Well integrated pharma player with global footprints

- >60 years operational experience
- 20+ manufacturing sites producing >14 billion pills annually
- 16,000+ employees across the globe, with 1100+ for R&D
- Among top 5 pharmaceutical companies in India
- 15 brands among top 300 brands in India
- 20 biosimilars in pipeline, including 3 novel biologics
- 1070+ patents filed globally
- 8th largest generic co. in US in terms of prescriptions
- >20% CAGR in net worth and net profits (FY '09 – FY '14)
- ~20% CAGR in sales (FY '09 – FY '14)
- $4 bn + market cap
- $1 bn + global revenues
- ~7% of sales spent on R&D annually
- 1st Indian company to discover & develop an NCE in-house: Lipaglyn (Saroglitazar)

~ 20% CAGR
In Net Worth and Net Profits
(FY '09 – FY '14)

$ 1 bn +
Global Revenues

~ 7% of sales
Spent on R&D annually

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

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In pipeline, including 3 novel biologics

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Filed globally

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Among top 300 brands in India

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Market Cap

~ 20% CAGR
In Sales
(FY '09 – FY '14)

>20% CAGR
In Net Worth and Net Profits
(FY '09 – FY '14)

$ 1 bn +
Global Revenues

~ 7% of sales
Spent on R&D annually

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

20 Biosimilars
In pipeline, including 3 novel biologics

1070+ patents
Filed globally

16,000+ employees
Across the globe, with 1100+ for R&D

Among top 5
Pharmaceutical Companies in India
History of achieving milestones consistently

35 fold growth in sales over last 19 years…

…with significant external recognition

2000
Rs. 1000 cr

2006
$400 mn

2010
$1 bn

Rs. 200 cr. in 1995

CNBC – TV 18
India innovator Award 2013

Economic Times Emerging Company of the year 2010
Key businesses for our journey Beyond the Billion

Zydus

Established home markets
- India formulations
- US formulations

Future home markets
- Brazil
- Mexico

Other Businesses
- EU
- Emerging markets
- Wellness
- Animal Health
- APIs
- JVs & alliances

New Technology businesses
- Biosimilars
- Vaccines
- NCEs

• Sustainable & profitable growth
• High growth potential
• Steady growth
• High upfront investments

• Significant revenue contribution
• Large revenue contribution in future
• Low variability in business performance
• Large potential upside
India formulations

Aspirations

- Maintain strong leadership position in key areas – CVS, GI, respiratory, female healthcare, dermaceutical.
- 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
- Gained 2 positions in dermaceutical segment – from 6th last year to 4th rank
- Strong brand equity: 15 brands among top 300 in India
- New product launches: 19 during Apr-Jun 14 (incl. line extensions), with 6 First-in-India
- Launched Lipaglyn (Saroglitazar) in Q2 FY 14, the first NCE discovered and developed indigenously by an Indian Pharma company

Market size*: Rs. 790 bn+
Market growth*: 7%
Zydus size**: Rs. 34.1 bn+
Market Share*: 4.3%
Zydus growth**: 10%

* All market related information sourced from AWACS MAT Aug-14
** Zydus numbers including Biochem as reported by AWACS MAT Aug-14
US formulations

**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**
- Ranked 8th (from 10th in last year) among US generic companies based on scripts (Source: IMS).
- ‘Preferred supplier’ for our customers - received ‘Service Level Excellence’ award from a large US whole-seller for highly efficient service levels
- Robust regulatory pipeline
  - Increasing focus on complex and niche products
  - Dosage forms - oral solids, injectables, nasals, topicals, transdermals.
  - 225+ ANDA fillings, 85+ approvals so far
  - 60+ launches so far (incl. AGs).

**Market size** : ~$ 50 bn
**Market growth** : 10%+
**Zydus size** : ~ $ 366 mn
**Zydus growth** : 32%

**Aspirations**
- 33%+ CAGR in Sales (Last 5 years)

**Gross Sales (USD mn)**
- 2009-10: 142
- 2010-11: 212
- 2011-12: 260
- 2012-13: 277
- 2013-14: 366

* Approx. numbers as per IMS Report
** Zydus numbers includes that of Nesher and Hercon, as reported in books, for FY 2013-14
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>~ $18 bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market growth*</td>
<td>12-14%</td>
</tr>
<tr>
<td>Zydus size**</td>
<td>Rs. 2,353 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 FY 2013-14
Mexico

Market size*: ~ US$ 10 bn  
Market growth*: 2-3%  
Zydus size**: Rs. 109 mn

Aspirations

- To establish strong base with aggressive product launches.

