

Lupin Limited

Transitioning into higher orbits....

May 7, 2014

Lupin's Journey



Parameter	2005	2014	
Market Cap	Rs. 22 bn.	Rs. 418 bn.	CAGR 39%
Revenues	Rs. 1,161 cr.	Rs. 11,087 cr.	CAGR 28%
PAT	Rs. 84 cr.	Rs. 1,836 cr.	CAGR 41%
PAT%	7%	17%	
Finished dosage mix	45%	90%	

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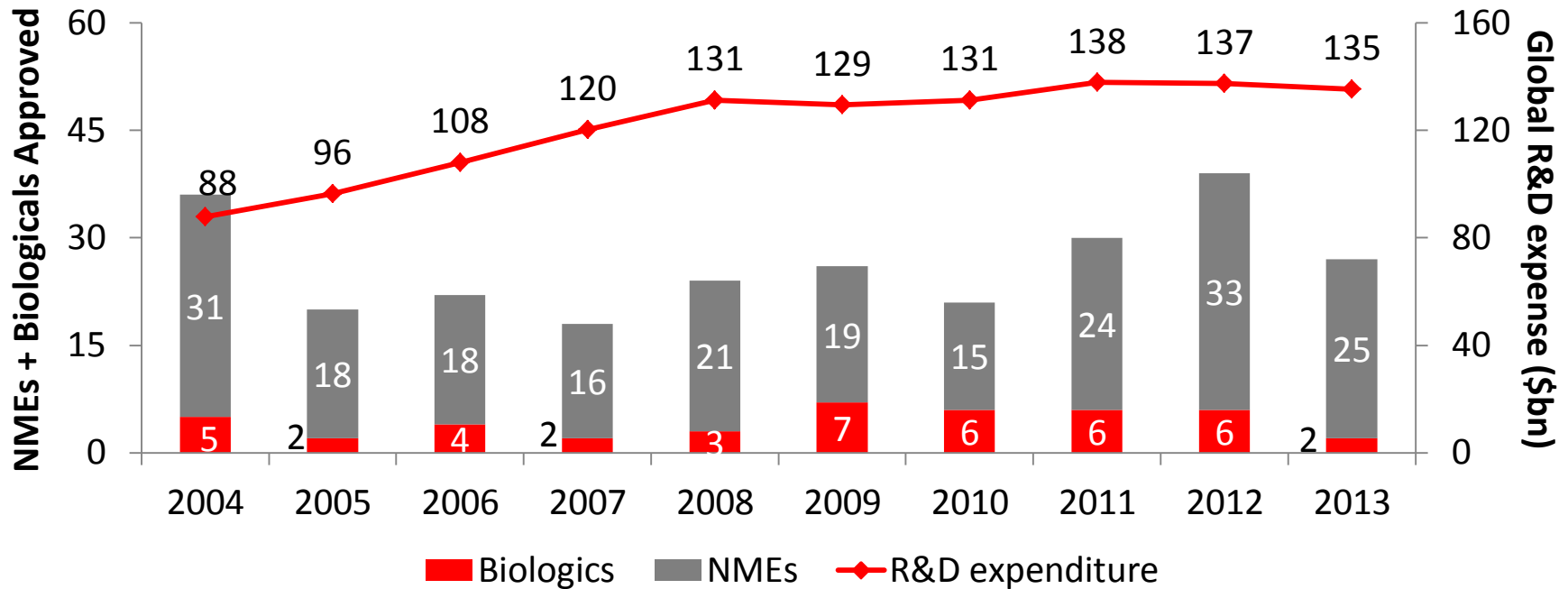


Global outlook



1 The last couple of years have seen higher approvals by US FDA. However industry feels that the future would be a scenario wherein there are **fewer small molecule blockbuster drugs** ahead for generics to pursue...

Fewer USFDA approvals vs. amount invested in R&D...



