

INVESTOR PRESENTATION

September 2014

Strategy
to delivery

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HISTORY & BUSINESS OVERVIEW



Over 24 Years of Investment in Pharma

1990-94

Creation

- Founded in 1990 as a finished dosage formulation company focused on Africa

1994-03

Specialised manufacturing

- Commenced manufacturing of steriles, soft gelatin capsules and anti-retroviral and tuberculosis
- Bolt-on acquisitions of manufacturing capacity
- Listed on the BSE and NSE

2004-08

Front-end acquisitions and R&D pipeline

- Acquisition and integration of front-end platforms in Southeast Asia (DHA), Australia (Ascent) and India (Grandix)
- Significant investment in building R&D pipeline for regulated markets (Pharma and Steriles)

2008-12

Regulated markets

- Restructured into Pharma and Specialties
- Commercial partnerships with global pharma for regulated markets
- Launched its first product in the US market
- Foray into the biologics space

2012-13

Monetizing significant value creation

- Sale of Ascent Pharma, its generic pharmaceutical operations in Australia and Southeast Asia to Watson Pharmaceuticals for AU\$375 million
- Sale of Agila Specialties entities, its global injectable business to Mylan Inc. for an aggregate enterprise value of up to US\$ 1.75 billion

2013-14

Dividend Distribution

- Distributed dividends of INR 500 per share on 10th Dec '13 and INR 105 per share on 7th Oct '14, total pay-out of USD 655 Mn (INR 605 per share)
- Announced merger of Strides & Shasun through an approved Scheme of Arrangement
- GMS holdings to invest USD 21.9 Mn for a 25.1% stake in Stelis Biopharma

After monetizing the significant value created at Ascent Pharmahealth and Agila Specialties, Strides will focus on maximizing value of the merged business of Strides and Shasun and successfully executing its planned investments in biologics

Segments – Overview and Key Growth Drivers

% Contribution to Q1 FY 15 Revenue

Pharma Generics

- Leading generics platform focused on the regulated markets with strong partnerships and front-ending presence
- Two state-of-the-art manufacturing facilities approved by key global regulatory authorities including US FDA
- Strong R&D capabilities with pipeline focused on high entry barriers products

Branded Generics

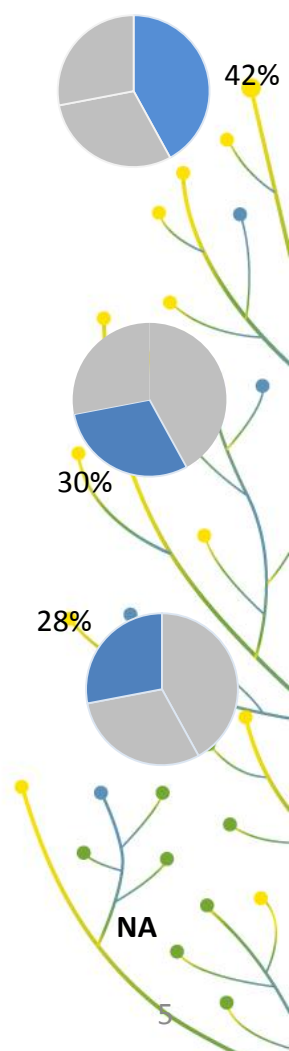
- Africa – Regional player with manufacturing, sales and marketing platform for branded generic pharmaceuticals and OTC medicines
- India – Established regional player in Southern India in niche branded pharmaceutical products
- “Renerve” is the flagship brand with leading market position

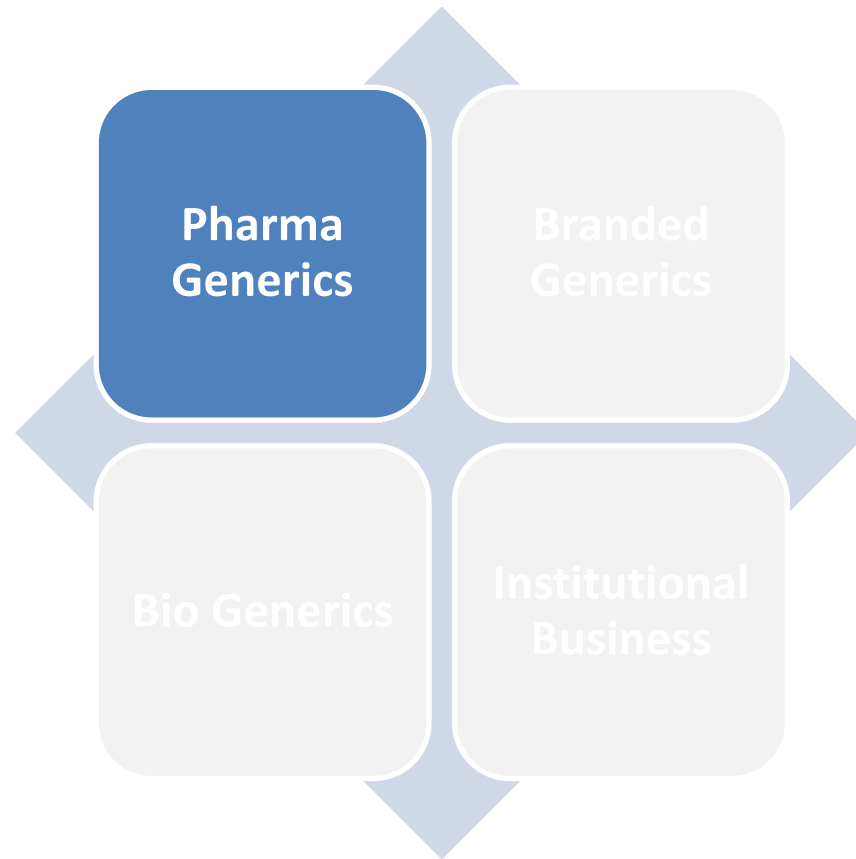
Institutional Business

- Sales of antiretroviral and anti-Malaria medicines to African govt. programmes backed by large donor agencies providing highly visible and reliable funding
- Key supplier to programs funded by UNITAID, PEPFAR and the Global Fund via public tenders

Bio Generics

- STELIS Biopharma marks the foray of Strides Arcolab into the biologics space
- Planned investments for setting up a next-generation biologics facility in Johor, Malaysia, and a 22,000 sq. ft. state-of-the-art R&D facility in Bangalore





Business Overview - Pharma Generics

- Growing global footprint in IP led generics with efficient formulation development, complex manufacturing capabilities and operational flexibility
- Diversified portfolio comprises of 300+ products including nutraceuticals, Rx soft gelatin capsules, sachets, high potency drugs like immunosuppressants and oral solids in wide ranging therapies
- Two state-of-the-art US FDA approved manufacturing facilities in Bangalore, India and Milan, Italy
- Strong regulatory and registration capabilities for regulated markets of US, Europe, Australia, and South Africa
 - Strong track record with 26 ANDA filings and over 200 filings across other established markets
- Long term business partnerships with global pharmaceutical companies such as Aspen, Alvogen, Channelle and Ascent Pharma, among others provide a stable revenue stream across geographies
- Front-ending through Strides Pharma Inc. in the US with focus on providing quality health care products with the Strides label



State-of-the-art Manufacturing Facilities

Bangalore, India



Approval	US FDA, MHRA, THA, ANVISA, MCC, WHO, Uganda and Kenya
Products	Tablets, hard gelatin capsules, soft gelatin capsules, sachets, potent drugs

Milan, Italy



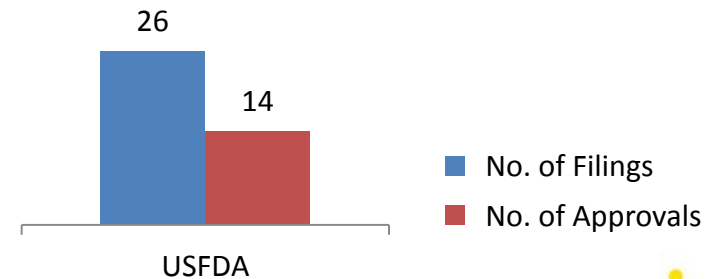
Approval	US FDA, EU
Products	Semi solids, ointments, creams

- State-of-the-art manufacturing facility with an annual production capacity of circa 3.5 billion units and approvals from major regulated market authorities
- One of the largest single-site production facilities in India with a strong IT enabled QA / regulatory systems
- Highest adherence to quality

Overview

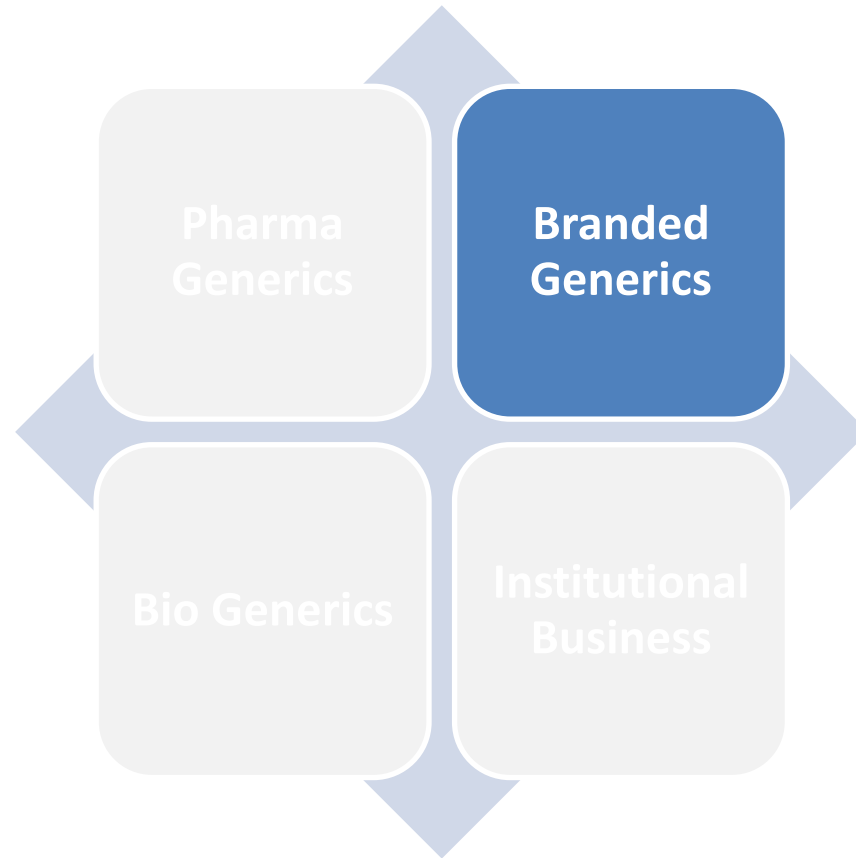
- Capabilities in difficult-to-develop products in varied dosage formats including combipacks, bilayered tablets, modified release dosage forms, sachets and soft gels
- Topicals and Oral solution Capabilities to deliver next level of growth
- Focus on difficult to develop innovative / differentiated products including capabilities for
 - Developing non-infringing formulations for early entry into the regulated markets
 - Creating own patentable technologies for lifecycle management for out-licensing to innovators
- Exhaustive pipeline of generics across varied formats and domains

