Well integrated pharma player with global footprints

- ~60 years operational experience
- 20+ manufacturing 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 company in US in terms of prescriptions
- $1 bn+ global revenues
- >6% of sales spent on R&D annually
- ~23% CAGR in sales and net profits (FY '07 – FY '12)
- ~25% CAGR in net worth (FY '07 – FY '12)
- 300+ products registered annually for US, EU, Japan and emerging markets
- 7 NCE programmes in pipeline, at various stages of clinical trials
- 20 brands among top 300 brands in India
- 19 biosimilars in pipeline, including 2 novel biologics
- 800+ patents filed globally
- ~$3 bn market cap

10 years
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

2000
Rs. 1000 cr

2006
$400 mn

2010
$1 bn

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…
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
- 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: 20 brands among top 300 in India
- New product launches: 90+ in FY 11-12 (incl. line extensions), with 29 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. 660 bn+
Market growth*: 17%
Zydus size**: Rs. 27 bn+
Market Share*: 4.2%
Zydus growth**: 14%

Top 10 Brands
- Aten
- Deriphyllin
- Falcigo
- Ocid
- Amicin
- Atorva
- Pantodac
- Mifegest
- Ampilox
- Primolut – N

* All market related information sourced from AIOCD AWACS MAT Jul-12
** Zydus numbers including Biochem as reported by AIOCD AWACS MAT Jul-12
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 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, 67 approvals and 45+ product launches so far (oral solids)
- Nesher Pharma – opportunities in $ 7 bn controlled substances market

---

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

**50%+ CAGR in Sales (Last 5 years)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross 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>

* 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 – 85+ 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
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: 17 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**
- Leadership in sugar substitutes (90% + 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**
- 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**
- 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

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

Aspirations: To be a comprehensive, global animal healthcare provider

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

---

**Zydus Size**: Rs. 3446 mn
Zydus Gr. : 3%

**Zydus Size**: Rs. 1944 mn (incl. Bremer)
Zydus Gr. : 40%

**Zydus Size**: Rs. 2854 mn
Zydus Gr. : -18%

---

**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 7 products so far (incl. 2 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 from 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

<table>
<thead>
<tr>
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<tr>
<td>G-CSF</td>
<td>Oncology</td>
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<td>Peg G-CSF</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>
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<tr>
<td>EPO</td>
<td>Oncology/Nephrology</td>
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<tr>
<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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<td>Rheumatoid Arthritis</td>
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<tr>
<td>MAB 1</td>
<td>Oncology/RA</td>
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<tr>
<td>MAB 2</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 4</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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</tbody>
</table>

LAUNCHED (in India)

* Estimated brand sales
New Technologies

Aspirations: To be a leading market player in complex technologies

- **Transdermals**
  - Mkt. Size*: $20 bn
  - 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**
  - Mkt. Size*: $22 bn
  - 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**
  - Mkt. Size*: $50 bn
  - Building product pipeline: ANDAs filed with US FDA for
    - 20 injectables (including 14 for a partner) and
    - 5 nasal products
  - Manufacturing facilities set-up

*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 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>
<td>ZYD1</td>
<td>GLP-1 Agonist</td>
<td>Diabetes, Obesity</td>
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<tr>
<td>ZYOG1</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>
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<td>ZYPH0907</td>
<td>Oral PTH</td>
<td>Osteoporosis</td>
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<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 – Q1 12-13

<table>
<thead>
<tr>
<th>Consolidated (Rs. Mio.)</th>
<th>Amount</th>
<th>Gr.%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Income from Operations(^1)</td>
<td>15,944</td>
<td>32.7%</td>
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<tr>
<td>PBIDT(^2)</td>
<td>3,514</td>
<td>37.9%</td>
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<tr>
<td>PBIDT % to Income from Ops.</td>
<td>22.0%</td>
<td></td>
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<tr>
<td>Profit before tax(^3)</td>
<td>2,779</td>
<td>37.1%</td>
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<td>PBT % to Income from Ops.</td>
<td>17.4%</td>
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<tr>
<td>Net Profit(^3)</td>
<td>2,041</td>
<td>12.3%</td>
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<td>Net Profit % to Income from Ops.</td>
<td>12.8%</td>
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<tr>
<td>Debt net of cash (30-Jun-12)</td>
<td>18,394</td>
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<tr>
<td>Capex (Q1 12-13)</td>
<td>2,020</td>
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</table>

### Segment-wise Gross Sales

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

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 as above and ERF on forex loans.
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