Source: FDA and EvaluatePharma

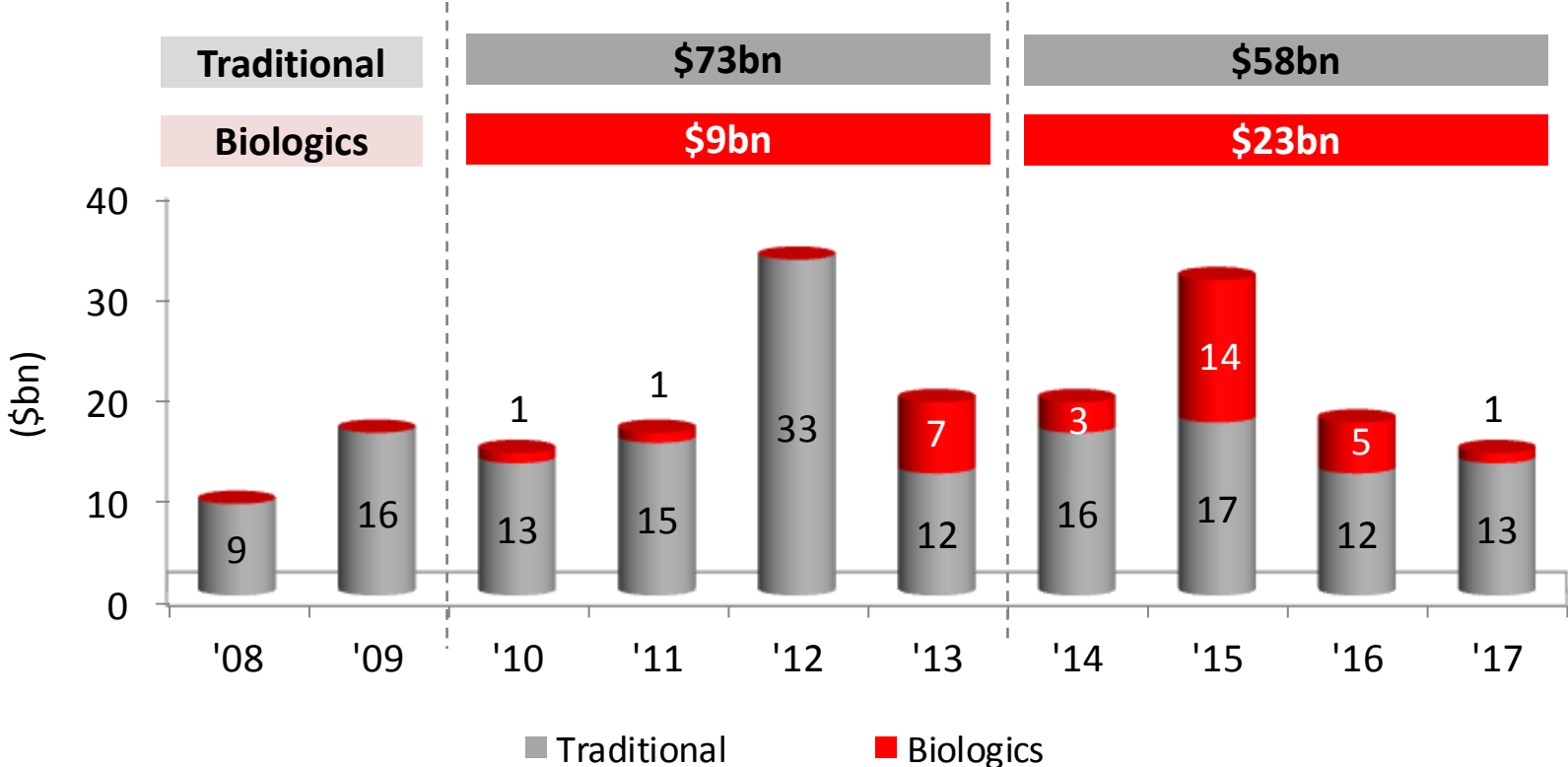
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Global outlook



2 *...and patent cliff moving towards biologics.....*



Source: Broker notes

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Global outlook....Consolidation



Global Pharma majors have taken bold steps towards consolidation

Pfizer offering
>\$100bn for AZ



Combining Global
OTC Business

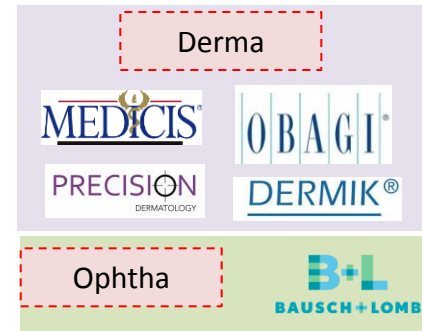


Watson



Actavis

VALEANT
Pharmaceuticals International



SUN



TEVA



Mylan



Abbott



endo



SANDOZ



AstraZeneca



Diabetes business

Source: Mergermarket and broker notes

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Global outlook.....Consolidation



Indian companies, increased geographic presence and acquired technologies...