Strong Track Record of Filings and Approvals



- 26 USFDA filings and 14 approvals received
- 8 ANDAs have already been commercialized in the US
- Over 200 filings and approvals in other regulated markets

- Strong R&D capabilities with a focus on development of IP-led, high-value complex generics
- Proficient regulatory framework capable of developing and filing products in major regulated markets

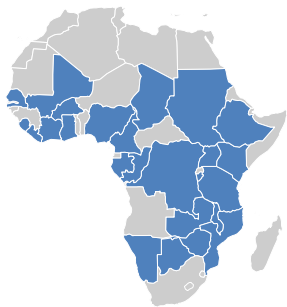


Business Overview - Emerging Markets

- Regional player known for marketing high-quality, locally relevant generic products with significant operations in Africa
- Products supplied out of a regional manufacturing hub supports the strategy of local relevance and affordable pricing
- Focus on branding creates high recognition of Strides products among doctors and patients
- Ethical sales and marketing implemented through comprehensive compliance policies, employee training and monitoring programs
- Profitability focused field force

Presence across markets

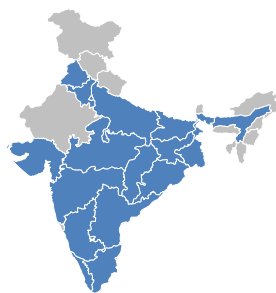
Current presence



Africa



Pre Acquisition
South India



Pan India - Post
Raricap Acquisition

Future markets



Russia/CIS



MENA / GCC

Evolution of the African Business

1990-2007

First Steps

- Strides set foot in the African continent with trading activities in Nigeria, Ghana & Sudan.
- Expanded into Francophone markets through generics business in Cameroon

2008

Consolidation of the Generic Business

- Commissioned its first manufacturing site in Africa (Nigeria)
- Initiated the East Africa operations in the generic space with a portfolio of 60 registered products

Foray into Brands business

- Initiated brand marketing business in Francophone countries with a portfolio of 12 products
- Appointed a strategic distributor in France to cater to brands business

2009-2011

Scale up of Brands business

- Operated brands business in Nigeria & 10 French African Countries with 50 medical Reps

Expansion in New Markets

- Entry strategy into MENA region through Iraq with over 40 products.

Created sizeable generic business

- Portfolio of 5 products in the \$ 1 Mn club

2012-13

Regional Expansion

- Set up owned distribution operations in Cameroon, Burkina, Congo.
- Initiated setting up of manufacturing facilities at Bangalore, Namibia, Botswana, Sudan & Cameroon.
- Proparco participated in 20% Equity of Africa business
- Diversified the Brands business portfolio by adding products for treatment of niche therapeutic segments, particularly, Anti Diabetic & Anti hypertensive.

2014

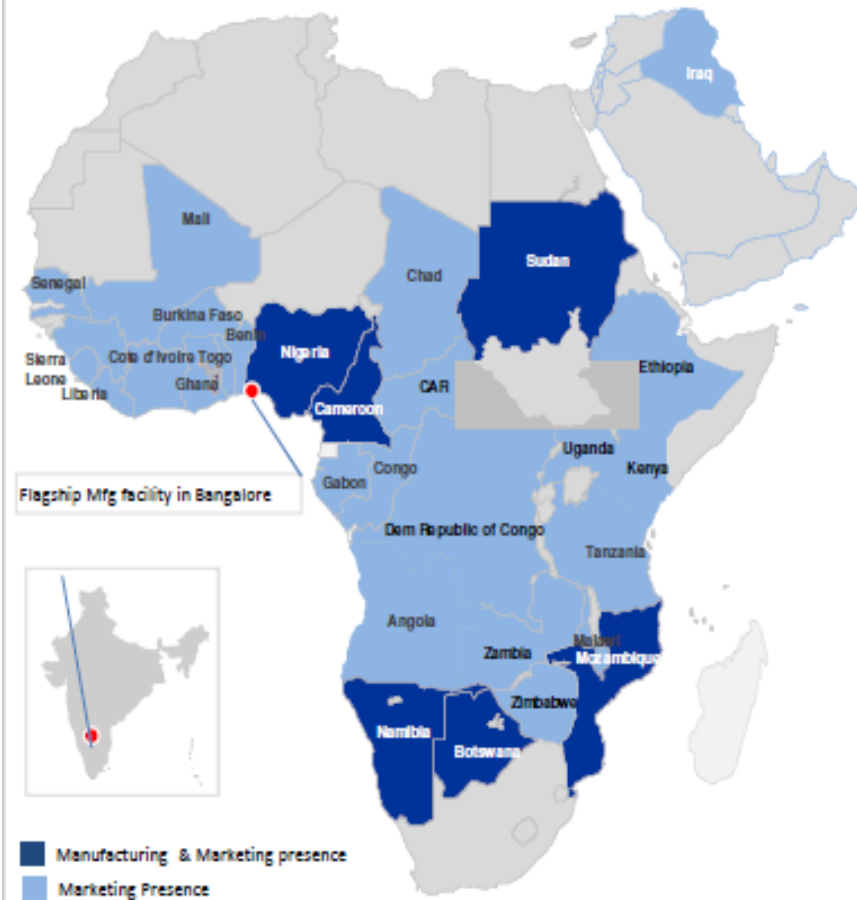
Towards Leadership position

- Commissioned manufacturing facilities at Bangalore, Namibia, Botswana, Sudan & started construction of plant at Cameroon
- Acquired Proparco's 20% stake.
- Strengthened the brands business with 200 MR's in Africa.

Business description

- Strides Africa is a branded generic pharmaceutical and OTC product company focused on the manufacture , sales and marketing of doctor prescribed & pharmacy dispensed products.
- Footprint across 27 Sub-Saharan African countries & Emerging markets like Iraq.
- Comprehensive portfolio of over 900 product registrations across these markets and a robust pipeline of 300 + that will be launched over 2014–2018
- Employs 450 people in manufacturing, scientific affairs, Sales and marketing , & back office support.
- 35% of the revenue is derived from highly profitable Rx business and the balance from the manufacturing driven business.
- Functionally, the business has three regions –
 - West Africa –Nigeria, Ghana ,
 - French Africa – French speaking countries (10)
 - Other Africa – Other African countries & EM like Iraq.
- The French African business which is a mix of branded ,Generic & opportunistic business is the fastest growing and most profitable .

Regional footprint



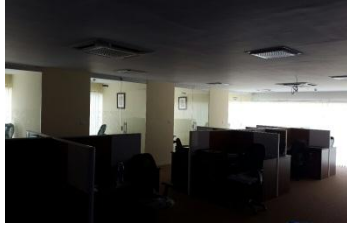
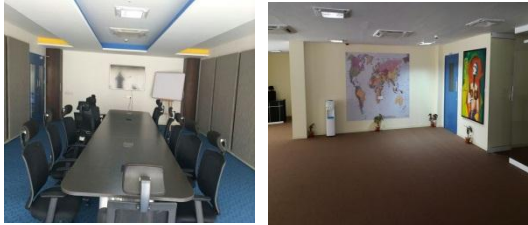
Dedicated Manufacturing Infrastructure for Africa



Flagship Plant - Bangalore



Dosage	Annual Capacity
Tablets	1000million
Capsules	400 million



Botswana



Dosage	Annual Capacity
Packaging	600 Mn Units

Sudan



Dosage	Annual Capacity
Tablets	480 million
Capsules	100 million
Caps - BLD	240 Million
Dry Sy - BLD	3 Million

Nigeria



Dosage	Annual Capacity
Tablets	240 million
Capsules	240 million
Ointments	4 million

Namibia



Dosage	Annual Capacity
Packaging	600 Mn Units

Brands Strategy

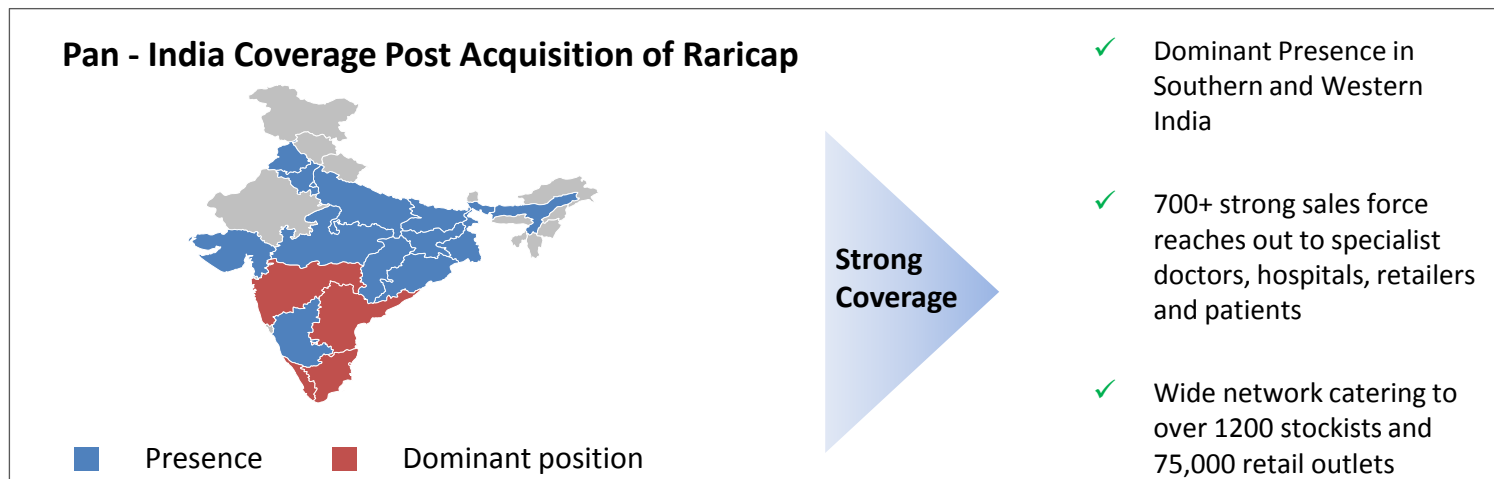
- Focus on non-price sensitive therapeutic segments - Life Threatening, Lifestyle , Life Longevity & Women's Healthcare
- Product portfolio maximization by identifying unmet needs and providing product solutions
- Expand the coverage of doctors to 200,000 by 2018
- Increase field force from 200 to 1000 over the next 3-5 years
- Improve per man productivity to \$100K PA by providing continuous training inputs and use of sales force automation tool
- Use of technology for high quality sales promotion and engrossed doctor engagement
- Shift of focus from a predominant generics business to brands business

