



Cadila Healthcare Limited Investor Presentation

June 2012



Well integrated pharma player with global footprints

~60 years

Operational
experience

\$ 1 bn +

Global Revenues

>6% of sales

Spent on R&D annually

20+ mfg. sites

Producing >12
bn pills annually

~23% CAGR

In Sales and Net
Profits
(FY '07 – FY '12)

300+ products

Registered annually
for US, EU, Japan and
emerging mkts.

14,000+ employees

Across the globe, with
>1050 for R&D

~ 25% CAGR

In Net Worth
(FY '07 – FY '12)

8 NCE programmes

In pipeline, at various
stages of clinical trials

Among top 5

Pharmaceutical
Companies in India

20 brands

Among top 300
brands in India

19 Biosimilars

In pipeline, including 2
novel biologics

11th largest

Generic co. In US in
terms of prescriptions

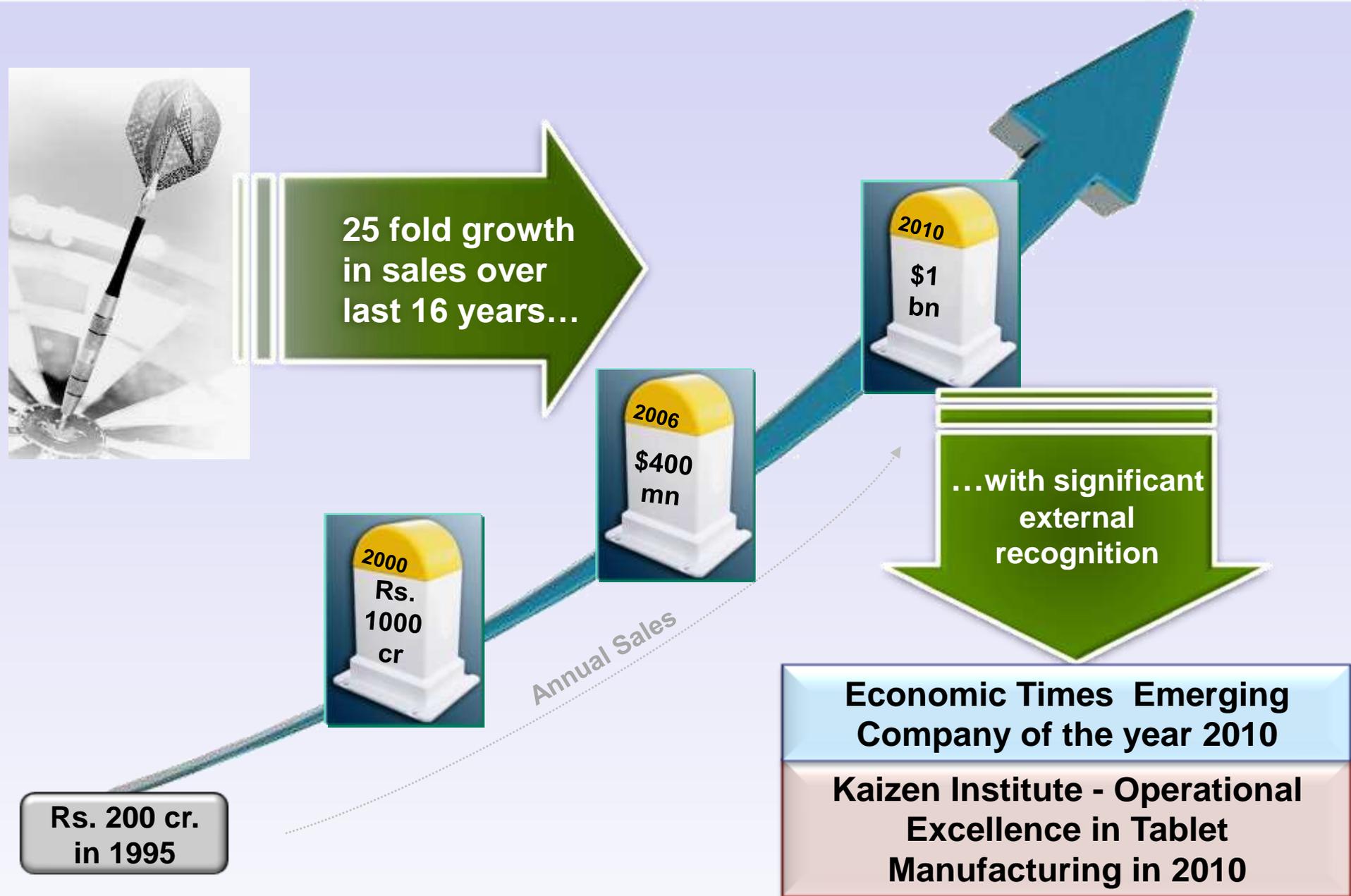
~ \$ 3 bn

Market Cap

800+ patents

Filed globally

History of achieving milestones consistently



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



- **15 markets**
- **13 products / technologies**

Business specific strategies

- Vision and detailed strategies for all the businesses till 2015
- Key risks and mitigation plans identified for each business

