

# Investor Presentation

September 2011

inspiring  
**synergies**

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# Introduction



# Company overview



## Overview

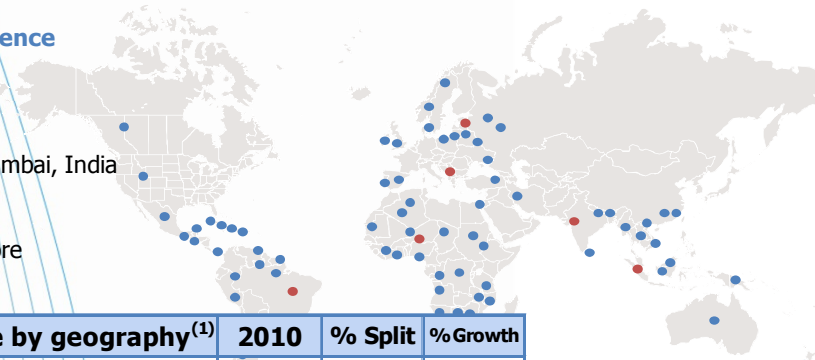
- A leading Indian Pharmaceutical company operating in two major segments: Specialties and Pharma
- Offers wide range of products covering Orals, Semi Solids and Specialty injectables including Beta-lactams, Cephalosporins, Oncolytics and Penems
- Has one of the largest Lyophilization (freeze drying) capacities in the world
- Amongst the leading manufacturers of Soft Gelatin capsules in the world
- Partnerships with leading global players like Pfizer, GlaxoSmithKline, Aspen, Novartis, Sandoz, and Teva

## Geographical presence: 14 manufacturing plants + marketing operations in 75 countries

### Marketing presence

### Plant locations

1. Campos, Brazil
2. Lagos, Nigeria
3. Bangalore & Mumbai, India
4. Milan, Italy
5. Warsaw, Poland
6. Jurong, Singapore

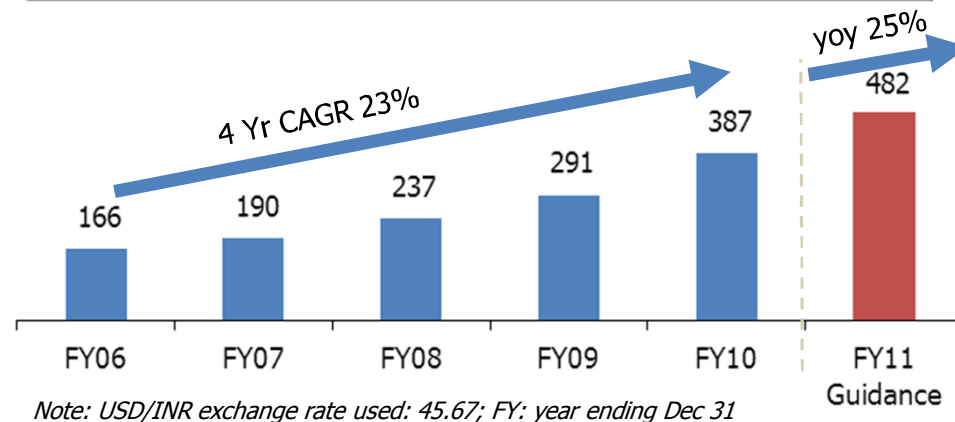


2009	Revenue by geography <sup>(1)</sup>	2010	% Split	% Growth
US\$mn		US\$mn		
	<b>Established Markets</b>			
62	Australia	97	26%	56%
29	North America	86	23%	200%
30	Europe	41	11%	37%
8	South Africa	8	2%	-1%
<b>129</b>	<b>Sub-Total</b>	<b>232</b>	<b>62%</b>	<b>80%</b>
<b>157</b>	<b>Emerging Markets</b>	<b>139</b>	<b>38%</b>	<b>-11%</b>

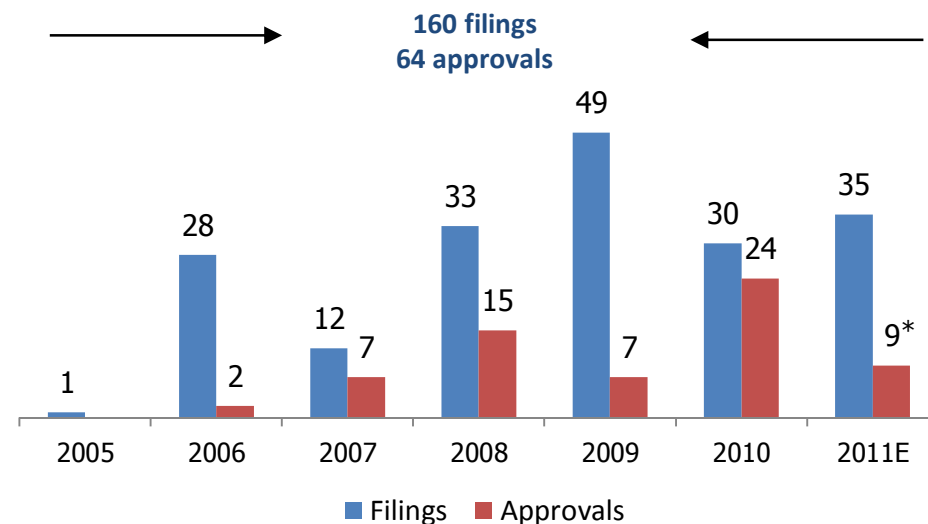
Note: USD/INR exchange rate used: 45.67

4 Note: (1) Does not include 'other income' of US\$ 5 mn and US\$ 15mn respectively

## Revenue growth (US\$mn)



## Filings & approvals track record (ANDA)



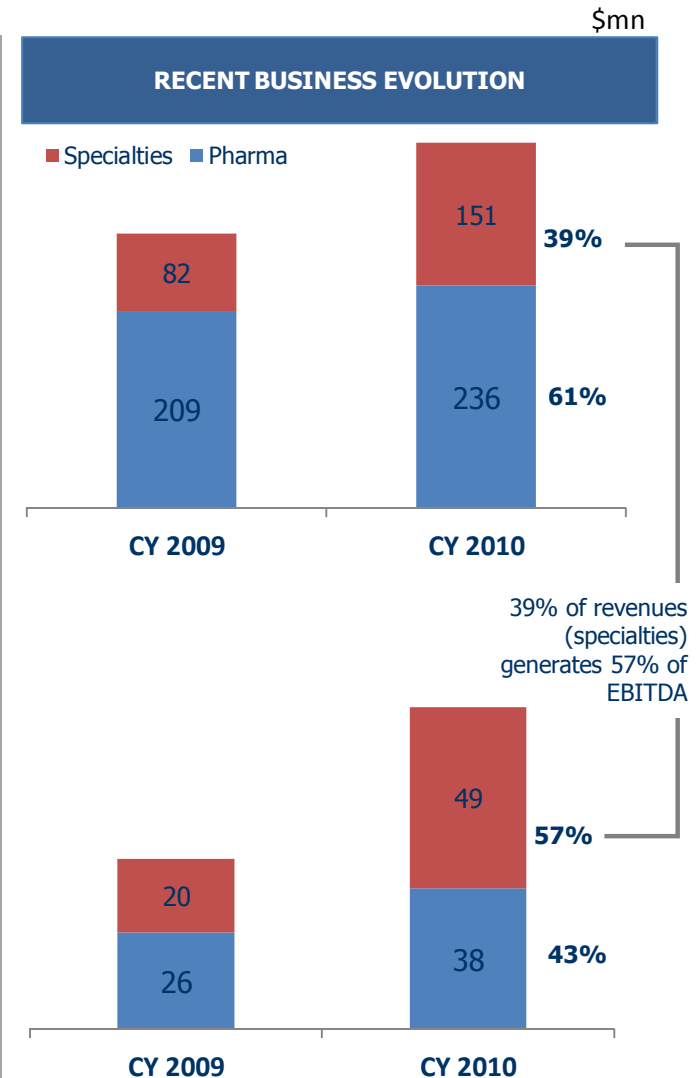
## Amongst highest steriles approvals in the industry in 2010

\* Actual YTD

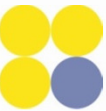
# Strides Arcolab – Business Overview



	PHARMA & BRANDED GENERICS BUSINESS (NON STERILES)	SPECIALTIES BUSINESS (STERILES)
<b>FINANCIAL OVERVIEW</b>	<b>CY2009</b> Revenue: US\$ 209 mn EBITDA: US\$ 26 mn (12.4% margin) <b>CY 2010</b> Revenue: US\$ 236 mn EBITDA: US\$ 38 mn (16.1% margin)	<b>CY2009</b> Revenue: US\$ 82 mn EBITDA: US\$ 20 mn (24.5% margin) <b>CY 2010</b> Revenue: US\$ 151 mn EBITDA: US\$ 49 mn (32% margin)
<b>BUSINESS</b>	<ul style="list-style-type: none"> <li>Manufacturing &amp; Branded Generics (Orals)</li> </ul>	<ul style="list-style-type: none"> <li>Sterile Injectable Generics and Specialties</li> </ul>
<b>KEY MFG. LOCATIONS</b>	<ul style="list-style-type: none"> <li>6 Global Manufacturing Plants - 3 in India and one each in Milan(Italy), Singapore and Nigeria</li> </ul>	<ul style="list-style-type: none"> <li>8 Global Manufacturing Plants - 5 in India, 2 in Brazil and 1 in Poland</li> </ul>
<b>KEY PRODUCTS</b>	<ul style="list-style-type: none"> <li>Tablets, Soft Gel Capsules, Hard Gel Capsules, Sachets, Capsules, Liquids / Syrups and Creams</li> </ul>	<ul style="list-style-type: none"> <li>Sterile injectable across a wide range of therapeutic areas</li> <li>Lyophilized vials, Liquid vials, Dry powder vials, Pre filled syringes, Ampoules and Devices</li> </ul>
<b>KEY TARGET MARKETS</b>	<ul style="list-style-type: none"> <li>Branded generics markets in India, Africa and Australasia</li> <li>IP led manufacturing business and leading provider for multilateral funding programmes in AIDS, TB and Malaria</li> </ul>	<ul style="list-style-type: none"> <li>US, Europe, Latin America. ANZ etc.</li> </ul>
<b>KEY CUSTOMERS</b>	<ul style="list-style-type: none"> <li>Pfizer, Aspen, Sandoz, Apotex, Galen etc</li> <li>Multilateral agencies including UNICEF, PEPFAR, Clinton Foundation etc</li> </ul>	<ul style="list-style-type: none"> <li>Pfizer, GSK, Teva, Actavis, Sagent, Novartis etc</li> </ul>