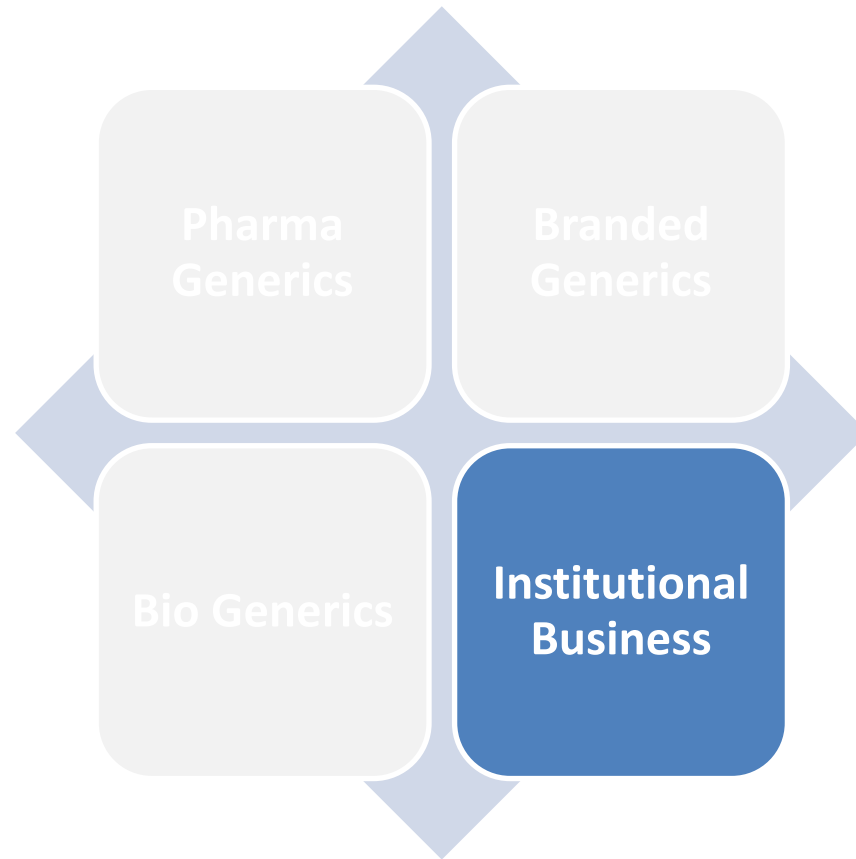
Generics and Manufacturing Strategy

- Generic business is dependent on 2 key parameters – Capacity availability & price sensitivity.
- Strategy driven business with local manufacturing presence – “In Africa for Africa”
- Moved from high dependence on the erstwhile distribution model to the establishment of own subsidiaries
- Established CGMP compliant facilities in key geographies to benefit from FDI related preferential local treatment such as govt. buying, price advantage, tax concessions, regulatory fast tracking
- Utilize in house procurement expertise and preferential raw material supply from group companies so as to manufacture quality generics at low costs.
- Better visibility to the medical profession & consumers & resultant positive impact on the brands business.

Business Overview - India

- Pan-India presence with the recent acquisition of Raricap with a dominant position in Southern India
- Caters to multiple therapeutic categories such as CNS care, Diabetes care, Cardiovascular care, Women's health, and Pain management
 - Flagship brand, “ReNerve”, a vitamin B12 supplement in soft gelatin capsules and injection forms, is among the fastest growing brands in India
 - “Renerve Plus”, as per IMS ORG is the largest selling brand by value in Vitamin B1-B6-B12 category with 50%+ market share
 - Raricap is the 8th largest in Oral Haematinic segment in India with 8 SKU's in Oral and liquid forms





Overview - Institutional Business

- Develops and manufactures antiretroviral and anti-malaria medicines
- Approved supplier to Institutionally-funded aid projects and Global Procurement Agencies like UNITAID, Global Drug Facility, PEPFAR and Clinton Foundation
- 19 PEPFAR filings with 16 tentative approvals
- Partners include leading procurement agencies like PFSCM, IDA, UNICEF, WHO, AMFm, GIZ, PAHO and MSF
- Filed over 555 dossiers globally, with 360 product registrations in more than 50 countries in Africa, LATAM and Asia
- Oral dosage facility in India – pre-qualified by WHO for the manufacture of anti-retroviral drugs and anti-malarial drugs, and also qualified by US FDA for antiretrovirals under the PEPFAR program
- Strides has also partnered with Gilead Sciences Inc, to bring Hepatitis C cure to 91 developing countries.

Products distributed in more than 65 countries

Anti-retrovirals

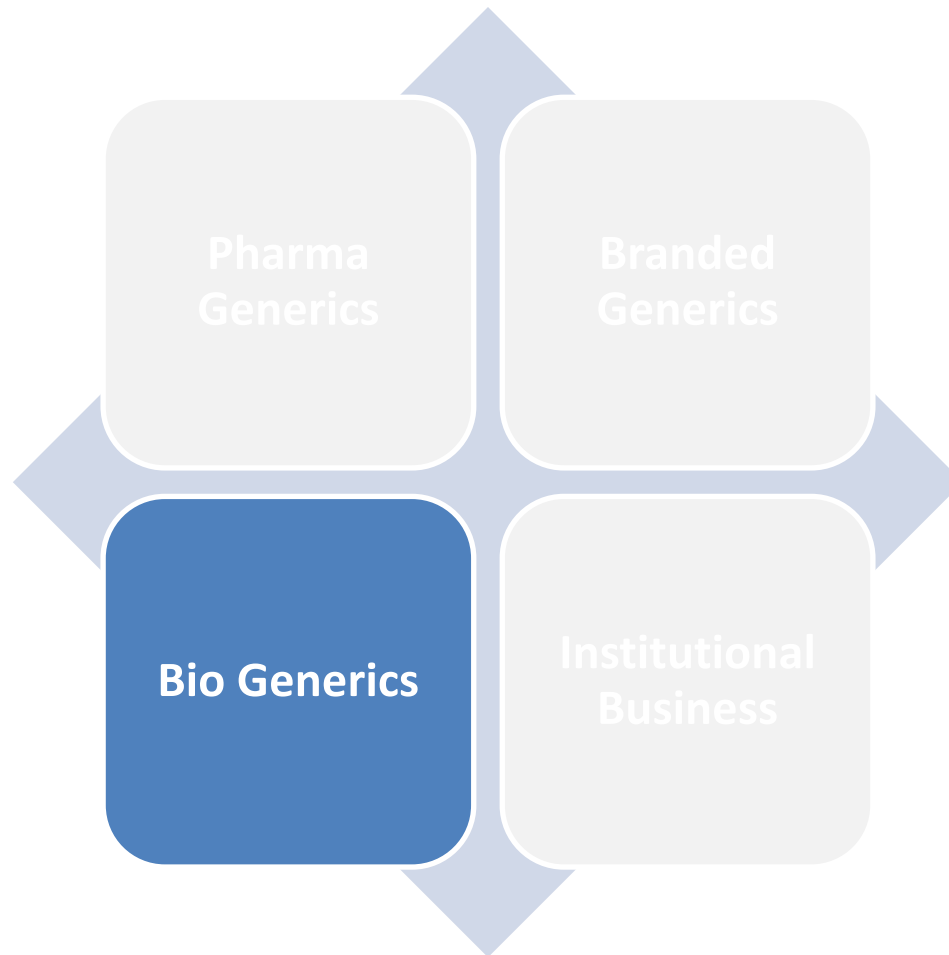


Focus on production and supply of newer anti-retroviral drugs that are difficult to manufacture

Anti-Malaria

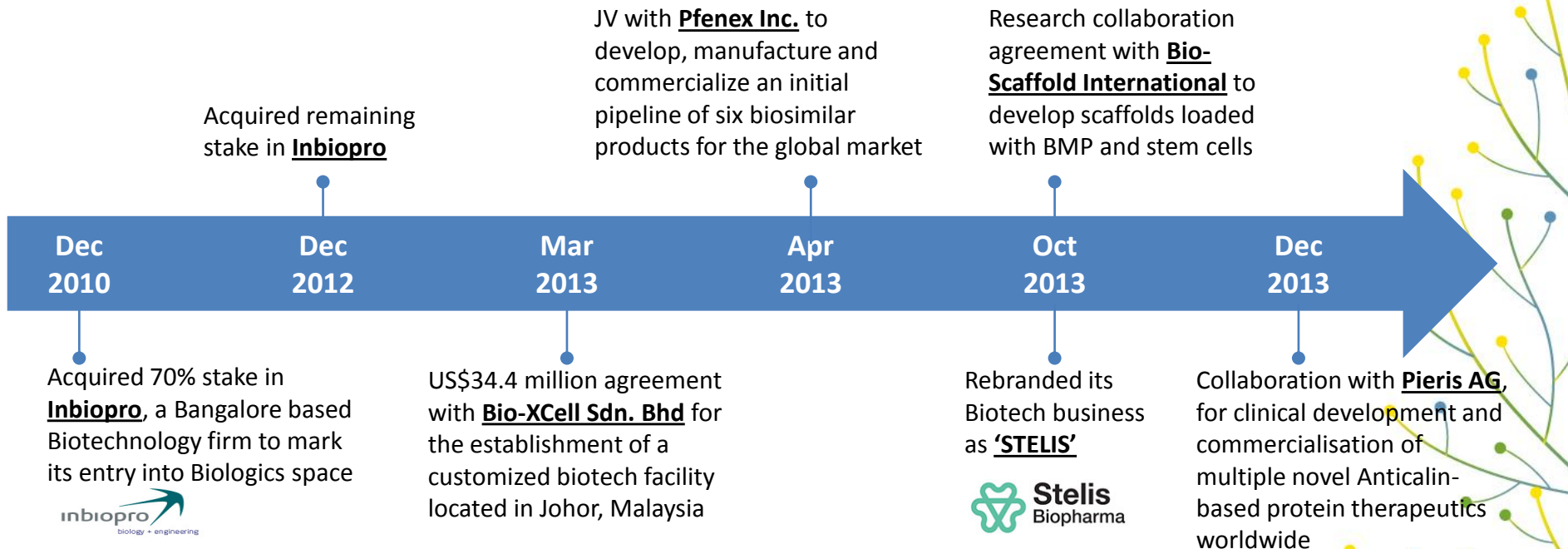


Supplies WHO Pre-Qualified Artemether + Lumifantrine (AL) tablets and Artemether inj



