Cadila Healthcare Ltd. Investor Presentation November 2010



BSE : 532321 NSE : CADILAHC

Our Vision

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

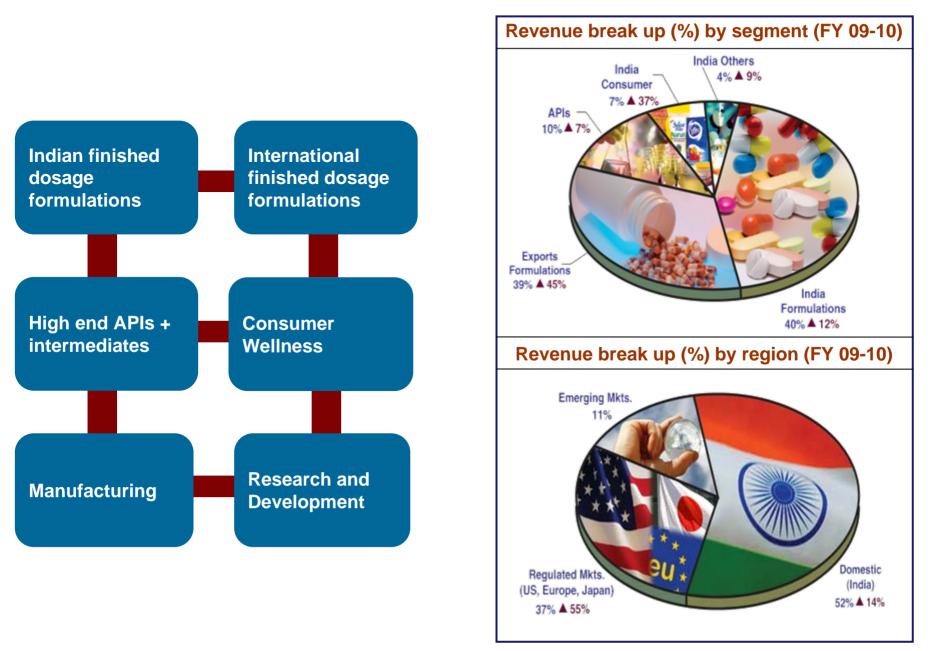
we shall achieve sales of over \$3 bn by 2015 and be a research-based pharmaceutical company by 2020...



A Snapshot

- One of the oldest and the 5th largest in the Indian formulations market worth over Rs. 450 bn (Source : ORG IMS MAT Sep-10)
- Operations in US, Europe, Japan, Latin America, Asia Pacific, Africa and Middle East regions
 - International sales in generic markets contribute to ~39% of revenues, with
 > 70% growth in formulation exports in last 5 years
- Market leader in niche Indian consumer wellness market with strong brands
 - Innovation driven investing ~6% of revenues p.a. on NME, Biological and NDDS research and Generics development
- Dedicated team of > 12,000 Zydans across 18 countries
- Market Cap : Cadila Healthcare Ltd. > Rs. 140 bn (> \$ 3 bn) (29-Oct-10) Zydus Wellness Ltd. > Rs. 20 bn (> \$ 450 mn) (72% ownership)
- Declared the Emerging Company of the year by 'ET Award for Corporate Excellence 2010'

Well integrated company and expanding Globally



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



Finished Dosage Form, Moraiya (USFDA Approved)

Finished Dosage Form, Sikkim







Finished Dosage Form, Brazil



Agiolax (for Madaus), Goa



State of the art facilities and infrastructure (2/2) **APIs and Fine Chemicals** R&D



API, Ankleshwar (USFDA Approved)



Fine Chemicals, Moraiya (USFDA Approved)



(USFDA approved)



Biologics Active Substances, Changodar



for Nycomed JV



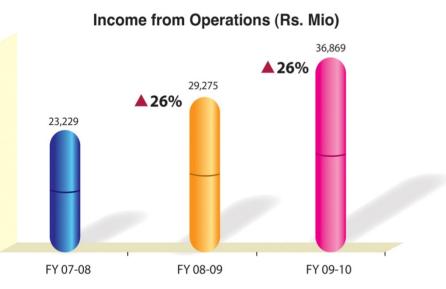


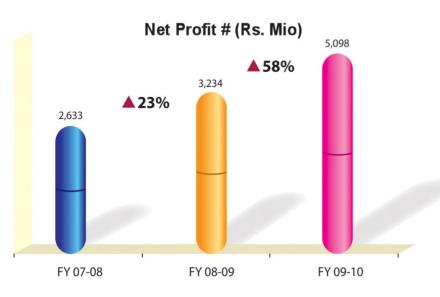
Pharmaceutical Technology Center, Moraiya

