Well integrated pharma player with global footprints

- ~60 years Operational experience
- 20+ mfg. sites Producing >12 bn pills annually
- 15,000+ employees Across the globe, with 1050+ for R&D
- Among top 5 Pharmaceutical Companies in India
- 10th largest Generic co. in US in terms of prescriptions
- $ 1 bn + Global Revenues
- ~23% CAGR In Sales and Net Profits (FY ‘07 – FY ‘12)
- >6% of sales Spent on R&D annually
- 300+ products Registered annually for US, EU, Japan and emerging mkts.
- 7 NCE programmes In pipeline, at various stages of clinical trials
- 19 brands Among top 300 brands in India
- 19 Biosimilars In pipeline, including 2 novel biologics
- ~ $ 3 bn Market Cap
- 800+ patents Filed globally

~ $ 1 bn +
Global Revenues

>6% of sales
Spent on R&D annually

300+ products
Registered annually for US, EU, Japan and emerging mkts.

7 NCE programmes
In pipeline, at various stages of clinical trials

19 Biosimilars
In pipeline, including 2 novel biologics

~ $ 3 bn
Market Cap

800+ patents
Filed globally
History of achieving milestones consistently

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

Rs. 200 cr. in 1995

Rs. 1000 cr

$400 mn

$1 bn

2006

2010

...with significant external recognition

Economic Times Emerging Company of the year 2010

Kaizen Institute - Operational Excellence in Tablet Manufacturing in 2010

Annual Sales
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…
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

**Key Numbers**
- 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
- 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

- 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: 19 brands among top 300 in India
- New product launches: 45+ in H1 12-13 (incl. line extensions), with 15 First-in-India
- In-licensing arrangements with global players
- Aim to strengthen position in anti-biotics space with acquisition of Biochem, one of the top 40 players in India

Top 10 Brands

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

Market size*: Rs. 680 bn+
Market growth*: 16%
Zydus size**: Rs. 29 bn+
Market Share*: 4.3%
Zydus growth**: 16%

* All market related information sourced from AIOCD AWACS MAT Sep-12
** Zydus numbers including Biochem as reported by AIOCD AWACS MAT Sep-12
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 nine out of top ten products marketed in US
- Highly efficient service levels, makings 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.
- 130+ ANDA fillings, 72 approvals and 45+ product launches so far (oral solids)
- Nesher – one product already in market, another launch (controlled substance) likely by end of FY ‘13

Market size*: >$ 70 bn
Market growth*: 6-8%
Zydus size**: ~ $ 260 mn
Zydus growth**: 23%

* Approx. numbers as per EvaluatePharma Report
** Zydus numbers includes Nesher, as reported in books, for FY 2011-12

50%+ 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>2007-08</td>
<td>64</td>
</tr>
<tr>
<td>2008-09</td>
<td>87</td>
</tr>
<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>
</tbody>
</table>

Aspirations

Market size*: >$ 70 bn
Market growth*: 6-8%
Zydus size**: ~ $ 260 mn
Zydus growth**: 23%

* Approx. numbers as per EvaluatePharma Report
** Zydus numbers includes Nesher, as reported in books, for FY 2011-12
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 – 90+ filings, 30+ 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. 2473 mn
Zydus growth**: 10%

* Approx. numbers as per EvaluatePharma Report
** Zydus numbers as reported in books for FY 2011-12
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 : 19 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 100+ molecules in France and 55+ molecules in Spain so far (incl. several ‘Day 1’)
- Leveraging India cost advantage: 145+ new products and 60+ 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 launched three more products 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 FY 2011-12
### Steady Growth Businesses

#### Wellness

<table>
<thead>
<tr>
<th>Aspirations</th>
<th>Rs. 500 cr. sales by 2013, continue growth momentum</th>
</tr>
</thead>
<tbody>
<tr>
<td>领导力在糖代用品（市场占有率 90% +），剥皮和擦洗范围，皮肤护理和黄油类别的市场份额在印度中占领先地位</td>
<td>领导力在糖代用品（市场占有率 90% +），剥皮和擦洗范围，皮肤护理和黄油类别的市场份额在印度中占领先地位</td>
</tr>
<tr>
<td>持续的市场扩张通过新变种</td>
<td>持续的市场扩张通过新变种</td>
</tr>
<tr>
<td>进入营养领域，推出 ActiLife - 一种营养性牛奶添加剂，该产品获得了令人鼓舞的反响。</td>
<td>进入营养领域，推出 ActiLife - 一种营养性牛奶添加剂，该产品获得了令人鼓舞的反响。</td>
</tr>
</tbody>
</table>

#### Animal Health

<table>
<thead>
<tr>
<th>Aspirations</th>
<th>To be a comprehensive, global animal healthcare provider</th>
</tr>
</thead>
<tbody>
<tr>
<td>作为印度领先的动物健康公司之一</td>
<td>作为印度领先的动物健康公司之一</td>
</tr>
<tr>
<td>广泛的药物、饲料添加剂和疫苗用于牲畜、伴侣动物和家禽</td>
<td>广泛的药物、饲料添加剂和疫苗用于牲畜、伴侣动物和家禽</td>
</tr>
<tr>
<td>在欧洲、南美洲、亚洲和非洲等关键市场中的存在</td>
<td>在欧洲、南美洲、亚洲和非洲等关键市场中的存在</td>
</tr>
</tbody>
</table>

