Our Vision

Zydus shall be a leading global healthcare provider with a robust product pipeline;

Stepping beyond the billion, we shall achieve sales of over $3 bn by 2015 and be a research-based pharmaceutical company by 2020…
A Snapshot

- One of the largest company in the Indian formulations market worth over Rs. 480 bn (Source: ORG IMS MAT Mar-11)
- Operations in US, Europe, Japan, Latin America, Asia Pacific, Africa and Middle East regions
- International sales in generic markets contribute to >42% of revenues, with > 55% 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 > 13,000 Zydans across 20 countries
- Market Cap: Cadila Healthcare Ltd. > Rs. 180 bn (~ $ 4 bn) (24-Jun-11) 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

Revenue break up (%) by segment (FY 10-11)

- Indian Formulations: 38% ▲ 8%
- India Consumer: 7% ▲ 19%
- Exports Formulations: 43% ▲ 37%
- Others: 3% ▲ 25%
- APIs: 9%

Revenue break up (%) by region (FY 10-11)

- India: 49% ▲ 19%
- Regulated Mkts (US, EU, Japan): 40% ▲ 34%
- Emerging Mkts: 11% ▲ 24%

- Indian finished dosage formulations
- International finished dosage formulations
- High end APIs + intermediates
- Consumer Wellness
- Manufacturing
- Research and Development
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, Sikkim
- 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 (USFDA Approved)

R&D

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

Income from Operations (Rs. Mio.)

- 2008-09: 29275 (▲26%)
- 2009-10: 36868 (▲26%)
- 2010-11: 46302

EBIDTA (Rs. Mio.)

- 2008-09: 6058 (▲33%)
- 2009-10: 8086 (▲27%)
- 2010-11: 10262

Net Profit # (Rs. Mio.)

- 2008-09: 3234 (▲57%)
- 2009-10: 5092 (▲40%)
- 2010-11: 7110

EPS # (Rs.)

- 2008-09: 15.79 (▲57%)
- 2009-10: 24.87 (▲40%)
- 2010-11: 34.73

# Net Profit and EPS exclude Exceptional Items.
One of the largest in Indian Pharma market with ~ Rs 18 bn sales

- Leading positions in key segments – CVS, GI, Female Healthcare and Respiratory (participated market segments)
- 17 brands amongst country’s top 300 brands
- New product launches – a key growth driver
  - Launched >60 new products and line extensions in 2010-11
  - 24 were first in India
- Dedicated task force of > 4500 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 Mar-11
International formulations: two-fold focus

**Focusing on developed generic markets (~32% 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 (~11% 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

**Formulations Exports (Rs. Mio.)**

<table>
<thead>
<tr>
<th>FY 06-07</th>
<th>FY 07-08</th>
<th>FY 08-09</th>
<th>FY 09-10</th>
<th>FY 10-11</th>
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<tbody>
<tr>
<td>3,770</td>
<td>6,465</td>
<td>9,676</td>
<td>14,018</td>
<td>19,215</td>
</tr>
</tbody>
</table>
Among the top 20 and one of the fastest growing generic companies in US

- Started operations in 2005 and adopted a “Customer Centric Model”
- Ranked 12th amongst the top US generic companies based on scripts (Source: IMS)
- Among the top three players in the market for nine out of the top ten products marketed
- “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 (5 so far) and Parenterals (18 so far)
- Plan to file 12-15 ANDAs p.a.
9th largest generic company in France; among top 20 generic companies in Spain

Among top 10 in Euro 3 bn French generics market with over 2.5% market share

- Launched >200 presentations (>90 molecules) in France so far
- Focusing on expanding market coverage thru new product launches incl. Day 1 opportunities
- Recognized as one of the most reliable partner to deal with by the pharmacists – a result of continuous focus on enrichment of customer relations

Among top 20 in Euro 0.8 bn Spanish market

- Launched >35 molecules in Spain so far
- Plan to increase product portfolio to tap less penetrated market

Overall, registered sales of Rs. 2,755 Mio. in FY 10-11 in Europe, up by 13% in Euro terms

Regulatory pipeline from India

<table>
<thead>
<tr>
<th>New Products</th>
<th>Site Transfers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filed</td>
<td>Approved</td>
</tr>
<tr>
<td>116</td>
<td>67</td>
</tr>
<tr>
<td>64</td>
<td>49</td>
</tr>
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</table>

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 over 10%, with low generic penetration of ~7% in value terms, 22% in volume terms (Source: IGPA)
- Acquired Nippon Universal Pharma. Ltd. (now Zydus Pharma Japan - ZPJ), with a marketing set-up and a small manufacturing facility
- Plans to establish ZPJ 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
- Recently launched Amlodipine in Japan to become first Indian company to get a marketing approval and launch a product manufactured in India
- Dedicated field force of >30 people to address the requirements of the customers

Sales in Japan (Rs. Mio.)