Strengths to be leveraged

- Focused segments (Branded) – CNS, metabolic disorders and respiratory
- Building product pipeline from India – 35+ filings and 15+ approvals so far.
- Commenced commercial operations in June 2013 with the launch of first product in the market from India
- Launched 12 products in the market so far
### Other Global Markets

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

#### EU
- 8th largest in France, among top 20 in Spain
- Expansion through new products: launched 115+ molecules in France and 80+ molecules in Spain so far (incl. several ‘Day 1’)
- Leveraging India cost advantage: 175+ new products and 65+ site transfer filings so far, >40% of sales supplied from India

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<table>
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<tbody>
<tr>
<td><strong>Mkt. Size</strong></td>
<td>~$6.5 bn (France + Spain Gx)</td>
</tr>
<tr>
<td><strong>Mkt. Gr.</strong></td>
<td>2-3%</td>
</tr>
<tr>
<td><strong>Zydus Size</strong></td>
<td>Rs. 3,902 mn</td>
</tr>
<tr>
<td><strong>Zydus Gr.</strong></td>
<td>6%</td>
</tr>
</tbody>
</table>

#### Emerging Mkts.
- Operations in different 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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<tbody>
<tr>
<td><strong>Mkt. Size</strong></td>
<td>~$13 bn</td>
</tr>
<tr>
<td><strong>Mkt. Gr.</strong></td>
<td>12-13%</td>
</tr>
<tr>
<td><strong>Zydus Size</strong></td>
<td>Rs. 3,592 mn</td>
</tr>
<tr>
<td><strong>Zydus Gr.</strong></td>
<td>15%</td>
</tr>
</tbody>
</table>

* Approx. numbers as per GERS Report for Europe and as per EvaluatePharma for emerging markets
** Zydus numbers as reported in books for FY 2013-14
**Other Businesses**

**Wellness**
- **Aspirations**: To create niches in wellness space through innovation
  - Leadership in sugar substitutes (~93% market share) and peel-off and scrub range for skin-care in India
  - Continuous thrust on new product launches with launch of several products under EverYuth brand and launch of low priced Nutralite yummy.
  - Recently completed significant re-organization of sales and distribution model in order to ensure continued growth in future.

**Animal Health**
- **Aspirations**: To be a comprehensive, global animal healthcare provider
  - One of India’s leading animal healthcare co with 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**
- **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

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**Zydus Size**:
- **Wellness**: Rs. 4,296 mn, Zydus Gr.: 5%
- **Animal Health**: Rs. 2,754 mn (incl. Bremer), Zydus Gr.: 17%
- **APIs**: Rs. 3,497 mn, Zydus Gr.: 13%

---

**Aspirations**: To be a ‘reliable’ service provider to customers

**Zydus numbers as reported in books for FY 2013-14.**
# 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>- State-of-the-art cytotoxic facility approved by leading authorities like MHRA, USFDA, TGA, Health Canada</td>
</tr>
<tr>
<td>- Commissioned the expanded facility to manufacture complex high-end APIs</td>
<td>- Commercial supplies commenced for: EU (6 products) and US (4 products)</td>
</tr>
<tr>
<td>- Commenced mfg. and supply of 10 products so far (incl. 4 for validation)</td>
<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>
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<tbody>
<tr>
<td>- Operates in female healthcare, metabolic disorders, diagnostic imaging, CVS, diabetes and oncology segments in India</td>
<td>- Licensed 30+ products for ~18 key emerging markets</td>
</tr>
<tr>
<td>- Leveraging strengths of Bayer’s optimised product portfolio and Zydus’ marketing and distribution capabilities</td>
<td>- Commenced commercial supply of products under the deal and shipped 8 products so far.</td>
</tr>
<tr>
<td>- JV scope covers launch of innovator products of Bayer</td>
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</tbody>
</table>
Biosimilars and Vaccines

Aspirations: Leverage technological edge to unlock substantial value and create pillars for future growth.

