

**AUDITED CONSOLIDATED FINANCIAL RESULTS
 FOR THE YEAR ENDED DECEMBER 31, 2008**

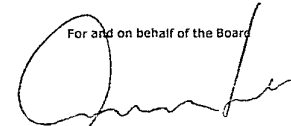
Rs. in Lakhs

Sl. No.	Particulars	AUDITED	
		12 months ended 31/12/2008	12 months ended 31/12/2007
1	(a) Net Sales / Income from Operations (b) Other Operating Income Total Income	102,033.10 10,604.11 112,637.21	74,425.06 1,726.84 76,151.90
2	Expenditure (a) (Increase) / decrease in stock in trade & work in progress (b) Consumption of raw materials (c) Purchase of traded goods (d) Employees cost (e) Depreciation (f) Other Expenditure Total Expenditure	(3,562.87) 40,117.23 15,845.82 18,000.55 4,006.38 24,669.38 99,076.49	(6,173.97) 37,016.26 5,005.53 16,254.67 3,771.38 24,485.51 80,439.38
3	Profit / (Loss) from Operations before Other Income, Interest & Exceptional Items (1-2)	13,560.72	(4,287.48)
4	Other Income (net)	25,133.26	9,789.46
5	Profit / (Loss) before Interest & Exceptional Items (3+4)	38,693.98	5,501.98
6	Interest	8,469.75	5,967.60
7	Profit / (Loss) after Interest but before Exceptional Items (5-6)	30,224.23	(465.62)
8	Exceptional Items - Exchange Fluctuation loss / (gain) - Plant shut down cost & impairment in Investments - Impairment in Investments - Exchange Fluctuation on hedged Investments - Changes in fair value of Options embedded in FCCBs	6,698.97 16,559.43 - - (4,522.15)	(2,407.35) 5,398.47 - - -
9	Profit / (Loss) from ordinary activities before tax (7-8)	11,487.98	(3,456.74)
10	Tax Expenses	1,079.38	1,708.57
11	Net Profit / (Loss) from ordinary activities after tax (9-10)	10,408.60	(5,165.31)
12	Extraordinary Item	-	-
13	Net Profit / (Loss) for the period (11-12)	10,408.60	(5,165.31)
	(a) Share of Minority Interest	(387.78)	152.71
	(b) Share in associate	-	0.64
14	Consolidated Profit / (Loss) after Minority Interest & Share from Associates	10,796.38	(5,011.96)
15	Paid-up Equity Share Capital (Face value of Rs.10/-each)	4,005.00	3,500.40
16	Reserves excluding revaluation reserves	32,441.12	17,296.38
17	Basic & Diluted EPS (Rs.) (Annualised) (a) Basic EPS (b) Diluted EPS	26.91 24.70	(15.57) (15.57)
18	Aggregate of Public shareholding : (a) Number of shares (b) Percentage of shareholding	28,707,086 74.17%	28,417,595 81.18%

Notes :

