

Press Release

Strides Arcolab announces Q1 FY 2014-15 Results

**Revenues at INR 260 Crores with an EBITDA of INR 54 Crores
Revenue Growth of 14%, EBITDA growth of 34% over Q2 FY'14
EBITDA Margin at 21%**

**Q2 FY'14 represents corresponding quarter last year*

Bangalore, July 25, 2014 Strides Arcolab (BSE: 532531, NSE: STAR) today announced its financial results for the Quarter ending June 30, 2014

Snapshot

Global Pharma

- Consolidated Pharma Revenues at INR 260 Crores vs. INR 229 Crores in Q2 FY'14, growth of 14%
- Consolidated Pharma EBITDA at INR 54 Crores vs. INR 41 Crores in Q2 FY'14, growth of 34%
- EBITDA Margin at 21% vs. 18% in Q2 FY'14
- EBITDA Margin improvement driven by newer launches in regulated markets and margin expansion in brands business
- Delays in Malarial contract finalization impacted institutional business
- Acquired global rights of 'Raricap', a key haematinic brand
- Acquired 20% of Proparco's stake in our African operations for USD 17 Mn, resulting in 100% ownership in our Africa operations holding company. (Proparco invested USD 12.5 Mn in 2012)
- Completed a Strategic Investment for a minority interest in Oncobiologics

Business Snapshot

Regulated Markets

- Revenues at INR 109 Crores, representing 42% of the total revenues
- Key USFDA product approvals from Oral Dosage facility at Bangalore
 - Methoxsalen Softgel Capsules (Market Value - ~USD 14 Mn)
 - Tacrolimus Capsules (Market Value - ~USD 676 Mn)
- First USFDA product approval from Italian semi-solids facility
 - Imiquimod Cream (Market Value - ~USD 140 Mn)



Institutional Business

- Revenues at INR 73 Crores, representing 28% of the total revenues
- Delays in Malarial contract finalization impacted institutional business. Expects more clarity by end of this quarter

Emerging Markets

- Revenues at INR 78 Crores, representing 30% of the total revenues
- Continued momentum in African operations with increased Brand coverage through new products, markets and field force
- Improved performance in India brands with strong focus on field force efficiencies

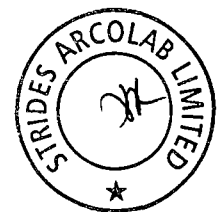
Biotech

- R&D programs on track. Further delays anticipated in the manufacturing facility setup in Malaysia
- Expenses of INR 2 Crores for Q1 FY'15

Guidance

- As communicated in the last quarter, the company will revisit its guidance policy at the end of H1 of the financial year as it gets more clarity on the institutional business

Commenting on the results, Arun Kumar, Founder and Group CEO, stated "We had a very consistent performance over the last few quarters, with improved margins across all segments. With the flow of product approvals from USFDA and acceleration in the branded generics through acquisition of 'Raricap', we see significant traction in the business."





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.

The Company has 5 manufacturing facilities presence in more than 75 countries in developed and emerging markets.

Additional information is available at the Company’s website at www.stridesarco.com.

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