Strengths to be leveraged

Biosimilars
- Dedicated facilities for R&D and mfg.
- 170+ experienced scientists
- Strong pipeline: 17 biosimilars and 3 novel products
- Strong IP position either through own patent or non-infringing processes

Vaccines
- Dedicated facilities for R&D and mfg.
- 60+ experienced scientists
- 10 vaccines under different stages of development

Biosimilar pipeline

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<tr>
<td>G-CSF</td>
<td>Oncology</td>
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<td>Peg G-CSF</td>
<td>Oncology</td>
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<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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<tr>
<td>EPO</td>
<td>Oncology/Nephrology</td>
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<tr>
<td>Teripar tide</td>
<td>Osteoporosis</td>
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<tr>
<td>IFN β 1b</td>
<td>Multiple Sclerosis</td>
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<tr>
<td>Prod 1</td>
<td>Nephrology</td>
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<tr>
<td>Prod 2</td>
<td>Rheumatoid Arthritis</td>
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<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>
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<td>MAB 4</td>
<td>Oncology</td>
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<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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<tr>
<td>Prod 6</td>
<td>Fertility</td>
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<tr>
<td>MAB 5</td>
<td>Rabies</td>
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<tr>
<td>PEG-EPO</td>
<td>Nephrology</td>
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<td>Prod 7</td>
<td>Oncology</td>
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</table>

LAUNCHED (in India)
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
- 300+ 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>
<td>First glitazar to be approved in the world. Launched in India as “LIPAGLYN”</td>
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<tr>
<td>Saroglitazar</td>
<td>PPAR-α, γ</td>
<td>Lipodystrophy</td>
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<tr>
<td>Saroglitazar</td>
<td>PPAR-α, γ</td>
<td>Non-alcoholic Steatohepatitis</td>
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<tr>
<td>ZYH7</td>
<td>PPAR-α</td>
<td>Dyslipidemia</td>
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<td>ZYG19</td>
<td>GPR 119 Agonist</td>
<td>Diabetes</td>
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<tr>
<td>ZYDPLA1</td>
<td>DPP-IV inhibitor</td>
<td>Diabetes</td>
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</tbody>
</table>
### 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
  - 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 (200+ scientists)
- Biosimilars and Vaccine Research, Ahmedabad (200+ scientists)
Pillars of Organisational Health

Continuous endeavour 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 – 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>72,240</td>
<td>13.6%</td>
</tr>
<tr>
<td>EBIDT</td>
<td>12,002</td>
<td>6.7%</td>
</tr>
<tr>
<td>EBIDT % to Income from Ops.</td>
<td>16.6%</td>
<td></td>
</tr>
<tr>
<td>Profit before tax&lt;sup&gt;1&lt;/sup&gt;</td>
<td>9,594</td>
<td>18.6%</td>
</tr>
<tr>
<td>PBT % to Income from Ops.</td>
<td>13.3%</td>
<td></td>
</tr>
<tr>
<td>Net Profit&lt;sup&gt;1&lt;/sup&gt;</td>
<td>8,189</td>
<td>25.3%</td>
</tr>
<tr>
<td>Net Profit % to Income from Ops.</td>
<td>11.3%</td>
<td></td>
</tr>
<tr>
<td>Debt net of cash (31-Mar-14)</td>
<td>21,516</td>
<td></td>
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<tr>
<td>Capex (FY 2013-14)</td>
<td>4,660</td>
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</tbody>
</table>

### Segment-wise Gross Sales

- **India Form.,** 34%
- **US,** 30%
- **Latam,** 3%
- **Emerg. Mktls.,** 5%
- **Wellness,** 6%
- **Animal Health,** 4%
- **APIs,** 5%
- **JVs,** 6%
- **Japan,** 1%
- **EU,** 6%
- **Other Markets,** 33% of total, Up 5% y-o-y
- **Home Markets,** 67% of total, Up 20% y-o-y

<sup>1</sup> Excludes exceptional items.
Thank You.

Safe Harbour Statement

This presentation may include certain “forward looking statements”, based on current expectations, within the meaning of applicable laws and regulations. Actual results may differ and the company does not guarantee realization of these statements. The Company also disclaims any obligation to revise any forward-looking statements. The readers may use their own judgment and are advised to make their own calculations before deciding on any matter based on the information given herein.

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