A Snapshot

- One of the oldest and the 5th largest in the Indian formulations market worth over $7.5 bn (Source: ORG IMS MAT Mar-09).

- Operations in US, Europe, Japan, Latin America, CIS, Africa and Asia Pacific.

- International sales in generic markets contribute to over 33% of revenues.

- 60% growth in formulation exports in last 5 years.

- Market leader in niche Indian consumer healthcare market with strong brands.

- Innovation driven – investing 6% of revenues p.a. on NME, Biological and NDDS research and Generics development.
<table>
<thead>
<tr>
<th>Priorities achieved : 2008-09</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic forays in key markets</strong></td>
</tr>
<tr>
<td><strong>Continued research focus</strong></td>
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<tr>
<td><strong>Unlocking value in the consumer business</strong></td>
</tr>
<tr>
<td><strong>Building win-win partnerships</strong></td>
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</tbody>
</table>
Financial highlights

# Net Profit and EPS exclude Exceptional Items
All INR numbers in this presentation have been converted into USD at exchange rate of USD 1 = INR 46
State of the art facilities and infrastructure

Finished Dosage Form, Goa

Finished Dosage Form, Sikkim

Finished Dosage Form, Baddi

API, Dabhasa (USFDA approved)

Finished Dosage Form, Moraiya (USFDA Approved)

API, Ankleshwar (USFDA Approved)

Fine Chemicals, Moraiya

Pantoprazole Intermediates for Nycomed JV

Cytotoxic Injectables for Hospira JV
Core business areas and Revenue break-up (FY 08-09)

Revenue break-up by segment

- India Consumer: 7% ▲ 27%
- India Others: 4% ▲ 9%
- APIs: 12% ▲ 25%
- Exports Formulations: 33% ▲ 50%
- India Formulations: 44% ▲ 10%

Revenue break-up by region

- Emerging Mkts.: 14% ▲ 45%
- Regulated Mkts.: 30% ▲ 46%
- India Business: 56% ▲ 10%
- EU: 18% ▲ 50%
5th largest in Indian pharma market with over $260 Mio. sales

- Leading positions in key segments – CVS, GI, Female Healthcare and Respiratory (participated market segments)

- 15 brands feature amongst the top 300 brands.

- Launched >25 new products and >30 line extensions in FY 08-09, of which 15 were first in India.

- Dedicated task force for Neutraceuticals, Rheumatology, Diagnostics and COPD segments

- Tapping the rural market – the next growth driver

Note: All figures and market related information sourced from ORG IMS MAT Mar-09
# International formulations: two-fold focus

<table>
<thead>
<tr>
<th>Focusing on developed generic markets which constitute 22% of global sales</th>
<th>Driving growth in emerging markets which contribute to 11% of global sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ US - Zydus Pharmaceuticals USA Inc.</td>
<td>✓ Brazil –</td>
</tr>
<tr>
<td>✓ Europe</td>
<td>• Branded - Quimica e Pharmaceutica Nikkho Do Brazil Ltda.</td>
</tr>
<tr>
<td>• France - Zydus France SAS</td>
<td>• Generics – Zydus Healthcare Brazil Ltda.</td>
</tr>
<tr>
<td>• Spain - Laboratories Combix</td>
<td>✓ Emerging Markets</td>
</tr>
<tr>
<td>✓ Japan –</td>
<td>• Asia Pacific- Sri Lanka, Myanmar, Taiwan, Philippines</td>
</tr>
<tr>
<td>Nippon Universal Pharmaceuticals Ltd.</td>
<td>• South Africa - Simayla Pharmaceuticals Pty. Ltd.</td>
</tr>
<tr>
<td></td>
<td>• Africa, Middle East - Sudan, Uganda, Algeria</td>
</tr>
<tr>
<td></td>
<td>• CIS - Russia, Ukraine</td>
</tr>
</tbody>
</table>
One of the fastest growing generic companies in US

- Started operations in 2005 and adopted a “Customer Centric Model”
- 23 products launched. 8 - 10 products to be added every year.
- Products enjoy 5 - 25% market share
- Focusing on delivery based, difficult to make products, the next growth driver

KEY STRENGTHS

- A robust regulatory pipeline
- Over half of the products use own API.
- Started filing ANDAs for Aerosols (4 so far) and Parenterals (5 so far)
- Plan to file 12 -15 ANDAs p.a.
Over 2.5% market share in participated French market; Entered Spain

Strong presence in Eur 2.3 bn French market
- Rated one of the fastest growing companies in France by IMS
- Launched >150 presentations (~75 molecules) in France

Acquired Laboratories Combix in 2008 to enter Eur 0.7 bn Spanish market
- Launched 24 molecules in Spain so far, plan to increase portfolio to tap less penetrated market

KEY STRENGTHS
- Leveraging India’s low cost base – started supplying 30% of France sales from India
- New product filings include 8 products for Spanish market
Strategies for Japan - world’s 2nd largest market

- Market valued at $3 bn, growing at ~12%, with very low generic penetration of ~5% in value terms, 17% in volume terms (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 20 new in-licensed products in FY 08-09

- Sales of $5 Mio. in FY 08-09, up by over 200%
Sales up by 20% in the $12bn Brazilian pharma market growing at 15-18% p.a.

