



Cadila Healthcare Limited Investor Presentation September 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.

15,000+ employees

Across the globe,
with 1050+ for R&D

~ 25% CAGR

In Net Worth
(FY '07 – FY '12)

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

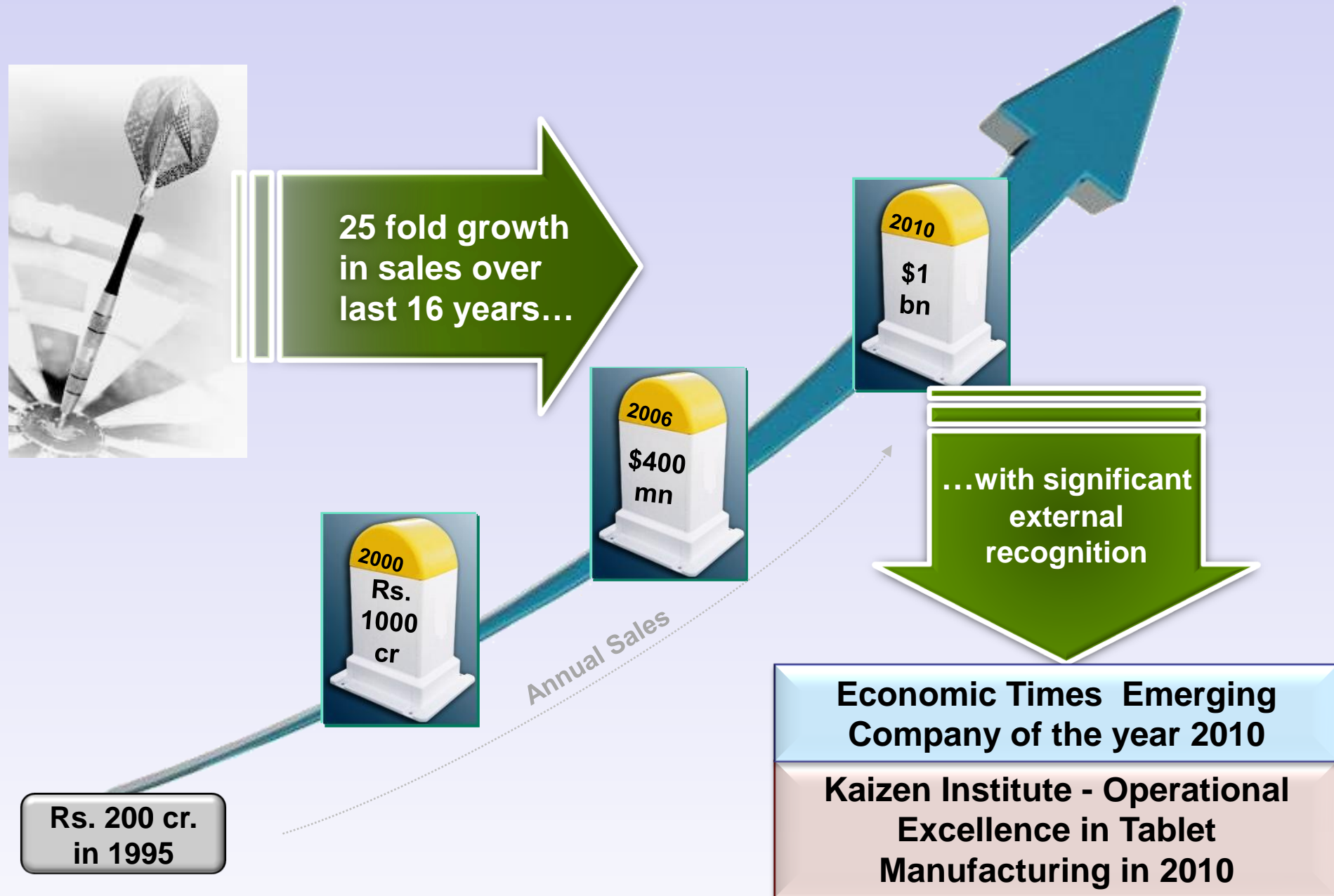
~ \$ 3 bn

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

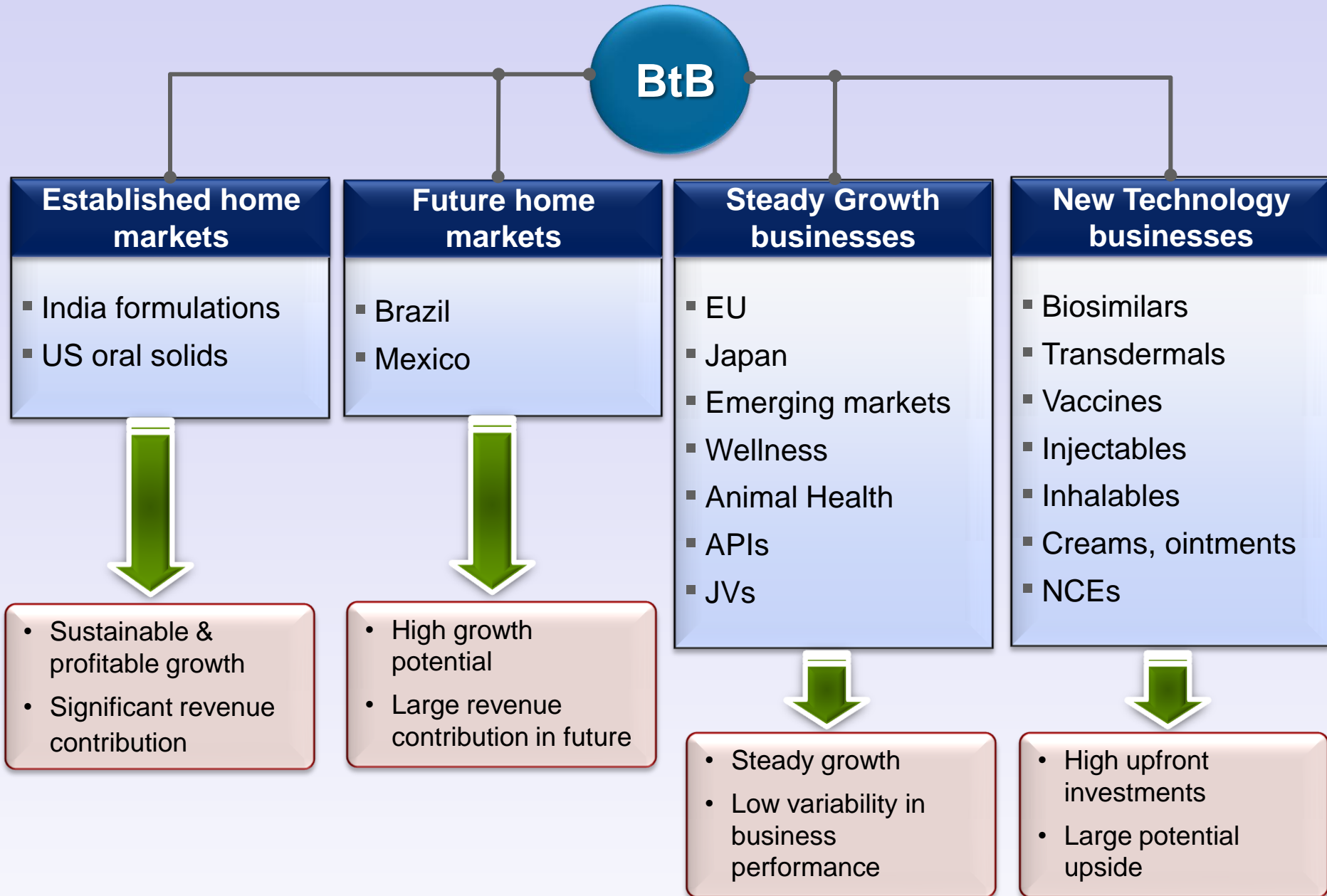
Organisation-wide strategies

