Well integrated pharma player with global footprints

>60 years Operational experience

>20+ mfg. sites Producing >13 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

>20 years CAGR In Sales and Net Profits (FY ’08 – FY ‘13)

>20% CAGR In Net Worth (FY ’08 – FY ’13)

~ 23% CAGR In Net Worth (FY ’08 – FY ’13)

>7% of sales Spent on R&D annually

1st Indian Company To discover & develop an NCE in-house: Lipaglyn (Saroglitazar)

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

20 brands Among top 300 brands in India

~ $ 2.5 bn Market Cap

19 Biosimilars In pipeline, including 2 novel biologics

950+ patents Filed globally
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

Rs. 1000 cr

$400 mn

$1 bn

2000

2006

2010

Annual Sales
Key businesses for our journey Beyond the Billion

Zydus

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
India formulations

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: 40+ in H1 13-14 (incl. line extensions), with 9 First-in-India
- Recently launched Lipaglyn (Saroglitazar), the first NCE discovered and developed indigenously by an Indian Pharma company
- In-licensing arrangements with global players

Market size*: Rs. 720 bn+
Market growth*: 7%
Zydus size**: Rs. 32 bn+
Market Share*: 4.5%
Zydus growth**: 16%

A first for the nation

* All market related information sourced from AIOCD AWACS MAT Sep-13
** Zydus numbers including Biochem as reported by AIOCD AWACS MAT Sep-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
- Cost competitiveness – through continuous improvement in manufacturing processes
- Robust regulatory pipeline, with increasing focus on complex and niche products.
- 150+ ANDA fillings, 70+ approvals and 50+ product launches till September, 2013
- Nesher – two products already in the market.

Market size*: >$ 50 bn
Market growth*: 15-17%
Zydus size**: ~ $ 276 mn
Zydus growth**: 6%

34%+ CAGR in Sales (Last 5 years)

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross Sales (USD mn)</th>
</tr>
</thead>
<tbody>
<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>
<tr>
<td>2012-13</td>
<td>276</td>
</tr>
</tbody>
</table>

* Approx. numbers as per IMS Report
** Zydus numbers includes Nesher, as reported in books, for FY 2012-13
Brazil

Market size*: $16 bn
Market growth*: 12-14%
Zydus size**: Rs. 2,384 mn
Zydus growth**: -4%

Aspirations
- To be among top 15 companies in 2015

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

* Approx. numbers as per IMS Report
** Zydus numbers as reported in books for FY 2012-13
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 – 25+ filings and 6 approvals so far.
- Commenced commercial operations in Q1 FY 14 with the launch of first product in the market from India
- Launched 4 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: 160+ new products and 60+ site transfer filings so far, >40% of sales supplied from India

Japan
- 25+ products in market, including 15+ in-licensed
- Only Indian pharma company to develop, file and launch 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 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

* 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 FY 2012-13
### Other Businesses

#### Wellness

| Zydus Size **: Rs. 4,100 mn | Zydus Gr. : 19% |

Aspirations: To create niches in wellness space through innovation

- Leadership in sugar substitutes (94%+ market share), peel-off and scrub range for skin-care and margarine categories in India
- Re-launched EverYuth brand with contemporary packaging, improved formulations and new marketing programme
- Launched Nutralite with Omega 3 to strengthen its health positioning

#### Animal Health

| Zydus Size **: Rs. 2,370 mn (incl. Bremer) | Zydus Gr. : 22% |

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
- Presence in key markets across Europe, South America, Asia and Africa through Bremer Pharma, Germany

#### APIs

| Zydus Size **: Rs. 3,099 mn | Zydus Gr. : 9% |

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 by improving cost competitiveness and continuous process improvement