# Strides – Key differentiators



## 1 Integrated capabilities spanning entire product development cycle

- Full services provider from identifying business opportunities to product approval and commercialization

## 2 Focus on R&D resulting in industry leading formulation expertise

- Proven R&D capabilities for developed markets
- Employs around 350 scientists in its R&D department, delivering average 35 ANDAs annually

## 3 Targeting products with significant demand

- Increasingly targets products that are (i) in short supply (ii) near term patent expiries (iii) difficult to manufacture segments
- Moving towards larger sized molecules

## 8 Diversified portfolio across Specialties and Pharma offers stability

- Offers wide range of products covering Orals, Semi Solids and Specialty injectables including Beta-lactams, Cephalosporins, Oncolytics and Penems
- Broad product portfolio is critical for getting GPO contracts in the US (Strides has a contract for sterile injectables with Premier)



## 4 Solid track record of filings and approvals

- 160 ANDA filings (122 in steriles) and 64 Approvals (41 in steriles) till date
- Branded generics product registrations: 300+ in Africa, 60+ in Australia, and 400+ in eight South East Asian markets

## 7 Partnership with Big Pharma

- Partnerships with pharmaceutical majors such as Pfizer, GSK, Novartis, Teva & Aspen in US, Europe, Australia, LATAM, and South Africa
- Recent partnerships with Pfizer and GSK validates Strides' niche capabilities in sterile injectables and pharmaceuticals portfolio

## 6 Solid track record of regulatory compliance

- Successful inspections by USFDA/EMA/PIC over the last few years.
- Continue to maintain strong track record in all Regulatory inspections.

## 5 Significant investments completed in manufacturing facilities

- Significant investments completed in specialties space
- Recently FDA approved facilities will accelerate the developed markets strategy

agila

Rebranded Specialties Business



*The core business going forward.....*

# Steriles - Snapshot

## Key strengths

One of the most competitive steriles franchise globally with 8 manufacturing facilities

One of the largest lyophilization (freeze drying) capacities in the world

Full services player with a well diversified portfolio

Track record of filing average 35 ANDAs annually in the last three years

Significant investment in manufacturing facilities completed

Long term customer contracts and joint ventures to provide stable revenue stream

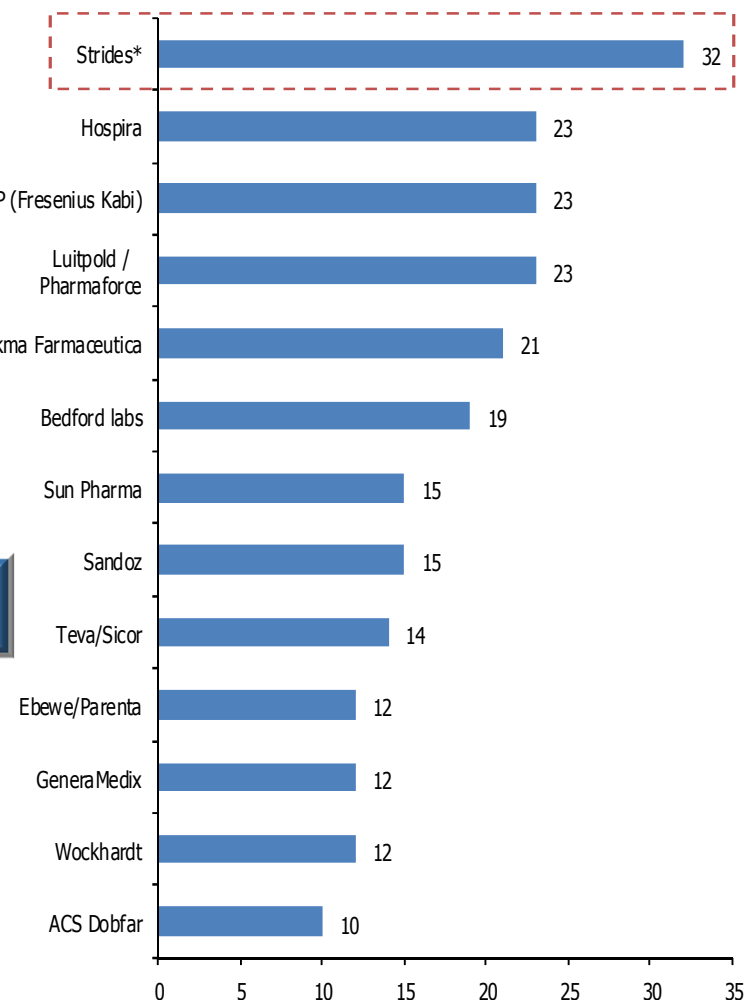
## Product categories – Wide range

- High Potency Drugs (Oncology, Peptides and Controlled Substances)
- Antibiotics
- Penems & Penicillins
- Cephalosporins
- Suspension injections
- Oncology
- **Ophthalmics and Peptides to be new domains**

## Packaging formats – All major types

- Vials – Liquid & Dry Powder
- Pre filled syringes (PFS)
- Ampoules
- Market leading ability to package in lyophilized form
- **Focus on pre filled syringes and lyophilized formats**

## FDA injectables ANDA approvals by company 2008-2010



Note: \* Includes product approvals with JV partners & ANDAs sold to Pfizer in Dec 2010  
Source: Approval data sourced from US FDA



# Market Opportunity

## Key industry trends

- Convergence of branded pharma and generics
  - Increasing investments by innovators in generics
- Injectables is the key growth area
  - Oncology and generic biologics (biosimilars) hold significant potential
  - Injectable oncology segment patents to expire by 2015, current market estimated @ USD 8.3 billion *(Source: IMS)*
  - Regulatory pathways for biosimilars in developed markets being implemented
  - Limited pricing pressure in generic injectables
- Limited injectable manufacturing capacities globally
- Major Injectable Manufacturers currently facing regulatory and compliance challenges with FDA
  
- Scarcity value in the injectables space leading to consolidation

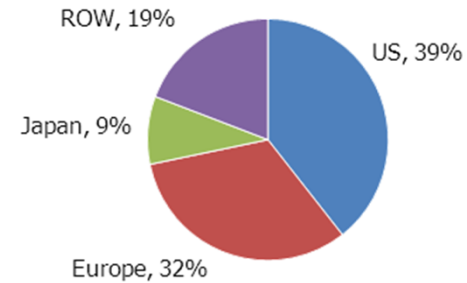
Year	Acquiror	Target	Deal size
2010	Mylan	Bioniche (USA)	c.US\$ 550mn
2010	Recipharm	Madaus (Germany)	n.a.
2009	Hospira	Orchid (India)	c.US\$ 400mn
2009	Novartis	Ebewe (Austria)	c.US\$ 1.2bn

Source: Deal announcements

## Injectable market

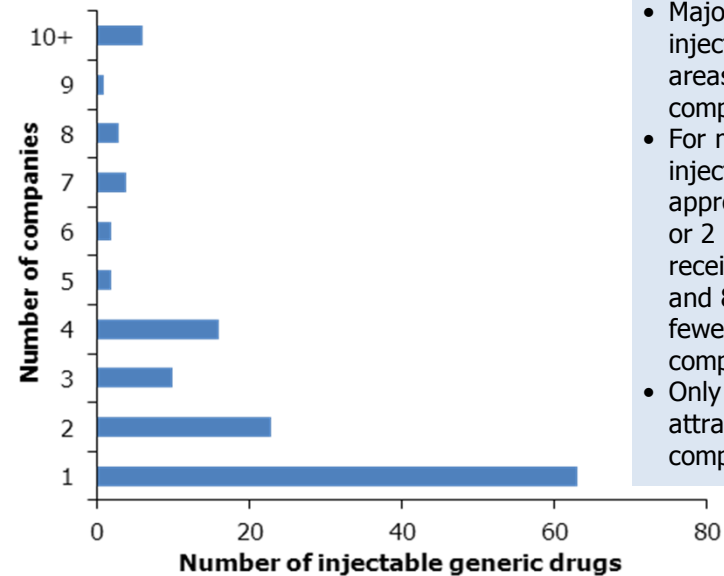
- Overall injectable market @ US\$ 200bn for the year 2009

### Break up by region (US\$m) - 2009



Source: IMS Health as on 10 Aug 2010

### Competition for generic injectables in the US – Few competitors per product



- Majority of specialty injectables are in niche areas and attract little competition
- For more than half of the injectable generics approved since 2004, just 1 or 2 manufacturers have received ANDA approvals and 86% of molecules have fewer than 5 generic competitors
- Only ten drugs have attracted eight or more competitors