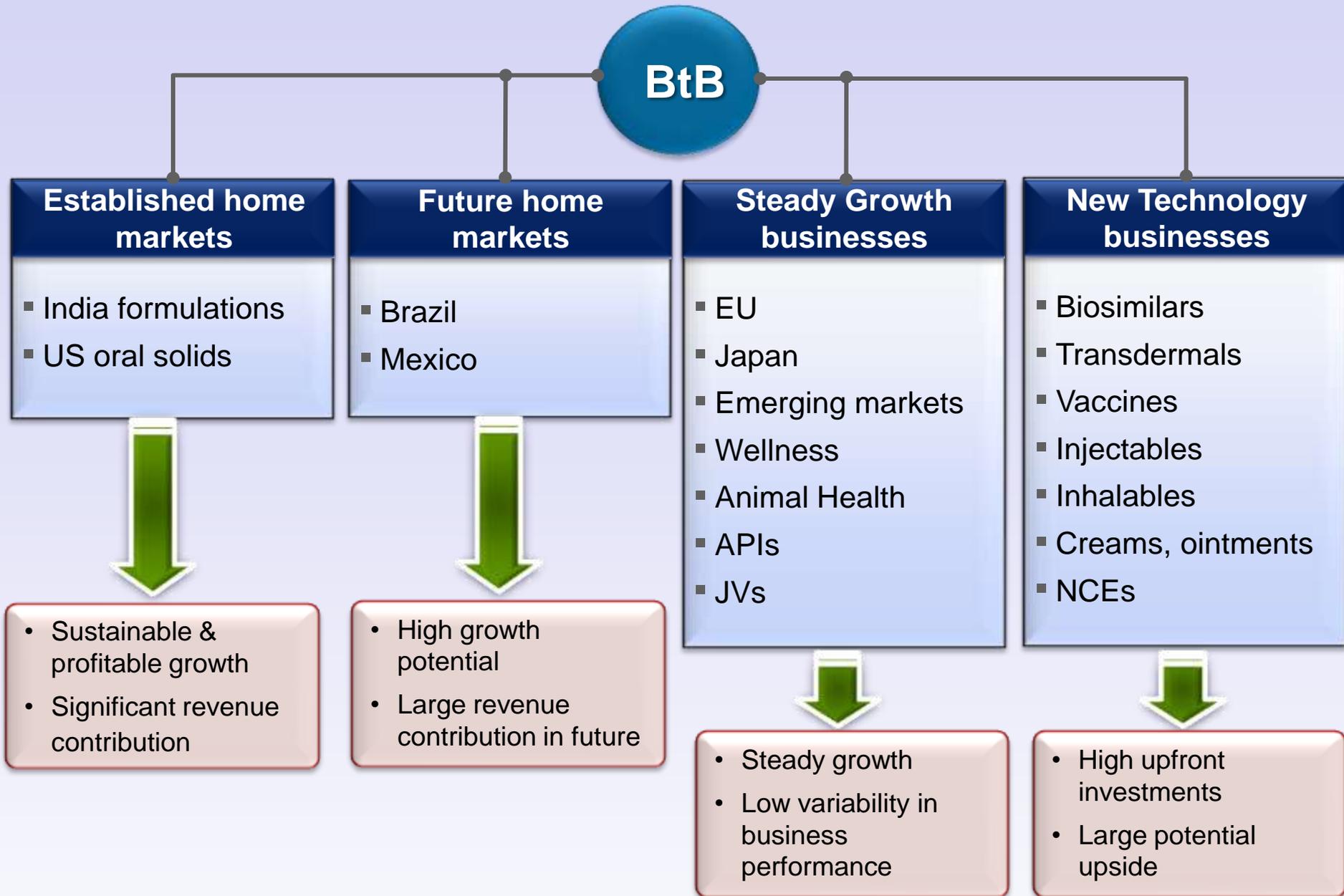
Organisation-wide strategies

- 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

Business clusters for BtB journey



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. 600 bn+
Market growth*	: 16%
Zydus size**	: Rs. 25 bn+
Market Share*	: 4.3%
Zydus growth**	: 16%

