Well integrated pharma player with global footprints

- >60 years operational experience
- $1 bn + Global Revenues
- >7% of sales spent on R&D annually
- 20+ mfg. sites producing >13 bn pills annually
- >20% CAGR in Sales and Net Profits (FY '08 – FY '13)
- 1st Indian Company: To discover & develop an NCE in-house: Lipaglyn (Saroglitazar)
- 15,000+ employees across the globe, with 1050+ for R&D
- ~23% CAGR in Net Worth (FY '08 – FY '13)
- 21 Biosimilars in pipeline, including 2 novel biologics
- Among top 5 Pharmaceutical Companies in India
- 20 brands among top 300 brands in India
- 950+ patents filed globally
- $3 bn + Market Cap
- 10th largest generic co. in US in terms of prescriptions
- Among top 5 Pharmaceutical Companies in India
- Among top 300 brands in India
- 950+ patents filed globally
- $3 bn + Market Cap
- 10th largest generic co. in US in terms of prescriptions
History of achieving milestones consistently

25 fold growth in sales over last 16 years...

...with significant external recognition

Economic Times Emerging Company of the year 2010

Kaizen Institute - Operational Excellence in Tablet Manufacturing in 2010

Rs. 200 cr. in 1995

Annual Sales
Key businesses for our journey Beyond the Billion

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

**Future home markets**
- Brazil
- Mexico

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

**New Technology businesses**
- Biosimilars
- Transdermals
- Vaccines
- Injectables
- Inhalables
- Creams, ointments
- 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
Aspirations

- Maintain strong leadership position in key areas – CVS, GI, respiratory, female healthcare
- 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
- Strong brand equity: 20 brands among top 300 in India
- New product launches: 55 during Apr-Dec 13 (incl. line extensions), with 11 First-in-India
- Recently launched Lipaglyn (Saroglitazar), the first NCE discovered and developed indigenously by an Indian Pharma company

Market size*: Rs. 730 bn+
Market growth*: 6%
Zydus size**: Rs. 32.5 bn+
Market Share*: 4.4%
Zydus growth**: 11%

* All market related information sourced from AIOCD AWACS MAT Dec-13
** Zydus numbers including Biochem as reported by AIOCD AWACS MAT Dec-13
US Oral Solids

**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**
- Among top 3 for 2/3rd of the products marketed in US
- Highly efficient service levels, making us the ‘Preferred supplier’ for our customers
- Robust regulatory pipeline, with increasing focus on complex and niche products.
- 35 ANDA filings for oral solids (out of total 54 for all dosage forms) done in 2013.
- 170+ ANDA filings, 70+ approvals and 50+ product launches so far in the oral solids space
- Nesher – Filed first ANDA in Q3 FY 14. Two products already in the market.

### Market size*
- >$ 50 bn

### Market growth*
- 15-17%

### Zydus size**
- ~ $ 313 mn

### Zydus growth**
- 14%

* Approx. numbers as per IMS Report
** Zydus numbers includes Nesher, as reported in books, for CY 2013
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

<table>
<thead>
<tr>
<th>Market size*</th>
<th>&gt;$ 16 bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market growth*</td>
<td>12-14%</td>
</tr>
<tr>
<td>Zydus size**</td>
<td>Rs. 2,367 mn</td>
</tr>
<tr>
<td>Zydus growth**</td>
<td>1%</td>
</tr>
</tbody>
</table>

* Approx. numbers as per IMS Report  
** Zydus numbers as reported in books for CY 2013
Mexico

Market size*: ~ US$ 10 bn
Market growth*: 8-10%

Aspirations

- Build a profitable business in 2015
- 40+ product launches and 60 + fillings by 2015

Strengths to be leveraged

- Focused segments (Branded) – CNS, metabolic disorders and respiratory
- Building product pipeline from India – 35+ filings and 7 approvals so far.
- Commenced commercial operations in June 2013 with the launch of first product in the market from India
- Launched 6 products in the market so far