<table>
<thead>
<tr>
<th></th>
<th>FY 08-09</th>
<th>FY 09-10</th>
<th>FY 10-11</th>
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<tbody>
<tr>
<td>Growth</td>
<td>▲ 44%</td>
<td>▲ 34%</td>
<td>▲</td>
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<tr>
<td>Sales</td>
<td>219</td>
<td>316</td>
<td>422</td>
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</tbody>
</table>
Set up Zydus Healthcare Brazil Ltda. (100% subsidiary) to enter generics market in 2005-06

Filed 64 dossiers so far for generic and branded products from India, of which 23 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 >25% over last 3 years with sales of Rs. 1980 Mio. in FY 10-11
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 >85% market share *(Source: AC Nielsen)*
  - Skincare product range with leadership in peel-offs, scrubs and face wash categories
  - India’s largest selling margarine
- Continuous thrust on category expansion through launch of newer variants, also exploring possibilities of launching new categories in wellness domain
- Recently forayed into nutraceuticals space with launch of *Actilife* - a nutritional milk additive for adults.
- 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

Sales Contribution from JVs (Rs. Mio.)

- **FY 08-09**
  - Zydus Nycomed: 999
  - Zydus Hospira: 839

- **FY 09-10**
  - Zydus Nycomed: 758
  - Zydus Hospira: 839

- **FY 10-11**
  - Zydus Nycomed: 556
  - Zydus Hospira: 2708

▲ 70% ▲ 60%
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 6% of the turnover on research

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

Pharmaceutical Technology Centre – Ahmedabad and Mumbai
- Focus on Finished Dosage Form Development & NDDS

API Process Research – Dabhasa
- Focus on API Process Development

Vaccine Technology Center – Ahmedabad
- Focus on Vaccine Research & Development

Talent Pool of >1050 Scientists

- NME & Drug Discovery: 425 scientists (22%)
- Generics/Developmental > 425 scientists (68%)
- API & Others: 200 scientists (10%)

R&D Investment: Rs. 2976 Mio. in FY 10-11

- NME & Drug Discovery: Rs. 659 Mio. (22%)
- Generics/Developmental: Rs. 2024 Mio. (68%)
- API & Others: Rs. 293 Mio. (10%)
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: 17 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 mfg. to be done in-house at the dedicated facility

**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

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<td>Prod 3</td>
<td>Rheumatoid Arthritis</td>
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<td>MAB 2</td>
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### Key Financial Numbers – FY 2010-11

#### Consolidated Profitability

<table>
<thead>
<tr>
<th></th>
<th>2010-11</th>
<th>2009-10</th>
<th>Growth y-y%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Sales</td>
<td>22,324</td>
<td>18,724</td>
<td>19.2%</td>
</tr>
<tr>
<td>Exports Sales</td>
<td>22,887</td>
<td>17,418</td>
<td>31.4%</td>
</tr>
<tr>
<td><strong>Total Gross Sales</strong></td>
<td><strong>45,211</strong></td>
<td><strong>36,142</strong></td>
<td><strong>25.1%</strong></td>
</tr>
<tr>
<td>Total Income from Operations</td>
<td>46,302</td>
<td>36,868</td>
<td>25.6%</td>
</tr>
<tr>
<td><strong>EBIDT</strong></td>
<td>10,262</td>
<td>8,086</td>
<td>26.9%</td>
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<tr>
<td>EBIDT % to Total Income</td>
<td>22.2%</td>
<td>21.9%</td>
<td></td>
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<tr>
<td><strong>Net Profit #</strong></td>
<td>7,110</td>
<td>5,092</td>
<td>39.6%</td>
</tr>
<tr>
<td>Net Profit % to Total Income</td>
<td>15.4%</td>
<td>13.8%</td>
<td></td>
</tr>
<tr>
<td><strong>EPS - not annualised (Rs.) #</strong></td>
<td><strong>34.73</strong></td>
<td><strong>24.87</strong></td>
<td><strong>39.6%</strong></td>
</tr>
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</table>

# Excl. Exceptional Items

#### Consolidated Financial Position

<table>
<thead>
<tr>
<th></th>
<th>Mar-11</th>
<th>Mar-10</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Worth</td>
<td>21,715</td>
<td>16,183</td>
<td>34.2%</td>
</tr>
<tr>
<td>Net Debt (Ex Cash)</td>
<td>8,021</td>
<td>8,398</td>
<td>-4.5%</td>
</tr>
<tr>
<td>Net Fixed Assets</td>
<td>22,636</td>
<td>19,326</td>
<td>17.1%</td>
</tr>
<tr>
<td>Net Current Assets (Ex Cash)</td>
<td>8,689</td>
<td>6,581</td>
<td>32.0%</td>
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<tr>
<td>Fixed Assets Turnover</td>
<td>2.15</td>
<td>1.98</td>
<td>0.17</td>
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<tr>
<td>Net Debt to Equity</td>
<td>0.37</td>
<td>0.52</td>
<td>-0.15</td>
</tr>
<tr>
<td>Return on Net Worth</td>
<td>37.5%</td>
<td>35.9%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Return on Cap. Employed</td>
<td>24.5%</td>
<td>21.1%</td>
<td>3.4%</td>
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