

### **Our Vision**

Zydus shall be a leading global healthcare provider with a robust product pipeline and sales of over \$1 bn by 2010;

we shall achieve sales of over \$3 bn by 2015 and be a research-based pharmaceutical company by 2020...



### A Snapshot

- One of the oldest and the 5th largest in the Indian formulations market worth over Rs. 370 bn (Source: ORG IMS MAT Dec-09)
- Operations in US, Europe, Japan, Latin America, Asia Pacific, Africa,
  Middle East and CIS regions
- International sales in generic markets contribute to over 33% of revenues
- 60% growth in formulation exports in last 5 years
- Market leader in niche Indian consumer wellness market with strong brands
- Innovation driven investing over 6% of revenues p.a. on NME, Biological and NDDS research and Generics development
- Dedicated team of ~ 11,000 Zydans
- Market Cap : Cadila Healthcare Ltd. > Rs. 95 bn (> \$ 2 bn)
  Zydus Wellness Ltd. > Rs. 11 bn (> \$ 235 mn)
  (72% ownership)

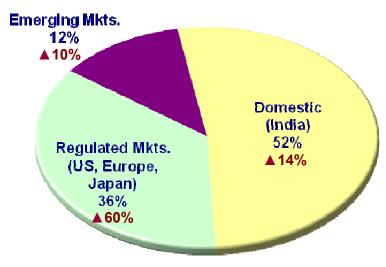


# Core business areas and Revenue break-up (Apr-Dec 09)

### Revenue break-up by segment



### Revenue break-up by region

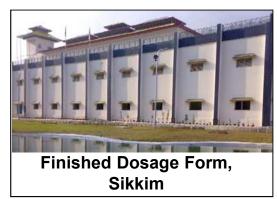


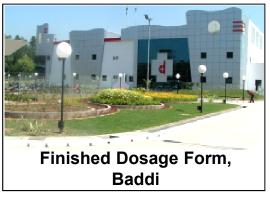


## State of the art facilities and infrastructure (1/2)

### **Formulations**





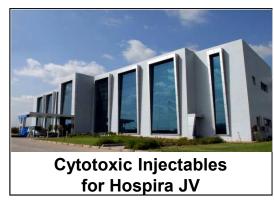














## State of the art facilities and infrastructure (2/2)

### **APIs and Fine Chemicals**

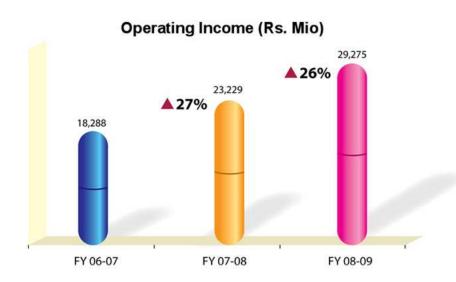


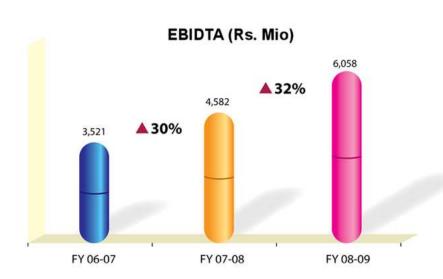


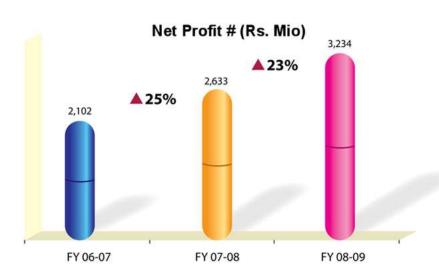


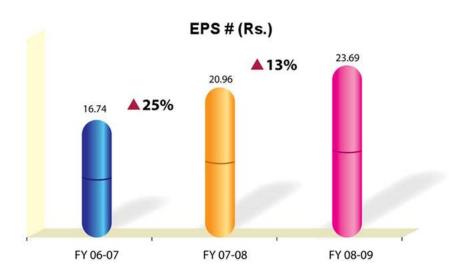


### **Financial highlights**





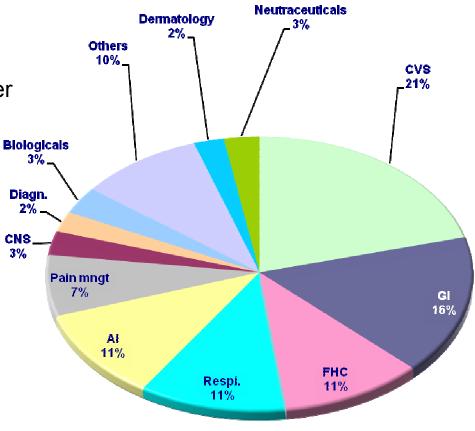




## 5th largest in Indian Pharma market with ~ Rs 14 bn sales

- Leading positions in key segments CVS,
  GI, Female Healthcare and Respiratory (participated market segments)
- 15 brands feature amongst the top 300 brands
- New product launches a key growth driver
  - Launched >50 new products and line extensions in Apr-Dec 09, of which 15 were first in India
- In-licensing arrangements with Bayer Schering Pharma, Boehringer Ingelheim, Nycomed, Baxter, Genzyme Inc.
- Dedicated task force of > 4000 people with therapeutic focus
- Tapping the rural market the next growth driver

