

Press Release

Bangalore, July 27, 2012

Strides reports Strong Operational Performance in Q2'12

Revenues up by 30%*

Rs.547 Crores against Rs.421 Crores* in Q2 '11

EBITDA (adjusted for Exchange) up by 41%*

Rs.152 Crores against Rs.108 Crores* in Q2 '11

PAT up by 31%

PAT at Rs.91 Crores against Rs.69 Crores in Q2 FY11

Net Debt to Equity at 0.65 (1.67 in Dec'11)

**Normalized numbers excluding Ascent business*

(Source: Unaudited consolidated results for Q2'2012)

Bangalore, July 27, 2012 : Strides Arcolab (BSE: 532531, NSE: STAR) today announced its financial results for the Quarter ended June 30, 2012.

Highlights:

- Operating EBITDA Margin of Agila at 26%, in line with guidance of 23% to 30%
- Operating EBITDA Margin of Pharma at 23%, driven by Day 1 launch of Vancomycin Capsules in US Market
- 9 new ANDA's commercialized during Q2'12
- Redemption of outstanding FCCB's involving a payout of USD 116Mn
- Entry into Canadian Injectable market by setting up a 70:30 sales and Marketing JV with Jamp Pharma; Around 40 products to be launched in the next 2 Years
- Proparco invested USD 12.5Mn in African business. Funds to be utilized to create additional manufacturing infrastructure in Africa



“It has been a pleasing quarter where both Pharma and Agila have delivered superior operating results and additionally addressed key shortages in the US injectables market with specific product launches” said Arun Kumar, Vice Chairman & Group CEO, Strides Arcolab Limited.

Group Performance Highlights for Q2'12

- Reported Revenues at Rs.547 Crores and Reported EBITDA at Rs.128 Crores, EBITDA Margin of 23%
- Adjusted for Exchange Loss of Rs.24 Crores, EBITDA at Rs.152 Crores
- Profit before Taxes at Rs.109 Crores (Rs.79 Crores in Q2'11)
- Profit after Taxes at Rs.91 Crores (Rs.69 Crores in Q2'11)
- EPS for Q2'12 at Rs.15.43 represents 30% growth over Q2'11

Group Performance Highlights for H1'12

- Reported Revenues at Rs.1,087 Crores and Reported EBITDA at Rs.267 Crores, EBITDA Margin of 23% (includes financials for 24 days of Ascent operations)
- Adjusted for Exchange Loss of Rs.19 Crores, EBITDA at Rs.285 Crores
- Profit before Taxes at Rs.790 Crores (Rs.133 Crores in H1'11)
- Profit after Taxes at Rs.733 Crores (Rs.110 Crores in H1'11)



Regulatory Filings

US Market

	Pharma		Agila (Specialties)		Total	
	Q2 '12	Till date	Q2 '12	Till date	Q2 '12	Till date
Filings	4	43	9	161	13	204
Approvals	1	24	3	72	4	96
Tentative approvals /PEPFAR	-	17	-	4	-	21
Available for Commercialization		7		68		75
Commercialised	1	5	8	43	9	48

Other Markets

- 24 product filings (cumulative: 346) in established markets (other than US) during the year, with 5 approvals (cumulative: 182)
- 58 product filings (cumulative: 1614) in emerging markets during the year, with 17 approvals (cumulative: 1125)

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Division Wise Analysis*

* Exchange Gain/Loss Excluded

Agila Specialties Q2'12 Performance Snapshot

- Total Revenues at Rs.299 Crores (Rs.205 Crores in Q2'11), with EBITDA of Rs.89 Crores (Rs.62 Crores in Q2'11)
 - Operational Revenues grew by 67% to Rs.250 Crores (Rs.149 Crores in Q2'11) with EBITDA Margin of 26%
 - Licensing Revenues of Rs.49 Crores in Q2'12
- Operating EBITDA Margins at 26% in line with guidance (23% to 30%)
- Operational Revenues excluding Brazil at Rs.181 Crores (Rs.100 Crores in Q2'11) with EBITDA Margin of 34%
- Brazil business continues to report positive EBITDA
- Improvement in Operating Margins over Q1'12 driven by product mix and new product launches in oncology
- 8 Products commercialized in US during Q2'12 taking the total products commercialized at 43
- 41% of Operational Revenues from North America, 30% from Latin America and 29% from the rest of the world in Q2'12
- Integration of recently acquired USFDA approved facility near Bangalore; Expected to commence shipments for US market in Q4'12

Pharma Q2'12 Performance Snapshot

- Total Revenues excluding Ascent Operations at Rs.254 Crores (Rs.199 Crores in Q2'11), with EBITDA of Rs.63 Crores (Rs.47 Crores in Q2'11)
 - Operational Revenues excluding Ascent Operations grew by 34% to Rs.246 Crores (Rs.183 Crores in Q2'11) with EBITDA Margin at 23%
 - Licensing Revenues of Rs.8 Crores in Q2'12
- Operating EBITDA positively impacted by Day 1 launch of Vancomycin Oral in partnership with Alvogen, garnering 30%+ Market Share

Signature



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, pencillins, 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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