Top 10 Brands

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

* All market related information sourced from AIOCD AWACS MAT Mar-12

** Zydus numbers including Biochem as reported by AIOCD AWACS MAT Mar-12

US Oral Solids

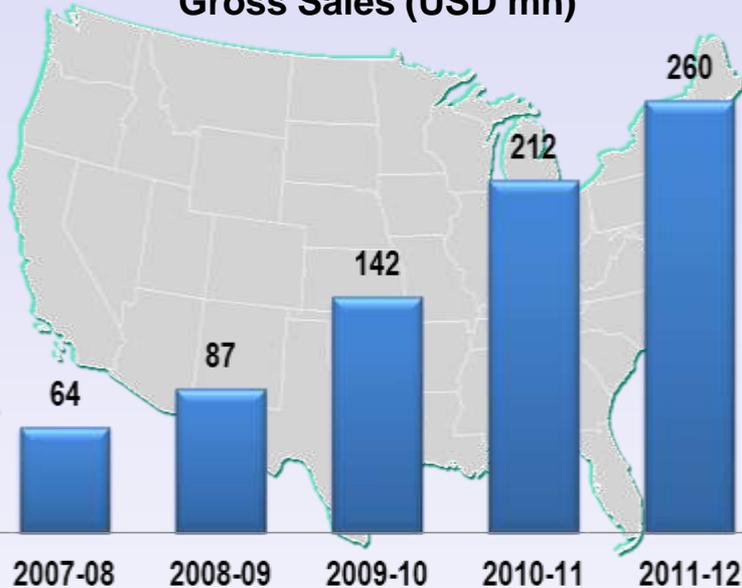
Market size* : >\$ 70 bn
Market growth* : 6-8%
Zydus size** : ~ \$ 260 mn
Zydus growth** : 23%

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

50%+ CAGR in Sales (Last 5 years)

Gross Sales (USD mn)



Strengths to be leveraged

- Among top 3 for nine out of top ten 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.
- 125+ ANDA fillings, 67 approvals and 45+ product launches so far (oral solids)
- Neshor Pharma – opportunities in \$ 7 bn controlled substances market

* Approx. numbers as per EvaluatePharma Report

** Zydus numbers includes Neshor, as reported in books, for FY 2011-12

Brazil

Market size* : >\$ 16 bn
Market growth* : 12-14%
Zydus size** : Rs. 2473 mn
Zydus growth** : 10%

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 – 80+ filings, 30+ approvals
- Product launches : 20+ branded, 15+ generic generics
- Field force of 190+, spread across regions



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 : 14 filings so far
- Commercial operations expected to start from 2013

Steady Growth Markets

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

EU

Mkt. Size* : ~\$ 5 bn
(France + Spain Gx)
Mkt. Gr. : 4-5%
Zydus Size **: Rs. 2983 mn
Zydus Gr. : 8%

- 9th largest in France, among top 20 in Spain
- Expansion through new products : launched 95+ molecules in France and 50+ molecules in Spain so far (incl. several 'Day 1')
- Leveraging India cost advantage : 135+ new products and 60+ site transfer filings so far, >35% of sales supplied from India

Japan

Mkt. Size* : ~\$ 9 bn
Mkt. Gr. : 7-10%
Zydus Size **: Rs. 522 mn
Zydus Gr. : 24%

- 20+ products in market, including 15+ in-licensed
- First Indian co. to get approval for and launch a product in Japan, recently received three more product approvals from India
- To expand market coverage with new launches, customer coverage and co-development initiatives

Emerging Mkts.

Mkt. Size* : ~\$ 12 bn
Mkt. Gr. : 12-13%
Zydus Size **: Rs. 1889 mn
Zydus Gr. : -5%

- 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



Zydus Size **: **Rs. 3446 mn**

Zydus Gr. : **3%**



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

- 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

Zydus Size **: **Rs. 1944 mn**

(incl. Bremer)

Zydus Gr. : **40%**

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
- Recently acquired Bremer Pharma, Germany to get access to key markets across Europe, South America, Asia and Africa

APIs

Zydus Size **: **Rs. 2854 mn**

Zydus Gr. : **-18%**

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 through improving cost competitiveness and continuous process improvement

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. 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 (3 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

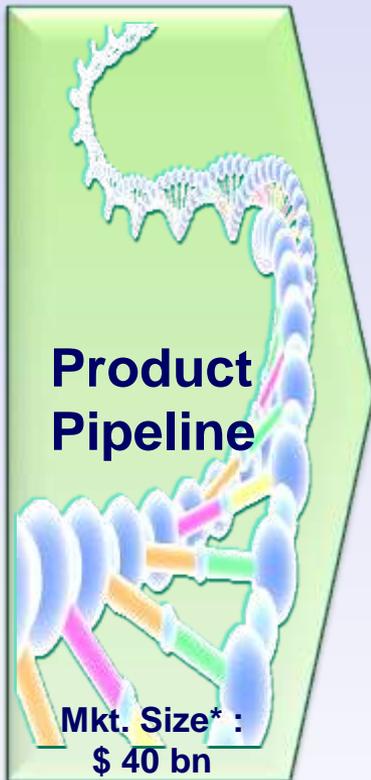
Aspirations :

