Our Vision

Zydus shall be a leading global healthcare provider with a robust product pipeline and sales of over $1 bn by 2010; we shall achieve sales of over $3 bn by 2015 and be a research-based pharmaceutical company by 2020…
A Snapshot

- One of the oldest and the 5th largest in the Indian formulations market worth over Rs. 425 bn *(Source : ORG IMS MAT Jun-10)*

- Operations in US, Europe, Japan, Latin America, Asia Pacific, Africa and Middle East regions

- International sales in generic markets contribute to ~39% of revenues, with > 70% growth in formulation exports in last 5 years

- Market leader in niche Indian consumer wellness market with strong brands

- Innovation driven – investing over 5.5% of revenues p.a. on NME, Biological and NDDS research and Generics development

- Dedicated team of ~ 12,000 Zydans across 18 countries

- Market Cap : Cadila Healthcare Ltd. > Rs. 128 bn (> $ 2.7 bn) *(02-Aug-10)* Zydus Wellness Ltd. > Rs. 20 bn (> $ 430 mn) (72% ownership)

- Listed as the “Best Under a Billion” company from amongst 200 companies in Asia by Forbes
Well integrated company and expanding Globally

- Indian finished dosage formulations
- International finished dosage formulations
- High end APIs + intermediates
- Consumer Wellness
- Manufacturing
- Research and Development

Revenue break up (%) by segment (FY 09-10):
- India Consumer: 7% (37%)
- India Others: 4% (9%)
- APIs: 10% (37%)
- Exports Formulations: 39% (45%)
- India Formulations: 40% (12%)

Revenue break up (%) by region (FY 09-10):
- Emerging Mkts.: 11%
- Regulated Mkts. (US, Europe, Japan): 37% (55%)
- Domestic (India): 52% (14%)
State of the art facilities and infrastructure (1/2)

Formulations

- Finished Dosage Form, Moraiya (USFDA Approved)
- Finished Dosage Form, Sikkim
- Finished Dosage Form, Baddi
- Finished Dosage Form, Goa
- Finished Dosage Form, Brazil
- Agiolax (for Madaus), Goa
- Cytotoxic Injectables for Hospira JV (MHRA, USFDA)
- Cytotoxic Injectable For BSV JV
State of the art facilities and infrastructure (2/2)

**APIs and Fine Chemicals**

- **API, Ankleshwar (USFDA Approved)**
- **API, Dabhasa (USFDA approved)**
- **Fine Chemicals, Moraiya (USFDA Approved)**
- **Biologics Active Substances, Changodar**
- **Pantoprazole Intermediates for Nycomed JV**

**R&D**

- **Zydus Research Center, Moraiya**
- **Pharmaceutical Technology Center, Moraiya**
- **API Process Research Center, Dabhasa**
Financial highlights

- Income from Operations (Rs. Mio)
  - FY 07-08: 23,229
  - FY 08-09: 29,275 (up 26%)
  - FY 09-10: 36,869

- EBIDTA (Rs. Mio)
  - FY 07-08: 4,582
  - FY 08-09: 6,058 (up 33%)
  - FY 09-10: 8,087

- Net Profit # (Rs. Mio)
  - FY 07-08: 2,633
  - FY 08-09: 3,234 (up 58%)
  - FY 09-10: 5,098

- EPS # (Rs.)
  - FY 07-08: 13.97
  - FY 08-09: 15.79 (up 58%)
  - FY 09-10: 24.90

# Net Profit and EPS exclude Exceptional Items.
5th largest in Indian Pharma market with
~ Rs 15 bn sales

- Leading positions in key segments – CVS, GI, Female Healthcare and Respiratory
  *(participated market segments)*
- 16 brands amongst country’s top 300 brands
- New product launches – a key growth driver
  - Launched >60 new products and line extensions in FY 09-10
  - 17 were first in India
- In-licensing arrangements with Bayer Schering Pharma, Boehringer Ingelheim, Nycomed, Baxter, Genzyme Inc.
- Dedicated task force of > 4000 people with therapeutic focus
- Recently expanded field force in Cardiology by ~300 and in Respiratory by ~100 to further strengthen our positions

Note: All market related information sourced from ORG IMS MAT Jun-10
International formulations: two-fold focus

Focusing on developed generic markets (~29% of global sales)

- US - Zydus Pharmaceuticals USA Inc.
- Europe
  - France - Zydus France SAS
  - Spain - Laboratorios Combix
- Japan – Nippon Universal Pharmaceuticals Ltd.

