Cadila Healthcare Limited
Investor Presentation
November 2013

Well integrated pharma player with global footprints

>60 years
Operational experience

$ 1 bn +
Global Revenues

>7% of sales
Spent on R&D annually

20+ mfg. sites
Producing >13 bn pills annually

>20% CAGR
In Sales and Net Profits (FY ‘08 – FY ‘13)

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

15,000+ employees
Across the globe, with 1050+ for R&D

~ 23% CAGR
In Net Worth (FY ‘08 – FY ‘13)

7 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

10th largest
Generic co. in US in terms of prescriptions

~ $ 2.5 bn
Market Cap

950+ patents
Filed globally

History of achieving milestones consistently

25 fold growth in sales over last 16 years…

Rs. 200 cr. in 1995

2000
Rs. 1000 cr

2006
$400 mn

2010
$1 bn

Annual Sales

…with significant external recognition

Economic Times Emerging Company of the year 2010

Kaizen Institute - Operational Excellence in Tablet Manufacturing in 2010

Key businesses for our journey Beyond the Billion

Zydus

Established home markets

- India formulations
- US oral solids

- Sustainable & profitable growth
- Significant revenue contribution

Future home markets

- Brazil
- Mexico

- High growth potential
- Large revenue contribution in future

Other Businesses

- EU
- Japan
- Emerging markets
- Wellness
- Animal Health
- APIs
- JVs

- Steady growth
- Low variability in business performance

New Technology businesses

- Biosimilars
- Transdermals
- Vaccines
- Injectables
- Inhalables
- Creams, ointments
- NCEs

- High upfront investments
- Large potential upside

India formulations

Aspirations

- Maintain strong leadership position 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 : 40+ in H1 13-14 (incl. line extensions), with 9 First-in-India
- Recently launched Lipaglyn (Saroglitazar), the first NCE discovered and developed indigenously by an Indian Pharma company
- In-licensing arrangements with global players

Market size*	: **Rs. 720 bn+**
Market growth*	: **7%**
Zydus size**	: **Rs. 32 bn+**
Market Share*	: **4.5%**
Zydus growth**	: **16%**

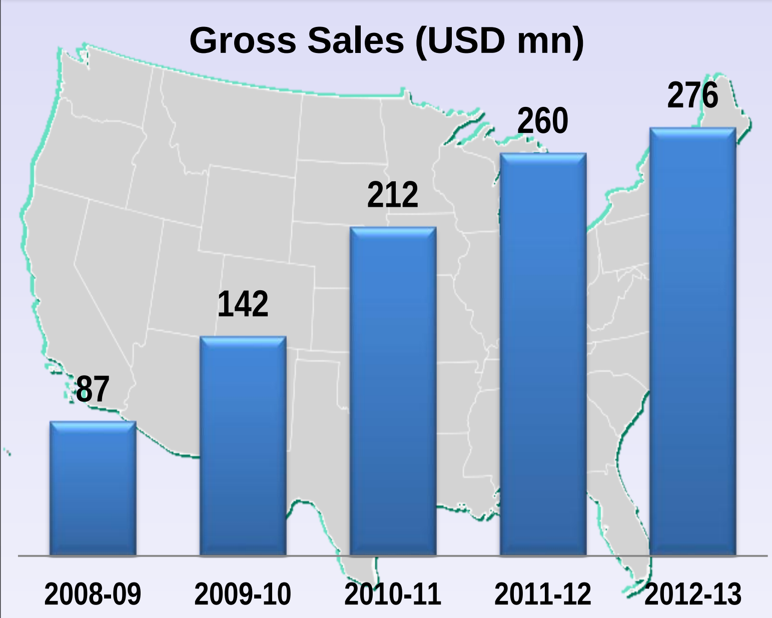
A first for the nation

*** All market related information sourced from AIOCD AWACS MAT Sep-13**
**** Zydus numbers including Biochem as reported by AIOCD AWACS MAT Sep-13**

US Oral Solids

Market size* : >$ 50 bn
Market growth* : 15-17%
Zydus size** : ~ $ 276 mn
Zydus growth** : 6%

34%+ CAGR in Sales (Last 5 years)



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 2/3rd of the 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.
- 150+ ANDA fillings, 70+ approvals and 50+ product launches till September,2013
- Nesher – two products already in the market.

