

Press Release

Q4 FY15 and FY15 Results

Q4 FY15 Pharma Revenues at INR 3,405 Mn, EBITDA Margin at 22%

FY15 Pharma Revenues at INR 12,190 Mn

EBITDA up 30% YoY at INR 2,600 Mn, EBITDA Margin at 21%

Board Recommends Dividend of Rs.3 per share (30%)

Bangalore, May 22, 2015: Strides Arcolab (BSE: 532531, NSE: STAR) today announced its financial results for the quarter and year ending March 31, 2015 (FY15)

Consolidated Financial & Performance Highlights (Pharma & Biotech)

	INR Mn					
	Jan-Mar FY13-14	Q4 FY15	Growth %	Apr-Mar FY13-14	FY15	Growth %
Revenues	3,400	3,405	-	11,402	12,190	7%
EBITDA	561	714	27%	1,965	2,520	28%
EBITDA %	17%	21%		17%	21%	
Adjusted PAT*		345			1,624	
PAT Margin %		10%			13%	
Adjusted EPS*		5.79			27.27	

**PAT & EPS adjusted for income on growth funds not accrued INR 87 Mn for Q4 FY15 and INR 382 Mn for FY15, excluding merger related expenses of INR 16 Mn for Q4 FY15 and INR 109 Mn for FY15 and Capital gains Tax of INR 180 Mn for FY15*

**PAT and EPS not comparable with the corresponding periods in the previous year*

Commenting on the results, Arun Kumar, Founder and Group CEO, stated “The quality of business and profitability has been the hallmark of our FY 2015 performance. The merger with Shasun and re-entry into the Australian market will make us a fully integrated global pharmaceutical company with size and scale. Investments in R&D and portfolio maximization will be our key priorities going forward.”

Performance Highlights – Q4 FY15 and FY15

Global Pharma

	INR Mn					
	Jan- Mar FY13-14	Q4 FY15	Growth %	Apr-Mar FY13-14	FY15	Growth %
Revenues	3,400	3,405	-	11,402	12,190	7%
EBITDA	597	741	24%	2,001	2,600	30%
EBITDA %	18%	22%		18%	21%	

- Q4 FY15 revenues at INR 3,405 Mn against INR 3,400 Mn for same quarter last year
- EBITDA for the quarter at INR 741 Mn, up 24% YoY, driven by strong performance across all front end markets and profit share from partners
- Revenues for FY15 at INR 12,190 Mn vs. INR 11,402 Mn in Apr-Mar FY13-14 , growth of 7%
- Margin focussed approach delivered superior EBITDA growth of 30% to INR 2,600 Mn in FY15
- EBITDA margins expand ~380bps YoY to 21% in FY15

Pharma R&D and Regulatory Update

- Continued US FDA approval status for Oral Dosage Facility at Bangalore
- R&D spend for FY15 at INR 329 Mn, against INR 203 Mn
- 6 new product filings made with USFDA during the year including 2 FTF filings
- New dedicated Global R&D Centre at ODF Facility, Bangalore went on-stream during the year
- 33 cumulative ANDA filings with 16 ANDA's pending approval from USFDA

Biotech

- R&D spend during the quarter at INR 26 Mn and for the year at INR 79 Mn
- 2 products have reached the Animal Toxicity Study stage during FY15
- Investment by GMS holdings into Stelis Biopharma awaiting FIPB approval

Revenue Composition by Business - Global Pharma

INR Mn

	Q3 FY15	Q4 FY15	QoQ %	FY15	Composition
Regulated Markets	966	1,160	20%	4,255	35%
Institutional Business	1,284	983	-23%	3,865	32%
Emerging Markets	1,011	1,262	25%	4,070	33%
Total Revenues	3,261	3,405	4%	12,190	100%

Regulated Markets

- Revenues at INR 1,160 Mn in Q4 FY15, up 20% QoQ driven by North American business
- Revenues at INR 4,255 Mn in FY15, representing 35% of total revenues
- Launched 5 new products in the US during FY15 with a cumulative market value of ~ USD 1bn.
- All new product launches in North America under Strides label

Institutional Business

- Revenues at INR 983 Mn for Q4 FY15 down 23% QoQ.
- Business impacted by lower order inflows in anti-Malarial business during the quarter
- Revenues for FY15 at INR 3,865 Mn representing 32% of total revenues
- Key partnerships and collaborations entered into during the year:
 - Partnership with Gilead Sciences, Inc. to bring generic Sofosbuvir (Sovaldi®) to 91 developing countries and expanded to include Investigational Pan-Genotypic Agent
 - Partnership with Gilead Sciences Inc. to manufacture and distribute Tenofovir Alafenamide (TAF) based HIV treatments in 112 developing countries
 - Collaborated with Medicines for Malaria Venture (MMV) for the development of rectal artesunate for pre-referral treatment of children with severe malaria

Emerging Markets

- Revenues in at INR 1,262 Mn for Q4 FY15 up 25% QoQ
- Revenues at INR 4,070 Mn in FY15, representing 33% of the total revenues
- Strong performance in Africa brands driven by product launches and increased sales force.
- New local manufacturing facilities delivered value in its maiden year for African generics business.
- EM India crossed INR 1 Bn in Revenues in FY15 with two strong brands in ReNerve® and Raricap
- Launched generic drug Sofosbuvir in India under the brand name 'Virso'



Corporate Updates

Acquisition

- Announced the signing of definitive agreements to acquire a generic pharmaceutical business in Australia and related assets from Aspen for approximately AUD 380 Mn

Update on merger with Shasun Pharmaceuticals Ltd

- Received approvals from CCI and no objection from stock exchanges
- Shareholders of both the companies approved the proposed merger during the quarter
- Awaiting approvals from FIPB and Hon'ble High Courts of Bombay and Madras

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 8 manufacturing facilities and presence in more than 75 countries in developed and emerging markets.

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

For further information, please contact:

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