Driving growth in emerging markets (~10% of global sales)

- Brazil –
  - Branded - Quimica e Pharmaceutica Nikkho Do Brazil Ltda.
  - Generics – Zydus Healthcare Brazil Ltda.
- Emerging Markets
  - Asia Pacific- Sri Lanka, Myanmar, Taiwan, Philippines
  - South Africa - Simayla Pharma. Pty. Ltd.
  - Africa, Mid East - Sudan, Uganda, Algeria

Formulations Exports (Rs. Mio.)

- CAGR 72%
- FY 05-06: 1,976
- FY 06-07: 3,770
- FY 07-08: 6,466
- FY 08-09: 9,676
- FY 09-10: 14,018

Product Portfolio

- Robust pipeline of new products across markets
- Initiatives to add specialty and niche dosage forms in the portfolio
Among the top 20 and one of the fastest growing generic companies in US

- Started operations in 2005 and adopted a “Customer Centric Model”
- 32 products launched. 8 -10 products to be added every year
- 12 products enjoy >20% market share
- “Preferred Supplier” for many customers
- Focusing on delivery based, difficult to make products, the next growth driver

KEY REGULATORY STRENGTHS

- A robust regulatory pipeline
- Over half of the products use own API
- Started filing ANDAs for Nasal (7 so far) and Parenterals (14 so far)
- Plan to file 12 -15 ANDAs p.a.
**Over 2.65% market share in participated French market; 27 product launches in Spain**

Among top 10 in Euro 2.5 bn French generics market
- Launched >160 presentations (~80 molecules) in France
- 8 Day-one launches among 14 launches in FY 09-10
- Continuous focus on enrichment of customer relations and portfolio expansion thru new launches

Acquired Laboratorios Combix in 2008 to enter Euro 0.7 bn Spanish market
- Launched 27 molecules in Spain so far
- Plan to increase portfolio to tap this less penetrated market

**KEY STRENGTHS**
- Leveraging India’s low cost base – started supplying over 35% of France sales from India
- New product filings include 30 products for Spanish market
Strategies for Japan: World’s 2nd largest pharma market

- Generic market valued at >$ 3.5 bn, growing at ~12%, with very low generic penetration of ~6% in value terms, 19% in volume terms (Source: IGPA)

- Acquired Nippon Universal Pharma. Ltd. (NUP) with a marketing set-up and a small manufacturing facility in FY 07-08

- Plans to establish NUP as a generic player in Japan by introducing new products through in-licensing route as well product registrations from India

- Launched 24 new in-licensed products in last two years

- Dedicated field force of ~30 people to address the requirements of the customers

- Sales of Rs. 316 Mio. in FY 09-10, up 44%
Strategies for $13bn Brazilian pharma market

- Set up Zydus Healthcare Brazil Ltda (100% subsidiary) to enter generics market in 2005-06
- Filed 59 dossiers so far for generic and branded products from India, of which 20 have been approved.
- Launched 14 generic products so far
- Acquired Nikkho in 2007-08 to foray into the fast growing, profitable and sustainable branded generics segment
- A profit-making co., Nikkho has a mfg. facility and strong marketing and distribution network in Brazil
- Expanded the branded basket to over 25 products with launch of several new brands from India and a few acquired brands
- Planning to increase product portfolio in both branded and generics market with 8-10 launches every year
Achievements in the fast growing emerging markets

- Operations in over 20 semi / non regulated emerging markets of Asia Pacific, Africa and Middle East regions
- Focusing on rapidly growing markets of South Africa, Taiwan and Philippines
- No.1 Indian company in Uganda and Sudan and amongst top 3 Indian pharma cos. in Sri Lanka and Myanmar
- Acquired Simayla Pharma of South Africa, Africa’s largest and only regulated market
- Plan to launch several new products in South Africa from the group’s strong pipeline built from India and leverage Simayla’s marketing capabilities
- Only Indian company to start operations in Taiwan successfully
- Registered CAGR of >20% over last 3 years with sales of Rs. 1590 Mio. in FY 09-10
Strong brand equity in highly potential consumer wellness segment in India

