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…
One of the oldest and the 5th largest in the Indian formulations market worth over Rs. 410 bn (*Source: ORG IMS MAT Mar-10*)

Operations in US, Europe, Japan, Latin America, Asia Pacific, Africa and Middle East and CIS 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 over 5.5% of revenues p.a. on NME, Biological and NDDS research and Generics development

Dedicated team of ~ 11,000 Zydans across 18 countries

Market Cap: Cadila Healthcare Ltd. > Rs. 115 bn (> $ 2.5 bn)
Zydus Wellness Ltd. > Rs. 15 bn (> $ 340 mn) (72% ownership)

Listed as the “Best Under a Billion” company from amongst 200 companies in Asia by Forbes
Well integrated company and expanding Globally

Revenue break up (%) by segment (FY 09-10)

- **Indian finished dosage formulations**
- **International finished dosage formulations**
- **High end APIs + intermediates**
- **Consumer Wellness**
- **Manufacturing**
- **Research and Development**

Revenue break up (%) by region (FY 09-10)
State of the art facilities and infrastructure (1/2)

Formulations

- Finished Dosage Form, Moraiya (USFDA Approved)
- Finished Dosage Form, Sikkim
- Finished Dosage Form, Baddi
- Finished Dosage Form, Goa
- Finished Dosage Form, Brazil
- Agiolax (for Madaus), Goa
- Cytotoxic Injectables for Hospira JV (MHRA, USFDA)
- Cytotoxic Injectable For BSV JV
State of the art facilities and infrastructure (2/2)

**APIs and Fine Chemicals**

- API, Ankleshwar (USFDA Approved)
- API, Dabhasa (USFDA approved)
- Fine Chemicals, Moraiya (USFDA Approved)
- Biologics Active Substances, Changodar
- Pantoprazole Intermediates for Nycomed JV

**R&D**

- Zydus Research Center, Moraiya
- Pharmaceutical Technology Center, Moraiya
- API Process Research Center, Dabhasa
Financial highlights

- Income from Operations (Rs. Mio):
  - FY 07-08: 23,229
  - FY 08-09: 29,275
  - FY 09-10: 36,869
  - Change: +26%

- EBIDTA (Rs. Mio):
  - FY 07-08: 4,582
  - FY 08-09: 6,058
  - FY 09-10: 8,087
  - Change: +33%

- Net Profit # (Rs. Mio):
  - FY 07-08: 2,633
  - FY 08-09: 3,234
  - FY 09-10: 5,098
  - Change: +58%

- EPS # (Rs.):
  - FY 07-08: 13.97
  - FY 08-09: 15.79
  - FY 09-10: 24.90
  - Change: +58%

# Net Profit and EPS exclude Exceptional Items.
5th largest in Indian Pharma market with ~ Rs 15 bn sales

- 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 >60 new products and line extensions in FY 09-10
  - 17 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
- Recently expanded field force in Cardiology by ~300 and in Respiratory by ~100 to further strengthen our positions

Note: All market related information sourced from ORG IMS MAT Mar-10
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 – Nippon Universal Pharmaceuticals 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
  - CIS - Russia, Ukraine

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”
- 30 products launched. 8 -10 products to be added every year
- 12 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 (5 so far) and Parenterals (14 so far)
- Plan to file 12 -15 ANDAs p.a.
Over 2.65% market share in participated French market; 27 product launches in Spain

Among top 10 in Euro 2.5 bn French generics market
- Launched >160 presentations (~80 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 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 35% of France sales from India
- New product filings include 30 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) 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 59 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 over 20 semi / non regulated emerging markets of Asia Pacific, Africa, Middle East and CIS 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

  - India’s largest selling sugar substitute with >80% market share (Source: AC Nielsen)
  - Growing at CAGR of >25% in last 3 years, crossed sales of Rs. 1 bn in FY 09-10

  - 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 intermediates
  - Expanded scope - more APIs to be sourced by Nycomed from this JV

- **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
  - 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 as *Nudoxa*

- **Strategic out-licensing deal with Abbott Labs**
  - To license 24 products for 15 key emerging markets
  - Option to include 40 additional products
Ongoing Investment in Newer Portfolios Worth over $180 bn

Zydus New Portfolio

Near term
- Pulmonary: 20 bn
- Transdermal: 10 bn
- Injectables: 17 bn
- Oncology: 55 bn

Mid term
- Biogenerics: 40 bn
- Transdermal: 10 bn
- Vaccine: 22 bn
- Topical: 16 bn

Current business
- Oral
  - One of the leading player in regulatory market
  - Achieved sales of ~$ 300 Mio. in FY 09-10

Note: Value indicated is estimated brand sale ($)
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
- Generics/Developmental
  - 400 scientists
- NME & Drug Discovery
  - 350 scientists
- API & Others
  - 200 scientists

R&D Investment: Rs. 2075 Mio. in FY 09-10
- Generics / Developmental
  - Rs. 1209 Mio.
- NME & Drug Discovery
  - Rs. 598 Mio.
- API & Others
  - Rs. 268 Mio.
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
- 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
- Joint research with Karo Bio, Sweden for non-steroidal glucocorticoids
- Initiated NDDS product development based on Nanotechnology