Source: ESPICOM report titled "Injectable Generic Drugs: Prospects & Opportunities to 2014"

# Drug Shortages in US

178 drug Shortage in US in 2010, majority of products are injectables

## Shortages of drugs in US

- ✓ **2010** - 102 (57%) drugs out of list of 178 drugs were steriles
- ✓ **2009** - 73 (46%) drugs out of list of 157 drugs were steriles
- ✓ **2008** - 39 (35%) drugs out of list of 110 drugs were steriles

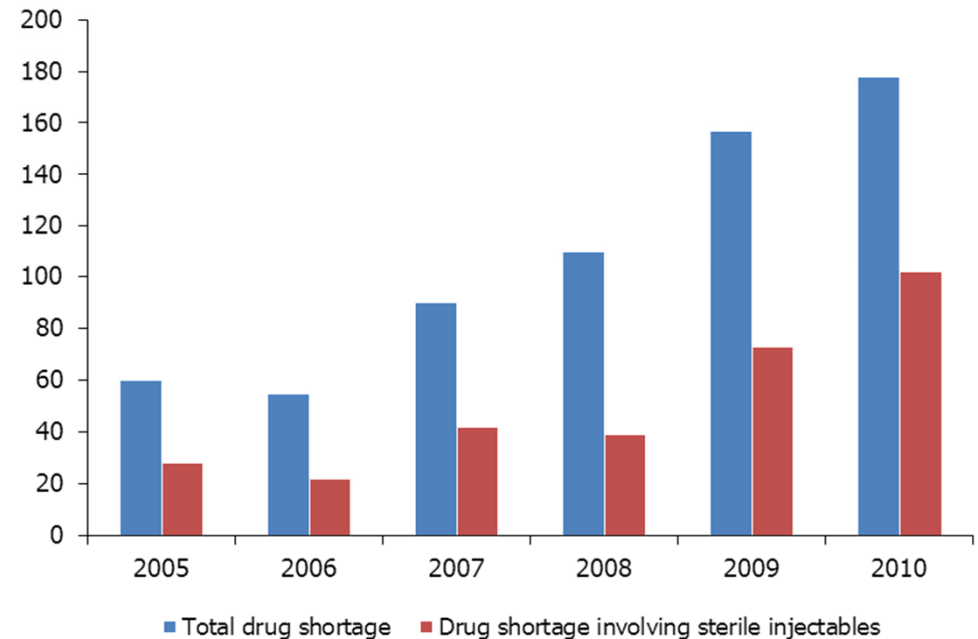
## Why shortages ?

- Process complexity & relatively long manufacturing lead time
- A limited number of companies are able to make sterile injectable products

## Strides' preparedness to meet steriles drug shortages in US

- Strides pipeline includes drugs which are part of FDA shortage list
- Strides launched Vancomycin through JV partner and later through Pfizer helped mitigating drug shortage situation

## Total number of drug shortages and shortages involving sterile injectables drugs in United States, 2005-2010



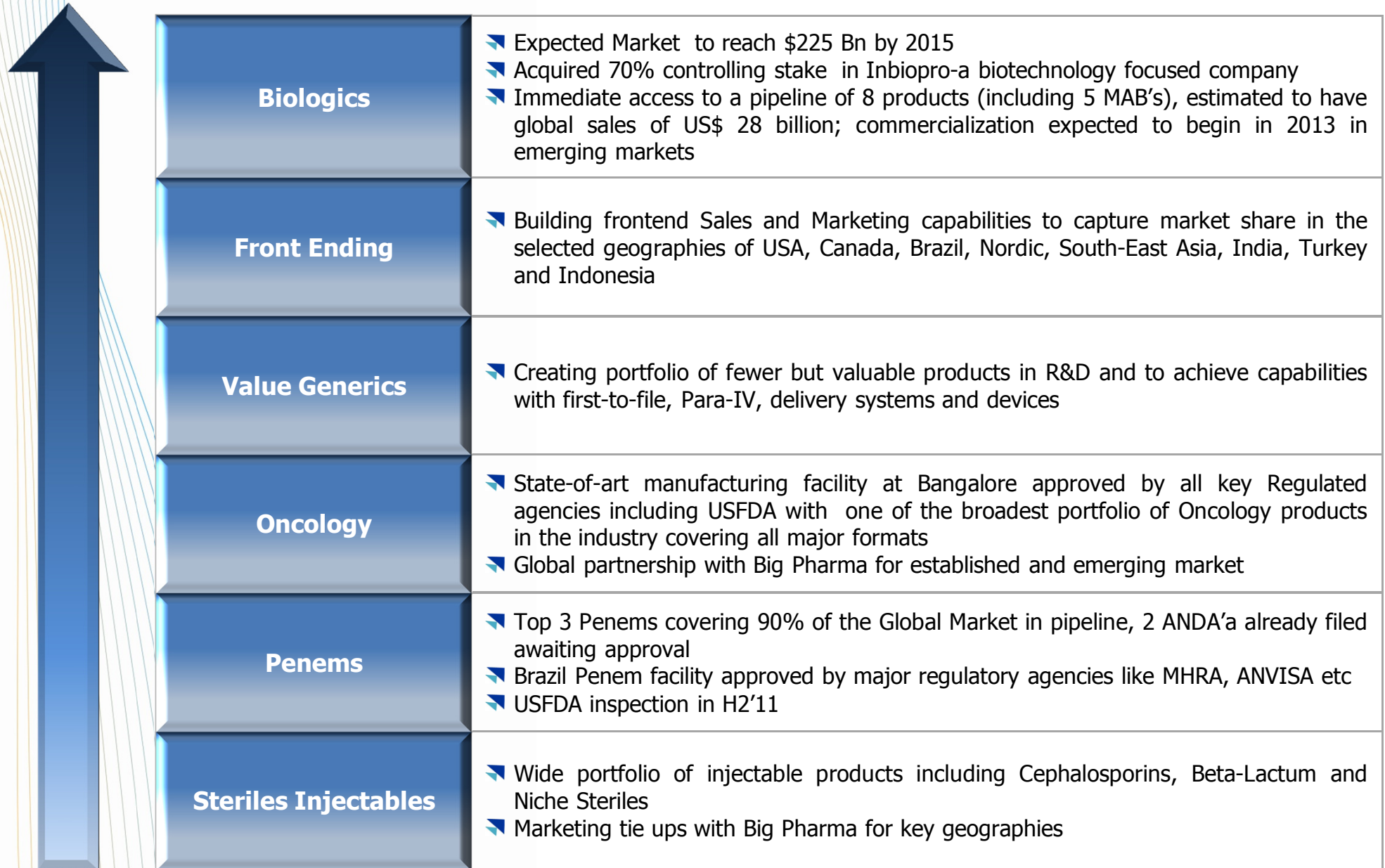
Data is from the Drug Shortage Program, Center for Drug Evaluation and Research, FDA and does not include shortages of vaccines, immune globulin products, or other biologic products that are managed by FDA's Center for Biologics Evaluation and Research

Source: *The New England Journal of Medicine* and Drug Shortage Summit Held in Nov'2010 organized by American Society of Health-System Pharmacists (ASHP)

# Strategy focusing on capturing higher value business and sustainable growth

	Phase-I [2005-2007]				Phase-II [2008-2010]				Current Phase [2011-2015]
<b>PRODUCT FILINGS</b>	Segment	Nos of Filings	LMV \$bn	Avg LMV \$mn	Segment	Nos of Filings	LMV \$bn	Avg. LMV \$mn	<b>High value creation domains</b> <ul style="list-style-type: none"> <li>Biosimilars</li> <li>Devices and delivery systems</li> <li>Para IV &amp; 505b(2)</li> <li>To emerge as a first wave player for most products going off-patent</li> </ul>
	Steriles	27	0.7	26	Steriles	53	3.3	62	
	Oncology	-	-	-	Oncology	33	4.0	121	
	Pens & Penems	-	-	-	Pens & Penems	9	0.7	78	
	<b>Total</b>	<b>27</b>	<b>0.7</b>		<b>Total</b>	<b>95</b>	<b>8.0</b>		
<b>MFG. CAPABILITIES</b>	<ul style="list-style-type: none"> <li>Building Global manufacturing capabilities for Steriles, Cephalosporin's &amp; Betalactams</li> </ul>				<ul style="list-style-type: none"> <li>Consolidation and expansion of Global manufacturing capabilities for Steriles Injectables and Oncology</li> </ul>				<ul style="list-style-type: none"> <li>New Investments for next level of growth: Integrated Biosimilar, Penems &amp; Penicillin facility</li> </ul>
<b>STRATEGY</b>	<ul style="list-style-type: none"> <li>Focus on Niche small value opportunistic products with distribution of products through JV model</li> </ul>				<ul style="list-style-type: none"> <li>Focus on large value Niche Sterile and Oncology products</li> <li>Partnering with Big Pharma's Pfizer, Apotex, Teva etc with profit sharing arrangement</li> </ul>				<ul style="list-style-type: none"> <li>Strengthening partnership for new products/partners &amp; new Geographies</li> <li>Building front ending business in select geographies of USA, UK, Canada, Asia, Turkey, Indonesia, India, Nordic and Brazil</li> <li>Continuing Licensing opportunities in selected domains</li> </ul>

