

**AGILA SIGNS AGREEMENT WITH BIOCHIMICO
TO SET UP A JOINT VENTURE COMPANY IN BRAZIL**

- *JV to emerge as a leading player in anesthetics and high-end injectables in Brazil*
- *JV to benefit from BioChimico's established credentials in Brazilian hospital market*
 - *Agila to be 52% partner in JV*

Bangalore, India, January 20, 2011: Strides Arcolab Limited (BSE: 532531, NSE: STAR) today announced that its wholly owned subsidiary Agila Specialties has signed an agreement with BioChimico of Brazil to set up a joint venture company for the Brazilian hospital market in which BioChimico and Agila will transfer selected Brazilian IPs to the Joint Venture to market products jointly.

Strides' Brazilian facility in Campos and BioChimico's two manufacturing plants in Rio de Janeiro and Itatiaia will manufacture products on a pre-determined cost model and transfer the products to the JV for onward distribution in the Brazilian hospital market.

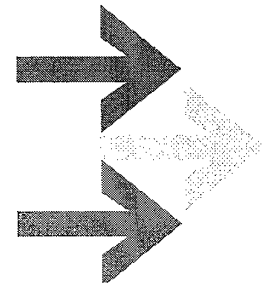
BioChimico is a long standing dedicated hospitals player in Brazil with a leadership position in anaesthetics, a domain in which Strides does not operate until now.

Commenting on the development, Arun Kumar, Vice Chairman and Group CEO, Strides Arcolab, stated "This JV will complement Strides' existing licensing and supply arrangements with Aspen Pharma and enable Strides to fully tap the Brazilian hospitals market opportunity".

Christoph G. Gross, CEO, BioChimico, commented "the strategic collaboration between the erstwhile competitors will unleash unique economies of scope and scale, which will ultimately translate into significant sales and profit growth opportunities".

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 Private Limited is the specialties unit of Strides Arcolab which was spun off as a separate division post the Company's restructuring in 2009. It is focused on key domains such as oncolytics, penems, penicillins, cephalosporins, ophthalmics, peptides and biosimilars and operates from 7 world class global manufacturing facilities, including one of the largest steriles capacities 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.

About BioChimico

BioChimico Indústria Farmacêutica Ltda, Brazil, is an 85-year old pharmaceutical company dedicated exclusively to Brazil's hospital market. The Company markets and sells a diversified portfolio of critical care drugs Brazil-wide to hospital distributors and to private and public hospitals. Its portfolio and pipeline is largely made up of injectable antibiotics, inhalation anesthetics, general injectables, peptides, and other hospital niche drugs.

Additional information is available at the Company's website at www.biochimico.ind.br

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