



Press Release

Tuesday, January 24, 2012

Strides Arcolab Limited,
Strides House,
Bannerghatta Road,
Bangalore – 560076, India

BSE: 532531
NSE: STAR

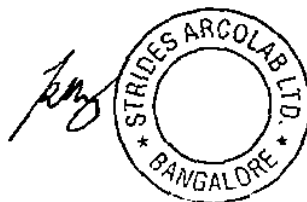
STRIDES ARCOLAB SELLS ITS GENERIC PHARMACEUTICAL OPERATIONS IN AUSTRALIA AND SOUTHEAST ASIA TO WATSON PHARMACEUTICALS FOR AU\$ 375 MILLION

- *Executes on the announced strategy to focus on core high-growth Agila Specialties business unit while capitalising on significant value creation to date*
- *Represents a highly attractive return on investment for its shareholders*
- *Significantly strengthens its balance sheet*

Bangalore: Strides Arcolab Limited (BSE: 532531, NSE: STAR) today announced the sale of its 94% shareholding in Ascent Pharmahealth Limited, its subsidiary with operations in Australia and Southeast Asia, to Watson Pharmaceuticals, Inc. (NYSE: WPI). As part of the transaction, Watson also acquired the remaining 6% shareholding associated with Dennis Bastas, CEO of Ascent. The transaction was signed and closed simultaneously. The cash offer from Watson values Ascent at an enterprise value of AU\$ 375 million.

Ascent is a top five generic pharmaceutical company in Australia and is present across several countries in Southeast Asia, including Singapore where it is the leading generic pharmaceutical company.

Watson is an integrated global specialty pharmaceutical company engaged in the development, manufacturing, marketing and distribution of generic pharmaceuticals and specialised branded pharmaceutical products focused on Urology and Women's Health. Watson has operations in many of the world's established and growing international markets.



Commenting on the transaction, Arun Kumar, Executive Vice Chairman and Group CEO of Strides Arcolab, said: "The sale of Ascent is a value enhancing and forward-looking initiative for Strides. We have been clear about our intention to focus on our highly attractive steriles segment, which we expect to be our growth engine going forward. The transaction further facilitates the execution of this strategy and unlocks significant value for the Group. Furthermore, the proceeds from the transaction considerably strengthens our balance sheet."

"We are very proud of Ascent's achievements in the Australasian region and on behalf of Strides Arcolab, I would like to thank the management and employees of Ascent for their dedication, commitment and effort, which have led to considerable value creation. Over the last six months, the Strides-Ascent partnership generated significant economic benefit through the transformation of Ascent into a vertically integrated generics business with a robust portfolio of marketed and newly developed pipeline products. In addition, we further expanded the business from its home market in Australia to establish a scalable platform across high-growth emerging markets in Southeast Asia."

"Combining the product portfolios and commercial infrastructures of Ascent, Watson creates a substantial generics business in the region and provides Ascent with a number of new growth opportunities. We believe that Ascent, its partners, customer and employees across all of its markets will benefit from the continued development under its new owners."

Paul Bisaro, President and CEO of Watson, said: "The acquisition of Ascent provides Watson with a successful commercial structure in both Australia and Southeast Asia and a broader pipeline of products to support continued growth. We are excited to welcome the Ascent employees in Australia and Southeast Asia to our growing global team and anticipate a seamless and rapid integration of the Ascent businesses."

Jefferies International Limited acted as sole financial advisor to Strides Arcolab. Middletons, Herbert Smith LLP and DSK Legal acted as legal counsel.

The Company will be hosting an Analyst call at 04.30 p.m., India time on January 24, 2012.

This announcement does not constitute a recommendation to shareholders or potential investors.



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 with an emphasis on sterile injectables.

The company has 13 manufacturing facilities across 5 countries with presence in more than 75 countries in developed and emerging markets. Manufacturing is ably supported by a 350-scientist strong global R&D Centre located in Bangalore.

About Agila Specialties

Agila Specialties Private Limited is the specialties unit of Strides Arcolab which was spun off as a separate division post the Company's restructuring in 2009. It is focused on key domains such as oncolytics, penems, pencillins, cephalosporins, ophthalmics, peptides and biosimilars and operates from 8 world class global manufacturing facilities, including one of the largest steriles capacity in India and amongst the largest lyophilization (freeze drying) capacities in the world. Agila's marketing network covers 70 countries and it has partnerships with some of the world's leading pharmaceutical companies for both developed and emerging markets.

Additional information is available at Strides' website at www.stridesarco.com. For further information, please contact:

<p><u>Strides Arcolab</u></p> <p>Dr. T.S. Rangan, Group CFO +91 80 6784 0115</p> <p><u>Investors:</u></p> <p>Mr. Ajay Singh +91 80 6784 0813 ajay.singh@stridesarco.com</p> <p><u>Media:</u></p> <p>Mr. Kannan N +91 98450 54745 kannan.n@stridesarco.com</p>	<p><u>PR Consultancy</u></p> <p>Corporate Voice Weber Shandwick</p> <p>Mahesh Nair +91 98803 76648 maheshn@corvoshandwick.co.in</p> <p>Hiba Kunil +91 98807 26372 hiba@corvoshandwick.co.in</p>
--	---