#### APIs

<table>
<thead>
<tr>
<th>Aspirations</th>
<th>To be a ‘reliable’ service provider to customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>后向整合能力，以满足 captive API需求</td>
<td>后向整合能力，以满足 captive API需求</td>
</tr>
<tr>
<td>在印度、美国和欧洲、拉丁美洲、亚洲和中东等选定市场的运营</td>
<td>在印度、美国和欧洲、拉丁美洲、亚洲和中东等选定市场的运营</td>
</tr>
<tr>
<td>持续的不懈努力，通过提高成本竞争力和持续的过程改进来提高服务水平</td>
<td>持续的不懈努力，通过提高成本竞争力和持续的过程改进来提高服务水平</td>
</tr>
</tbody>
</table>

**Zydus numbers as reported in books for FY 2011-12**
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 9 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)
  - 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 ~18 key emerging markets
- Commenced development of products and regulatory filings
- Commercial supplies to commence by end of FY 12-13
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.
- 170+ experienced scientists
- Strong pipeline: 17 biosimilars and 2 novel products
- Strong IP position either through own patent or non-infringing processes

**Product Pipeline**

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<tr>
<td>G-CSF</td>
<td>Oncology</td>
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<tr>
<td>Peg G-CSF</td>
<td>Oncology</td>
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<tr>
<td>IFN α-2b</td>
<td>Infectious diseases</td>
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<tr>
<td>Peg IFN α-2b</td>
<td>Infectious diseases</td>
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<td>EPO</td>
<td>Oncology/Nephrology</td>
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<td>IFN β 1b</td>
<td>Multiple Sclerosis</td>
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<td>Prod 1</td>
<td>Nephrology</td>
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<td>Teriparatide</td>
<td>Osteoporosis</td>
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<tr>
<td>Prod 2</td>
<td>Rheumatoid Arthritis</td>
<td></td>
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<tr>
<td>MAB 1</td>
<td>Oncology/RA</td>
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<tr>
<td>MAB 2</td>
<td>Inflammation</td>
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<td>MAB 3</td>
<td>Oncology</td>
<td></td>
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<tr>
<td>MAB 4</td>
<td>Oncology</td>
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<tr>
<td>Prod 3</td>
<td>AMI</td>
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<td>Prod 4</td>
<td>Fertility</td>
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<td>Prod 5</td>
<td>Fertility</td>
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<td>Prod 6</td>
<td>Fertility</td>
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<td>MAB 5</td>
<td>Rabies</td>
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<tr>
<td>PEG-EPO</td>
<td>Nephrology</td>
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</tr>
</tbody>
</table>

* Estimated brand sales

**LAUNCHED**
(in India)
New Technologies

Aspirations: To be a leading market player in complex technologies

- 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

- 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

- Building product pipeline: ANDAs filed with US FDA for
  - 21 injectables (including 15 for a partner) and
  - 5 nasal products
- 5 approvals for injectables so far (for partner), of which commercial production and supply of 3 injectible products have commenced

* 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 preclinical 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 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>ZYH1</td>
<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>
<tr>
<td>ZYD1</td>
<td>GLP-1 Agonist</td>
<td>Diabetes, Obesity</td>
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</tr>
<tr>
<td>ZYOG1</td>
<td>Oral GLP-1 Agonist</td>
<td>Diabetes, Obesity</td>
<td></td>
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<td></td>
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<tr>
<td>ZYHK1</td>
<td>Glocokinase Activator</td>
<td>Diabetes</td>
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<tr>
<td>ZYPH0907</td>
<td>Oral PTH</td>
<td>Osteoporosis</td>
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<tr>
<td>ZYG19</td>
<td>GPR 119 Agonist</td>
<td>Diabetes</td>
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</tbody>
</table>
World class infrastructure to support BtB 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, 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 – H1 12-13

<table>
<thead>
<tr>
<th>Consolidated (Rs. Mio.)</th>
<th>Amount</th>
<th>Gr.%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Income from Operations¹</td>
<td>31,421</td>
<td>28.9%</td>
</tr>
<tr>
<td>EBIDT²</td>
<td>6,065</td>
<td>20.7%</td>
</tr>
<tr>
<td>EBIDT % to Income from Ops.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before tax³</td>
<td>4,785</td>
<td>18.2%</td>
</tr>
<tr>
<td>PBT % to Income from Ops.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Profit³</td>
<td>3,370</td>
<td></td>
</tr>
<tr>
<td>Net Profit % to Income from Ops.</td>
<td></td>
<td>10.7%</td>
</tr>
</tbody>
</table>

| Debt net of cash (30-Sep-12) | 20,362 |
| Capex (H1 12-13)             | 3,957  |

### Segment-wise Gross Sales

- **India Form.,** 38%
- **US,** 23%
- **Brazil,** 4%
- **Emerg. Mkts.,** 5%
- **EU,** 5%
- **Japan,** 1%
- **Wellness,** 7%
- **Animal Health,** 4%
- **APIs,** 5%
- **JVs,** 8%

**Steady growth Markets,** 35% of total, Up 27% y-o-y

**Home Markets,** 65% of total, Up 27% y-o-y

---

¹ Excludes one-time income (mainly from previous year, for growth on like to like basis)
² Excludes one-time income and exchange rate fluctuation (ERF) impact on trading transactions
³ Excludes one-time income, ERF on trading transactions and on forex loans. Flat PAT growth is mainly due to higher tax provision.
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