Well integrated pharma player with global footprints

>60 years
Operational experience

$1 bn +
Global Revenues

~7% of sales
Spent on R&D annually

1st Indian Company
To discover & develop an NCE in-house: Lipaglyn (Saroglitazar)

20+ mfg. sites
Producing >14 bn pills annually

>20% CAGR
In Net Worth and Net Profits (FY ‘09 – FY ‘14)

20 Biosimilars
In pipeline, including 3 novel biologics

16,000+ employees
Across the globe, with 1100+ for R&D

15 brands
Among top 300 brands in India

1070+ patents
Filed globally

18th largest
Generic co. in US in terms of prescriptions

$3.5 bn +
Market Cap

Among top 5
Pharmaceutical Companies in India

~20% CAGR
In Sales (FY ‘09 – FY ‘14)

~20% CAGR
In Net Worth and Net Profits (FY ‘09 – FY ‘14)

8th largest
Generic co. in US in terms of prescriptions

$3.5 bn +
Market Cap
History of achieving milestones consistently

35 fold growth in sales over last 19 years...

2000
Rs. 1000 cr

2006
$400 mn

2010
$1 bn

...with significant external recognition

Rs. 200 cr. in 1995

CNBC – TV 18
India innovator Award 2013

Economic Times Emerging Company of the year 2010
Key businesses for our journey Beyond the Billion

**Established home markets**
- India formulations
- US formulations

**Future home markets**
- Brazil
- Mexico

**Other Businesses**
- EU
- Emerging markets
- Wellness
- Animal Health
- APIs
- JVs & alliances

**New Technology businesses**
- Biosimilars
- Vaccines
- NCEs

- Sustainable & profitable growth
- Significant revenue contribution
- High growth potential
- Large revenue contribution in future
- Steady growth
- Low variability in business performance
- High upfront investments
- Large potential upside
India formulations

Aspirations

- Maintain strong leadership position in key areas – CVS, GI, respiratory, female healthcare, dermaceutical.
- Continue to be one of the significant contributors to revenues and profits

Strengths to be leveraged

- One of the largest market players with leading positions in key therapy areas
- Gained 2 positions in dermaceutical segment – from 6th last year to 4th rank
- Strong brand equity: 15 brands among top 300 in India
- New product launches: 19 during Apr-Jun 14 (incl. line extensions), with 6 First-in-India
- Launched Lipaglyn (Saroglitazar) in Q2 FY 14, the first NCE discovered and developed indigenously by an Indian Pharma company

Market size*: Rs. 775 bn+
Market growth*: 7%
Zydus size**: Rs. 33.3 bn+
Market Share*: 4.3%
Zydus growth**: 8%

* All market related information sourced from AWACS MAT Jun-14
** Zydus numbers including Biochem as reported by AWACS MAT Jun-14
US formulations

Market size*: ~$ 50 bn
Market growth*: 10%+
Zydus size**: ~ $ 366 mn
Zydus growth**: 32%

Aspirations

- Be amongst the top 10 generic cos. in US with continued strong focus on customer needs
- One of the significant contributors to revenues and profits

Strengths to be leveraged

- Ranked 8th (from 10th in last year) among US generic companies based on scripts (Source: IMS).
- ‘Preferred supplier’ for our customers - received ‘Service Level Excellence’ award from a large US whole-seller for highly efficient service levels
- Robust regulatory pipeline
  - Increasing focus on complex and niche products
  - Dosage forms - oral solids, injectables, nasals, topicals, transdermals.
  - 225+ ANDA fillings, 80+ approvals so far
  - 60+ launches so far (incl. AGs).

33%+ CAGR in Sales (Last 5 years)

Gross Sales (USD mn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (USD mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-10</td>
<td>142</td>
</tr>
<tr>
<td>2010-11</td>
<td>212</td>
</tr>
<tr>
<td>2011-12</td>
<td>260</td>
</tr>
<tr>
<td>2012-13</td>
<td>277</td>
</tr>
<tr>
<td>2013-14</td>
<td>366</td>
</tr>
</tbody>
</table>

* Approx. numbers as per IMS Report
** Zydus numbers includes that of Nesher and Hercon, as reported in books, for FY 2013-14
Brazil

Aspirations

- To establish strong base with aggressive product launches

Strengths to be leveraged

- Presence in branded generics and generic generics segments with a continued focus on brand building initiatives
- Local manufacturing site
- Robust product pipeline from India – 100+ filings, 40 approvals
- Focused segments (Branded) – female healthcare, hepatology, CNS, CVS and Nutraceuticals
- Product launches : 20+ branded, 15+ generic generics

Market size*: ~ $ 18 bn
Market growth*: 12-14%
Zydus size**: Rs. 2,353 mn
Zydus growth**: -1%

* Approx. numbers as per IMS Report
** Zydus numbers as reported in books for FY 2013-14
Mexico

Market size*: ~ US$ 10 bn
Market growth*: 2-3%
Zydus size**: Rs. 109 mn

Aspirations

- To establish strong base with aggressive product launches.

