



Press Release

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Strides Arcolab Limited,
Strides House,
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Q3' 08 Revenue up 32% to Rs. 282 Cr [USD 64 Million] Operational EBITDA at Rs. 36.7 Cr [USD 8 Million] Up 128% PAT at Rs 105.40 Cr [USD 24 Million]

Source: Company Financials, IGAAP Consolidated

Highlights

- Q3-08 Revenue at Rs.282 Cr up by 32 % against Q3-07. This is a record revenue growth since inception of the company.
- Strong FDA filings and approvals continue. Total approvals from FDA has reached 21 products, of which 10 are tentative. Pending ANDAs / NDAs with FDA is 39.
- USFDA approval received for its Oral Dosage Form facility , Bangalore
- Acquired controlling interest in Ascent Pharmahealth (formerly Genepharma Australasia) – Currently holds 55.46% of Ascent Pharmahealth
- Onco Therapies Limited (Strides / Aspen JV) concluded an efficient Out-licensing transaction with GSK
- Completed Business Rearrangement and consolidated the steps for profitable growth involving ceding of controlling Interest in the Latam operations to Aspen and divestment of Non-core fermentation business of Strides Italia.

Commenting on the Quarter Performance, Mr Arun Kumar, Group Chief Executive Officer said “We are pleased to have achieved a growth of 32 percent in revenue and 128 percent of Operational EBITDA. This reflects our continued focus on execution excellence. We are delighted to see successful transition of our new organization design which was announced in March-08 and successful integration of Ascent Pharmahealth. We are extremely excited about our future-ready initiatives which we have embarked as part of our Strategy to achieve scalability of our business model.

Quarter-on-Quarter (Consolidated) Highlights

Particulars	Q3-08		Q3-07		Growth	YTD-08	
	INR Cr	USD Mn	INR Cr	USD Mn		INR Cr	USD Mn
Revenue	282	64	214	51	32%	790	190
Operational EBITDA	37	8	16	4	128%	138	33
Reported EBITDA	24	5	16	4	47%	125	30
Net Non-Operating Income	171	39	-	-		229	55
EBT before Exceptional Items	173	40	(12)	(3)		285	68
Exceptional Items	(70)	(16)	4	1		(166)	(40)
PAT (after Minority Interest)	105	24	(9)	(2)		109	26

Net Non-Operating Income

Net Non-operating income for the quarter represents Income arising out of transaction pertaining to Ascent Pharmahealth (Formerly Genepharma Australasia), Australia and setting off costs related to Divestment of Non-core fermentation business of Strides Italia.

Exceptional Items

Exceptional Items for the quarter represent Rs.695 Million of unrealised exchange loss on restatement of foreign currency borrowings including FCCB, ECB and Derivative contracts. The loss or gain in this regard is notional. As a prudent risk management policy, the Company doesn't enter into any forex derivatives, which are speculative in nature.

Regulatory Update

The company has received 11 approvals and 10 tentative approvals from the USFDA for various products. A strong pipeline of ANDA filings with the agency continues. Currently there are 39 pending applications with the USFDA.

During the quarter the company received approvals for 2 additional sterile injectables giving it a critical mass of approvals to commence its operations in North America.

Commencement of Operations by Akorn - Strides JV, USA for Sterile injectables

The company has posted its maiden Revenue during this quarter with a net income of USD 0.89 Million.

Akorn-Strides LLC has successfully launched generic injectable products in the US market in this quarter. This sets Strides foray into the US markets through the Joint Venture and the company sees a significant potential in the Generic hospital segment.

This JV with Akorn Inc., USA , instituted in the year 2004, has successfully filed around 18 ANDA's of which 11 ANDA's have already been approved. Akorn-Strides LLC has exclusive rights to FDA approved generic drugs within the United States hospital, medical clinic, physician group and other wholesale drug markets. We expect additional product launches in the coming quarters and are confident that the JV will deliver key results for both the companies going forward.

Strides Overview

Strides, listed on the Bombay Stock Exchange Limited (532531) and National Stock Exchange of India Limited (STAR), is a Bangalore, India head quartered global pharmaceutical company. Strides manufactures pharmaceutical formulations in various dosage forms including sterile injectables with dedicated facilities for Penicillin and Penams, Cephalosporins, Oncolytics and lyophilized injectable products. The company also manufactures pharmaceutical formulations in oral dosage forms, including capsules & tablets and Softgel capsules. Strides operates in and has significant presence in Australasia, Africa and India and through a series of strategies is expanding its North American and European growth. The company has series of joint venture and front-ended operations in major markets and is a majority stakeholder of Ascent Pharmahealth Limited (APH), an ASX listed company. The company also

collaborates closely with Global Drug Agencies and US PEPFAR and the UNICEF to supply a range of affordable generic pharmaceutical products used in the treatment of HIV, TB and Malaria.

Strides also has a collaboration agreement with Aspen Pharmacare involving a range of products and territories including a Joint Venture in the oncolytics space in Bangalore. Recently, the JV concluded a significant transaction with GSK to outlicense products for GSK's emerging market strategies in over 95 countries.

Strides has manufacturing facilities in Bangalore, India and overseas facilities in Milan, Warsaw, Singapore and Lagos. The Indian manufacturing facilities are approved by all major regulatory bodies. 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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