- 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. 660 bn+
Market growth*	: 17%
Zydus size**	: Rs. 27 bn+
Market Share*	: 4.2%
Zydus growth**	: 14%

Top 10 Brands

■ Aten	■ Atorva
■ Deriphyllin	■ Pantodac
■ Falcigo	■ Mifegest
■ Ocid	■ Ampilox
■ Amicin	■ 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

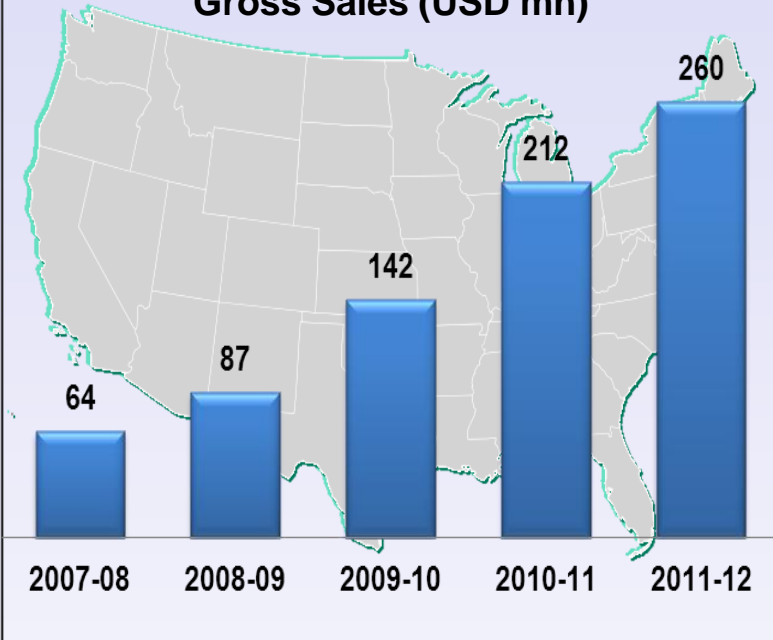
Market size* : >\$ 70 bn
Market growth* : 6-8%
Zydus size** : ~ \$ 260 mn
Zydus growth** : 23%