* Approx. numbers as per IMS Report
** Zydus numbers includes Nesher, as reported in books, for FY 2012-13

Brazil

Market size* : **>$ 16 bn**
Market growth* : **12-14%**
Zydus size** : **Rs. 2,384 mn**
Zydus growth** : **-4%**

Aspirations

- To be among top 15 companies in 2015

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

*** Approx. numbers as per IMS Report**
**** Zydus numbers as reported in books for FY 2012-13**

Mexico

Market size* : **~ US$ 10 bn**
Market growth* : **8-10%**

Aspirations

- Build a profitable business in 2015
- 40+ product launches and 60 + fillings by 2015

Strengths to be leveraged

- Focused segments (Branded) – CNS, metabolic disorders and respiratory
- Building product pipeline from India – 25+ filings and 6 approvals so far.
- Commenced commercial operations in Q1 FY 14 with the launch of first product in the market from India
- Launched 4 products in the market so far

*** Approx. numbers as per IMS Report**

Other Global Markets

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

EU

Mkt. Size* : **~$ 6.5 bn**
(France + Spain Gx)
Mkt. Gr. : **15-18%**
Zydus Size **:
Rs. 3,697 mn
Zydus Gr. : **24%**

- 9th largest in France, among top 20 in Spain
- Expansion through new products : launched 110+ molecules in France and 80+ molecules in Spain so far (incl. several 'Day 1')
- Leveraging India cost advantage : 160+ new products and 60+ site transfer filings so far, >40% of sales supplied from India

Japan

Mkt. Size* : **~$ 7 bn**
Mkt. Gr. : **8-10%**
Zydus Size ** :
Rs. 603 mn
Zydus Gr. : **16%**

- 25+ products in market, including 15+ in-licensed
- Only Indian pharma company to develop, file and launch products from India
- To expand market coverage with new launches, customer coverage and co-development initiatives

Emerging Mkts.

Mkt. Size* : **>$ 13 bn**
Mkt. Gr. : **12-13%**
Zydus Size **:
Rs. 3,134 mn
Zydus Gr. : **66%**

- Operations in 8 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

*** Approx. numbers as per GERS Report for Europe, as per IMS for Japan and as per EvaluatePharma for emerging markets**
**** Zydus numbers as reported in books for FY 2012-13**

Other Businesses

Wellness

Zydus Size **:
Rs. 4,100 mn
Zydus Gr. : **19%**

Aspirations : To create niches in wellness space through innovation

- Leadership in sugar substitutes (94%+ market share), peel-off and scrub range for skin-care and margarine categories in India
- Re-launched EverYuth brand with contemporary packaging, improved formulations and new marketing programme
- Launched Nutralite with Omega 3 to strengthen its health positioning

Animal Health

Zydus Size **:
Rs. 2,370 mn
(incl. Bremer)
Zydus Gr. : **22%**

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
- Presence in key markets across Europe, South America, Asia and Africa through Bremer Pharma, Germany

APIs

Zydus Size **:
Rs. 3,099 mn
Zydus Gr. : **9%**

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

**** Zydus numbers as reported in books for FY 2012-13**

Joint Ventures and Alliances

Aspirations : Value creation through win-win alliances and be a partner of choice

Zydus Takeda 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 10 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 (4 products)
  - Expanded scope of collaboration to cover 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 commercial supply of products under the deal and shipped 4 products so far.

