARMAHEALTH AND STRIDES ARCOLAB ENTER INTO SCHEME IMPLEMENTATION AGREEMENT

22 December 2010, Melbourne: Ascent Pharmahealth Limited ("Ascent") and Strides Arcolab Limited ("Strides") today announced they have entered into a Scheme Implementation Agreement ("SIA") under which Linkace Investments Pty Ltd ("Linkace Investments"), a company wholly owned by Strides, will acquire the outstanding minority shares in Ascent via a Scheme of Arrangement ("Scheme").¹

Under the Scheme, Ascent shareholders will receive \$0.40 in cash per share, valuing the total issued shares in Ascent at \$100 million, and at a premium of 51% on the closing share price at 21 December 2010 of \$0.265.

The offer price represents:

- An increase of \$0.05 (14%) to the indicative and non-binding proposal of \$0.35 per share submitted by Strides on 16 March 2010;
- A premium of 48% on Ascent's share price of \$0.27 on 15 March 2010, the last day prior to the submission of Strides' indicative and non-binding proposal to acquire Ascent;
- A premium of 67% over the volume weighted average price ("VWAP") of \$0.24 for the one month prior to 15 March 2010; and
- A premium of 76% over the VWAP of \$0.23 for the 3 months prior to 15 March 2010.

The proposed acquisition is subject to a number of conditions, including:

- Ascent shareholder approval of the Scheme;
- ASIC and Court approval of the Scheme.

The Independent Directors of Ascent will commission an Independent Expert's report from KPMG to assess whether the Scheme is in the best interests of Ascent shareholders.

Subject to the Independent Expert confirming that the Scheme is in the best interests of shareholders and absent a superior proposal, each of the independent directors of Ascent will recommend that Ascent shareholders vote in favour of the Scheme, and have indicated they intend to vote in favour of the Scheme in relation to their own shares.

In respect of the company's financial performance for this year, Ascent expects to report a full-year 2010 (CY2010) EBITDA result in the range of \$17.5 to \$18 million (NPAT of between \$11.5 and \$12 million) against the previous corresponding period's EBITDA of \$14 million for CY2009 (and NPAT of \$9.2 million for CY2009). This expectation is based on unaudited management accounts, subject to review and audit of the company's accounts for the full year.

¹ Excluding those shares currently held by Linkace Limited (a wholly owned subsidiary of Strides), Futura Investments Pte Ltd and I-Investments Pty Ltd (entities associated with Ascent CEO, Dennis Bastas).

Timing

Subject to the Supreme Court making appropriate orders, it is currently expected that Ascent shareholders will be sent Scheme Documentation in March 2011. This will contain the basis for the Ascent Board's recommendation and an Independent Expert's Report.

Ascent Shareholders will vote at a Scheme Meeting, expected to be held in April 2011. If the Court makes orders approving the Scheme and those orders are lodged with ASIC, the Scheme will become effective and Strides and Ascent will become bound to implement the Scheme. Should the Scheme be implemented, Strides will apply for Ascent to be delisted from the Official List of ASX immediately after the implementation date.

For further information, please contact:

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About Ascent:

Ascent Pharmahealth Ltd (ASX:APH) sells over 400 products in eight countries. It is one of Australia's and Asia's fastest growing and most dynamic pharmaceutical businesses. Ascent registers, markets, distributes and sells generic pharmaceuticals, consumer skincare and over-the-counter medicines. Key subsidiaries are Ascent Pharmaceuticals, one of Australia's top 5 generic pharmaceutical companies and Drug Houses of Australia, Singapore's largest generic pharmaceutical company with products distributed across seven Asian countries. The company listed on the Australian Securities Exchange in June 2004. For more information visit: www.ascentpharma.com.au.