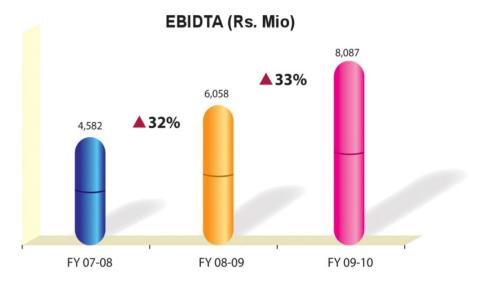


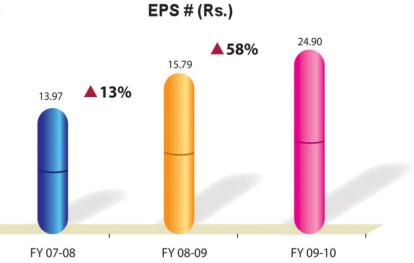
API Process Researh Center. Dabhasa

Financial highlights





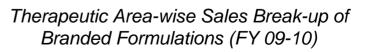


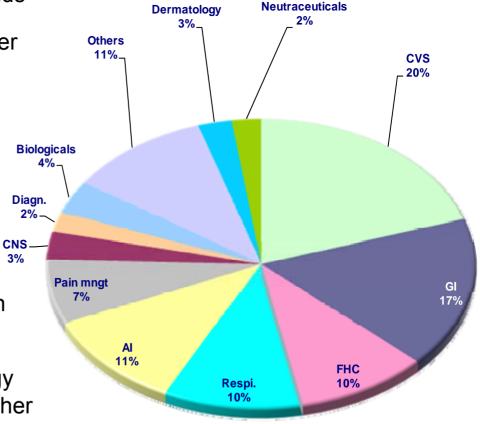


5th largest in Indian Pharma market with \sim Rs 17 bn sales

3%

- Leading positions in key segments CVS. GI, Female Healthcare and Respiratory (participated market segments)
- 16 brands amongst country's top 300 brands
- New product launches a key growth driver
 - Launched >45 new products and line extensions during Apr-Sep 10
 - 18 were first in India
- In-licensing arrangements with Bayer Schering Pharma, Boehringer Ingelheim, Nycomed, Baxter, Genzyme Inc.
- Dedicated task force of > 4400 people with therapeutic focus
- Recently expanded field force in Cardiology by ~300 and in Respiratory by ~100 to further strengthen our positions

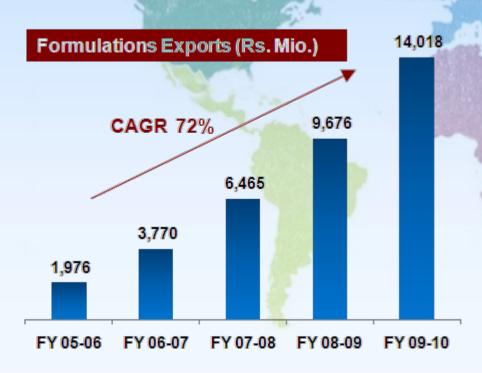




International formulations : two-fold focus

Focusing on developed generic markets (~29% of global sales)

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



Driving growth in emerging markets (~10% of global sales)

Brazil –

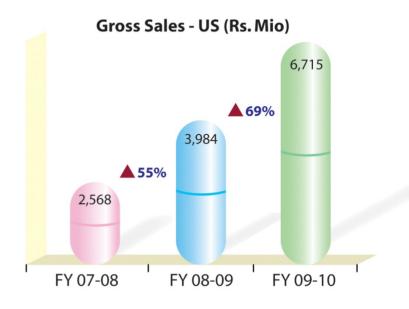
- Branded Quimica e Pharmaceutica Nikkho Do Brazil Ltda.
- Generics Zydus Healthcare Brazil Ltda.
- Emerging Markets
 - Asia Pacific- Sri Lanka, Myanmar, Taiwan, Philippines
 - South Africa Simayla Pharma. Pty. Ltd.
 - Africa, Mid East Sudan, Uganda, Algeria

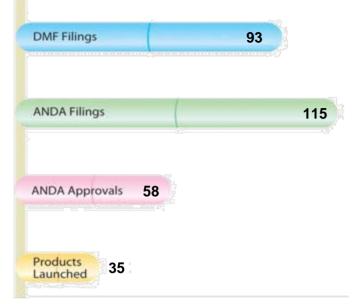
Product Portfolio

- Robust pipeline of new products across markets
- ✓ Initiatives to add specialty and niche dosage forms in the portfolio

