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. 460 bn (Source: ORG IMS MAT Dec-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 ~6% 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. 155 bn (~ $ 3.5 bn) (14-Feb-10) Zydus Wellness Ltd. > Rs. 22 bn (~ $ 500 mn) (72% ownership)
- Declared the Emerging Company of the year by ‘ET Award for Corporate Excellence 2010’
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
- India Others
- APIs
- Exports Formulations
- India Formulations

Revenue break up (%) by region (FY 09-10)

- Emerging Mkts. 11%
- Regulated Mkts. (US, Europe, Japan) 37%
- Domestic (India) 52%
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**
- **Transdermals Mfg., Moraiya**
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
- Fine Chemicals, Moraiya

R&D

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

# Net Profit and EPS exclude Exceptional Items.
5th largest in Indian Pharma market with ~ Rs 17 bn sales

- Leading positions in key segments – CVS, GI, Female Healthcare and Respiratory (participated market segments)
- 15 brands amongst country’s top 300 brands
- New product launches – a key growth driver
  - Launched >50 new products and line extensions during Apr-Sep 10
  - 19 were first in India
- Dedicated task force of > 4400 people with therapeutic focus
- In-licensing arrangements with Bayer Schering Pharma, Boehringer Ingelheim, Nycomed, Baxter, Genzyme Inc.
- Recently entered into JV with Bayer Healthcare for sales and marketing pharma products in different therapeutic areas

Note: All market related information sourced from ORG IMS MAT Dec-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 – Zydus Pharmaceuticals Japan Co. Ltd.

Driving growth in emerging markets (~10% of global sales)
- Brazil –
  - Branded - Quimica e Pharmaceutica Nikkho Do Brazil Ltda.
  - Generics – Zydus Healthcare Brazil Ltda.
- Mexico - Zydus Pharmaceuticals México S.A.
- Emerging Markets
  - Asia Pacific- Sri Lanka, Myanmar, Taiwan, Philippines
  - South Africa - Simayla Pharma. Pty. Ltd.
  - Africa, Mid East - Sudan, Uganda, Algeria

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”
- 39 products launched. 8 -10 products to be added every year
- 15 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 (15 so far)
- Plan to file 12 -15 ANDAs p.a.
**Over 2.65 % market share in participated French market; 30 product launches in Spain**

**Among top 10 in Euro 3 bn French generics market**
- Launched >200 presentations (>90 molecules) in France
- Focusing on expanding market coverage thru new product launches incl. Day 1 opportunities
- 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 30 molecules in Spain so far
- Plan to increase portfolio to tap less penetrated market

**Key Strengths**
- Leveraging India’s low cost base – started supplying over 35% of France sales from India
- New product filings include 39 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, now Zydus Pharma Japan) 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 >25 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 63 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 ~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 key intermediates
  - Commissioned the expanded facility to manufacture complex high-end APIs for Nycomed
- **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
- **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 ~1050 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 ~1050 Scientists
- Generics/Developmental: 425 scientists
- NME & Drug Discovery: 425 scientists
- API & Others: 200 scientists

R&D Investment: Rs. 2075 Mio. in FY 09-10
- Generics/Developmental: Rs. 1209 Mio.
- API & Others: Rs. 268 Mio.
- NME & Drug Discovery: Rs. 598 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
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

<table>
<thead>
<tr>
<th>Product</th>
<th>Expression Host</th>
<th>Development</th>
<th>CT</th>
<th>Launch</th>
</tr>
</thead>
<tbody>
<tr>
<td>G-CSF</td>
<td>E. coli</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peg G-CSF</td>
<td>E. coli</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IFN-a 2b</td>
<td>P. pastoris</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peg IFN-a 2b</td>
<td>P. pastoris</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IFN-b 1b</td>
<td>E. coli</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPO</td>
<td>CHO</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prod 1</td>
<td>CHO</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prod 2</td>
<td>E. coli</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prod 3</td>
<td>E. coli</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prod 4</td>
<td>CHO</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MAb 1</td>
<td>CHO</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tenecteplase</td>
<td>CHO</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MAb 2</td>
<td>CHO</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MAb 3</td>
<td>CHO</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MAb 4</td>
<td>CHO</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peg EPO</td>
<td>CHO</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rabies Mabs</td>
<td>Murine</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**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
## Key Financial Numbers – Apr-Dec 10

<table>
<thead>
<tr>
<th>Consolidated Profitability</th>
<th>Apr-Dec 10</th>
<th>Apr-Dec 09</th>
<th>Growth y-y%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Sales</td>
<td>17,197</td>
<td>14,561</td>
<td>18.1%</td>
</tr>
<tr>
<td>Exports Sales</td>
<td>16,169</td>
<td>13,321</td>
<td>21.4%</td>
</tr>
<tr>
<td><strong>Total Gross Sales</strong></td>
<td><strong>33,366</strong></td>
<td><strong>27,883</strong></td>
<td><strong>19.7%</strong></td>
</tr>
<tr>
<td>Total Income from Operations *</td>
<td>33,699</td>
<td>28,403</td>
<td>18.6%</td>
</tr>
<tr>
<td>EBIDT *</td>
<td>7,534</td>
<td>6,193</td>
<td>21.6%</td>
</tr>
<tr>
<td>EBIDT % to Total Income</td>
<td>22.4%</td>
<td>21.8%</td>
<td></td>
</tr>
<tr>
<td>Net Profit *</td>
<td>4,955</td>
<td>3,864</td>
<td>28.3%</td>
</tr>
<tr>
<td>Net Profit % to Total Income</td>
<td>14.7%</td>
<td>13.6%</td>
<td></td>
</tr>
<tr>
<td>EPS - not annualised (Rs.) *</td>
<td>24.20</td>
<td>18.87</td>
<td>28.3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Consolidated Financial Position</th>
<th>Dec-10</th>
<th>Dec-09</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Worth</td>
<td>21,599</td>
<td>16,285</td>
<td>32.6%</td>
</tr>
<tr>
<td>Net Debt (Ex Cash)</td>
<td>7,717</td>
<td>8,398</td>
<td>-8.1%</td>
</tr>
<tr>
<td>Net Fixed Assets</td>
<td>21,427</td>
<td>19,326</td>
<td>10.9%</td>
</tr>
<tr>
<td>Net Current Assets (Ex Cash)</td>
<td>9,443</td>
<td>6,581</td>
<td>43.5%</td>
</tr>
</tbody>
</table>

* Excluding dossier licensing fees received from Abbott Labs.
Safe Harbour Statement

This presentation may include certain “forward looking statements”, based on current expectations, within the meaning of applicable laws and regulations. Actual results may differ and the company does not guarantee realization of these statements. The Company also disclaims any obligation to revise any forward-looking statements. The viewers may use their own judgement and are advised to make their own calculations before deciding on any matter based on the information given herein.

No part of this presentation may be reproduced, quoted or circulated without prior written approval from Cadila Healthcare Ltd.

www.zyduscadila.com