# Agila Value Chain synergies for next level growth

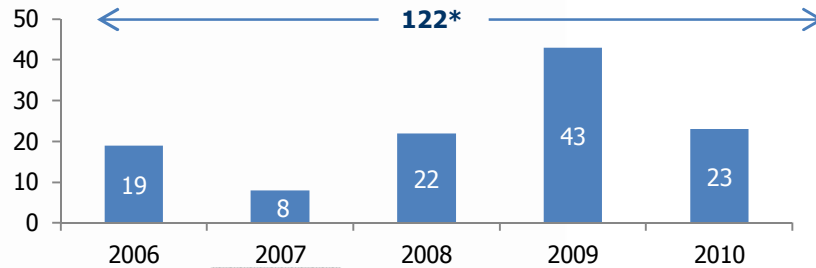




# Well Positioned For Regulated Markets Opportunity

## Increasing focus on high value products

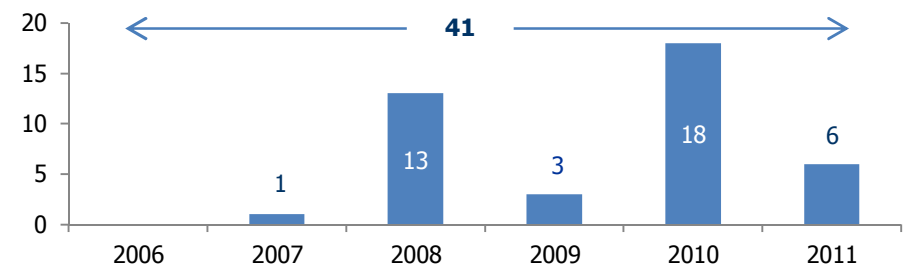
NUMBER OF ANDA FILINGS (LMV - \$8 Bn)



Oncology	-	-	3	20	8
Steriles	19	8	19	23	15
Patented	-	-	3	6	4
Matured	19	8	19	37	19

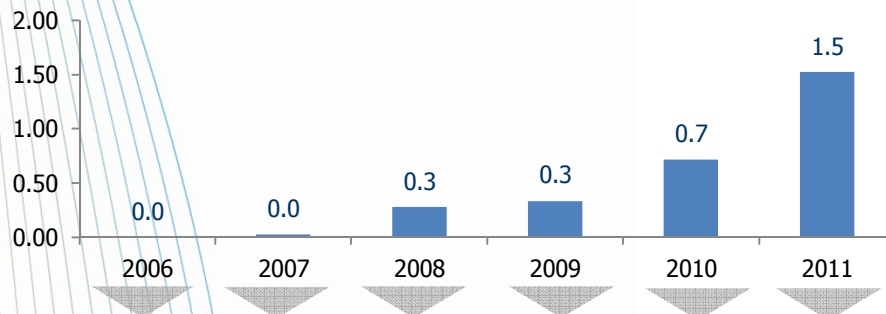
\*includes 7 filed in 2011

NUMBER OF ANDA APPROVALS (LMV- \$1.5 Bn)



Oncology					1
Steriles		1	13	3	18
Patented					1
Matured		1	13	3	17

CUMULATIVE LMV OF ANDA APPROVALS (US\$ BN)



Oncology					
Steriles		0.0	0.3	0.3	0.7
Patented					0.1
Matured		0.0	0.3	0.3	0.6

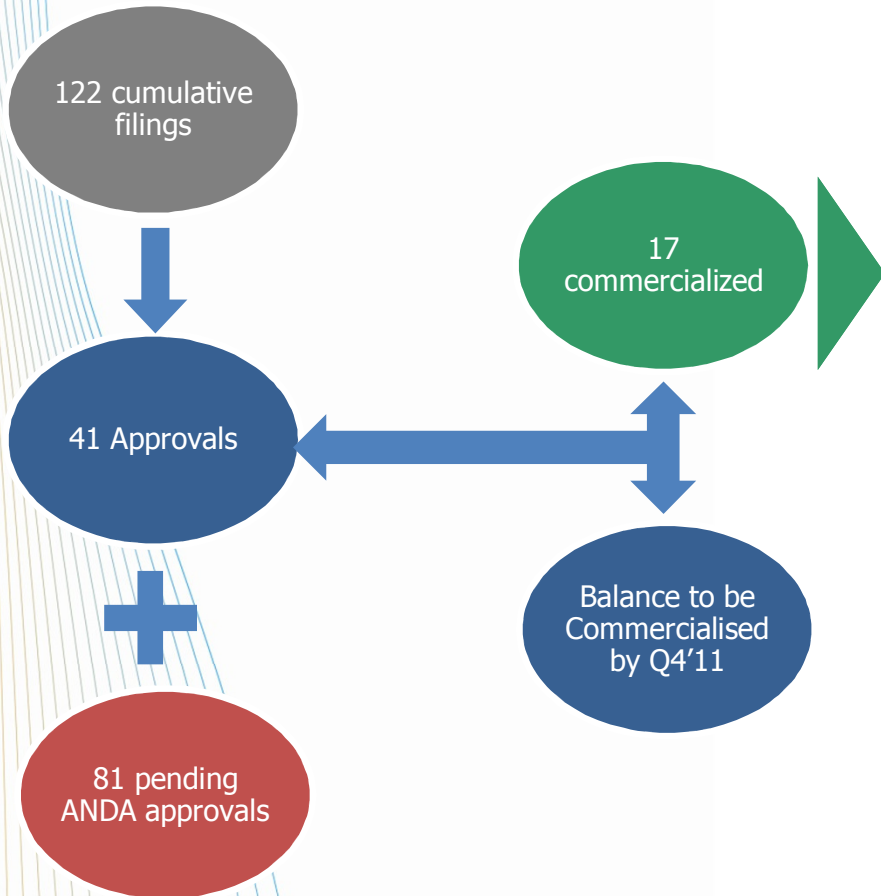
Number of filings & Approvals in other Established and Emerging markets

	Filings		Approvals	
	Steriles	Oncology	Steriles	Oncology
Europe	27	21	8	2
Australia	18	8	14	-
South Africa	66	5	25	-
Canada	20	-	19	-
New Zealand	1	2	1	-
Africa	145	4	119	-
Latin America	181	2	151	-
ROW	211	85	109	11
<b>Total</b>	<b>669</b>	<b>127</b>	<b>446</b>	<b>13</b>

# Recent successes in line with new strategy

**Bulk of ANDA approvals yet to be commercialized**

## Commercialisation pipeline

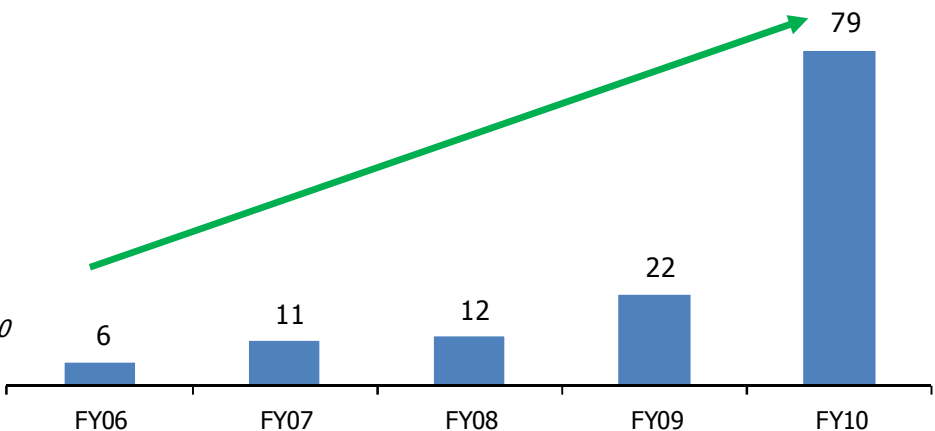


## Major Commercialized products

	Vancomycin	Rifampicin	Azithromycin
<b>Addressable market value (LMV)</b>	\$157 mn	\$8 mn	\$28 mn
<b>Partner</b>	Pfizer	Pfizer	Sagent
<b>No. of Players</b>	7	3	6
<b>Filing year</b>	2006	2006	2007
<b>Approval date</b>	Dec 2008	May 2008	Mar 2009
<b>Commercialized date</b>	Feb 2009	June 2008	April 2009
<b>Market share*</b>	11%	59%	18%

## Licensing income (US\$m)

**Received \$100mn licensing fee in year 2010**



LMV (Local Market value): 2009 sales in US of equivalent products already being sold in the market, whether patented or generic.

LMV is not an indicator of Strides' expected sales; LMV source: IMS Health as on 10 Aug 2010

Note: Includes licensing income from both Pharma and Steriles businesses

USD/INR exchange rate used: 45.67

\*MAT IMS Sept'10

# Global partnerships an endorsement of Strides' strong capabilities

## PFIZER

### Jan 2010: Collaboration on Generic Products

- Pfizer to commercialize 40 off patent products (to be licensed / supplied by Strides) – primarily injectable cancer medicines to healthcare providers and patients in the United States

### May 2010: Partnership strengthened

- Oncology products extended to EU, Australia, Korea, Japan and Canada
- Additional niche sterile injectable products included for the US market
- Collaboration now extends to a total of 45 products addressing countries across the globe

### Dec 2010: Sold 22 ANDAs (16 approved)

- Entered into long term agreement for manufacture and supply of these products

### Why Strides?

- ✓ Strides is a powerhouse in the steriles injectable area
- ✓ Pfizer looked at more than 100 companies before settling on the deal with Strides
- ✓ This collaboration is new and exciting, and we are encouraged about the potential of this relationship
- ✓ We view this as a beginning of a partnership and look at Strides as a strong anchor point

*Comments by: David Simmons – President & General Manager, Established Products Business Unit – Pfizer*

## GSK

- **Deal is transformational for GSK**  
(Source: GSK Press Release)
- **GSK shares profits and pays licensing fees**
- **Arrangement for 95 countries worldwide**
- **First 10 products from Strides**