Therapeutic Area-wise Sales Break-up of Branded Formulations (FY 08-09)



### International formulations: two-fold focus

# Focusing on developed generic markets which constitute 28% of global sales

- ✓ US Zydus Pharmaceuticals USA Inc.
- ✓ Europe
  - France Zydus France SAS
  - Spain Laboratorios Combix
- ✓ Japan –

Nippon Universal Pharmaceuticals Ltd.

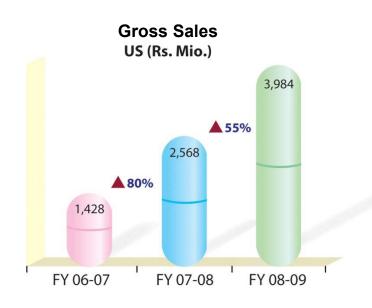
# Driving growth in emerging markets which contribute to 10% of global sales

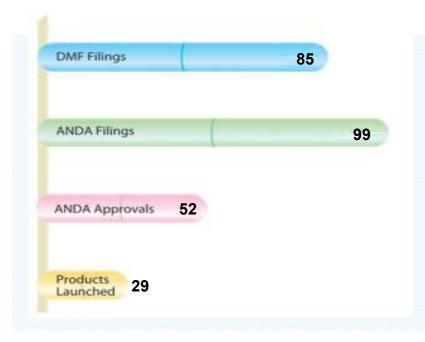
- ✓ Brazil
  - Branded Quimica e Pharmaceutica Nikkho Do Brazil Ltda.
  - Generics Zydus Healthcare Brazil Ltda.
- ✓ Emerging Markets
  - Asia Pacific- Sri Lanka, Myanmar, Taiwan, Philippines
  - South Africa Simayla Pharmaceuticals Pty. Ltd.
  - Africa, Middle East Sudan, Uganda, Algeria
  - CIS Russia, Ukraine



### One of the fastest growing generic companies in US

- Started operations in 2005 and adopted a "Customer Centric Model"
- 29 products launched. 8 -10 products to be added every year
- Products enjoy 5 25% market share
- Focusing on delivery based, difficult to make products, the next growth driver





#### **KEY STRENGTHS**

- A robust regulatory pipeline
- Over half of the products use own API
- Started filing ANDAs for Aerosols
  (4 so far) and Parenterals (11 so far)
- Plan to file 12 -15 ANDAs p.a.

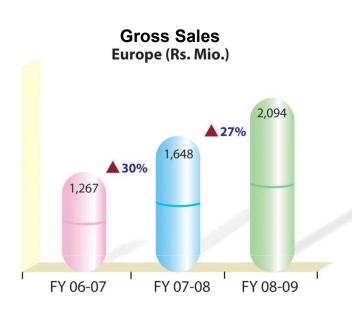
# Over 2.5 % market share in participated French market; 27 product launches in Spain

#### Strong presence in Euro 2.3 bn French market

- Rated one of the fastest growing companies in France by IMS
- Launched >150 presentations (~75 molecules) in France
- Continuous focus on enrichment of customer relations and portfolio expansion thru new launches

## Acquired Laboratorios Combix in 2008 to enter Euro 0.7 bn Spanish market

- Launched 27 molecules in Spain so far
- Plan to increase portfolio to tap this less penetrated market





#### **KEY STRENGTHS**

- Leveraging India's low cost base started supplying over 30% of France sales from India
- New product filings include 24 products for Spanish market

# Strategies for world's 2<sup>nd</sup> largest market valued at \$3bn : Japan

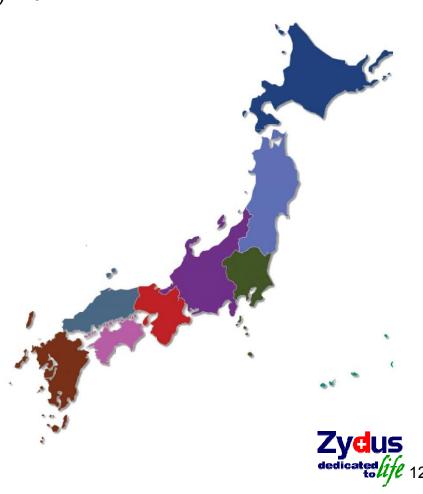
■ Market valued at \$ 3 bn, growing at ~12%, with very low generic penetration of ~5% in value terms, 17% in volume terms (Source : IGPA)