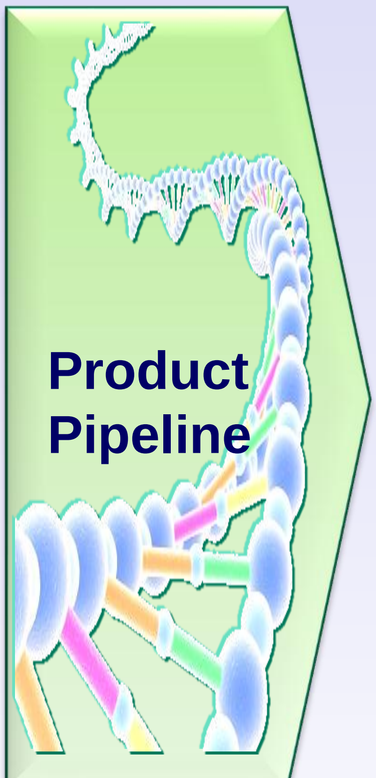
Biosimilars

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

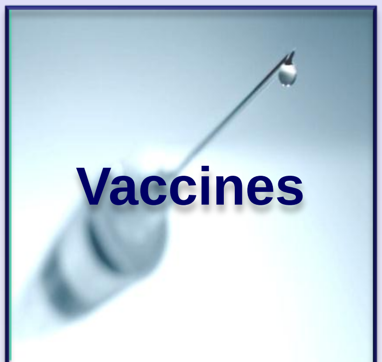


No	Product	Indication	Cloning	Process Devp.	Pre-Clinical Devp.	Regulatory Permission	Clinical Devp.	Mktg. Authorisation
1	G-CSF	Oncology	LAUNCHED (in India)					
2	Peg G-CSF	Oncology	LAUNCHED (in India)					
3	IFN α-2b	Infectious diseases	LAUNCHED (in India)					
4	Peg IFN α-2b	Infectious diseases	LAUNCHED (in India)					
5	EPO	Oncology/Nephrology	LAUNCHED (in India)					
6	Teriparatide	Osteoporosis	LAUNCHED (in India)					
7	IFN β 1b	Multiple Sclerosis						
8	Prod 1	Nephrology						
9	Prod 2	Rheumatoid Arthritis						
10	MAB 1	Oncology/RA						
11	MAB 2	Inflammation						
12	MAB 3	Oncology						
13	MAB 4	Oncology						
14	Prod 3	AMI						
15	Prod 4	Fertility						
16	Prod 5	Fertility						
17	Prod 6	Fertility						
18	MAB 5	Rabies						
19	PEG-EPO	Nephrology						

New Technologies

Aspirations : To be a leading market player in complex technologies

- State-of-the-art product development and manufacturing facility set-up in SEZ near Ahmedabad
- 4 patches already filed with US FDA
- Several other patches under development



- 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

- Building product pipeline : ANDAs filed with US FDA for
  - 28 injectables (including 19 for a partner) and 5 nasal products
  - 4 ointments
- 8 approvals for injectables so far (7 for partner and 1 for own), commercial production and supply of 6 of them (incl. own product) have commenced

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 optimi-saiton	Pre-clinical Develop-ment	IND	Phase I	Phase II	Phase III	NDA
Saro-glitazar	PPAR-α,γ	Dyslipidemia	First glitazar to be approved in the world. Launched in India as "LIPAGLYN"							
ZYH7	PPAR-α	Dyslipidemia								
ZYD1	GLP-1 Agonist	Diabetes, Obesity								
ZYOG1	Oral GLP-1 Agonist	Diabetes, Obesity								
ZYGK1	Glocokinase Activator	Diabetes								
ZYPH 0907	Oral PTH	Osteoporosis								
ZYG19	GPR 119 Agonist	Diabetes								

World class infrastructure to support growth 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 and MABs, Ahmedabad

Mfg. facilities for partners

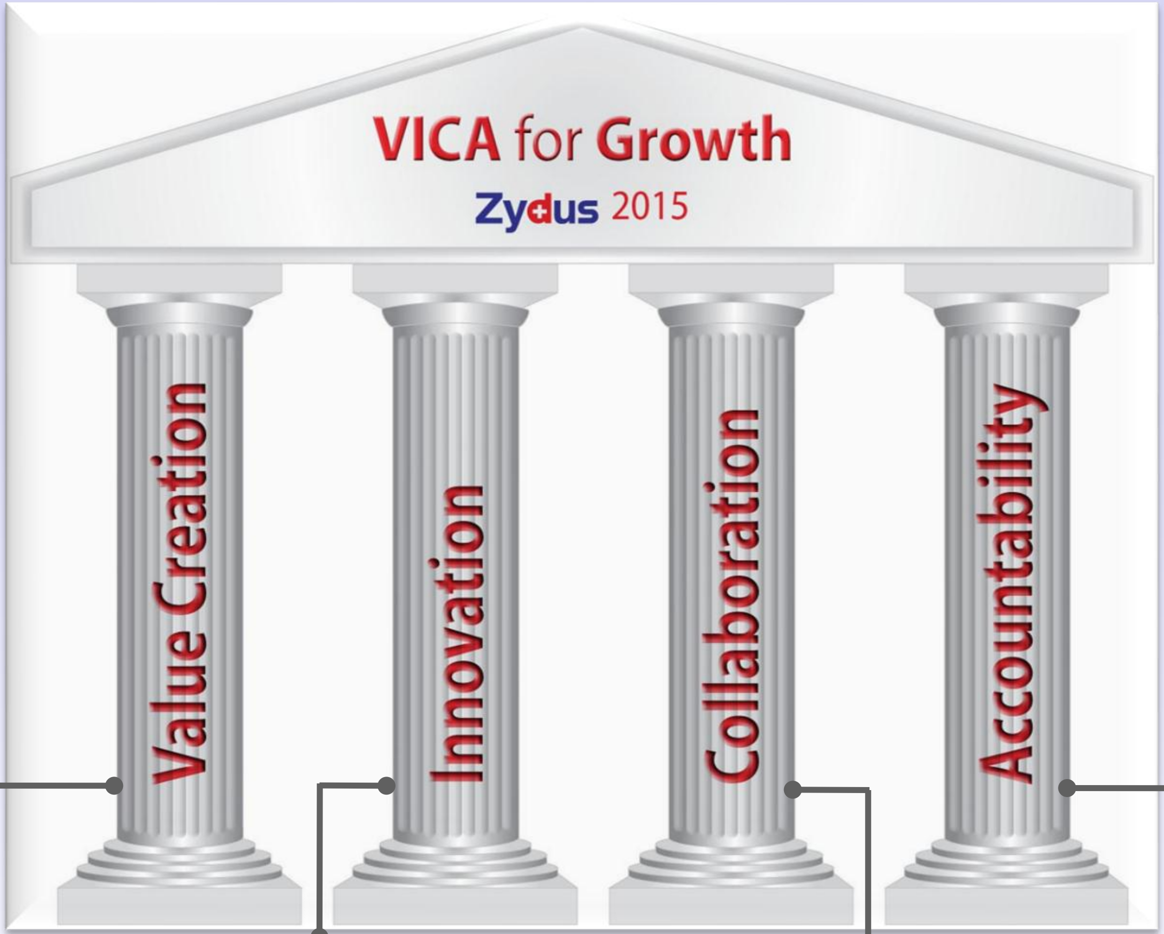
- Cytotoxic Injectible for Hospira JV – Ahmedabad SEZ (USFDA)
- API facility for Nycomed JV - Mumbai
- Cytotoxic Injectible for BSV JV – Ahmedabad SEZ