### Why Strides?

*"This collaboration gives us access to a renewable, high quality and competitively priced source of branded pharmaceuticals in high demand therapeutic areas, Aspen, through its own pipeline and that of its joint venture with Strides has a product portfolio of over 450 molecules and 1200 products which complements our own product portfolio and will enable us to deliver more medicines of value to more patients in these countries"*

*Comments by: Andrew Witty – CEO of GSK*

*Source: Pfizer Press Release – Jan 10 and GSK Press Release – July 2008*

## Other Global Partners

- **Sandoz**
- **Teva**
- **Novartis**
- **Aspen**
- **Apotex**
- **Martindale**
- **Sagent**
- **ICN**
- **Actavis**

# Biosimilars-Unfolding Opportunities

<b>Market Overview</b>	<ul style="list-style-type: none"><li>➤ Biologics* market expected to grow at a <b>CAGR of 8%-10%</b> during 2010 to 2025, against 4%-6% for total pharmaceutical market</li><li>➤ Biologics worth <b>\$ 59 Billion</b> to lose patent protection by 2015</li><li>➤ Biologics market expected to touch <b>\$227 billion</b> by 2015 against \$126 billion in 2009</li><li>➤ Biosimilars# market expected to touch <b>\$13 billion</b> by 2015</li><li>➤ <b>6 Biosimilars</b> already approved and commercialized in EU</li></ul>
<b>Agila Foray into Biosim Domain</b>	<ul style="list-style-type: none"><li>➤ Acquired 70% controlling stake in Inbiopro-a biotechnology focused company</li></ul>
<b>Competitive Advantage</b>	<ul style="list-style-type: none"><li>➤ Immediate access to a pipeline of 8 products, estimated to have global sales of US\$ 28 billion, with commercialization expected to begin in 2013</li><li>➤ The products include 5 monoclonal antibodies which have use in cancer treatment further strengthening Strides' oncology products basket</li><li>➤ Facilities access to high expression mammalian and microbial platform-based capabilities</li><li>➤ High yielding cell lines in-licensed and improved upon</li><li>➤ Definite advantage in the biologics industry, which is characterized by specialized expertise in recombinant DNA technology and manufacturing process development with stringent and well defined regulatory guidelines ,resulting in long gestation periods for product development</li></ul>

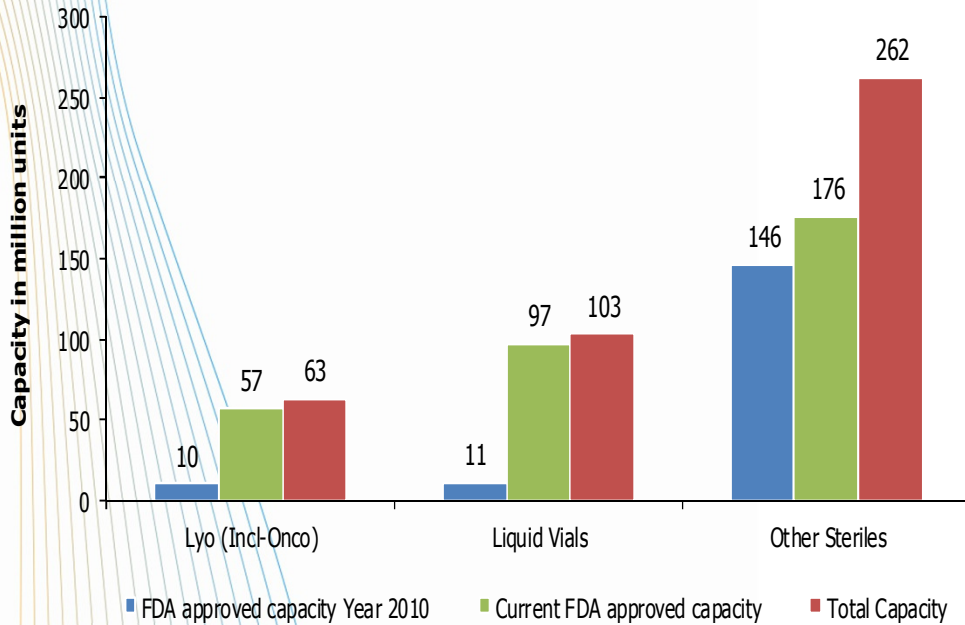
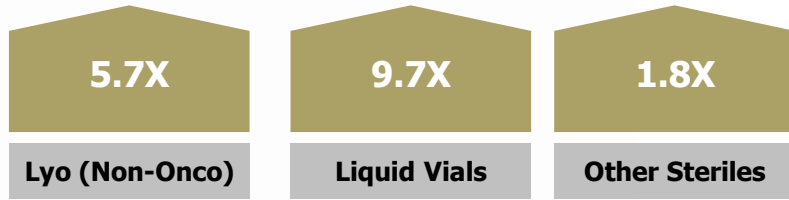


# Significant FDA Approved capacities

Capex towards 261m additional sterile units capacity completed and approved



Capacity expansion



## Capacity augmentation plan

- ✓ Executed agreement with Malaysian Bio-Xcell for establishment of customized facility to manufacture Biopharmaceuticals and sterile Injectables in the Bio-XCell ecosystem in Johor, Malaysia.
- ✓ Facility will be built by Bio-XCell to the design requirements of Strides and will be leased out to Strides on a long-term basis with lease rentals applicable from the date of commercialization .


## USFDA Inspection Status

Plant	Year	Approval Status
<b>Sterile Product Division -I</b>	<b>2007, 2009</b>	<b>Approved</b>
<b>Penicillin</b>	<b>2008</b>	<b>Approved</b>
<b>Cephalosporin</b>	<b>2009</b>	<b>Approved</b>
<b>Sterile Product Division -II</b>	<b>2011</b>	<b>Approved</b>
<b>Oncology</b>	<b>2011</b>	<b>Approved</b>
<b>Penems</b>	<b>Inspection by H2'2011</b>	

- Well positioned in the industry where regulatory challenges are high

# Benefits of operating leverage as new capacity supports roll out of new approvals

Manufacturing site particulars		Existing facilities			New facilities			Poland
		Steriles	Penicillins	Cephalo-sporins	Steriles	Penicillins& Penems	Oncology	
Location		Bangalore India	Bangalore India	Bangalore India	Bangalore India	Campos Brazil	Bangalore India	Warsaw Poland
USFDA approval status	Plant	✓	✓	✓	✓	Awaited	✓	Primary focus on European Mkt EU approved Plant
	Products	✓	Awaited	Awaited	✓	Awaited	✓	
Total capacity (mn units)		64	33	44	140	66	25	56
Filings (US)	Nos	55	8	5	19	2	32	1
Approvals (US)	Nos	39	Nil	Nil	1+39	Nil	1	Nil

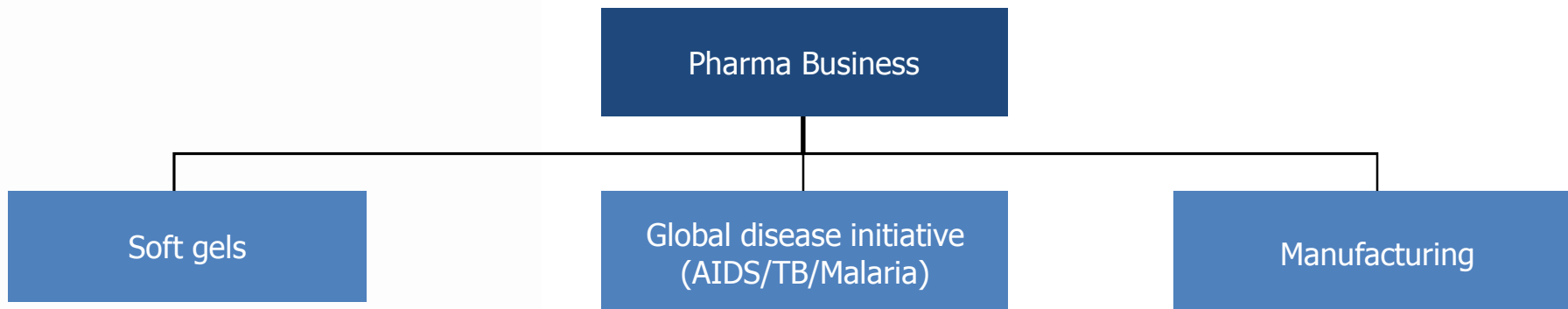
 All FDA approved products can be moved from one FDA approved plant to another within 30-120 days



# Pharma & Brand Business



# Pharma business – A Snapshot



<b>Globally competitive</b>	<ul style="list-style-type: none"> <li>✿ Amongst the leading manufacturers of soft gelatin capsules in the world</li> <li>✿ Supplies oral products to regulated markets</li> </ul>
<b>Product development capability</b>	<ul style="list-style-type: none"> <li>✿ Develops and manufactures different orals presentation forms and therapeutic categories                             <ul style="list-style-type: none"> <li>– Softgel caps, tablets &amp; capsules and semi solids</li> <li>– Strength in Immunosuppressants (2 Approved ANDA commercialized)</li> </ul> </li> <li>✿ 38 ANDA (21 PEPFAR) filings till date of which 23 (17 PEPFAR) have already been approved</li> </ul>
<b>Stable revenue stream</b>	<ul style="list-style-type: none"> <li>✿ Orals plants – can support growth with limited Capex requirements going forward</li> <li>✿ Large number of product filings completed</li> <li>✿ Long term customer contracts to provide stable revenue stream</li> <li>✿ Intellectual property led manufacturing partnership in USA, UK, Australia, New Zealand and South Africa</li> </ul>
<b>Manufacturing overview</b>	<ul style="list-style-type: none"> <li>✿ One of largest softgel capacities in the world with five dedicated lines in Orals Drug facility in Bangalore, India</li> <li>✿ Facility approved by major regulatory authorities such as USFDA, MHRA, MCC, TGA and ANVISA</li> <li>✿ EU approved semi solids facility in Milan, Italy</li> </ul>