Business Overview - Stelis Biopharma

- Stelis Biopharma is the subsidiary of Strides set up in 2013
- Consolidates and augments the R&D activities of Inbiopro, which was fully acquired in 2012 and extends the value chain to manufacturing and commercialization of the product pipeline
- Product development progressing as per schedule for commercialization in 2015



Recent Developments

- Partnering with GMS holdings for the emerging Biotech business
- GMS holdings to Invest USD 21.90 Mn for a 25.1% stake in Stelis
- Transaction is at a 50% premium to Strides Current Investment of USD 16.9 Mn
- Strides and GMS together will invest USD 53.4 Mn over the next 2 years and with credit line of USD 40 Mn, the biotech business is fully funded

State-of-the-art Biologics Infrastructure

Upcoming Manufacturing Facility Johor, Malaysia



- Partnered with Malaysian Bio-XCell Sdn. Bhd., to set up an advanced bio-therapeutic manufacturing facility
 - It will have capability to produce simple and complex bio-therapeutics using microbial and mammalian systems and fill-finish capability in a variety of formats

R&D facility Bangalore, India



- State-of-the art R&D facility in Bangalore dedicated to bio-pharmaceuticals, catering to an internal pipeline as well as partnering activities
 - Advanced facility will house 60 scientists
 - It will incorporate the latest bio-process engineering and bio-analytical techniques and support process development in both microbial and mammalian expression systems

Snapshot – Strategy & Growth Drivers

Pharma Generics

- Focus on high-quality manufacturing
- IP-Led business model to maximize returns from regulated markets
- Front-end operations in US and UK better positioned to seize new opportunities
- Achieve significant share from niche products with high value, low volume and high profitability

Branded Generics

- Leverage niche product portfolio and branding to expand further in existing and new states
- Product portfolio maximisation by identifying unmet needs and providing product solutions
- Maximize prescription through high level of employee engagement
- Create additional brands around the “ReNerve” flagship product

Institutional Business

- Move towards efficient sourcing and focus on value added markets of “Voluntary Licenses”
- Selective participation in tenders resulting in improved margins and timely collections
- Constantly adding newer molecules and fixed-dose combinations to the therapeutic range of products

Bio Generics

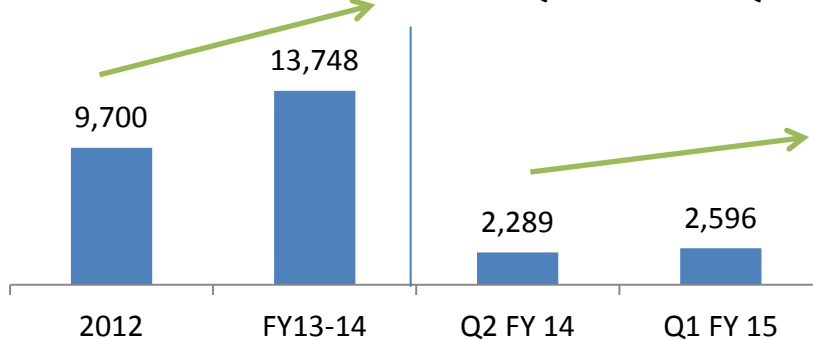
- Develop both ‘biosimilars’ and ‘novel biotherapeutics’ to a regulated market (US/EU) standard for global markets
- Offer high-quality bio-pharmaceuticals at affordable prices in high-growth emerging markets
- Develop an internal pipeline of biosimilars, utilizing the latest bacterial and mammalian expression systems

FINANCIAL SNAPSHOT

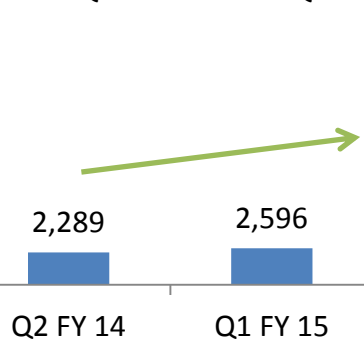


Revenue

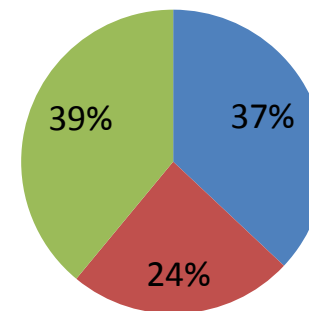
FY13-14* vs. 2012



Q1 FY15 vs. Q1 FY14

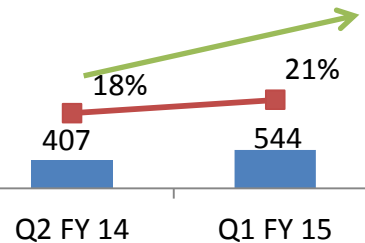
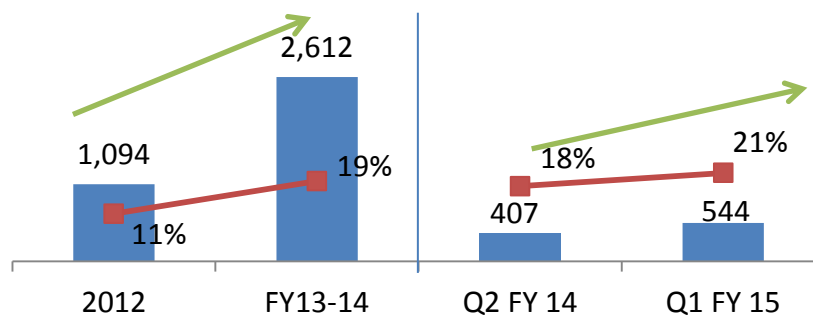


Revenue Contribution in 2013-14

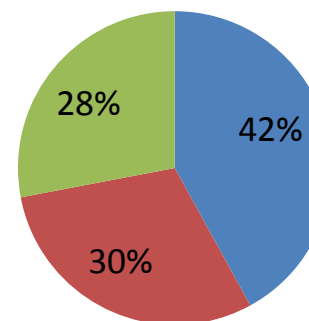


- Regulated Markets
- Emerging Markets
- Institutional Business

EBITDA and Margins (%)