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

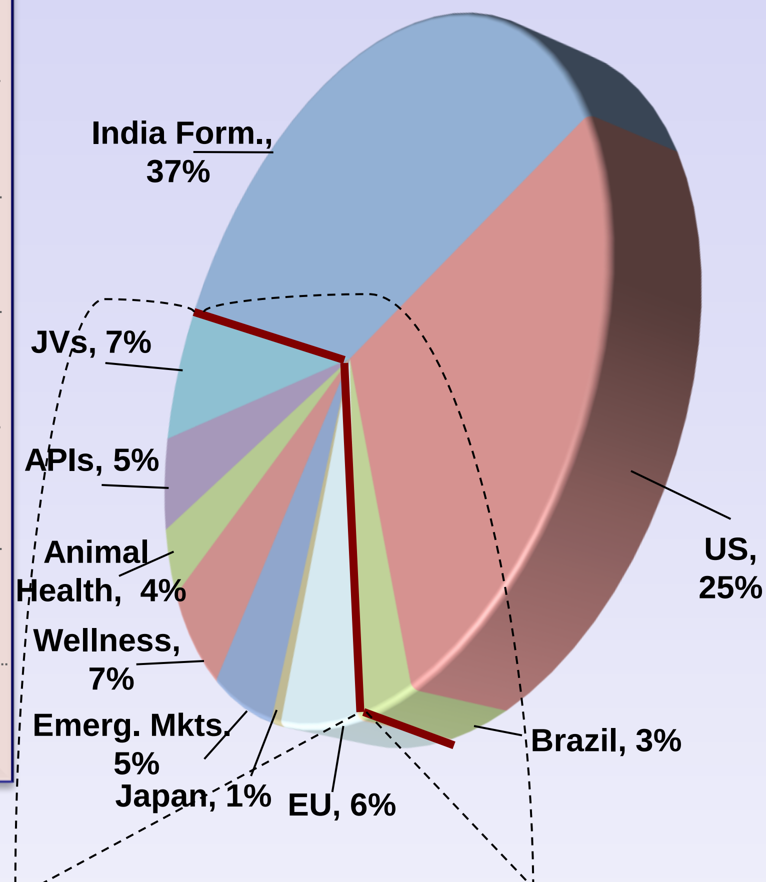
Promoting collaboration across businesses and functions

Strengthening accountability by proper performance management

Key Financial Numbers – H1 FY 2013-14

Consolidated (Rs. Mio.)	Amount	Gr.%
Total Income from Operations	33,838	7.7%
EBIDT	5,463	-7.1%
EBIDT % to Income from Ops.	16.1%	
Profit before tax	4,250	1.5%
PBT % to Income from Ops.	12.6%	
Net Profit	3,784	31.0%
Net Profit % to Income from Ops.	11.2%	
Debt net of cash (30-Sep-13)	26,760	
Capex (H1 FY 2013-14)	4,171	

Segment-wise Gross Sales



Steady growth Markets, 34% of total, Up 8% y-o-y

Home Markets, 66% of total, Up 10% y-o-y

Thank You.

Safe Harbour Statement

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