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	Indication	Cloning	Process Devp.	Pre-Clinical Devp.	Regulatory Permission	Clinical Devp.	Mktg. Authorisation
G-C SF	Oncology	LAUNCHED (in India)					
Peg G-C SF	Oncology						
IF N α -2b	Infectious diseases						
Peg IF N α -2b	Infectious diseases						
EPO	Oncology/Nephrology						
IF N β 1b	Multiple Sclerosis						
Prod 1	Nephrology						
Teriparatide	Osteoporosis						
Prod 2	Rheumatoid Arthritis						
MAB 1	Oncology/RA						
MAB 2	Inflammation						
MAB 3	Oncology						
MAB 4	Oncology						
Prod 3	AMI						
Prod 4	Fertility						
Prod 5	Fertility						
Prod 6	Fertility						
MAB 5	Rabies						
PEG-EPO	Nephrology						

* 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
 - 18 injectables (including 14 for a partner) and
 - 5 nasal products
- Manufacturing facilities set-up

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

Project	Target	Indication	Drug Discovery	Lead optimization	Preclinical Development	IND	Phase I	Phase II	Phase III	NDA
ZYH1	PPAR- α , γ	Dyslipidemia	[Progress bar]							
ZYH7	PPAR- α	Dyslipidemia	[Progress bar]							
ZYT1	TR- β Agonist	Dyslipidemia	[Progress bar]							
ZYD1	GLP-1 Agonist	Diabetes, Obesity	[Progress bar]							
ZYOG1	Oral GLP-1 Agonist	Diabetes, Obesity	[Progress bar]							
ZYGK1	Glucokinase activator	Diabetes	[Progress bar]							
ZYPH 0907	Oral PTH	Osteoporosis	[Progress bar]							
ZYG19	GPR 119 Agonist	Diabetes	[Progress bar]							



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)

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

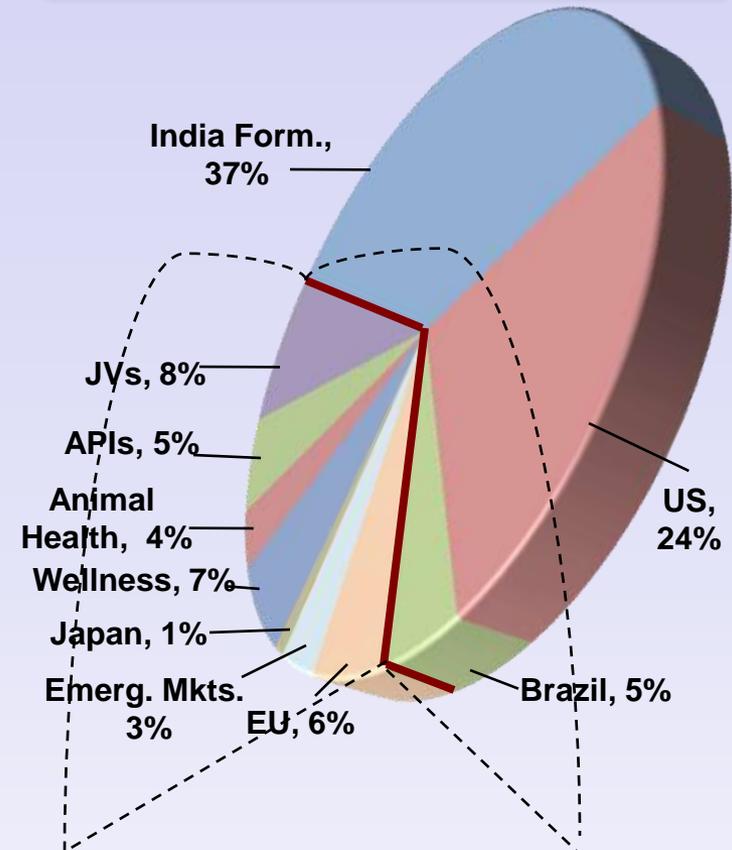
Promoting collaboration across businesses and functions

Strengthening accountability by proper performance management

Key Financial Numbers – FY 11-12

Consolidated (Rs. Mio.)	Amount	Gr.%
Total Income from Operations	52,633	13.7%
PBIDT #	11,772	14.4%
PBIDT % to Income from Ops.	22.4%	
Net Profit @	7,468	6.8%
Net Profit % to Income from Ops.	14.2%	
EPS (Rs.)	31.87	
Net Worth (31-Mar-12)	25,736	
Debt net of cash (31-Mar-12)	18,285	
Capex (FY 11-12)	6,495	

Segment-wise Gross Sales



Steady growth Markets, 34% of total, Up 5% y-o-y

Home Markets, 66% of total, Up 20% y-o-y

Excludes exchange rate fluctuation (ERF) loss on trading transactions.
 @ Excludes ERF on trading transactions as above and that on forex loans.

Thank You.

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