Well integrated pharma player with global footprints

- ~60 years Operational experience
- ~6% of sales Spent on R&D annually
- 300+ products Registered annually for US, EU, Japan and emerging mkts.
- 20+ mfg. sites Producing >12 bn pills annually
- ~25% CAGR In Sales and Net Worth (FY '06 – FY '11)
- >35% CAGR In Net Profits (FY '06 – FY '11)
- 8 NCE programmes In pipeline, at various stages of clinical trials
- 14,000+ employees Across the globe, with >1050 for R&D
- Among top 5 Pharmaceutical Companies in India
- 20 brands Among top 300 brands in India
- 11th largest Generic co. in US in terms of prescriptions
- $ 3 bn + Market Cap
- 650+ patents Filed globally
History of achieving milestones consistently

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

Annual Sales

Economic Times Emerging Company of the year 2010

Kaizen Institute - Operational Excellence in Tablet Manufacturing in 2010

Rs. 200 cr. in 1995

2000
Rs. 1000 cr

2006
$400 mn

2010
$1 bn

...with significant external recognition
We have a vision to march Beyond the Billion

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…
Journey Beyond the Billion (BtB) …

Conducted a comprehensive strategy exercise to achieve the vision

Corporate strategy, Business portfolio mix
- Opportunity evaluation of all potential markets
- Detailed assessment of potential product lines and technologies
- Final selection of markets and therapies / technologies

Business specific strategies
- Vision and detailed strategies for all the businesses till 2015
- Key risks and mitigation plans identified for each business

Organisation-wide strategies
- To improve..
  - Management processes
  - Structure
  - Organization health
  - People development

Implementation planning
- Synthesis of business strategies with corporate strategies
- Execution plans with key milestones for each strategy
- Strengthened review and monitoring mechanism

15 markets
13 products / technologies
Business clusters for BtB journey

Established home markets
- India formulations
- US oral solids

Future home markets
- Brazil
- Mexico

Steady Growth businesses
- EU
- Japan
- Emerging markets
- Wellness
- Animal Health
- APIs
- JVs

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

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

Aspirations

- Consolidate and strengthen leadership 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: 50+ annually (incl. line extensions), with several First-in-India
- In-licensing arrangements with global players
- Recently acquired Biochem, one of the top 40 players, to strengthen position in anti-biotics space

Market size*: Rs. 588 bn
Market growth*: 15%
Zydus size**: Rs. 25 bn+
Market Share*: 4.3%
Zydus growth**: 15.2%

Top 10 Brands

- Aten
- Deriphyllin
- Falcigo
- Ocid
- Amicin
- Atorva
- Pantodac
- Mifegest
- Ampilox
- Primolut – N

* All market related information sourced from AIOCD AWACS MAT Jan-12
** Zydus numbers including Biochem as reported by AIOCD AWACS MAT Jan-12
US Oral Solids

- 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
- Among top 3 for nine out of top ten products marketed in US
- Highly efficient service levels, making us the ‘Preferred supplier’ for our customers
- Cost competitiveness – through continuous improvement in manufacturing processes
- Robust regulatory pipeline, with increasing focus on complex and niche products.
- 116 ANDA fillings, 67 approvals and 43 product launches so far.
- Nesher – opportunities in $ 7 bn controlled substances market

Aspirations

Market size*: >$ 70 bn
Market growth*: 6-8%
Zydus size**: ~ $ 250 mn
Zydus growth**: 32%

55%+ CAGR in Sales (Last 5 years)

* Approx. numbers as per EvaluatePharma Report
** Zydus numbers includes Nesher, as reported in books, for 2011
Brazil

Aspirations

- To be among top 15 companies in 2015

Strengths to be leveraged

- Presence in branded generics and generic generics segments
- Local manufacturing site
- Robust product pipeline from India – 79 filings, 24 approvals
- Product launches: 20+ branded, 15+ generic generics
- Field force of 190+, spread across regions

Market size*: >$ 16 bn
Market growth*: 12-14%
Zydus size**: Rs. 2442 mn
Zydus growth**: 14%
Mexico

Market size*: >$ 10 bn
Market growth*: ~9%

Aspirations

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

Strengths to be leveraged

- Set-up own subsidiary in Mexico to commence operations
- Building regulatory pipeline: 14 filings so far
- Commercial operations expected to start from 2013

* Approx. numbers as per Evaluate Pharma Report
Steady Growth 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 90+ molecules in France and 45+ molecules in Spain so far (incl. several ‘Day 1’)
- Leveraging India cost advantage: 132 new products and 65 site transfer filings so far, >35% of sales supplied from India

Japan

- 20+ products in market, including 15+ in-licensed
- First Indian co. to get approval for and launch a product in Japan, recently received three more product approvals from India
- To expand market coverage with new launches, customer coverage and co-development initiatives

Emerging Mkts.

- Operations in 8 markets of Asia Pacific and Africa
- Leading positions in various markets
- Focusing on rapidly growing markets of South Africa and Philippines
- Increased product development activities supported by strong regulatory teams

* Approx. numbers as per EvaluatePharma Report.
** Zydus numbers as reported in books for 2011
Steady Growth Businesses

**Wellness**

- Zydus Size **: Rs. 3363 mn
- Zydus Gr. : 5%

Aspirations: Rs. 500 cr. sales by 2013, continue growth momentum

- Leadership in sugar substitutes (85% + market share), peel-off and scrub range for skin-care and margarine categories in India
- Continuous thrust on category expansion through newer variants
- Forayed into nutraceutical space with launch of ActiLife - a nutritional milk additive for adults, which received encouraging response.