Revenue Contribution in Q1 FY15

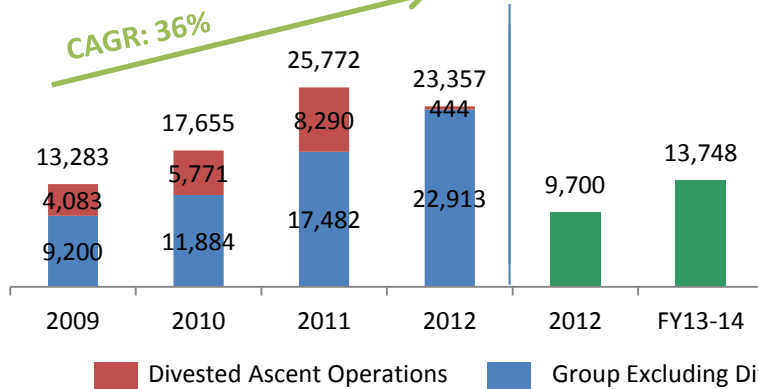


- Regulated Markets
- Emerging Markets
- Institutional Business

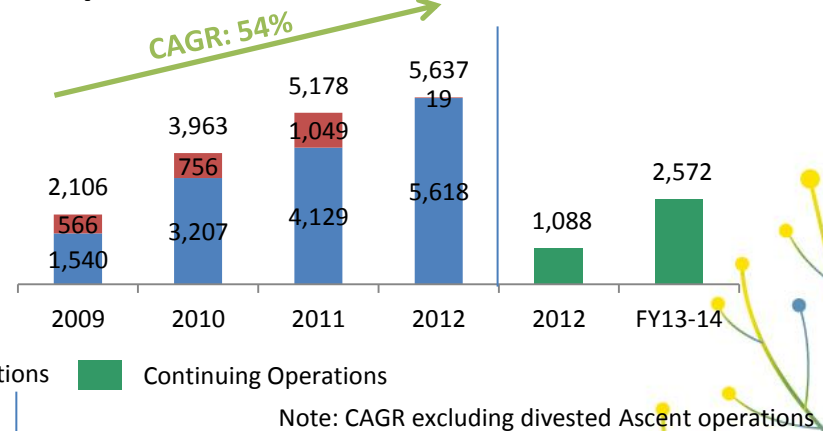
* 15 Months Period

Key Performance Indicators

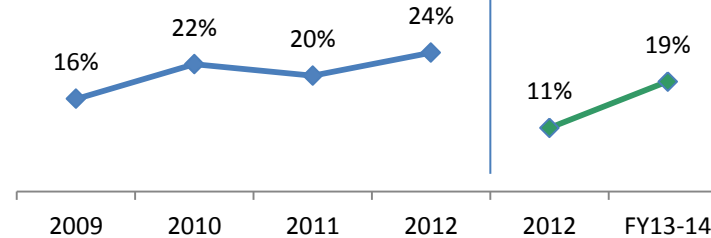
Revenue from operations



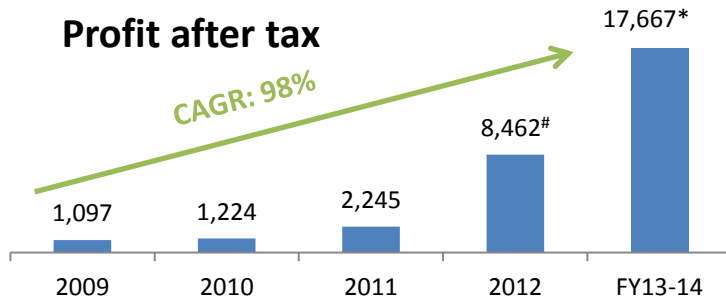
Operational EBITDA



Margin trend



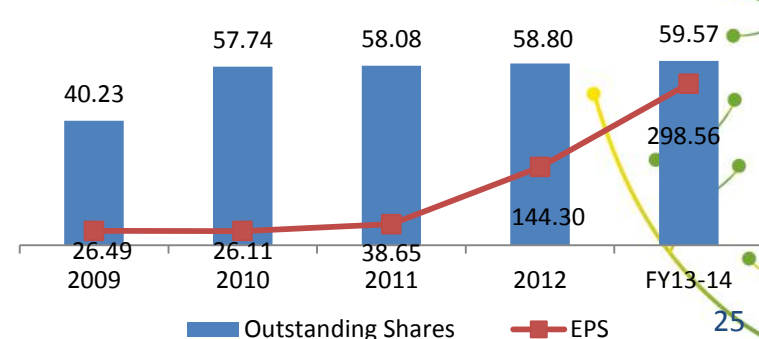
Profit after tax



* Includes Profit from Discontinued operations

Includes Profit on sale of Ascent Australasia operations

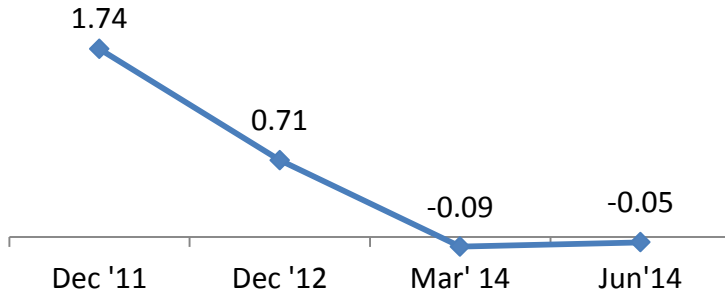
EPS



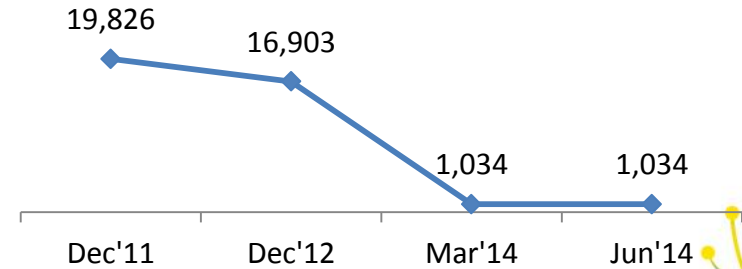
Strengthened Balance Sheet

Net Debt/Equity negative at 0.05 in Jun '14 vs 1.74 in Dec '11

Net Debt / Equity

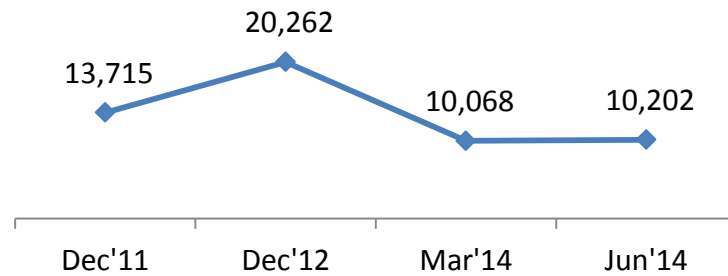


Goodwill

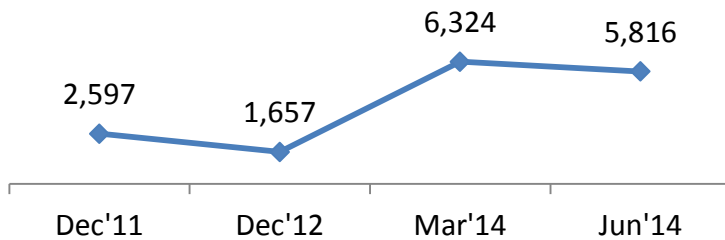


INR million

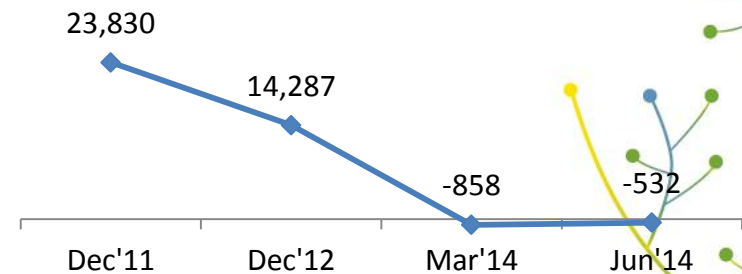
Equity



Cash & Cash Equivalents



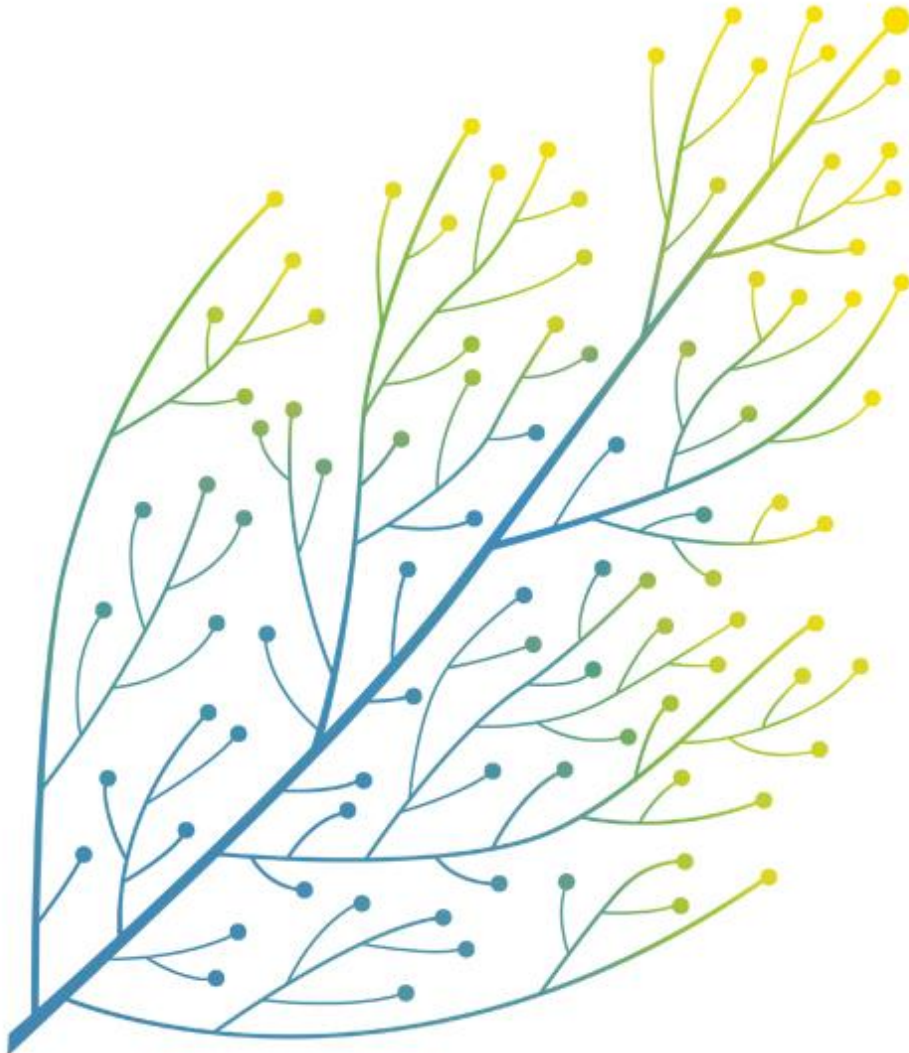
Net Debt



Recent Key Events

- Announced a special dividend of INR 105 per share on 7th October 2014, from the USD 150 Mn received from Mylan, resulting in a total dividend of INR 605 per share including the INR 500 per share declared on 10th December 2013. Total payout amounted to USD 655 Mn
- Merger of Strides & Shasun through an approved Scheme of Arrangement
- GMS holdings to invest USD 21.9 Mn for a 25.1% stake in Stelis Biopharma
- Acquired Proparco's 20% stake in African business for USD 17 Mn
- Acquired 74% of the India Branded Generic business of Bafna Pharmaceuticals for INR 481 Mn
- Strategic Investment in Oncobiologics





Strides and Shasun Combining to Accelerate Strategy and Growth

Transaction Overview

- On Monday, 29 September 2014, the boards of Strides Arcolab Limited (“Strides”) and Shasun Pharmaceuticals Limited (“Shasun”) approved the Scheme of Arrangement (“Scheme of Arrangement”) for the merger of the two Companies
- Combination to create a vertically integrated pharma company of scale with strong presence in regulated market Finished Dosage Formulations (“FDF”), emerging markets branded generics, institutional business, Active Pharmaceutical Ingredients (“APIs”), Contract Research and Manufacturing Services (“CRAMS”) and a nascent Biotech Business
- Pursuant to the Scheme of Arrangement, each equity shareholder of Shasun will be entitled to receive 5 equity shares of Strides for every 16 equity shares held by it in Shasun (the “Share Exchange Ratio”)
- Creates a top 15 listed Indian pharma company by revenues, with increased scale and visibility to drive future growth of the group
- The promoters of Strides and Shasun have agreed to vote in favour of the scheme in the court convened meeting
- Existing Promoter Group of both the Companies will be classified as Promoter Group of the Merged entity; Shasun Promoter Group to have board representation in the Merged Entity