Strengths to be leveraged

- Focused segments (Branded) – CNS, metabolic disorders and respiratory
- Building product pipeline from India – 35+ filings and 15 approvals so far.
- Commenced commercial operations in June 2013 with the launch of first product in the market from India
- Launched 9 products in the market so far

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* Approx. numbers as per IMS Report
** Zydus numbers as reported in books for FY 2013-14
Other Global Markets

Aspirations: To be amongst the leading players in these generics markets

### EU
- 8th largest in France, among top 20 in Spain
- Expansion through new products: launched 115+ molecules in France and 80+ molecules in Spain so far (incl. several ‘Day 1’)
- Leveraging India cost advantage: 175+ new products and 65+ site transfer filings so far, >40% of sales supplied from India

### Emerging Mkts.
- Operations in different markets of Asia Pacific and Africa with leadership positions in several of these markets
- Consolidated the Branded Generic business in the key markets of Asia Pacific, Africa and Middle East
- Increased product development activities supported by strong regulatory teams

---

* Approx. numbers as per GERS Report for Europe and as per EvaluatePharma for emerging markets
** Zydus numbers as reported in books for FY 2013-14
Other Businesses

**Wellness**

Aspirations: To create niches in wellness space through innovation

- Leadership in sugar substitutes (~93% market share) and peel-off and scrub range for skin-care in India
- Continuous thrust on new product launches with launch of several products under EverYuth brand and launch of low priced Nutralite yummy.
- Recently completed significant re-organization of sales and distribution model in order to ensure continued growth in future.

**Animal Health**

Aspirations: To be a comprehensive, global animal healthcare provider

- One of India’s leading animal healthcare co with wide range of drugs, feed supplements and vaccines for livestock, companion animals and poultry
- Presence in key markets across Europe, South America, Asia and Africa through Bremer Pharma, Germany

**APIs**

Aspirations: To be a ‘reliable’ service provider to customers

- Backward integration capabilities to meet captive API requirements
- Operations in India, US and select markets of Europe, Latin America, Asia Pacific and Middle East regions
- Continuous endeavour to improve service levels by improving cost competitiveness and continuous process improvement

Zydus Size **:
- Rs. 4,296 mn
- Zydus Gr.: 5%

Zydus Size **:
- Rs. 2,754 mn (incl. Bremer)
- Zydus Gr.: 17%

Zydus Size **:
- Rs. 3,497 mn
- Zydus Gr.: 13%

** Zydus numbers as reported in books for FY 2013-14.
Joint Ventures and Alliances

Aspirations: Value creation through win-win alliances and be a partner of choice

**Zydus Takeda JV**
- State-of-the-art mfg. facility for APIs of Nycomed
- Commissioned the expanded facility to manufacture complex high-end APIs
- Commenced mfg. and supply of 10 products so far (incl. 4 for validation)

**Zydus Hospira JV**
- State-of-the-art cytotoxic facility approved by leading authorities like MHRA, USFDA, TGA, Health Canada
- Commercial supplies commenced for: EU (6 products) and US (4 products)
  - Expanded scope of collaboration to cover additional products

**Bayer Zydus JV**
- Operates in female healthcare, metabolic disorders, diagnostic imaging, CVS, diabetes and oncology segments in India
- Leveraging strengths of Bayer’s optimised product portfolio and Zydus’ marketing and distribution capabilities
- JV scope covers launch of innovator products of Bayer

**Out-licensing deal with Abbott**
- Licensed 30+ products for ~18 key emerging markets
- Commenced commercial supply of products under the deal and shipped 8 products so far.
Biosimilars
- Dedicated facilities for R&D and mfg.
- 170+ experienced scientists
- Strong pipeline: 17 biosimilars and 3 novel products
- Strong IP position either through own patent or non-infringing processes

Vaccines
- Dedicated facilities for R&D and mfg.
- 60+ experienced scientists
- 10 vaccines under different stages of development

Aspirations: Leverage technological edge to unlock substantial value and create pillars for future growth.