# Branded generics business -snapshot

Regional Sales exceeding US\$165 million



	Australasia	Africa	India
Description	<ul style="list-style-type: none"> <li>Operating as Ascent Pharmahealth, a leading pharmaceutical, generic and consumer health company</li> </ul>	<ul style="list-style-type: none"> <li>Leading player manufacturing and marketing volume driven generics and margins driven branded products</li> </ul>	<ul style="list-style-type: none"> <li>Emerging as a niche player in branded pharmaceutical products</li> </ul>
Manufacturing	<ul style="list-style-type: none"> <li>Dedicated facility in Jurong, Singapore</li> </ul>	<ul style="list-style-type: none"> <li>3 dedicated facilities: 1 in Lagos, Nigeria and 2 in India</li> </ul>	<ul style="list-style-type: none"> <li>Orals plant in Bangalore also used for manufacturing branded generics</li> </ul>
Footprint	<ul style="list-style-type: none"> <li>Australia (5<sup>th</sup> largest) &amp; Singapore (Largest) with growing operations in 5 other Emerging South-East Asian markets</li> </ul>	<ul style="list-style-type: none"> <li>West Africa, French Africa &amp; other parts of Africa</li> </ul>	<ul style="list-style-type: none"> <li>Grandix has presence in 5 states in South India</li> </ul>
Products	<ul style="list-style-type: none"> <li>Ethically promoted generic pharmaceuticals, OTC and skincare (prescription and consumer) products with some well established consumer brands such as Avene (Skincare), Hairy Lemon (OTC) and Estelle (Prescription medicine) and Dermorganics (Organic Skincare)</li> </ul>	<ul style="list-style-type: none"> <li>Branded generics, Commodity generics and OTC products marketed through own sales team in partnership with local distributors</li> <li>French Africa business is front ended comprising ethically promoted and OTC products</li> </ul>	<ul style="list-style-type: none"> <li>Grandix covers therapeutic areas of diabetes, cardiovascular diseases, neurology and female healthcare</li> </ul>
Sales	<ul style="list-style-type: none"> <li>US\$128mn</li> </ul>	<ul style="list-style-type: none"> <li>US\$30mn</li> </ul>	<ul style="list-style-type: none"> <li>US\$10mn</li> </ul>
Ownership	<ul style="list-style-type: none"> <li>94% Stake</li> <li>Recently Privatized</li> </ul>	<ul style="list-style-type: none"> <li>100% stake</li> </ul>	<ul style="list-style-type: none"> <li>100% stake</li> </ul>



Value	
9,179.53	
11,426.60	
9,611.01	
re 7,189.65	

# Corporate Strategy & Financials

# Key Steps Towards Building Global Business



2009

- **Merger of Subsidiaries** – (Grandix Pharmaceuticals, Grandix Laboratories, Quantum Remedies and Global Remedies were merged with Strides)
- **Spin off of specialties and R&D** businesses to Strides Specialties Private Limited, a wholly owned subsidiary

2010

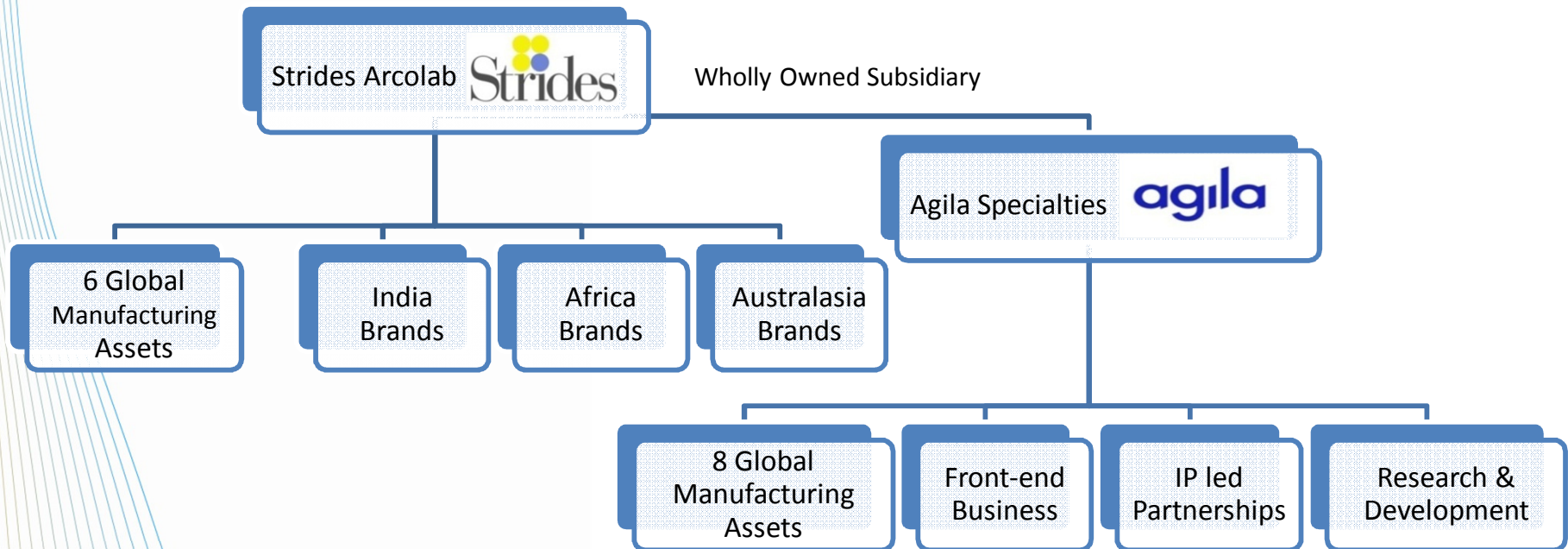
- **Building Specialties Organization**
- Branding of specialty business as “**Agila**”
- Acquired Penems and Pencilian Plant in Brazil
- Acquired Aspen’s Interest in Oncology JV
- Acquired Inbiopro , a biosimilar Portfolio

2011

- **Privatization** of Ascent Pharma, Australia , stake hiked from 60% to 94%
- **Realignment of Investments** to create global Phamra and Specialty Organization

 **Balance Sheet Size increased from USD 505 Mn to USD 976 Mn**

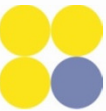
# Strides Global Organization



- Customer focused business organization with dedicated management team
- Each business is run independently including funding / Cash flow management
- Implemented Shared Services Organization to achieve "Process Excellence" in transaction processing