### NME Pipeline

<table>
<thead>
<tr>
<th>NME</th>
<th>Pre Clinical</th>
<th>IND Filing</th>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
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</thead>
<tbody>
<tr>
<td>ZYH1</td>
<td>Dyslipidemia (PPAR alpha; gamma)</td>
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<tr>
<td>ZYI1</td>
<td>Inflammation (Multi-model)</td>
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<tr>
<td>ZYO1</td>
<td>Obesity (CB-1 antagonist)</td>
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<tr>
<td>ZYH7</td>
<td>Dyslipidemia (PPAR alpha)</td>
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<tr>
<td>ZYH2</td>
<td>Diabetes (PPAR alpha; gamma)</td>
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<tr>
<td>ZYT1</td>
<td>Dyslipidemia (TR beta agonist)</td>
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</tr>
<tr>
<td>ZYD1</td>
<td>Diabetes (GLP-1 agonist)</td>
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</tbody>
</table>

Also filed with USFDA
Biosimilars and Vaccines – The Next Big Opportunity

**Biosimilars:**
- Strong pipeline: 16 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

<table>
<thead>
<tr>
<th>Product</th>
<th>Expression Host</th>
<th>Development</th>
<th>CT</th>
<th>Launch</th>
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<tbody>
<tr>
<td>G-CSF</td>
<td>E. coli</td>
<td>Green</td>
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<tr>
<td>Peg G-CSF</td>
<td>E. coli</td>
<td>Green</td>
<td></td>
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<tr>
<td>IFN-a 2b</td>
<td>P. pastoris</td>
<td>Green</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peg IFN-a 2b</td>
<td>P. pastoris</td>
<td>Green</td>
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<tr>
<td>IFN-b 1b</td>
<td>E. coli</td>
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<tr>
<td>EPO</td>
<td>CHO</td>
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<td>CHO</td>
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<tr>
<td>MAb 4</td>
<td>CHO</td>
<td>Green</td>
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<tr>
<td>Peg EPO</td>
<td>CHO</td>
<td>Green</td>
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<tr>
<td>Rabies Mabs</td>
<td>Murine</td>
<td>Green</td>
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</tbody>
</table>

**Vaccines:**
- Acquired Etna Biotech, Italy, engaged in vaccine research and development
- State-of-the-art Vaccine Technology Center under construction
- Developed high quality vaccine for H1N1 in-house
- 1st Indian co. to get permission for marketing H1N1 vaccine
- Several other vaccines under different stages of development
Key Financial Numbers  
(from latest audited annual accounts)

### Consolidated Profitability

<table>
<thead>
<tr>
<th></th>
<th>2009-10</th>
<th>2008-09</th>
<th>Growth y-y%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Sales</td>
<td>18,724</td>
<td>16,435</td>
<td>13.9%</td>
</tr>
<tr>
<td>Exports Sales</td>
<td>17,418</td>
<td>12,736</td>
<td>36.8%</td>
</tr>
<tr>
<td><strong>Total Gross Sales</strong></td>
<td><strong>36,142</strong></td>
<td><strong>29,171</strong></td>
<td><strong>23.9%</strong></td>
</tr>
<tr>
<td>Total Income from Operations</td>
<td>36,869</td>
<td>29,275</td>
<td>25.9%</td>
</tr>
<tr>
<td><strong>EBIDT</strong></td>
<td>8,087</td>
<td>6,058</td>
<td>33.5%</td>
</tr>
<tr>
<td><strong>EBIDT % to Total Income</strong></td>
<td>21.9%</td>
<td>20.7%</td>
<td></td>
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<tr>
<td><strong>Net Profit #</strong></td>
<td>5,098</td>
<td>3,234</td>
<td>57.6%</td>
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<tr>
<td>Net Profit % to Total Income</td>
<td>13.8%</td>
<td>11.0%</td>
<td></td>
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<tr>
<td><strong>EPS (Rs.) #</strong></td>
<td>24.90</td>
<td>15.79</td>
<td>57.6%</td>
</tr>
</tbody>
</table>

# Net Profit and EPS exclude Exceptional Items.

### Consolidated Financial Position

<table>
<thead>
<tr>
<th></th>
<th>Mar-10</th>
<th>Mar-09</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Worth</strong></td>
<td>16,285</td>
<td>12,352</td>
<td>31.8%</td>
</tr>
<tr>
<td><strong>Net Debt</strong></td>
<td>8,398</td>
<td>10,157</td>
<td>-17.3%</td>
</tr>
<tr>
<td><strong>Net Fixed Assets</strong></td>
<td>19,326</td>
<td>17,187</td>
<td>12.4%</td>
</tr>
<tr>
<td><strong>Net Current Assets</strong></td>
<td>9,088</td>
<td>8,696</td>
<td>4.5%</td>
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<tr>
<td><strong>Fixed Assets Turnover</strong></td>
<td>1.98</td>
<td>1.87</td>
<td>0.11</td>
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<tr>
<td><strong>Net Debt to Equity</strong></td>
<td>0.52</td>
<td>0.85</td>
<td>-0.33</td>
</tr>
<tr>
<td><strong>Return on Net Worth</strong></td>
<td>35.9%</td>
<td>28.4%</td>
<td>7.6%</td>
</tr>
<tr>
<td><strong>Return on Cap. Employed</strong></td>
<td>21.1%</td>
<td>17.8%</td>
<td>3.3%</td>
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</tbody>
</table>
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