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<tr>
<td>G-CSF</td>
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<td>Infectious diseases</td>
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<td>Infectious diseases</td>
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<td>Prod 2</td>
<td>Rheumatoid Arthritis</td>
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<td>MAB 2</td>
<td>Inflammation</td>
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<td>MAB 4</td>
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<td>Oncology</td>
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**Biosimilar pipeline**

LAUNCHED (in India)

[Image of pipeline chart with different products and stages of development]
NCE research

Aspirations: Add more NCEs in pipeline to drive towards becoming a research-based pharma co. by 2020

Key strengths

- State-of-the art research facility
- Capability of target identification to pre-clinical research / early clinical development
- 300+ scientists dedicated for NME research

NCE Pipeline

<table>
<thead>
<tr>
<th>Project</th>
<th>Target</th>
<th>Indication</th>
<th>Drug Discovery</th>
<th>Lead optimisation</th>
<th>Pre-clinical Development</th>
<th>IND</th>
<th>Phase I</th>
<th>Phase II</th>
<th>Phase III</th>
<th>NDA</th>
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<td>Saroglitazar</td>
<td>PPAR-α, γ</td>
<td>Dystlipidemia</td>
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<td>Saroglitazar</td>
<td>PPAR-α, γ</td>
<td>Lipodystrophy</td>
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<td>Saroglitazar</td>
<td>PPAR-α, γ</td>
<td>Non-alcoholic Steatohepatitis</td>
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<td>ZYH7</td>
<td>PPAR-α</td>
<td>Dystlipidemia</td>
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<td>ZYG19</td>
<td>GPR 119 Agonist</td>
<td>Diabetes</td>
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<tr>
<td>ZYDPLA1</td>
<td>DPP-IV inhibitor</td>
<td>Diabetes</td>
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</table>

First glitazar to be approved in the world. Launched in India as "LIPAGLYN"
World class infrastructure to support growth journey

**Formulations Mfg.**
- Oral Solids (India)
  - Ahmedabad (USFDA)
  - Baddi (USFDA)
  - Goa
  - Sikkim
  - Ahmedabad SEZ (onco. and others)
  - Daman (Biochem)

**API Mfg.**
- Ankleshwar (USFDA)
- Dabhasa (USFDA)
- Oncology API, Ahmedabad (USFDA)
- Biologics active substances and MABs, Ahmedabad

**Mfg. facilities for partners**
- Cytotoxic Injectable for Hospira JV – Ahmedabad SEZ (USFDA)
- API facility for Nycomed JV – Mumbai
- Cytotoxic Injectable for BSV JV – Ahmedabad SEZ

**Product Development**
- Formulations Development, Ahmedabad (400+ scientists)
- API Process Research, Dabhasa (200+ scientists)
- Biosimilars and Vaccine Research, Ahmedabad (200+ scientists)

**Oral Solids (outside India)**
- US (Nesher Pharma – controlled substances)
- Brazil
- Germany (animal health)

**Other dosage forms (India)**
- Transdermals – Ahmedabad SEZ
- Topicals – Ahmedabad
- Vaccines Mfg. - Ahmedabad
Pillars of Organisational Health

Continuous endeavour to improve overall organisation health in four key areas

- Creating value and developing talent across the organisation
- Enhancing bottom-up innovation across the organisation
- Promoting collaboration across businesses and functions
- Strengthening accountability by proper performance management
## Key Financial Numbers – FY 2013-14

### Consolidated (Rs. Mio.)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Gr.%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Income from Operations</td>
<td>72,240</td>
<td>13.6%</td>
</tr>
<tr>
<td>EBIDT</td>
<td>12,002</td>
<td>6.7%</td>
</tr>
<tr>
<td>EBIDT % to Income from Ops.</td>
<td>16.6%</td>
<td></td>
</tr>
<tr>
<td>Profit before tax(^1)</td>
<td>9,594</td>
<td>18.6%</td>
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<tr>
<td>PBT % to Income from Ops.</td>
<td>13.3%</td>
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<tr>
<td>Net Profit(^1)</td>
<td>8,189</td>
<td>25.3%</td>
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<tr>
<td>Net Profit % to Income from Ops.</td>
<td>11.3%</td>
<td></td>
</tr>
</tbody>
</table>

### Debt net of cash (31-Mar-14)

| Amount | 21,516 |

### Capex (FY 2013-14)

| Amount | 4,660 |

### Segment-wise Gross Sales

- **India Form.**, 34%
- **US**, 30%
- **Latam**, 3%
- **Japan**, 1%
- **EU**, 6%
- **Emerg. Mktls.**, 5%
- **Wellness**, 6%
- **Animal Health**, 4%
- **APIs**, 5%
- **JVs**, 6%

1 Excludes exceptional items.
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