 Acquired Nippon Universal Pharma. Ltd. (NUP) with a marketing set-up and a small manufacturing facility in FY 07-08

 Plans to establish NUP as a generic player in Japan by introducing new products through in-licensing route as well product registrations from India

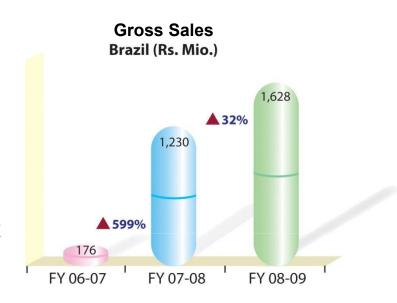
 Launched 20 new in-licensed products in FY 08-09

 Sales of Rs. 219 Mio. in FY 08-09, up 339%



# Achievements in the \$ 12bn Brazilian pharma market growing at 15-18% p.a.

- Set up Zydus Healthcare Brazil Ltda (100% subsidiary) to enter generics market in 2005-06
- Filed 52 dossiers so far for generic and branded products from India, of which 20 have been approved. Launched 17 generic products so far
- Acquired Nikkho in 2007-08 to foray into the fast growing, profitable and sustainable branded generics segment



- A profit-making co., Nikkho has a mfg. facility and strong marketing and distribution network in Brazil
- Expanded the branded basket to over 20 products with launch of several new brands from India and a few acquired brands
- Planning to increase product portfolio in both branded and generics market with 8-10 launches every year

## Exports to emerging markets grew by >30% in last 4 years

- Operations in over 20 semi / non regulated emerging markets of Asia Pacific, Africa, Middle East and CIS regions
- Focusing on rapidly growing markets of Russia,
  South Africa, Taiwan and Philippines
- No.1 Indian company in Uganda and Sudan and amongst top 3 Indian pharma cos. in Sri Lanka and Myanmar



- Acquired Simayla Pharma of South Africa, Africa's largest and only regulated market valued at \$2.8 bn
- Simayla was rated the fastest growing and No.1 new product launch generic company in South Africa
- Plan to launch several new products in South Africa from the group's strong pipeline built from India and leverage Simayla's marketing capabilities



## Zydus Wellness – A market leader with iconic and niche consumer brands



Restructured consumer business with de-merger of consumer business from Cadila Healthcare into Carnation in FY 08-09.

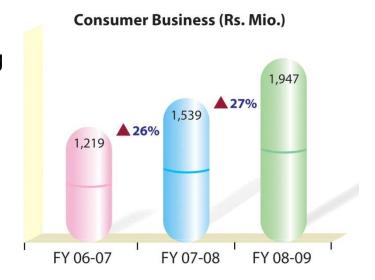
Company now renamed as Zydus Wellness Ltd.



# A pioneer in the low calorie sweetener segment and a trendsetter in skincare products



- Sugar Free India's largest selling sugar substitute with market share of over 80% (Source : AC Nielsen).
- Growing at CAGR of 25% for last 3 years, the brand recorded sales of Rs. 778 Mio. in FY 08-09





- Everyuth range of skincare products are also category leaders, growing by 25% for last 3 years and crossed sales of Rs. 500 Mio. in FY 08-09
- Recently launched Menz a skincare range for Men



- Acquired Nutralite, India's largest selling margarine in FY 06-07
- Revamped brand Nutralite, which grew by over 25% y-o-y post acquisition and crossed sales Rs. 660 Mio. in FY 08-09



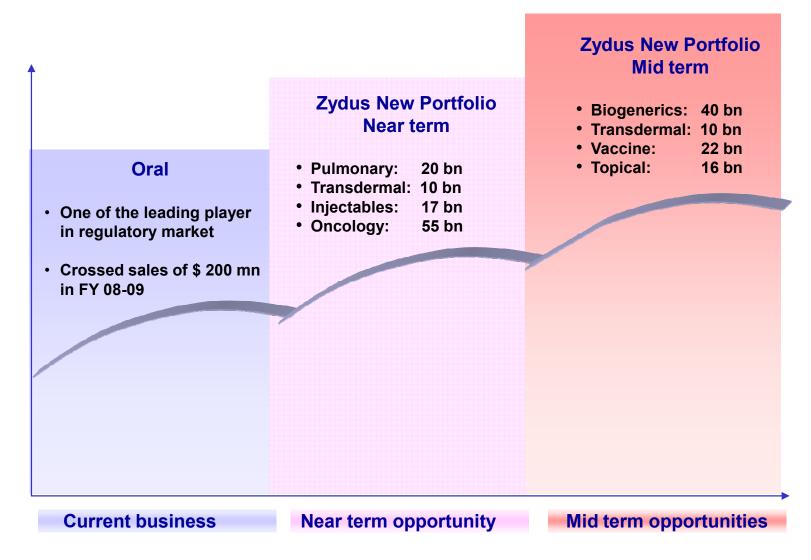
### Unlocking value through win-win alliances