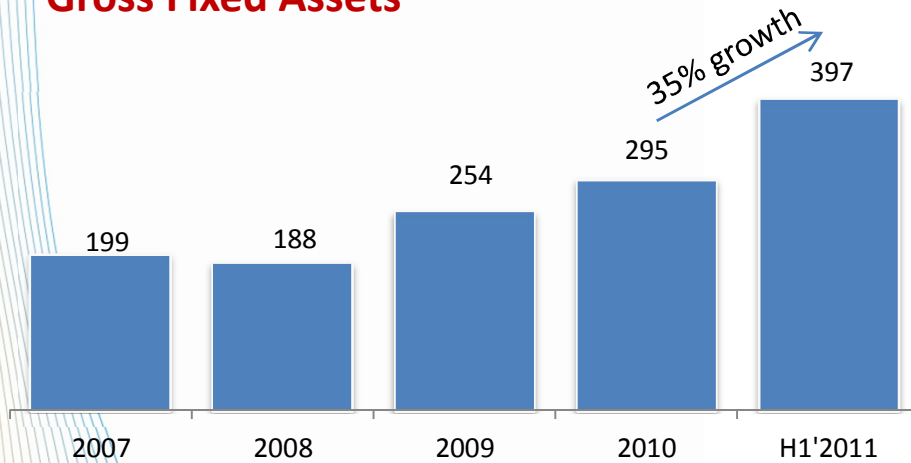


# Debt prudently employed to support Global Organization

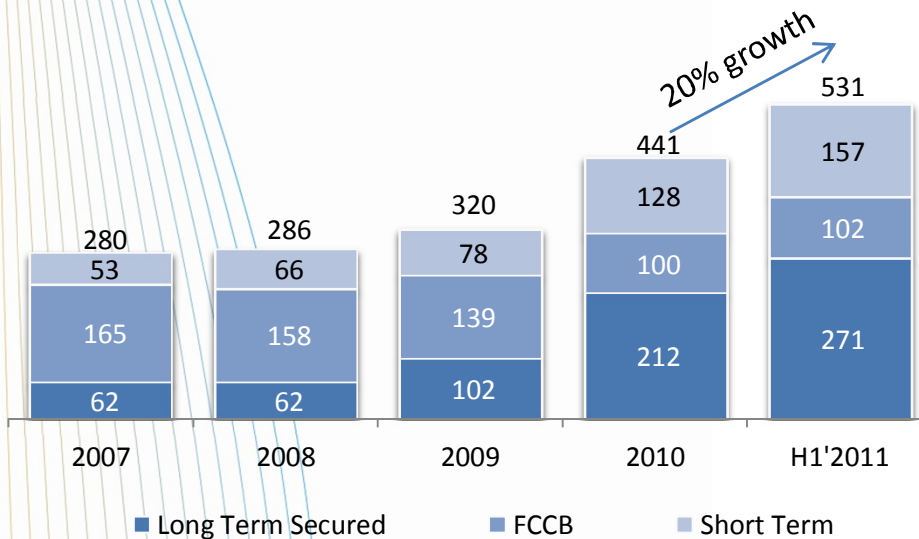


USD million

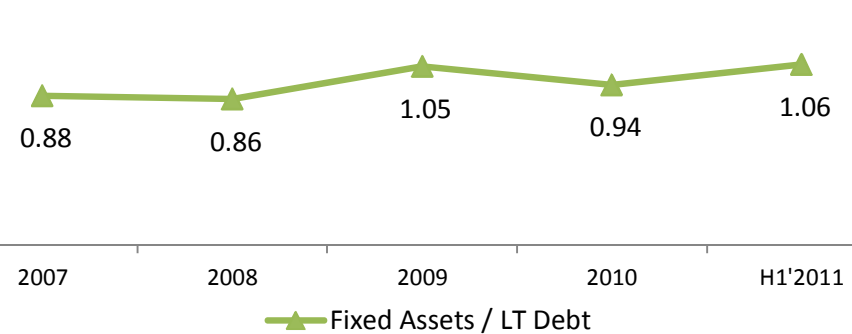
## Gross Fixed Assets



## Debt



- Fixed Assets growth on account of new Sterile facilities
- Debt increase in H1'11 on account of
  - Increase in stake of Ascent Pharma (\$35Mn)
  - Funding for New Product Launches (\$30Mn)
  - Discharge of final consideration for Onco (\$30Mn)
- Fixed Asset Cover on Long Term Debt improved from 0.88 in 2007 to 1.06 in Jun'11



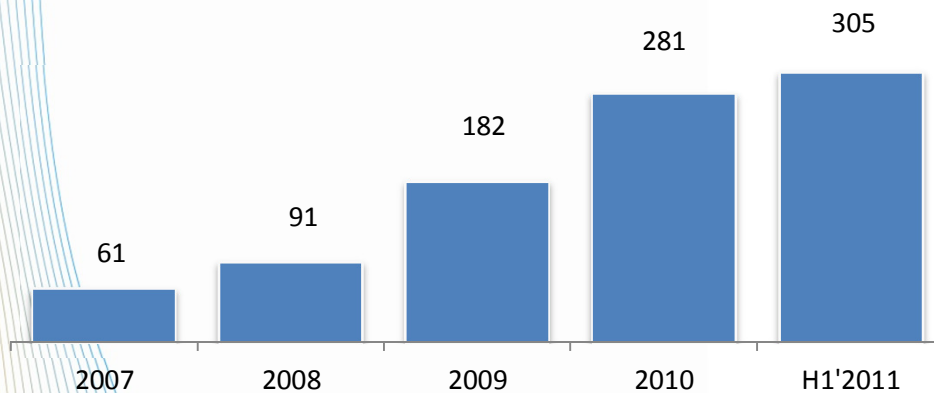
- Long term debt fully backed by fixed assets

# Declining D/E while meeting demands of building Global Organization

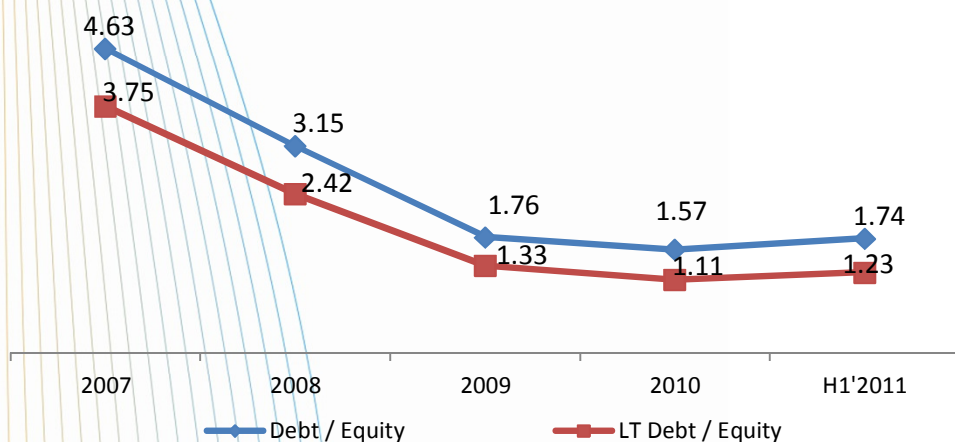


USD million

## Net Worth



## Debt / Equity Ratio



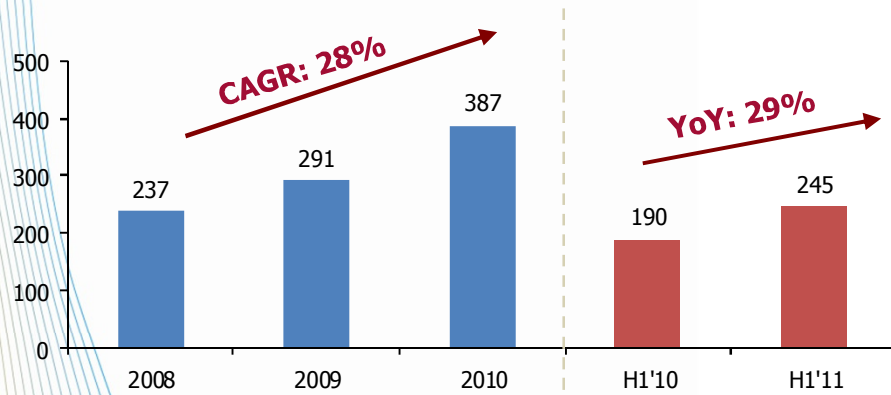
- Debt/Equity reduced from 4.63 in 2007 to 1.74 in Jun'11
- Equity Infusion through QIP and Promoter's Capital in 2010, to improve Debt/Equity
- Current Debt/Equity, a favorable capital structure for a high growth business
- Growth on Short Term Debt on account of enhanced working capital requirements to support high growth

# Key Performance Indicators

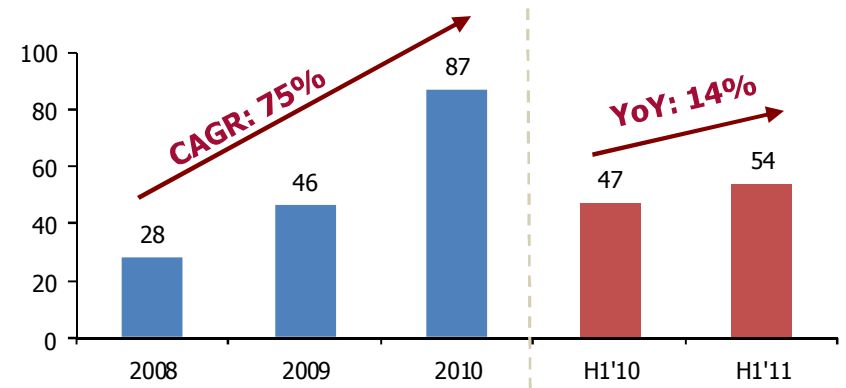


USD million

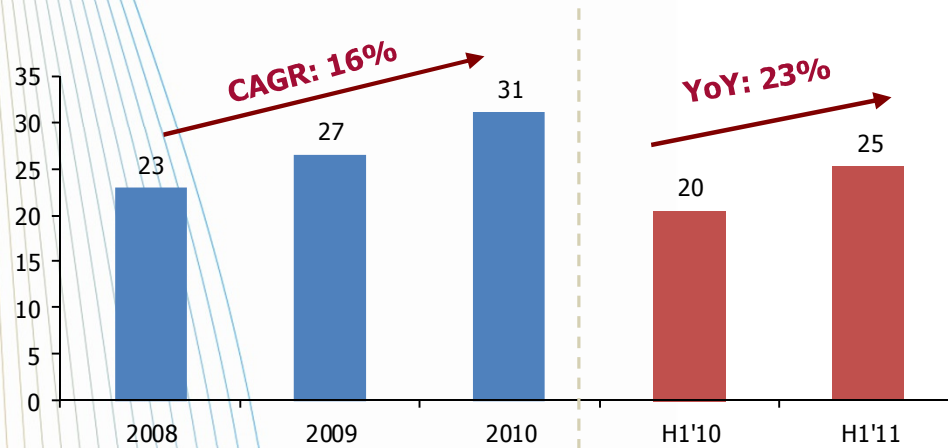
## Revenue from operations<sup>(1)</sup>