- Set up Zydus Healthcare Brazil Ltda (100% subsidiary) to enter generics market in 2005-06
- Filed dossiers for 45 products so far. 19 have been approved and 12 products have been launched
- 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
- Current basket of 20 brands expanded with launch of several new brands and a few acquired brands
- Planning to increase product portfolio in both branded and generics market
Exports to emerging markets grew by >30% in last 4 years

- Operations in over 20 semi / non regulated emerging markets of Asia Pacific, Africa, Middle East and CIS regions
- Focus on rapidly growing markets of Russia, 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 majority stake in Simayla Pharma, South Africa, Africa’s largest and only regulated market valued at $2.8 bn
- Simayla was rated the fastest growing and No.1 new product launch generic company in South Africa.
- Plan to launch several new products in South Africa from the group’s strong pipeline
Zydus Wellness – A market leader with iconic and niche consumer brands

Restructured consumer business with de-merger of consumer business from Cadila Healthcare into Carnation in FY 08-09.

Company now renamed as Zydus Wellness Ltd.
A pioneer in the low calorie sweetener segment and a trendsetter in skincare products

- **Sugar Free** – India’s largest selling sugar substitute with market share of >75% (Source: AC Nielsen).

- Growing at CAGR of 25% for last 3 years, the brand recorded sales of ~$ 17 Mio. in FY 08-09

- **Everyuth** range of skincare products are also category leaders, growing by 25% for last 3 years and posted sales of $ 11 Mio. in FY 08-09

- Acquired **Nutralite**, India’s largest selling margarine in FY 06-07

- Revamped brand Nutralite, which grew by 25% y-o-y post acquisition and crossed sales $ 14 Mio. in FY 08-09
Unlocking value through win-win alliances

- **Zydus Nycomed JV** – most successful contract manufacturing JV in India
  - State-of-the-art API mfg. plant for Pantoprazole intermediates
  - Expanded scope - more APIs to be sourced by Nycomed from this JV

- **Zydus Hospira - JV for oncology injectables (Generics)**
  - State-of-the-art cytotoxic facility located in an SEZ near Ahmedabad.
  - Plan to manufacture 6 oncology products
  - Commercial production started in May-09. Full capacity utilisation 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 in 2008 as Nudoxa

- 37 other contracts with innovator and generic MNCs with peak revenue potential of $ 48 Mio.
Ongoing Investment in Newer Portfolios Worth $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
  - Crossed sales of Rs 1000 cr. FY 08-09 year

Near term opportunity

Mid term opportunities

Note: Value indicated is estimated brand sale ($)
A scientific talent pool of 850 and investing over 6% 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

R&D Investment: ~ $ 41 Mio. in FY 08-09
- API & Others $ 7 Mio.
- NME & Drug Discovery $ 10 Mio.
- API & Others 180 scientists
- NME & Drug Discovery 335 scientists
- Generics/Developmental 335 scientists
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
- 2nd company in India to be accredited by AAALAC (Association for Assessment and Accreditation of Laboratory Animal Care)
- 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

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>
</tr>
</thead>
<tbody>
<tr>
<td>ZYH1</td>
<td>Dyslipidemia</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ZYI1</td>
<td>Inflammation</td>
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<tr>
<td>ZYH2</td>
<td>Diabetes</td>
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<tr>
<td>ZY01</td>
<td>Obesity</td>
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<tr>
<td>ZYH7</td>
<td>Dyslipidemia</td>
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<tr>
<td>ZYT1</td>
<td>Dyslipidemia</td>
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</tbody>
</table>

Also filed with USFDA
## Highlights : Annual Results FY 08-09

<table>
<thead>
<tr>
<th>Consolidated</th>
<th>USD Mio.</th>
<th>2008-09</th>
<th>2007-08</th>
<th>Growth y-y%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Sales</td>
<td></td>
<td>357</td>
<td>324</td>
<td>10.4%</td>
</tr>
<tr>
<td>Exports Sales</td>
<td></td>
<td>277</td>
<td>190</td>
<td>45.5%</td>
</tr>
<tr>
<td><strong>Total Gross Sales</strong></td>
<td></td>
<td>634</td>
<td>514</td>
<td>23.4%</td>
</tr>
<tr>
<td><strong>Total Operating Income</strong></td>
<td></td>
<td>636</td>
<td>505</td>
<td>26.0%</td>
</tr>
<tr>
<td>EBIDT</td>
<td></td>
<td>132</td>
<td>100</td>
<td>32.2%</td>
</tr>
<tr>
<td>EBIDT % to Total Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Profit #</td>
<td></td>
<td>71</td>
<td>58</td>
<td>23.7%</td>
</tr>
<tr>
<td>Net Profit % to Total Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPS (Rs.) #</td>
<td></td>
<td>0.52</td>
<td>0.46</td>
<td>13.8%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Consolidated</th>
<th>Mar-09</th>
<th>Mar-08</th>
<th>Growth y-y%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Worth</td>
<td>269</td>
<td>231</td>
<td>16.3%</td>
</tr>
<tr>
<td>Total Debt</td>
<td>276</td>
<td>182</td>
<td>51.3%</td>
</tr>
<tr>
<td>Net Fixed Assets</td>
<td>374</td>
<td>304</td>
<td>22.8%</td>
</tr>
<tr>
<td>Net Current Assets</td>
<td>189</td>
<td>134</td>
<td>40.9%</td>
</tr>
</tbody>
</table>

# Net Profit and EPS exclude Exceptional Items
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.

Zydus

Dedicated to Life
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