



Press Release

Tuesday, 16 Sept 2008

Strides Arcolab Limited,
Strides House,
Bannerghatta Road,
Bangalore – 560076, India

Strides Completes Business Rearrangement Consolidates Steps to Profitable Growth

Strides has in the recent past completed a series of divestments and acquisitions to rearrange its business on 3 specific business segments:

- 1) Manufacturing and R&D
- 2) International Front-ended Business - Generics
- 3) Brands and Nutraceuticals Business

As a consequence of the above, the following steps have been taken today to complete the process of rearrangements.

Revision in terms of Latin American (LATAM) transactions with Aspen

Further to the announcement made in November 2007 & March 2008, Strides has agreed to cede controlling interest in the Latam Operations to Aspen and will now hold 49% equity in the company for a transition period until 30 Jun 09 when Strides intends to sell the remaining 49% to Aspen in a pre-arranged multiple of EBITDA.

The transfer of Controlling Interests values the Latam business at USD 280 million. The effective sale consideration for the entire share capital of the Latam Operations will amount to 9.32 times the EBITDA up to US\$11.94 million plus 11.18 times the EBITDA over US\$11.94 million.

Divestment of Non-core fermentation business of Strides Italia

As part of its continuous effort to concentrate and strengthen the core business, the non-core fermentation business in Italy to be divested in favour of PI Drugs and Pharmaceuticals. This divestment will enable company to cut down operating losses of over USD 10.00 million per annum in this business.

Arun Kumar, Vice-Chairman and Group CEO of Strides said “consequent of above changes and with Integration of Ascent Pharmahealth Business in Australia (erstwhile Genepharm) into the Group, Strides has strongly positioned itself to accelerate growth led by

- a. A global manufacturing strategy strongly backed by R&D that includes licensing agreement with key partners on a global basis. The company recently announced a significant transaction with GSK in partnership with Aspen for the emerging markets.
- b. An International organization with regional operating companies in Australasia, Africa, Europe and North America through a combination of front ended strategies and through JVs to create value. The company recently completed a majority ownership transaction in Ascent Pharmahealth [erstwhile Genepharm] Australia.
- c. To develop an ethical Branded and Nutraceutical strategy in emerging markets mainly in India and Africa through the Grandix label

Strides Overview

Strides, listed on the Bombay Stock Exchange Limited (532531) and National Stock Exchange of India Limited (STAR), is an international life sciences company. Strides manufactures pharmaceuticals formulations in various dosage forms, including capsules, tablets, liquid injectables and is one of the world’s top five manufacturers of softgel capsules. Strides has a major presence in developed markets such as the US, Canada and part of Europe and in various developing countries such as Africa, Latin America and Asia. Strides has a significant presence in the domestic market through Grandix. Strides is one of the largest Indian suppliers of institutionally funded aid projects and are an approved supplier to the Global Drug Facility, PFSCM (PEPFAR), UNICEF etc.

Strides has 16 manufacturing plants spread across the Brazil, Mexico, Italy, Poland, Singapore and India. This broad manufacturing network facilitates partnering with global procurement organizations to European and American pharmaceutical multinationals and also private labelers and distribution chains. Strides has product registrations worldwide. The Indian manufacturing facilities for the regulated markets are approved by all major regulatory bodies such as MHRA, EU, TGA, MCC and USFDA and GMP accreditations including USFDA. Strides employs approximately 2,500 people across the globe. Strides also has a marketing presence in over 50 countries.

Additional information about Strides is available at the company’s website www.stridesarco.com

For further information, please contact:

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