Among the top 20 and one of the fastest growing generic companies in US

- Started operations in 2005 and adopted a "Customer Centric Model"
- 35 products launched. 8 -10 products to be added every year
- 14 products enjoy >20% market share
- "Preferred Supplier" for many customers
- Focusing on delivery based, difficult to make products, the next growth driver





KEY REGULATORY STRENGTHS

- A robust regulatory pipeline
- Over half of the products use own API
- Started filing ANDAs for Nasal (7 so far) and Parenterals (15 so far)
- Plan to file 12 -15 ANDAs p.a.

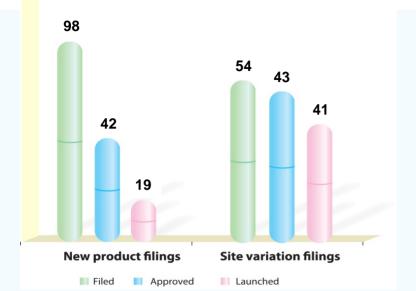
Over 2.65 % market share in participated French market; 30 product launches in Spain

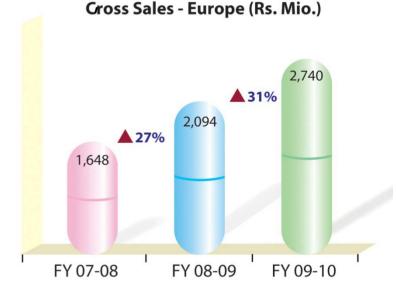
Among top 10 in Euro 2.7 bn French generics market

- Launched >200 presentations (~90 molecules) in France
- 8 Day-one launches among 14 launches in FY 09-10
- 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 30 molecules in Spain so far
- Plan to increase portfolio to tap this less penetrated market





KEY STRENGTHS

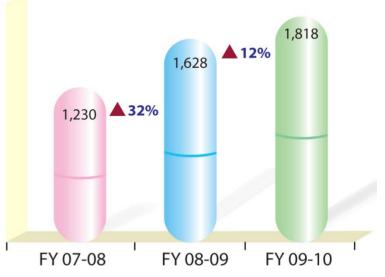
- Leveraging India's low cost base started supplying over 35% of France sales from India
- New product filings include 36 products for Spanish market

Strategies for Japan : World's 2nd largest pharma market

- Generic market valued at >\$ 3.5 bn, growing at ~12%, with very low generic penetration of ~6% in value terms, 19% in volume terms (Source : IGPA)
- Acquired Nippon Universal Pharma. Ltd. (NUP, now Zydus Pharma Japan) 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 24 new in-licensed products in last two years
- Dedicated field force of ~30 people to address the requirements of the customers
- Sales of Rs. 316 Mio. in FY 09-10, up 44%

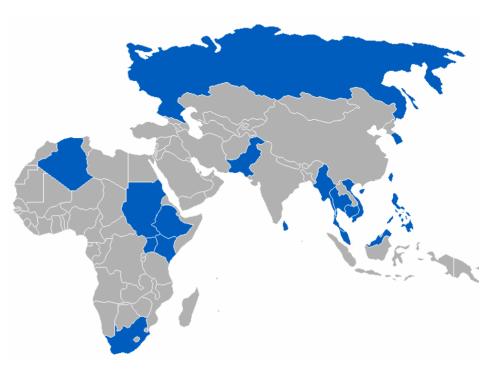
Strategies for \$ 13bn Brazilian pharma market

- Set up Zydus Healthcare Brazil Ltda (100% subsidiary) to enter generics market in 2005-06
- Filed 60 dossiers so far for generic and branded products from India, of which 20 have been approved.
- Launched 14 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 25 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



Achievements in the fast growing emerging markets

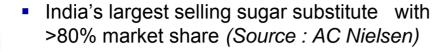
- Operations in ~20 semi / non regulated emerging markets of Asia Pacific, Africa and Middle East regions
- Focusing on rapidly growing markets of South Africa, Taiwan and Philippines
- No.1 Indian company in Uganda and Sudan and amongst top 3 Indian pharma cos. in Sri Lanka and Myanmar
- Acquired Simayla Pharma of South Africa, Africa's largest and only regulated market