* Approx. numbers as per IMS Report
Other Global Markets

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

**EU**
- 9th largest in France, among top 20 in Spain
- Expansion through new products: launched 110+ molecules in France and 80+ molecules in Spain so far (incl. several ‘Day 1’)
- Leveraging India cost advantage: 170+ new products and 60+ site transfer filings so far, >40% of sales supplied from India

**Emerging Mkts.**
- Operations in 8 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

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* Approx. numbers as per GERS Report for Europe, as per IMS for Japan and as per EvaluatePharma for emerging markets
** Zydus numbers as reported in books for CY 2013
### Other Businesses

#### Wellness

<table>
<thead>
<tr>
<th>Aspirations</th>
<th>To create niches in wellness space through innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Leadership in sugar substitutes (~94% market share) and peel-off and scrub range for skin-care in India</td>
<td></td>
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<tr>
<td>- Continuous thrust on new product introductions with the launch of Fairness Peel-off and Neem 3 in 1 under the EverYuth brand and launch of low priced Nutralite “Yummy”.</td>
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</tbody>
</table>

**Zydus Size**: Rs. 4,306 mn  
**Zydus Gr.**: 11%

#### Animal Health

<table>
<thead>
<tr>
<th>Aspirations</th>
<th>To be a comprehensive, global animal healthcare provider</th>
</tr>
</thead>
<tbody>
<tr>
<td>- One of India’s leading animal healthcare co.</td>
<td></td>
</tr>
<tr>
<td>- Wide range of drugs, feed supplements and vaccines for livestock, companion animals and poultry</td>
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<tr>
<td>- Presence in key markets across Europe, South America, Asia and Africa through Bremer Pharma, Germany</td>
<td></td>
</tr>
</tbody>
</table>

**Zydus Size** (incl. Bremer): Rs. 2,603 mn  
**Zydus Gr.**: 10%

#### APIs

<table>
<thead>
<tr>
<th>Aspirations</th>
<th>To be a ‘reliable’ service provider to customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Backward integration capabilities to meet captive API requirements</td>
<td></td>
</tr>
<tr>
<td>- Operations in India, US and select markets of Europe, Latin America, Asia Pacific and Middle East regions</td>
<td></td>
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<tr>
<td>- Continuous endeavour to improve service levels by improving cost competitiveness and continuous process improvement</td>
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</tbody>
</table>

**Zydus Size**: Rs. 3,417 mn  
**Zydus Gr.**: 15%

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**Zydus numbers as reported in books for CY 2013**
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 5 products so far.
Biosimilars

Aspirations:
- Drive substantial business by 2015 through...
  - Marketing in India and emerging markets
  - Licensing/co-development for advanced markets

Strengths to be leveraged:
- Dedicated facility for product development and mfg.
- 170+ experienced scientists
- Strong pipeline: 19 biosimilars and 2 novel products
- Strong IP position either through own patent or non-infringing processes

Product Pipeline

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<tbody>
<tr>
<td>1</td>
<td>G-CSF</td>
<td>Oncology</td>
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<tr>
<td>2</td>
<td>Peg G-CSF</td>
<td>Oncology</td>
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<tr>
<td>3</td>
<td>IFN α-2b</td>
<td>Infectious diseases</td>
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<td>4</td>
<td>Peg IFN α-2b</td>
<td>Infectious diseases</td>
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<tr>
<td>5</td>
<td>EPO</td>
<td>Oncology/Nephrology</td>
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<tr>
<td>6</td>
<td>Teriparatide</td>
<td>Osteoporosis</td>
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<tr>
<td>7</td>
<td>IFN β 1b</td>
<td>Multiple Sclerosis</td>
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<tr>
<td>8</td>
<td>Prod 1</td>
<td>Nephrology</td>
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<tr>
<td>9</td>
<td>Prod 2</td>
<td>Rheumatoid Arthritis</td>
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<tr>
<td>10</td>
<td>MAB 1</td>
<td>Oncology/RA</td>
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<tr>
<td>11</td>
<td>MAB 2</td>
<td>Inflammation</td>
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<tr>
<td>12</td>
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<td>Oncology</td>
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<td>13</td>
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<td>14</td>
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<td>15</td>
<td>Prod 4</td>
<td>Fertility</td>
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<td>16</td>
<td>Prod 5</td>
<td>Fertility</td>
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<tr>
<td>17</td>
<td>Prod 6</td>
<td>Fertility</td>
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<tr>
<td>18</td>
<td>MAB 5</td>
<td>Rabies</td>
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<tr>
<td>19</td>
<td>PEG-EPO</td>
<td>Nephrology</td>
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<tr>
<td>20</td>
<td>Prod 7</td>
<td>Oncology</td>
<td></td>
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<tr>
<td>21</td>
<td>MAB 6</td>
<td>Ophthalmology</td>
<td></td>
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</tbody>
</table>