- Zydus Wellness Ltd. – spearheading operations in consumer wellness segment
- Strong presence in niche categories
  - India’s largest selling sugar substitute with >80% market share (Source: AC Nielsen)
  - Growing at CAGR of >25% in last 3 years, crossed sales of Rs. 1 bn in FY 09-10
  - Skincare product range with leadership in peel-offs, scrubs and face wash categories
  - Growing at CAGR of > 35% in last 3 years
  - India’s largest selling margarine growing at CAGR of >25% in last 3 years
- Continuous thrust on category expansion through launch of newer variants, also exploring possibilities of launching new categories in wellness domain
- Aim to cross sales of Rs. 500 cr. by 2013
Unlocking value through win-win alliances

- **Zydus Nycomed JV – most successful contract manufacturing JV in India**
  - State-of-the-art mfg. facility for Pantoprazole intermediates
  - Expanded scope - more APIs to be sourced by Nycomed from this JV

- **Zydus Hospira - JV for oncology injectables**
  - State-of-the-art cytotoxic facility in SEZ – approved by MHRA, USFDA, TGA and Health Canada
  - Plan to manufacture 6 oncology products
  - Commercial supplies for EU market commenced
  - Full capacity utilisation expected by FY 11-12

- **Zydus BSV - JV for oncology NDDS**
  - State-of-the-art mfg. plant in SEZ near Ahmedabad
  - Launched NDDS product in India as *Nudoxa*

- **Strategic out-licensing deal with Abbott Labs**
  - To license 24 products for 15 key emerging markets
  - Option to include 40 additional products
Ongoing Investment in Newer Portfolios
Worth over $180 bn

Current Business
One of the leading players in Indian pharma industry and a strong player in global generics market

Near term
- Pulmonary: 20 bn
- Transdermal: 10 bn
- Injectables: 17 bn
- Oncology: 55 bn

Mid term
- Biogenerics: 40 bn
- Transdermal: 10 bn
- Vaccine: 22 bn
- Topical: 16 bn

Long term
- Novel discovery products from Zydus NME pipeline

Note: Value indicated is estimated brand sale ($)
A scientific talent pool of >950 and investing over 5.5% of the turnover on research

Zydus Research Centre (ZRC)
- Located in Ahmedabad
- Focus on NME Research, Biologicals & NDDS

Pharmaceutical Technology Centre (PTC)
- 2 centers – one located in Ahmedabad, another in Mumbai
- Focus on Finished Dosage Form Development & NDDS

API Process Research
- Located in Dabhasa, Gujarat
- Focus on Process Development

Talent Pool of ~950 Scientists

R&D Investment : Rs. 2075 Mio. in FY 09-10
- Generics/Developmental
  - 400 scientists
- API & Others
  - 200 scientists
- NME & Drug Discovery
  - 350 scientists
- NME & Drug Discovery
  - Rs. 598 Mio.
- API & Others
  - Rs. 268 Mio.
- Generics / Developmental
  - Rs. 1209 Mio.
Dedicated facility for NME research: Zydus Research Centre

- Areas of focus: Dyslipidemia, Diabetes, Obesity, Inflammation
- Facility for target identification to pre-clinical research / early clinical development
- Signed a new drug discovery and development pact with Eli Lilly and Co., focused on cardiovascular research
- Joint research with Karo Bio, Sweden for non-steroidal glucocorticoids
- Initiated NDDS product development based on Nanotechnology

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With Karo Bio
With Eli Lilly
**Biosimilars and Vaccines – The Next Big Opportunity**

**Biosimilars:**
- Strong pipeline: 15 biosimilars and 2 novel products
- Strong IP position either through own patent or non-infringing processes
- 120 experienced scientists dedicated to Biosimilars programme
- End to end product development and manufacturing to be done in-house

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**Vaccines:**
- Acquired Etna Biotech, Italy, engaged in vaccine research and development
- State-of-the-art Vaccine Technology Center under construction
- Developed high quality vaccine for H1N1 in-house
- 1st Indian co. to launch H1N1 vaccine
- Several other vaccines under different stages of development
# Net Profit and EPS exclude Exceptional Items.  
* Excluding dossier licensing fees received from Abbott Labs.
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