- Plan to launch several new products in South Africa from the group's strong pipeline built from India and leverage Simayla's marketing capabilities
- Only Indian company to start operations in Taiwan successfully
- Registered CAGR of >20% over last 3 years with sales of Rs. 1590 Mio. in FY 09-10

Strong brand equity in highly potential consumer wellness segment in India

- Zydus Wellness Ltd. spearheading operations in consumer wellness segment
- Strong presence in niche categories



 Growing at CAGR of >25% in last 3 years, crossed sales of Rs. 1 bn in FY 09-10

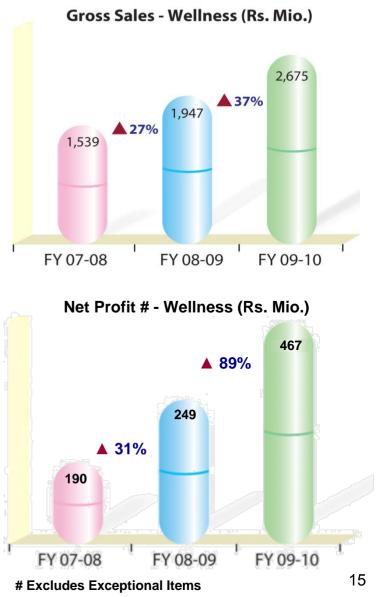


Free

- Skincare product range with leadership in peel-offs, scrubs and face wash categories
- Growing at CAGR of > 35% in last 3 years



- India's largest selling margarine growing at CAGR of >25% in last 3 years
- Continuous thrust on category expansion through launch of newer variants, also exploring possibilities of launching new categories in wellness domain
- Aim to cross sales of Rs. 500 cr. by 2013

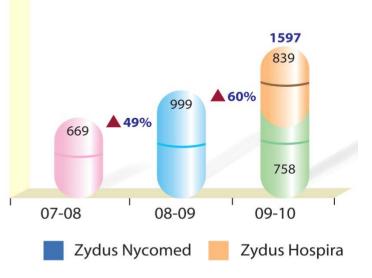


Unlocking value through win-win alliances

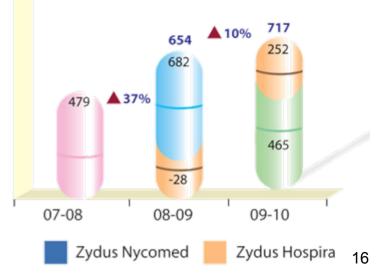
- Zydus Nycomed JV most successful contract manufacturing JV in India
 - State-of-the-art mfg. facility for Pantoprazole key intermediates
 - Commissioned the expanded facility to manufacture complex high-end APIs for Nycomed

Zydus Hospira - JV for oncology injectables

- State-of-the-art cytotoxic facility in SEZ approved by MHRA, USFDA, TGA and Health Canada
- Plan to manufacture 6 oncology products
- Commercial supplies for EU market commenced
- Zydus BSV JV for oncology NDDS
 - State-of-the-art mfg. plant in SEZ near Ahmedabad
 - Launched NDDS product in India as Nudoxa
- Strategic out-licensing deal with Abbott Labs
 - To license 24 products for 15 key emerging markets
 - Option to include 40 additional products

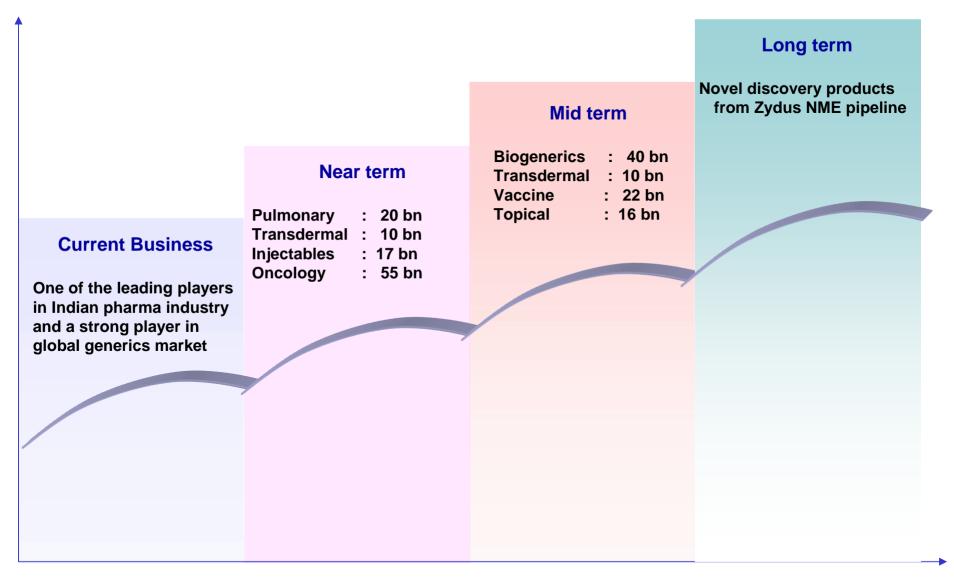


Net Profit Contribution from JVs (Rs. Mio.)