LAUNCHED (in India)
New Technologies

Aspirations: To be a leading market player in complex technologies

Transdermals
- State-of-the-art product development and manufacturing facility set up in SEZ near Ahmedabad
- 6 patches already filed with US FDA
- Several other patches under development

Vaccines
- Fully approved Vaccine Technology Center in India with 60+ dedicated scientists
- 1st Indian co. to launch H1N1 vaccine
- Several vaccines under different stages of development
- Dedicated manufacturing capabilities built for several vaccines

Injectables, Inhalables, Ointments
- Building product pipeline: ANDAs filed with US FDA for
  - 31 injectables (including 19 for a partner) and 6 nasal products
  - 8 ointments
- 10 approvals for injectables so far (9 for partner and 1 for own), production and supply of 9 of them (incl. own product) have commenced
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
- 400+ scientists dedicated for NME research

<table>
<thead>
<tr>
<th>NCE Pipeline</th>
<th>NCE Pipeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project</td>
<td>Target</td>
</tr>
<tr>
<td>Saroglitzar</td>
<td>PPAR-α, γ</td>
</tr>
<tr>
<td>ZYH7</td>
<td>PPAR-α</td>
</tr>
<tr>
<td>ZYG19</td>
<td>GPR 119 Agonist</td>
</tr>
<tr>
<td>ZYDPLA1</td>
<td>DPP-IV inhibitor</td>
</tr>
</tbody>
</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)

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

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

**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 (150+ scientists)
- Vaccine Research, Ahmedabad (60+ scientists)
Pillars of Organisational Health

Key initiatives identified 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 – CY 2013

<table>
<thead>
<tr>
<th>Consolidated (Rs. Mio.)</th>
<th>Amount</th>
<th>Gr.%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Income from Operations</td>
<td>68,671</td>
<td>11.8%</td>
</tr>
<tr>
<td>EBITD</td>
<td>11,275</td>
<td>0.5%</td>
</tr>
<tr>
<td>EBITD % to Income from Ops.</td>
<td>16.4%</td>
<td></td>
</tr>
<tr>
<td>Profit before tax</td>
<td>8,771</td>
<td>7.4%</td>
</tr>
<tr>
<td>PBT % to Income from Ops.</td>
<td>12.8%</td>
<td></td>
</tr>
<tr>
<td>Net Profit</td>
<td>8,266</td>
<td>47.0%</td>
</tr>
<tr>
<td>Net Profit % to Income from Ops.</td>
<td>12.0%</td>
<td></td>
</tr>
</tbody>
</table>

| Debt net of cash (31-Dec-13)            | 24,047 |      |
| Capex (CY 2013)                         | 5,804  |      |

#### Segment-wise Gross Sales
- **India Form.**, 35%
- **US**, 27%
- **Brazil**, 4%
- **Emerg. Mkts.**, 5%
- **Japan**, 1%
- **EU**, 6%
- **Wellness**, 6%
- **APIs**, 5%
- **Animal Health**, 4%
- **JVs**, 7%

**Home Markets, 66% of total, Up 15% y-o-y**

**Steady growth Markets, 34% of total, Up 10% y-o-y**
Thank You.

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