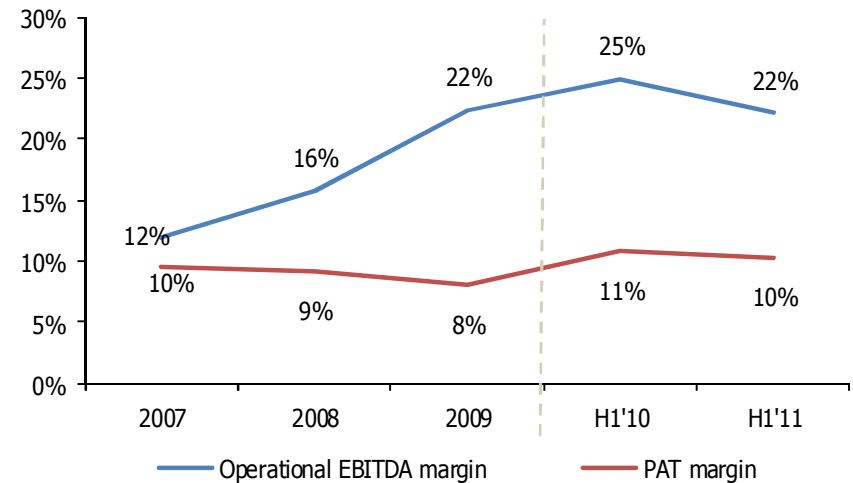
## Operational EBITDA<sup>(1)</sup>



## Profit after tax



## Margins trend



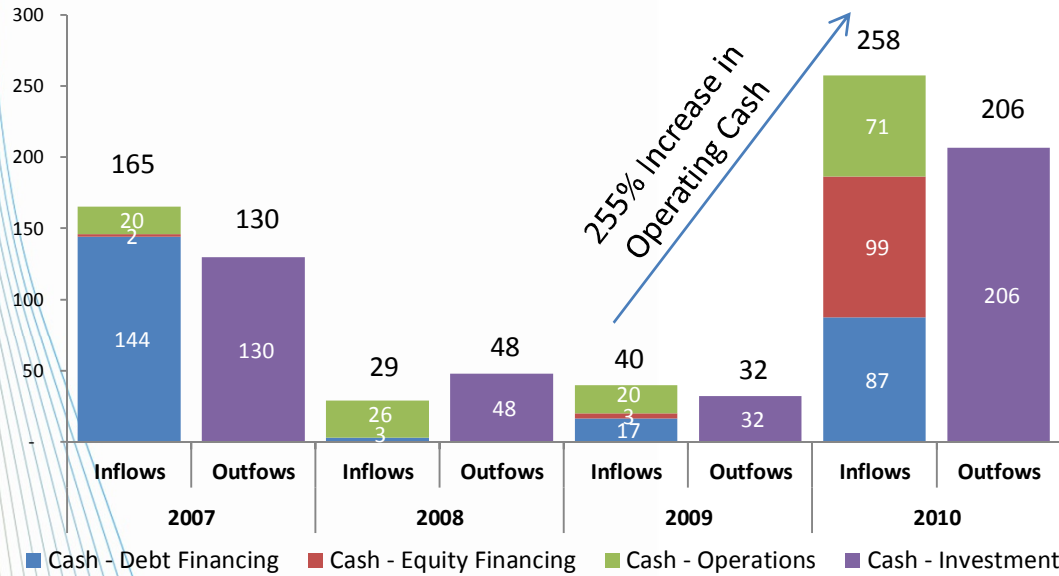
Note: (1) Excludes profit on sale of investment (c.US\$ 55mn in 2008) and exchange fluctuation gain on sale of investment (c.US\$ 10mn in 2008)  
All income statement items, USD/INR exchange rate used:45.59

# Key Performance Indicators



USD million

## Cash Flow

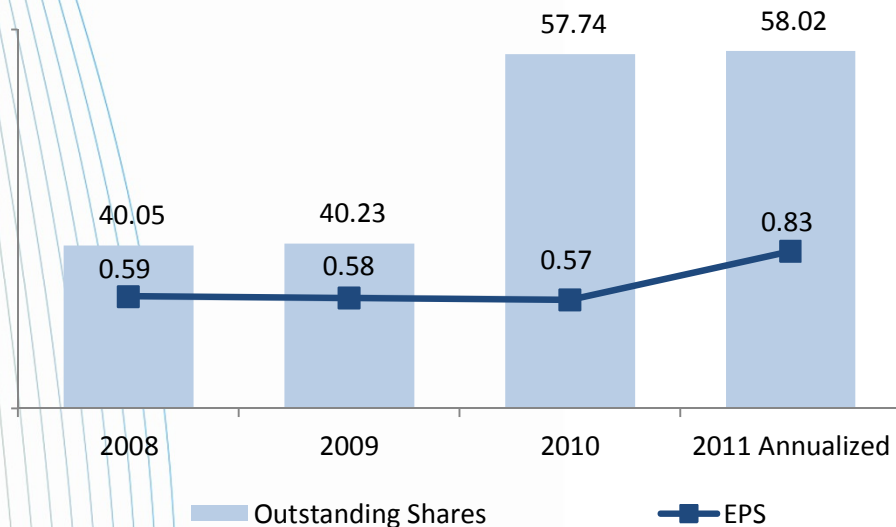


Significant Contribution of Cash from Operations in 2010

2010 Outflows for Investments include

- Oncology - \$87Mn
- Brazil - \$68Mn
- Inbiopro - \$7Mn
- Capex - \$42Mn

## EPS



Stable EPS for last 3 years, inspite of EPS for 2010 and 2011 on a larger base of equity shares

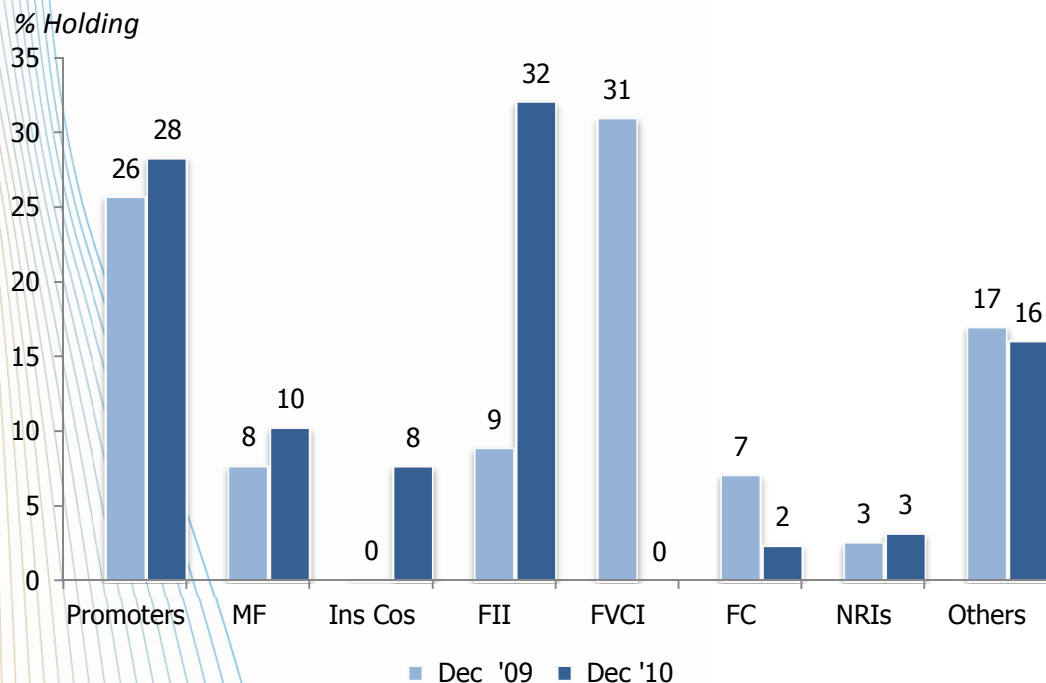
2011 Annualized EPS at \$0.83

EPS Accretion through acquisition of Minority Interest of Ascent Pharma in Q2'11

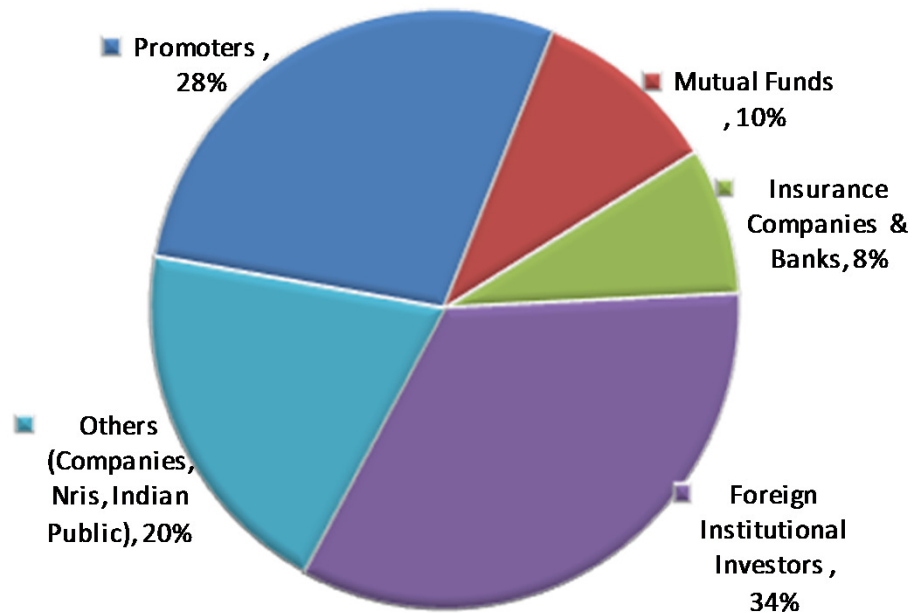




## Strong Institutional support for the stock



## Shareholding Pattern



*\*as on 30<sup>th</sup> Jun '11*

- Successfully placed \$100Mn QIP in 2010
- Increase in Outstanding Shares from 40Mn in Dec'09 to 58Mn in Dec'10

The background features a series of thin, flowing lines that originate from the left side and curve towards the right. The lines are colored in a gradient from light blue to yellow-green. They create a sense of movement and depth, with some lines overlapping others. The overall effect is a modern, minimalist aesthetic.

# Key Takeaways

## Emerging compelling business



1. Focus on high margin specialties business
2. Large number of ANDA filings – 160 (122 in Steriles and 38 in Pharma)
3. Significant ramp-up in Capacities - recently approved by FDA
4. Bulk of the approved Sterile products in process of commercialization
5. Foray into new domains of Ophthalmics, Biosims and Peptides to open up new avenues
6. Significant investment in organic and inorganic expansion completed
7. Global partnerships with the likes of Pfizer, GSK and Aspen etc.
8. Pool of around 350 scientists to drive R&D growth



# Thank You

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