**Animal Health**

- Zydus Size **: Rs. 1807 mn (incl. Bremer)
- Zydus Gr. : 28%

Aspirations: To be a comprehensive, global animal healthcare provider

- One of India’s leading animal healthcare co.
- Wide range of drugs, feed supplements and vaccines for livestock, companion animals and poultry
- Recently acquired Bremer Pharma, Germany to get access to key markets across Europe, South America, Asia and Africa

**APIs**

- Zydus Size **: Rs. 2882 mn
- Zydus Gr. : -14%

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 through improving cost competitiveness and continuous process improvement

**Zydus Size**: Rs. 2882 mn
**Zydus Gr.**: -14%

**Wellness**

**Animal Health**

**APIs**

**Zydus numbers as reported in books for 2011**
Joint Ventures and Partnerships

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

**Zydus Nycomed 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 6 products so far

**Zydus Hospira JV**
- State-of-the-art cytotoxic facility approved by MHRA, USFDA, TGA, Health Canada
- Plan to manufacture 6 oncology products
- Commercial supplies commenced for: EU (5 products) and US (3 products)
  - Expanding scope of collaboration for 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 ~20 key emerging markets
-Commenced development of products and regulatory filings
-Commercial supplies to commence from FY ‘13
**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.
- 150+ experienced scientists
- Strong pipeline: 17 biosimilars and 2 novel products
- Strong IP position either through own patent or non-infringing processes

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**Product Pipeline**

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<tr>
<td>G-CSF</td>
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<td>IFN α-2b</td>
<td>Infectious diseases</td>
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<td>IFN B1b</td>
<td>Multiple Sclerosis</td>
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<td>Teriparadite</td>
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<td>Prod 2</td>
<td>Rheumatoid Arthritis</td>
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<td>Inflammation</td>
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<td>PEG-EPO</td>
<td>Nephrology</td>
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* Estimated brand sales

**Mkt. Size*: $40 bn

**LAUNCHED**
### New Technologies

#### Aspirations: To be a leading market player in complex technologies

<table>
<thead>
<tr>
<th>Product Line</th>
<th>Details</th>
</tr>
</thead>
</table>
| **Transdermals**   | - State-of-the-art product development and manufacturing facility set-up in SEZ near Ahmedabad  
- 2 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  
  - 18 injectables (including 14 for a partner) and  
  - 7 nasal products  
- Manufacturing facilities set-up |

* Mkt. Size*: $20 bn  
* Mkt. Size*: $22 bn  
* Mkt. Size*: $50 bn

* Estimated sales of branded products
**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

**NCE Pipeline**

<table>
<thead>
<tr>
<th>Project</th>
<th>Target</th>
<th>Indication</th>
<th>Drug Discovery</th>
<th>Lead Optimization</th>
<th>Preclinical 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>PPAR-α, γ</td>
<td>Dyslipidemia</td>
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<tr>
<td>ZYH7</td>
<td>PPAR-α</td>
<td>Dyslipidemia</td>
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<tr>
<td>ZYT1</td>
<td>TR-β Agonist</td>
<td>Dyslipidemia</td>
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<td>ZYD1</td>
<td>GLP-1 Agonist</td>
<td>Diabetes, Obesity</td>
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<tr>
<td>ZYG1</td>
<td>Oral GLP-1 Agonist</td>
<td>Diabetes, Obesity</td>
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<tr>
<td>ZYGK1</td>
<td>Glucokinas e activator</td>
<td>Diabetes</td>
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</table>
World class infrastructure to support BtB journey

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

Oral Solids (India)

Oral Solids (outside India)
- US (Nesher – 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, 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)

Names marked with blue colour denote facilities created in last 12 months.
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 – Apr-Dec 11

<table>
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<th>Consolidated (Rs. Mio.)</th>
<th>Amount</th>
<th>Gr.%</th>
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<tr>
<td>Total Income from Operations</td>
<td>38,653</td>
<td>13.1%</td>
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<td>PBIDT #</td>
<td>8,684</td>
<td>6.8%</td>
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<td>PBIDT % to Income from Ops.</td>
<td>22.5%</td>
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<tr>
<td>Net Profit @</td>
<td>5,687</td>
<td>4.3%</td>
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<tr>
<td>Net Profit % to Income from Ops.</td>
<td>14.7%</td>
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<td>EPS (Rs., not annualised)</td>
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<td>Cash balance</td>
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<td>Debt net of cash</td>
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<td>Total Capex</td>
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# Excludes exchange rate fluctuation (ERF) loss on trading transactions.
@ Excludes ERF on trading transactions as above and that on forex loans.

### Segment-wise Gross Sales

- **India Form.**: 37%
- **US**: 23%
- **Brazil**: 5%
- **Emerg. Mkts.**: 3%
- **EU**: 6%
- **Japan**: 1%
- **Wellness**: 7%
- **Animal Health**: 4%
- **APIs**: 6%
- **JVs**: 8%
- **Other Focus Markets**: 35% of total, Up 9% y-o-y
- **Home Markets**: 65% of total, Up 17% y-o-o-y
Thank You.

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