---

** Zydus numbers as reported in books for FY 2012-13
# Joint Ventures and Alliances

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

<table>
<thead>
<tr>
<th>Zydus Takeda JV</th>
<th>Zydus Hospira JV</th>
</tr>
</thead>
<tbody>
<tr>
<td>- State-of-the-art mfg. facility for APIs of Nycomed</td>
<td></td>
</tr>
<tr>
<td>- Commissioned the expanded facility to manufacture complex high-end APIs</td>
<td></td>
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<tr>
<td>- Commenced mfg. and supply of 10 products so far (incl. 4 for validation)</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Zydus Hospira JV</th>
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<tbody>
<tr>
<td>- State-of-the-art cytotoxic facility approved by leading authorities like MHRA, USFDA, TGA, Health Canada</td>
</tr>
<tr>
<td>- Commercial supplies commenced for: EU (6 products) and US (4 products)</td>
</tr>
<tr>
<td>- Expanded scope of collaboration to cover additional products</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bayer Zydus JV</th>
<th>Out-licensing deal with Abbott</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Operates in female healthcare, metabolic disorders, diagnostic imaging, CVS, diabetes and oncology segments in India</td>
<td></td>
</tr>
<tr>
<td>- Leveraging strengths of Bayer’s optimised product portfolio and Zydus’ marketing and distribution capabilities</td>
<td></td>
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<tr>
<td>- JV scope covers launch of innovator products of Bayer</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Out-licensing deal with Abbott</th>
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</thead>
<tbody>
<tr>
<td>- Licensed 30+ products for ~18 key emerging markets</td>
</tr>
<tr>
<td>- Commenced commercial supply of products under the deal and shipped 4 products so far.</td>
</tr>
</tbody>
</table>
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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<tbody>
<tr>
<td>1</td>
<td>G-CSF</td>
<td>Oncology</td>
<td></td>
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<td></td>
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<td></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></td>
</tr>
<tr>
<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>
<td></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>
<td></td>
<td></td>
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<tr>
<td>8</td>
<td>Prod 1</td>
<td>Nephrology</td>
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<td></td>
<td></td>
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<tr>
<td>9</td>
<td>Prod 2</td>
<td>Rheumatoid Arthritis</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>10</td>
<td>MAB 1</td>
<td>Oncology/RA</td>
<td></td>
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<tr>
<td>11</td>
<td>MAB 2</td>
<td>Inflammation</td>
<td></td>
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<tr>
<td>12</td>
<td>MAB 3</td>
<td>Oncology</td>
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<tr>
<td>13</td>
<td>MAB 4</td>
<td>Oncology</td>
<td></td>
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<tr>
<td>14</td>
<td>Prod 3</td>
<td>AMI</td>
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<tr>
<td>15</td>
<td>Prod 4</td>
<td>Fertility</td>
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<tr>
<td>16</td>
<td>Prod 5</td>
<td>Fertility</td>
<td></td>
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<tr>
<td>17</td>
<td>Prod 6</td>
<td>Fertility</td>
<td></td>
<td></td>
<td></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>
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</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
- 4 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
  - 28 injectables (including 19 for a partner) and 5 nasal products
  - 4 ointments
- 8 approvals for injectables so far (7 for partner and 1 for own), commercial production and supply of 6 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>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>
</tr>
</thead>
<tbody>
<tr>
<td>Saroglitazar</td>
<td>PPAR-α, γ</td>
<td>Dyslipidemia</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td>First glitazar to be approved in the world. Launched in India as &quot;LIPAGLYN&quot;</td>
<td></td>
</tr>
<tr>
<td>ZYH7</td>
<td>PPAR-α</td>
<td>Dyslipidemia</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<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>Glocokinase Activator</td>
<td>Diabetes</td>
<td></td>
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<tr>
<td>ZYPH 0907</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 growth journey

**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 – H1 FY 2013-14**

<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>33,838</td>
<td>7.7%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>5,463</td>
<td>-7.1%</td>
</tr>
<tr>
<td>EBITDA % to Income from Ops.</td>
<td>16.1%</td>
<td></td>
</tr>
<tr>
<td>Profit before tax</td>
<td>4,250</td>
<td>1.5%</td>
</tr>
<tr>
<td>PBT % to Income from Ops.</td>
<td>12.6%</td>
<td></td>
</tr>
<tr>
<td>Net Profit</td>
<td>3,784</td>
<td>31.0%</td>
</tr>
<tr>
<td>Net Profit % to Income from Ops.</td>
<td>11.2%</td>
<td></td>
</tr>
</tbody>
</table>

| Debt net of cash (30-Sep-13) | 26,760 |
| Capex (H1 FY 2013-14)        | 4,171  |

**Segment-wise Gross Sales**

- **India Form.**: 37%
- **US**: 25%
- **Brazil**: 3%
- **EU**: 6%
- **Japan**: 1%
- **Emerg. Mkts**: 5%
- **Wellness**: 7%
- **APIs**: 5%
- **Animal Health**: 4%
- **JVs**: 7%

- **Steady growth Markets**, 34% of total, Up 8% y-o-y
- **Home Markets**, 66% of total, Up 10% y-o-y
Thank You.

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