Proposed Transaction Terms

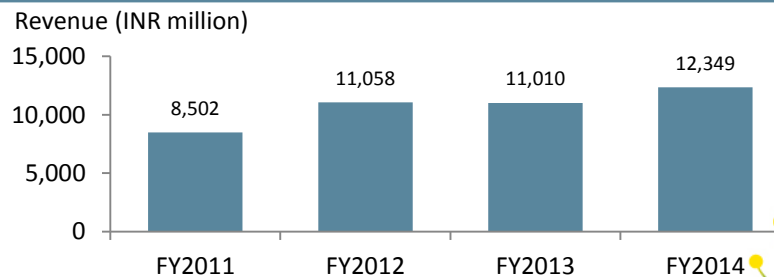
Surviving Entity:	<ul style="list-style-type: none"> • Strides Arcolab Limited (“Strides”, the “ Company”)
Structure:	<ul style="list-style-type: none"> • Scheme of arrangement pursuant to the Companies Act 1956 and the Companies Act 2013
Consideration:	<ul style="list-style-type: none"> • 100% share for share exchange; merger via scheme of arrangement pursuant to the Companies Act 1956 and the Companies Act 2013
Fixed Exchange Ratio:	<ul style="list-style-type: none"> • 5 equity shares of Strides for every 16 equity shares of Shasun • Warrants of Strides will be issued for outstanding warrants of Shasun and the number of equity shares of the Company into which such warrants can be converted upon exercise will be determined in accordance with the Share Exchange Ratio
Pro forma Ownership Split Post Merger:	<ul style="list-style-type: none"> • 74.0% Strides Shareholders / 26.0% Shasun Shareholders
Expected Closing:	<ul style="list-style-type: none"> • June 2015
Certain Closing Conditions:	<ul style="list-style-type: none"> • Majority Public Shareholder Approval from both Strides and Shasun • Regulatory Approvals • Foreign Investment Promotion Board (FIPB) • RBI Approval • Creditors Approval • Competition Commission of India (CCI) Approval



Overview of Shasun

Overview of Shasun

- Founded in 1976, Shasun is headquartered in Chennai, India and listed on the Bombay Stock Exchange and the National Stock Exchange of India
- Develops, manufactures and sells API and FDF primarily for the regulated markets
- Offers CRAMS services to customers globally from its facility in Dudley (UK)
- Reported consolidated sales of INR 13,091 million and EBITDA of INR 1,644 million for the 12 month period ended June 30, 2014



APIs (59%)⁽¹⁾

- Primarily focused in the area of pain management, amongst the global leaders in Ibuprofen and key suppliers of Ranitidine and Gabapentin
- Caters to marquee global customers
- Portfolio of 24 Drug Master Files (“DMFs”) filed and pipeline of 12 DMFs under development
- 2 FDA approved facilities

Reg Market Formulations (16%)⁽¹⁾

- 100% US focused business
- Historically adopted a partnership approach with Shasun undertaking the development work and front end partner’s and undertaking commercial operations
- Current portfolio consists of **3** commercialised ANDAs and **11** filed ANDAs in the **niche and complex domain of modified release products**
- Pipeline of **30** products in the extended / modified release domain
- FDA approved facility

CRAMS (25%)⁽¹⁾

- Caters to global clients from its UK facility located in Dudley
- FDA, PMDA and MHRA approved facility
- Portfolio of 27 launched products
- Caters to NCE segment, currently has 7 products in Phase 3

Biotech (0.4%)⁽¹⁾

- Nascent biotech business focusing on Indian markets

(1): % of TTM revenue as of June 2014

Strategic Rationale of the Merger

1

Creates a vertically integrated pharma company of scale with strong presence in front ended regulated market FDF, emerging markets branded generics, institutional business, APIs and CRAMS

2

Significantly enhanced regulated market FDF portfolio in Rx and OTC in niche and complex segments

3

Significant strengthening of the institutional business via vertical integration benefits

4

De-risked business model with significantly enhanced operational infrastructure of scale

5

Catapults Merged Entity to amongst the top 15 listed Indian pharma companies by revenue

6

Significant scope for synergies leading to value creation for all stakeholders

1 Vertically Integrated Merged Entity with Diversified Revenue Streams across Geographies

Merged Entity had revenues of INR 24,795 million and reported EBITDA of INR 3,784 million of June 30, 2014

LTM Revenue (June 2014)

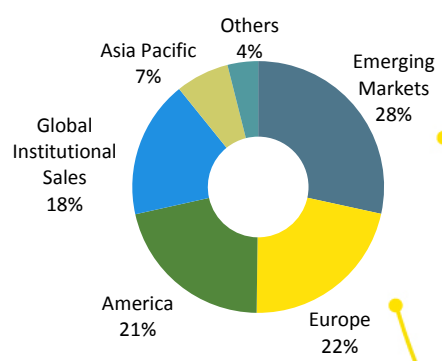
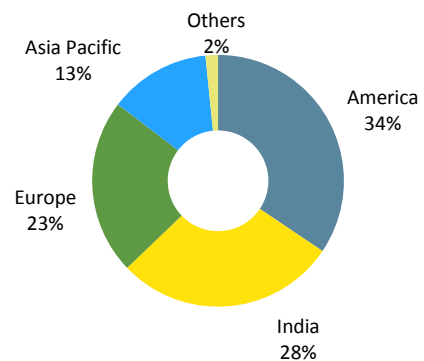
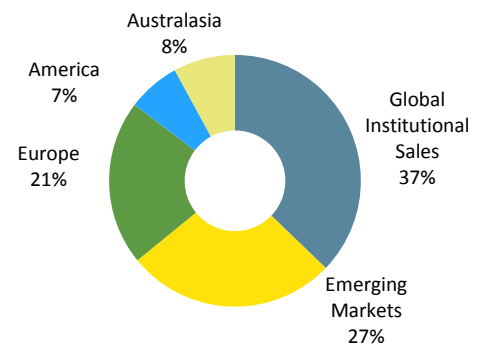
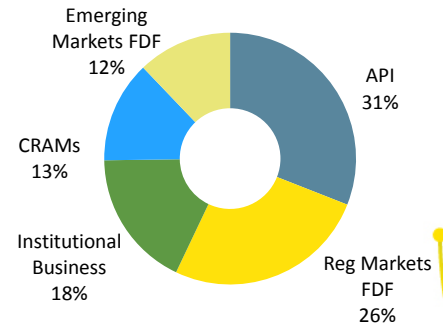
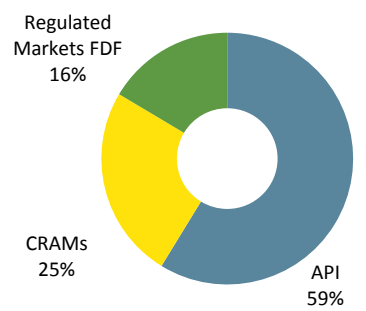
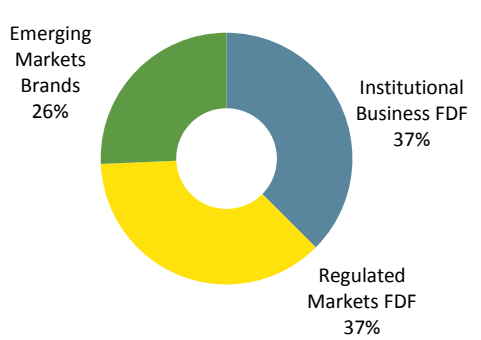
Strides – INR 11,704 million

Shasun – INR 13,091 million

Merged Entity – INR 24,795 million

Derisked business stream across verticals

Geographically diversified revenue stream



Front ending presence in US, Africa, UK and India

2 Enhanced Regulated Market FDF Portfolio in Niche and Complex Segments

Enhanced Regulated Market FDF Portfolio and Access to Pipeline of Complex Extended Release Products

USFDA	Approved	Filed	Pipeline	Total	Filing 2015	Launched	Partnered
SGC	2	5	1	8	-	2	-
Extended Release	-	2	32	34	1	-	13
Creams and Ointments	1	1	8	10	2	1	-
Suspension	-	-	6	6	-	-	-
OTC	3	3	7	13	2	3	-
505 (b(2))	-	-	1	1	-	-	-
FTF	-	1	1	2	1	-	-
Other	11	17	58	80	11	8	7
Total	17	29	114	160	17	14	20
PEPFAR	16	2	-	18	-	-	-









3 Strengthened Institutional Business via Vertical Integration Benefits

Strides Current Positioning

- Develops and manufactures antiretroviral and anti-malaria medicines
- Approved supplier to Institutionally-funded aid projects and Global Procurement Agencies like UNITAID, Global Drug Facility, PEPFAR and Clinton Foundation
- Currently perceived as a fringe player in the institutional business on account of limited FDF capacity and outside dependence on APIs

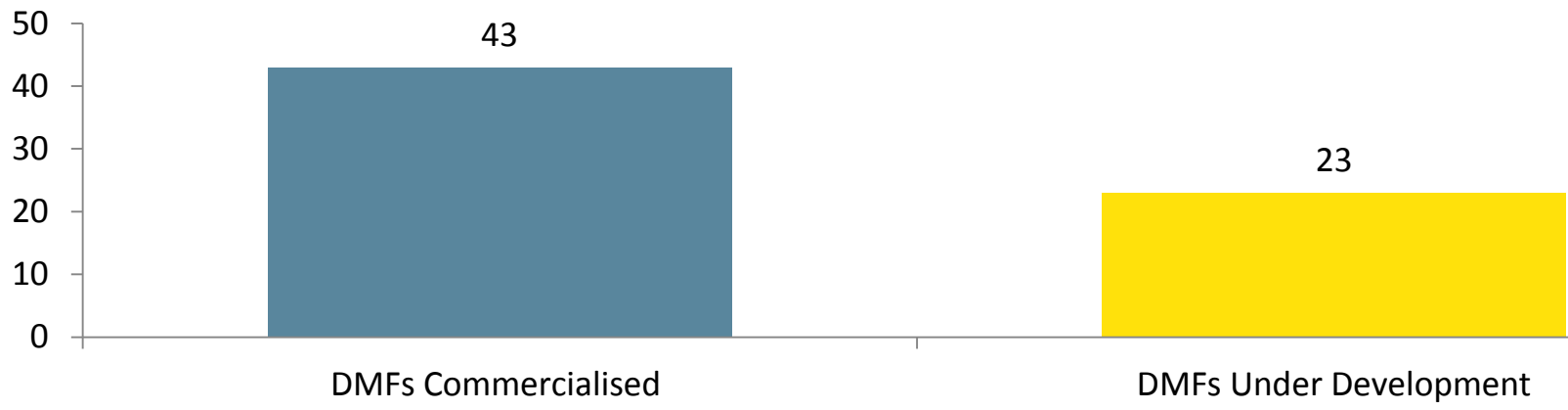
Shasun Strengthens the Group's Position

- World Health Organisation ("WHO") and US FDA approved FDF facilities with spare capacity and API facilities
- Technology available in-house to accelerate filings of DMF for the API required for institutional business
 - DMF filed for Tenofovir
 - Cycloscrine already commercialised