Sales Contribution from JVs (Rs. Mio.)

Ongoing Investment in Newer Portfolios Worth over \$ 180 bn



A scientific talent pool of >950 and investing over 5.5% of the turnover on research

Zydus Research Centre (ZRC)

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

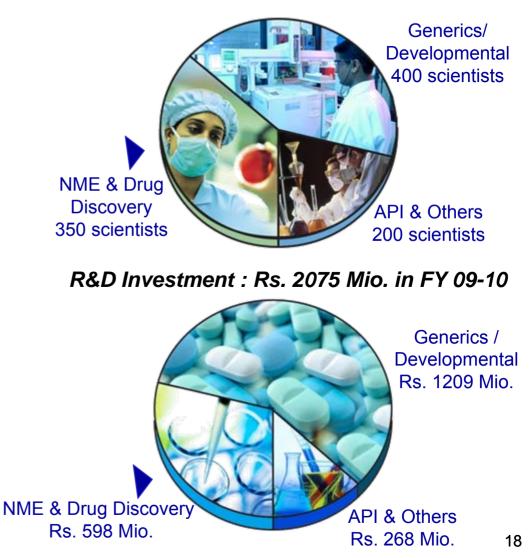
Pharmaceutical Technology Centre (PTC)

- 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 ~950 Scientists



Dedicated facility for NME research : Zydus Research Centre

- Areas of focus: Dyslipidemia, Diabetes, Obesity, Inflammation
- Facility for target identification to preclinical research / early clinical development
- Signed a new drug discovery and development pact with Eli Lilly and Co., focused on cardiovascular research
- Joint research with Karo Bio, Sweden for nonsteroidal glucocorticoids
- Initiated NDDS product development based on Nanotechnology

	Project	Target	Indication	Drug Discovery	Lead Optimis- ation	Preclinical Develop-ment	IND	Phase I	Phase II	Phase III	NDA
	ZYH1	PPAR alpha; gamma	Dyslipidemia								
i	ZYI1	Multi-model	Pain								
	ZYO1	CB-1 antagonist	Obesity; Diabetes								
	ZYH2	PPAR alpha; gamma	Diabetes								
	ZYH7	PPAR alpha	Dyslipidemia								
	ZYT1	TR beta agonist	Dyslipidemia								
	ZYD1	GLP-1 agonist	Diabetes								
	ZYOG1	GLP-1 agonist	Diabetes								
		Undisclosed	Diabetes								
		Undisclosed	Atherosclerotic Plaque		1						
	Collaborative program	Selective GR agonist	Inflammation	With Karo	Bio						
	Collaborative program	Undisclosed	CVS	With Eli Li	lly						

Biosimilars and Vaccines – The Next Big Opportunity

Biosimilars :

- Strong pipeline: 15 biosimilars and 2 novel products
- Strong IP position either through own patent or non-infringing processes
- 120 experienced scientists dedicated to Biosimilars programme
- End to end product development and manufacturing to be done in-house

Product	Expression Host	Development	ст	Launch	V	accines :
G-CSF	E. coli				-	<u></u>
Peg G-CSF	E. coli				•	Acquired Etna Biotech, Italy, engaged
IFN-a 2b	P. pastoris					in vaccine research and development
Peg IFN-a 2b	P. pastoris					
IFN-b 1b	E. coli				•	State-of-the-art Vaccine Technology
EPO	СНО					Center under construction
Prod 1	СНО					
Prod 2	E. coli				•	Developed high quality vaccine for
Prod 3	E. coli					H1N1 in-house
Prod 4	СНО					
MAb 1	СНО				•	1 st Indian co. to launch H1N1 vaccine
Tenecteplase	СНО					
MAb 2	СНО				1.	Several other vaccines under different
MAb 3	СНО					stages of development
MAb 4	СНО					Č I
Peg EPO	СНО					
Rabies Mabs	Murine					20

Key Financial Numbers – H1 2010-11

* Excluding dossier licensing fees received from Abbott Labs.

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