- Pursuant to the provisions of clause 41 of the listing agreement, the Company has opted to publish only the Consolidated results. The standalone results of the Company can be viewed on the Company's website www.stridesarco.com, or on the websites of BSE (www.bseindia.com) or NSE (www.nseindia.com).
- The above consolidated results have been extracted from the consolidated financial statement prepared in accordance with principles set out in the Accounting Standard - 21 on Consolidated Financial Statements and Accounting for Investment in Subsidiaries in Separate Financial Statements, Accounting Standard - 23 on Accounting for Investments in Associates in Consolidated Financial Statements, and Accounting Standard - 27 Financial Reporting of Interest in Joint ventures.
- The above results of the Company, both standalone and consolidated, were reviewed by the Audit Committee and taken on record by the Board of Directors at their meeting held on February 25, 2009.
- The Company early adopted Accounting Standard 30 Financial Instrument: Recognition and Measurement with effect from January 1, 2008 and the limited revisions to other Accounting Standards which come into effect upon adoption of Accounting Standard 30. Consequent to the adoption of the above Standard, the limited revision to other Standards, and pursuant to designation of certain hedging relationship, the net profit for the year is higher by Rs. 14,077.80 Lakhs. Further, the reserves (excluding revaluation reserve) as at December 31, 2007 excludes Rs. 1,572.46 Lakhs debit, being the transitional adjustment pursuant to adoption of the above Standard.
- During the year ended December 31, 2008 the Company had the following transactions related acquisition and divestment:
 - The Company transferred its 67% stake in Strides Latina SA, Uruguay to Lakerose Limited, Cyprus
 - Aspen Global Incorporated, Mauritius acquired 51% stake in Lakerose Limited. Consequent to this Lakerose Limited, Cyprus and its subsidiaries viz Strides Latina SA, Uruguay, Cellofarm Ltda, Brazil, Strides Mexicana SA De CV, Mexico (which became subsidiary of Strides Latina SA, Uruguay), Solara SA De CV, Mexico and Casa de Representaciones Sumifarma CA, Venezuela ceased to be subsidiaries of the Company. The investments were divested at a profit of Rs. 7,528.58 Lakhs.
 - In June 2008, Starsmore Limited, a subsidiary of the Company entered into a Put & Call Option agreement for sale of the remaining 49% shareholding in Lakerose Limited to Aspen for agreed multiple of EBITDA for the year ending June 30, 2009. Consequently, the Latin American venture have not been consolidated effective July 1, 2008.
 - Based on management estimate of EBITDA in the Latin American ventures for the year ending June 30, 2009, an amount of Rs. 16,559.43 Lakhs has been provided as diminution in the carrying value of investments in Lakerose Limited.
 - In terms of heads of agreement entered with Ascent Pharmahealth Limited (Ascent) (formerly Genepharm Australasia Pty Ltd) in April 2008, Linkace Limited a step down subsidiary of the Company transferred its investments in South East Asian operation at a profit of Rs.21,049.97 Lakhs.
 - Quantum Remedies Private Limited, Bangalore was incorporated as a wholly owned subsidiary of Quantum Life Sciences Private Limited, a wholly owned subsidiary of the Company.
 - During the year investment in Strides Italia Srl, Italy was divested by the Company at a loss of Rs. 3,454.54 Lakhs as part of its strategy to exit from non core business.
 - In August 2008, Linkace Limited acquired controlling interest in Ascent Pharmahealth Limited consequent to which the operations of Ascent are being consolidated with effect from August 1, 2008.
 - A share purchase agreement has been entered into by Ascent Pharmahealth Limited, Australia a subsidiary of Linkace Limited, Cyprus, to acquire Green Cross Pharma Pte Ltd., for a maximum consideration of S\$5 4.20 Mio. The completion date for this transaction is expected to be on or before April 7, 2009.
- The Company allotted 5,045,725 equity shares of Rs.10 each at a premium of Rs.390 per equity share upon conversion of equivalent number of fully convertible debentures. The equity shares were allotted to Dobilas Holdings Limited (3,111,440 equity shares) and to Blissus Holdings Limited (1,934,285 equity shares)
- During the year, the Company granted 600,000 Employee Stock Options under the Strides Arcolab ESOP 2006 scheme and 665,000 Employee Stock Options under the Strides Arcolab ESOP 2008 to certain eligible employees. Out of 400,000 Options granted under Strides Arcolab ESOP 2006 scheme in 2007, 80,000 Options have lapsed.
- Exchange fluctuation loss (net) is on account of restatement of foreign currency convertible bonds, External Commercial Borrowings and losses on forward exchange contracts net of exchange losses attributed to loans that have been designated as hedging instruments against Net Investments in foreign operation.
- The Company forfeited the upfront money of Rs.1,898.65 Lakhs received from promoter group company for issue of 5,555,000 warrants, as these warrants were not converted into equity shares
- The Company operates exclusively in the Pharmaceuticals business segment and as such there is no reportable segment information as per Accounting Standard 17.
- Investor grievances received and disposed off during the quarter ended December 31, 2008
 - Pending complaints at the beginning of the quarter - Nil
 - No. of Complaints received - 12
 - Complaints disposed - 12
 - Complaints unresolved - Nil
- Previous year's have been recast / restated wherever necessary to conform to the current year's classification.

For and on behalf of the Board



Arun Kumar
 Vice Chairman & Managing Director