

Form 604
Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme Ascent Pharmahealth Ltd

ACN/ARSN 107 340 367

1. Details of substantial holder (1)

Name Stride Arcolab Limited (incorporated and registered in India) and each of its controlled entities, including
ACN/ARSN (if applicable) Linkace Limited (incorporated and registered in Cyprus)

There was a change in the interests of the substantial holder on 22 / 12 / 2010
The previous notice was given to the company on 19 / 08 / 2010
The previous notice was dated 19 / 08 / 2010

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary	150,489,600	60.33%	160,046,827	64.16%

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
No change.					

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
Linkace Limited	Linkace Limited	Linkace Limited	Registered holder of shares	150,489,600 ordinary shares	60.33%
Strides Arcolab Limited	Linkace Limited	Linkace Limited	Strides Arcolab Limited controls Linkace Limited	150,489,600 ordinary shares	60.33%

Ascent Pharmahealth Limited ACN 107 340 367

Notice of Change of interests of substantial holder: Strides Arcolab Limited

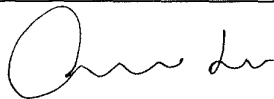
This is annexure A of 4 pages (including this page) referred to in Form 604: Notice of change of Interests of substantial holder

Signature

Print Name: Arun Kumar

Capacity: Group CEO and Managing Director

Sign Here



Date 23rd December 2010

Memorandum of Understanding

Date 21st day of December 2010

Parties

1. **Strides Arcolab Limited** of Strides House, Bilekahalli, Bannerghatta Road, Bangalore 560076, India (**Strides**)
2. **Dennis Bastas** C/- 151-153 Clarendon Street, South Melbourne, Victoria, Australia (**Bastas**)

Background

- A. Strides is the parent company of Linkace Limited, which is the majority shareholder in Ascent Pharmahealth Limited (**APH**).
- B. Bastas is the Chief Executive Officer (**CEO**) and Managing Director of APH and is also an existing shareholder in APH through entities he controls.
- C. Strides, through a wholly-owned subsidiary (**Linkace Investments Pty Ltd**), wishes to acquire the outstanding minority shares in APH (other than those held by Strides and Bastas) and transition APH from public to private ownership (**Transaction**). The Transaction is to be implemented by way of a scheme of arrangement proposed by APH (**Scheme**).
- D. In its indicative proposal dated 16 March 2010, Strides indicated to the APH board of directors (**Board**) that it would seek the continued participation of Bastas as an equity participant as part of any formal proposal and that Bastas would be retained in his management role.
- E. This Memorandum of Understanding (**MOU**) sets out the terms on which the parties have agreed to proceed with the Transaction.

Agreed terms

The parties have agreed to the following terms:

1. Bastas has agreed that, if he holds shares in APH as at the record date for the Scheme either directly or indirectly through entities he controls (**Bastas APH Shares**), he will be an "excluded shareholder" for the purposes of the Scheme and will therefore remain as an equity participant in APH following completion of the Transaction. However, nothing in this MOU:
 - (a) restricts Bastas' power to dispose of, or control the exercise of the power to dispose of, the Bastas APH Shares; or
 - (b) confers on Strides the power to exercise, or control the exercise of, a right to vote attached to the Bastas APH Shares.
2. Bastas will remain as CEO and Managing Director of APH and will use all reasonable endeavours to ensure that members of the APH management team also remain with APH immediately following completion of the Transaction.

General

1. This MOU contains the entire understanding between the parties concerning the subject matter of the MOU and supersedes all prior communications between the parties.
2. A party, at its own expense and within a reasonable time of being requested by another party to do so, must do all things and execute all documents that are reasonably necessary to give full effect to this MOU.
3. Any provision of this MOU which is invalid in any jurisdiction must, in relation to that jurisdiction be read down to the minimum extent necessary to achieve its validity, if applicable and be severed from this MOU in any other case, without invalidating or affecting the remaining provisions of this MOU or the validity of that provision in any other jurisdiction.
4. This MOU is governed by and must be construed in accordance with the laws in force in Victoria. The parties submit to the non-exclusive jurisdiction of the courts of that State and the Commonwealth of Australia in respect of all matters arising out of or relating to this MOU, its performance or subject matter.
5. If this MOU consists of a number of signed counterparts, each is an original and all of the counterparts together constitute the same document.

(Reminder of the page intentionally left blank)

(Signature page to follow)

Executed as an agreement

Signed for and on behalf of **Strides Arcolab Limited** by its duly authorised representative in the presence of:)
)
)
)

Nasser Kabir
Signature of witness

Arun Kumar
Signature of authorised representative
By executing this agreement the representative states that he has received no notice that his authority to do so has been revoked.

N NASSER KABIR - AVP Legal
Name of witness
(please print)

ARUN KUMAR, Group CEO & MD
Name of authorised representative
(please print)

Signed by **Dennis Bastas** in the presence of:)
)
[Signature]
Signature of witness

[Signature]
Signature

GEORGE KARAGIANNIS
Name of witness
(please print)