- Zydus Nycomed JV most successful contract manufacturing JV in India
  - State-of-the-art API mfg. plant for Pantoprazole intermediates
  - Expanded scope more APIs to be sourced by Nycomed from this JV
- Zydus Hospira JV for oncology injectables (Generics)
  - State-of-the-art cytotoxic facility located in an SEZ near Ahmedabad
  - Plan to manufacture 6 oncology products
  - Commercial production and supplies for EU market commenced in May-09
  - Full capacity utilisation expected by FY 11-12
- Zydus BSV JV for oncology NDDS
  - State-of-the-art mfg. plant in SEZ near Ahmedabad
  - Launched NDDS product in India in 2008 as Nudoxa
- 43 other contracts with innovator and generic MNCs with peak revenue potential of over \$ 50 Mio.





## Ongoing Investment in Newer Portfolios Worth over \$ 180 bn



Note: Value indicated is estimated brand sale (\$)



## A scientific talent pool of >850 and investing over 6% of the turnover on research

### **Zydus Research Centre (ZRC)**

- Located in Ahmedabad
- Focus on NME Research, Biologicals & NDDS

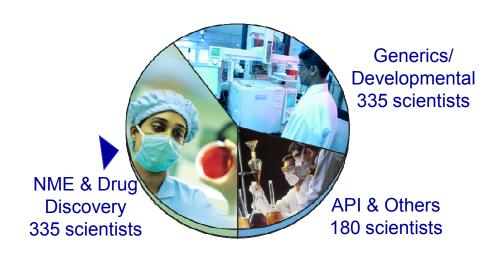
## Pharmaceutical Technology Centre (PTC)

- 2 centers one located in Ahmedabad, another in Mumbai
- Focus on Finished Dosage Form Development & NDDS

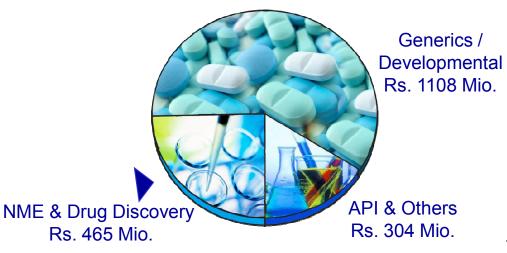
#### **API Process Research**

- Located in Dabhasa, Gujarat
- Focus on Process Development

#### Talent Pool of ~850 Scientists



#### R&D Investment: Rs. 1877 Mio. in FY 08-09



# Dedicated facility for NME research: Zydus Research Centre

- Areas of focus: Dyslipidemia, Diabetes, Obesity, Inflammation
- Facility for target identification to pre-clinical research / early clinical development
- 2nd company in India to be accredited by AAALAC (Association for Assessment and Accreditation of Laboratory Animal Care)
- Signed a new drug discovery and development pact with Eli Lilly and Company, focused on cardiovascular research
- Time span of up to 6 years, potential milestone payments of up to \$ 300 Mio. on licensing of molecules to Eli Lilly and royalties on sales of successful compounds

NME Pipeline

NME	Pre Clinical IND Filing Phase 1 Phase 2 Phase 3
ZYH1	Dyslipidemia
ZYI1	Inflammation
ZYH2	Diabetes
ZYO1	Obesity
ZYH7	Dyslipidemia Also filed with
ZYT1	<b>Dyslipidemia</b> USFDA
ZYD1	Diabetes

## **Highlights: Apr-Dec 09 Results**

	Rs. Mio.		
Consolidated	Apr-Dec 09	Apr-Dec 08	Growth y-y%
Domestic Sales	14,562	12,735	14.3%
Exports Sales	13,321	9,334	42.7%
Total Gross Sales	27,883	22,069	26.3%
Total Operating Income	28,403	22,041	28.9%
EBIDT	6,193	4,567	35.6%
EBIDT % to Total Income	21.9%	20.7%	
Net Profit #	3,904	2,466	58.3%
Net Profit % to Total Income	13.7%	11.2%	
EPS (Rs.) #	28.60	18.06	58.3%

Consolidated	Dec-09	Mar-09
Net Worth	16,008	12,352
Total Debt	11,634	12,674
Net Debt	8,488	10,157
Net Fixed Assets	18,581	17,187
Net Current Assets	7,412	6,179
Cash Balance	3,146	2,517



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