Company	Scale	Vertical Integration
 AUROBINDO <small>Committed to healthier life!</small>	✓ ✓	✓ ✓
 aspen	✓ ✓	✗
 Cipla	✓ ✓	✓ ✓
 HETERO	✓ ✓	✓ ✓
 Mylan	✓ ✓	✓ ✓
 Strides ARCOLAB LIMITED	✓	✗
 Strides ARCOLAB LIMITED	✓	✓
 Shasun For Life - Science Works	✓	✓

3 Leverage In-house API Capabilities

Overview of DMF Filings



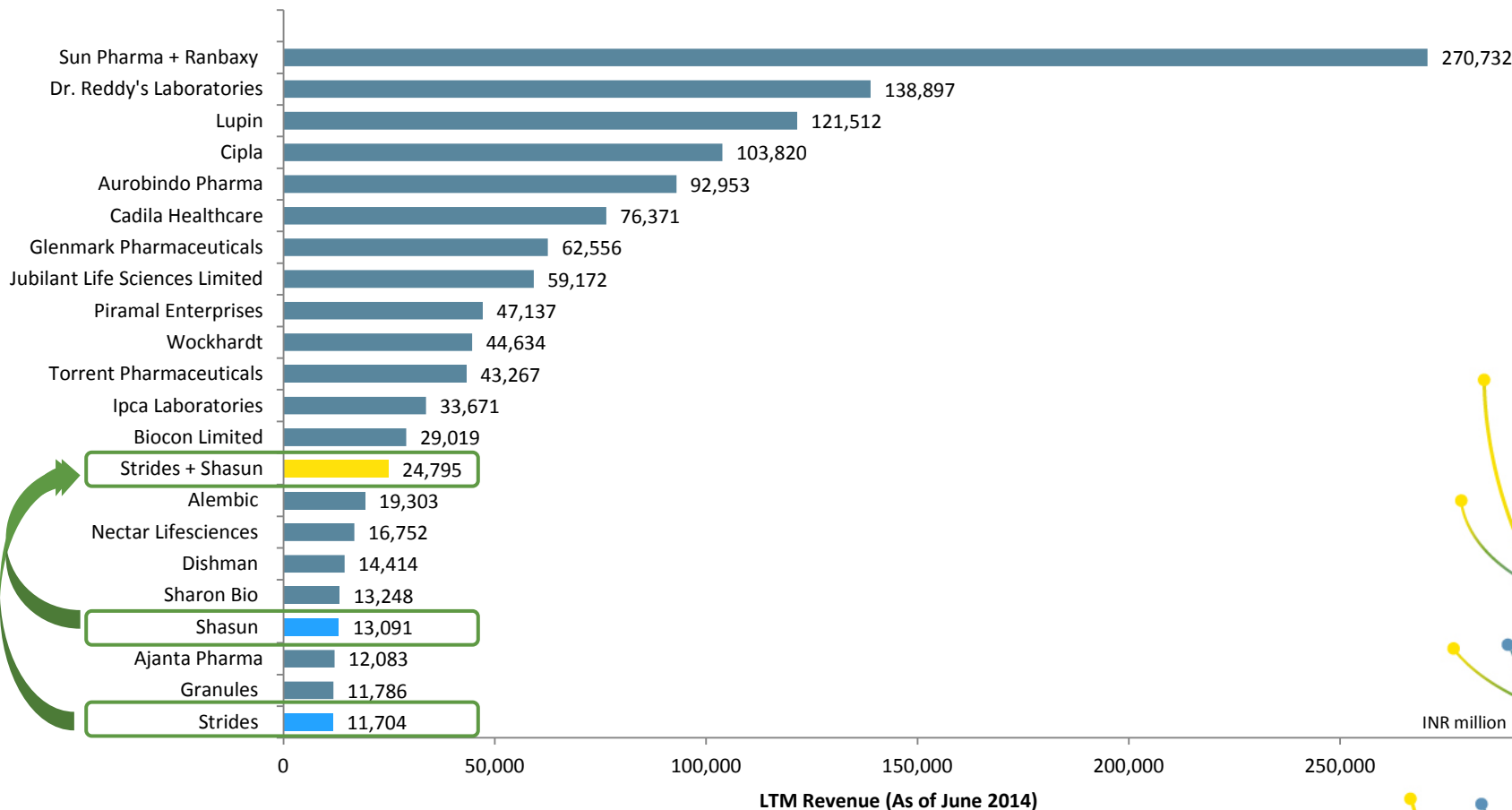
- Portfolio of 43 commercialised DMFs and an additional 23 DMFs under development
- Merged entity to leverage Shasun's best in class API manufacturing capacities and align focus with FDF portfolio and pipeline

4 De-risked Business Model with Significantly Enhanced Operational Infrastructure of Scale

	Strides	Shasun	Merged Entity
Formulation Development R&D Scientists	110	106	216
Process Chemistry R&D Scientists	-	187	187
Manufacturing and Other Employees	c.1,500	c.2,100	c.3,600
FDF Facilities – US FDA Approved	2	1	3
API Facilities – US FDA Approved	-	2	2
CRAMS Facilities - US FDA Approved	-	1	1
Emerging Market Facilities	6	-	6

Significant impetus to R&D with over 400 scientists in the merged entity

5 Catapults Merged Entity to Amongst the Top 15 Listed Indian Pharma Companies by Revenue



- Merged Entity to have revenues of INR 24,795 million as of LTM June 2014
- Revenues exclude potential synergies expected from the merger

6 Significant Scope for Synergies Leading to Value Creation for All Stakeholders

Revenue Synergies

- Merged Entity to cross-leverage the existing relationships across API and regulated markets formulations business
- Benefit from large scale and wider geographic reach

Cost Synergies

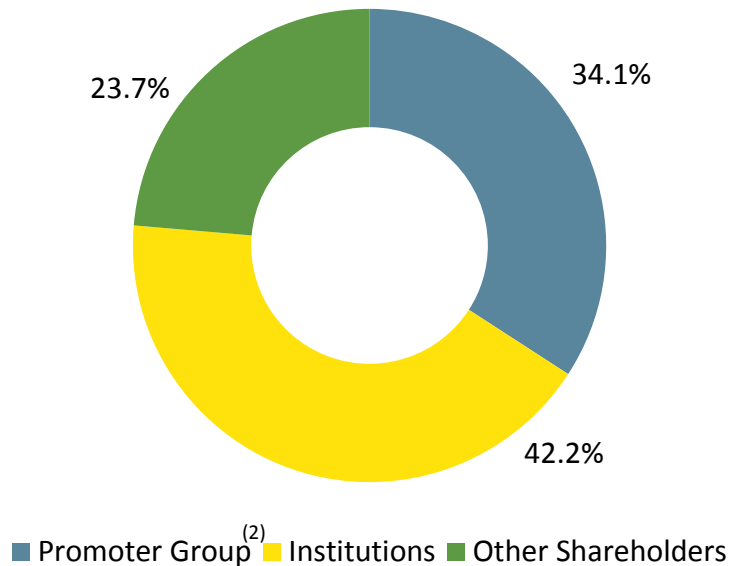
- Synergies to be realised through workforce optimization across business function
- Benefit from cost savings in corporate expenses, operational expenses and R&D expenses
- Benefit from sharing of the facilities thereby reducing capital expenditure

Other Potential Areas of Synergies

- Complementary R&D capabilities - More than 100 products under development with only one overlapping product
- Other potential synergies expected on account of reduced taxes for the joint entity would lead to further value creation for the Company

Post Merger Shareholding Structure

Post Merger Shareholding Structure¹



Group Cross Holdings

- ✓ SeQuent Scientific Limited owns 15.7 %⁽¹⁾ stake on a fully diluted basis in Shasun
- ✓ This ownership is via the preferential allotment and convertible warrants issued to SeQuent Scientific Limited on 21st May 2014
- ✓ The preferential allotment and convertible warrants were issued at a price of INR 110 which represents a premium of 22.6% to the 2 week VWAP of Shasun and premium of 39.0% to the 26 week VWAP
- ✓ The Promoter Group of Strides and SeQuent Scientific Limited are related parties
- ✓ Family office of the Strides Promoter Group has a direct holding of 1.3 %⁽¹⁾ in Shasun

Key Next Steps

Announcement: September 29, 2014

- Shareholder approval from both Strides and Shasun
- Approval from SEBI and Stock Exchange
- Court approval for Scheme of Arrangement
- FIPB Approval
- RBI Approval
- CCI Approval

Closing: Anticipated by June 2015

ANNEXURES



2012: Ascent Sale Unlocked Significant Value for the Group

Transaction Overview

- On 24 January 2012, Strides Arcolab sold Ascent Pharmahealth, its generic pharmaceutical operations in Australia and Southeast Asia, to Watson Pharmaceuticals
- All-cash transaction valuing Ascent at an enterprise value of AU\$375 million
- Simultaneous signing and closing of the transaction fully de-risked the transaction
- Achieved valuation at the top end of the very best transactions in the industry

Company Overview

- **Australia**
 - Top 5 generic pharmaceutical company with the second largest pharmacy field force
 - Robust portfolio of marketed and pipeline products across generics, OTC, skin care and dermatology as well as established off-patent brands on behalf of global innovator companies
- **Southeast Asia**
 - Leading generic pharmaceutical company in Singapore (Drug Houses of Australia) with local manufacturing
 - Scalable platform across Malaysia, Hong Kong, Vietnam, Thailand, Myanmar and Brunei

- Strides had created significant value addition to Ascent since its initial investment in 2008
- Proceeds used to reduce debt, thus significantly improving capital structure
 - Improvement in Net Debt / Equity ratio from 1.68 as of December-2011 to 0.63 as of March-2012
- Significantly improved the EBITDA margins of the remaining pharma business

2013: Crystallizing Significant Value Created at Agila

Creation of a global leader in generic injectables

Building knowledge base 1996-2000

- Opened first sterile facility
- Focus on contract manufacturing

Investment in infrastructure 2001-2007

- Defocused contract manufacturing
- Target regulated markets
- Strong investments in R&D
- Joint ventures