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.
- 130+ ANDA filings, 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 – 85+ filings, 30+ approvals
- Product launches : 20+ branded, 15+ generic generics
- Field force of 190+, spread across regions

* 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



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 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

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 launched three more products 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. 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

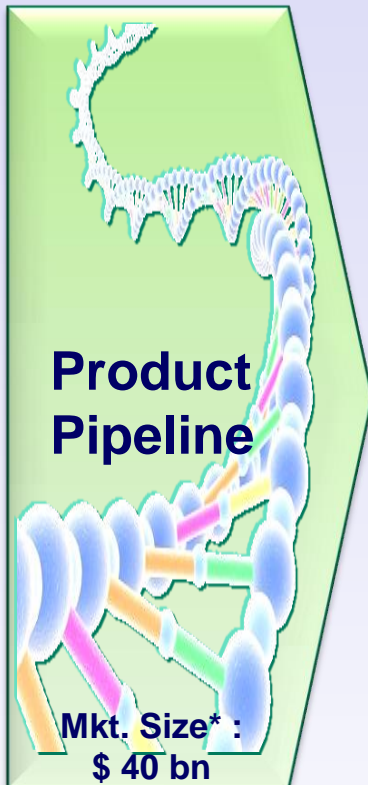
Aspirations :

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	Indication	Cloning	Process Devp.	Pre-Clinical Devp.	Regulatory Permission	Clinical Devp.	Mktg. Authorisation
G-CSF	Oncology	LAUNCHED (in India)					
Peg G-CSF	Oncology						
IFN α -2b	Infectious diseases						
Peg IFN α -2b	Infectious diseases						
EPO	Oncology/Nephrology						
IFN 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						

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

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
ZYH1	PPAR- α , γ	Dyslipidemia								
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 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

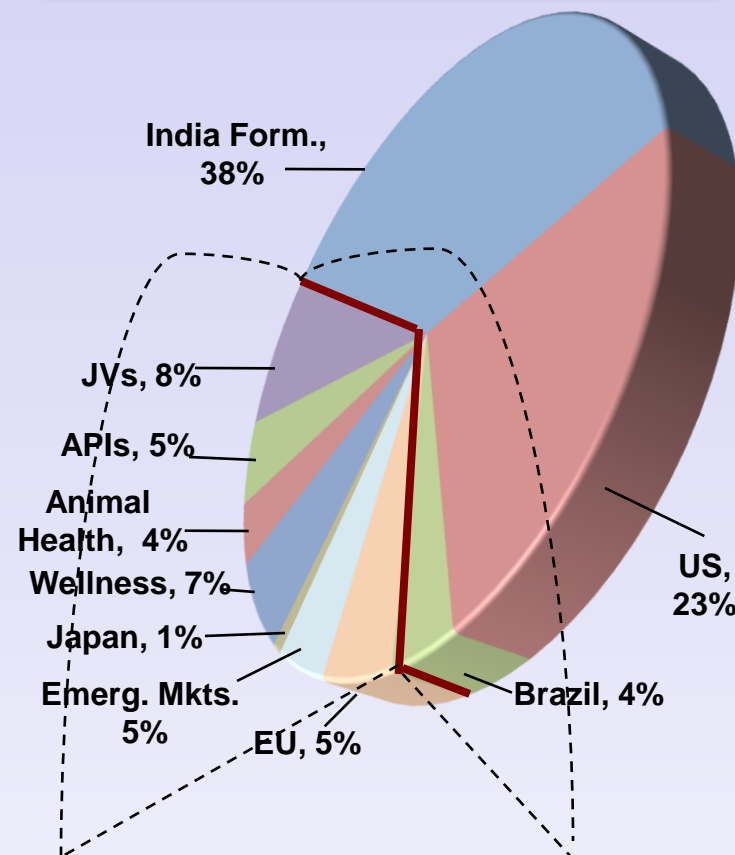
Promoting
collaboration across
businesses and
functions

Strengthening
accountability by
proper performance
management

Key Financial Numbers – Q1 12-13

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

Segment-wise Gross Sales



Steady growth Markets, 35% of total, Up 22% y-o-y

Home Markets, 65% of total, Up 35% y-o-y

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.

Thank You.



Safe Harbour Statement

This presentation may include certain “forward looking statements”, based on current expectations, within the meaning of applicable laws and regulations. Actual results may differ and the company does not guarantee realization of these statements. The Company also disclaims any obligation to revise any forward-looking statements. The readers may use their own judgment and are advised to make their own calculations before deciding on any matter based on the information given herein.

No part of this presentation may be reproduced, quoted or circulated without prior written approval from Cadila Healthcare Ltd.

www.zyduscadila.com