Accelerated filings and approvals 2008-2011

- Large value niche sterile and oncology products
- Market-leading track record of filings and approvals
- US FDA facility approvals
- Big Pharma partnerships

Growth and profitability 2012-onwards

- Stable cash flows
- Amongst the largest generic injectables pipelines
- Best-in-class infrastructure providing platform for future growth

Value Crystallisation

Strides Arcolab Limited Enterprise Value⁽¹⁾

US\$1,142
Million

(1) As at 5 December, 2013

Enterprise value for Agila Specialties⁽²⁾

US\$1,750
million

(2) Includes holdback of US\$250 million

- Proceeds used to reduce debt and incur costs related to the satisfaction of certain contingent conditions
- Proceeds used to pay out a special dividend of INR 500 per share, resulting in a pre-tax distribution of US\$525 million, thus returning 88% of the free cash available with the company
- Retained US\$75 million for growth capital. US\$50 million of long term debt in its continuing pharma business

Governance @ Strides

- Four out of Nine Board Members are Independent
- Empowered Business Management team with end to end accountability
- Integrated Management Review from Operations to External Reporting
- Annual Report received consecutive recognitions for disclosure and presentation of financials

Board of Directors



Deepak Vaidya
Chairman of the Board



Arun Kumar
Founder & Group CEO



S. Sridhar
Chairman of the Audit Committee



P.M Thampi
Independent Director



A.K Nair
Independent Director



Sangita Reddy
Independent Director



M.R Umarji
Non – Executive Director



Bharat D Shah
Non – Executive Director



Mukul Sarkar
Nominee & Non – Executive Director

Experienced Management Team



Arun Kumar
Founder & Group CEO

*Founder & Group CEO
Over 24 years of experience*



Joe Thomas
*Chief Corp.
Development Officer*

*Joined Strides in Jan-2012
Over 31 years of experience*



**Badree
Komandur**
*CFO & Company
Secretary*

*Joined Strides in Mar-2010
Over 20 years of experience*



Sebi Chacko
*Chief Human
Resources Officer*

*Joined Strides in Dec-2013
Over 20 years of experience*



Mohan Kumar
CEO – Pharma

*Joined Strides in May-2013
Over 33 years of experience*



**Sinhue
Noronha**
*CEO - Africa
Operations*

*Joined Strides in Apr-2010
Over 34 years of experience*



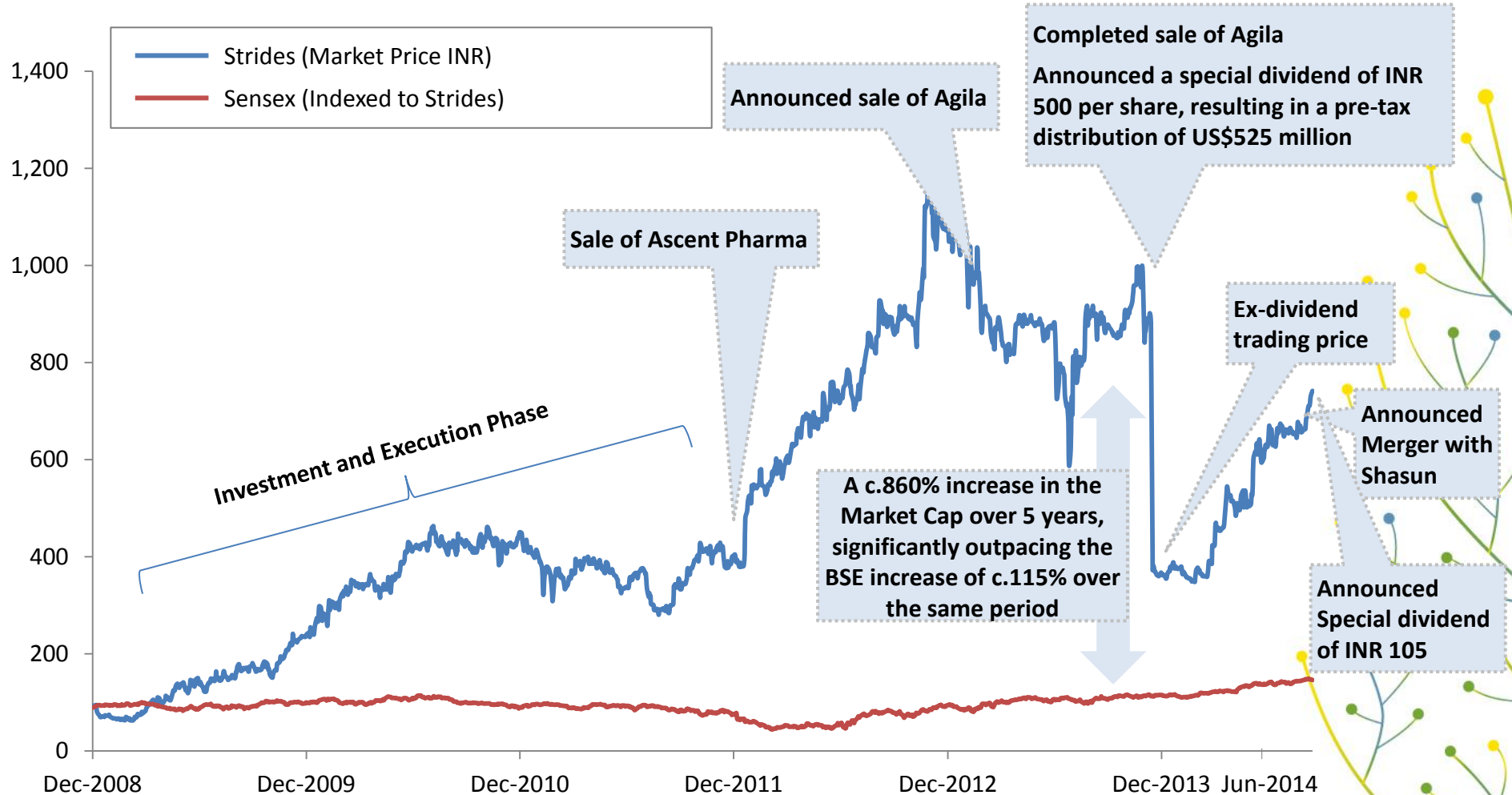
**Subroto
Banerjee**
*President –
Brands India*

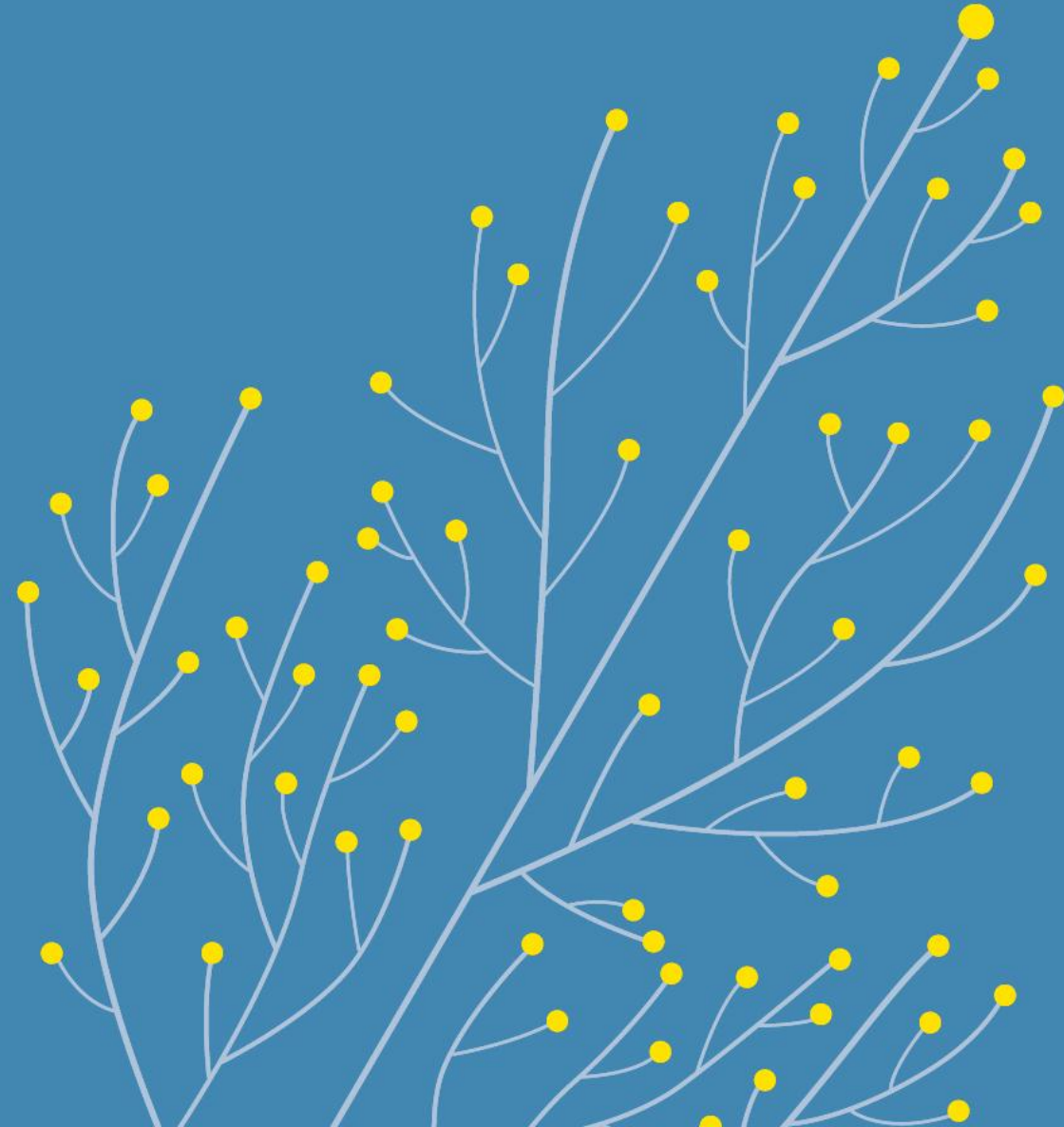
*Joined Strides in Mar-2012
Over 28 years of experience*



Strides has Delivered Attractive Return for its Shareholders

Value creation for the shareholders by returning 88% of the free cash available by way of a special dividend





THANK YOU