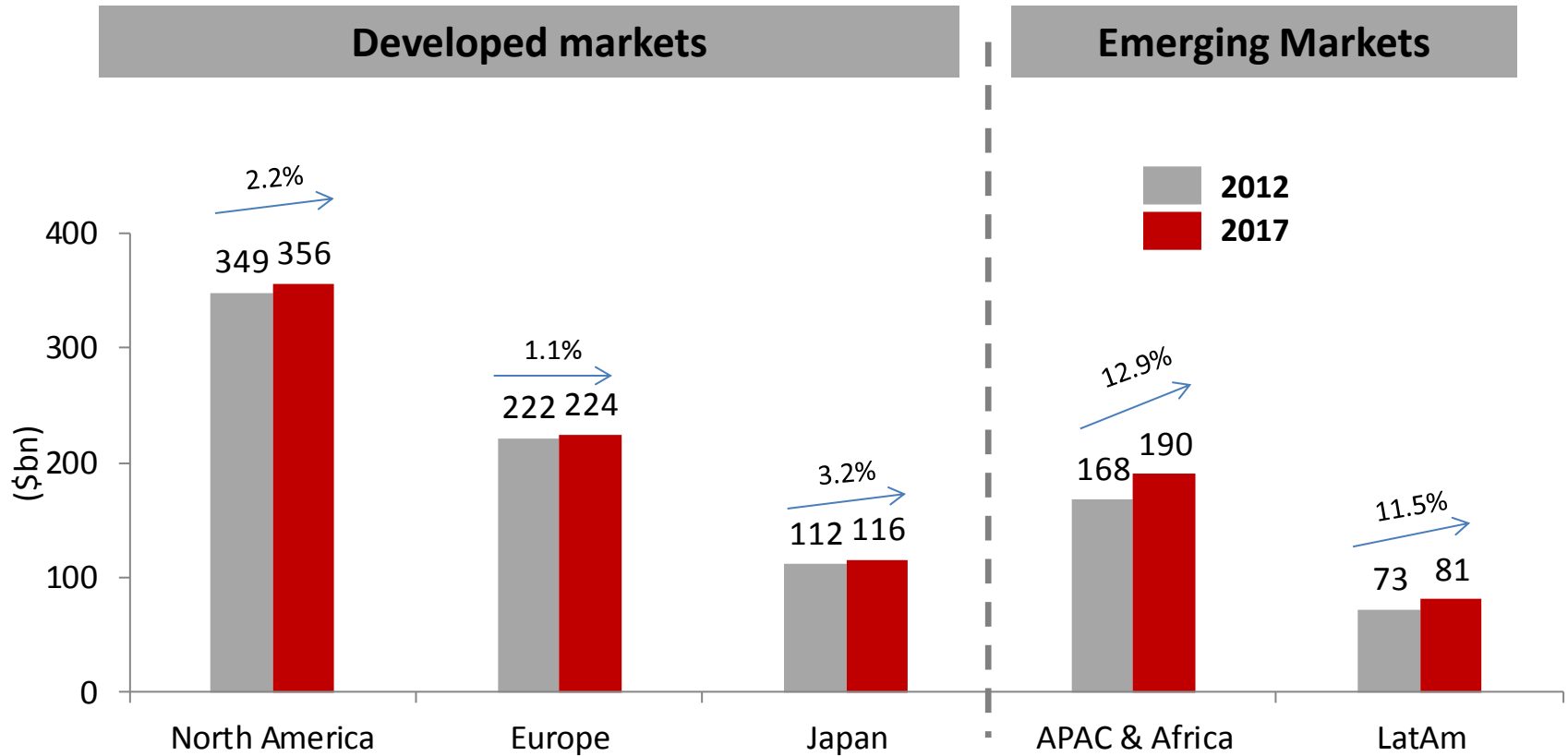


...And consolidation at trade channels creating margin squeeze for generics



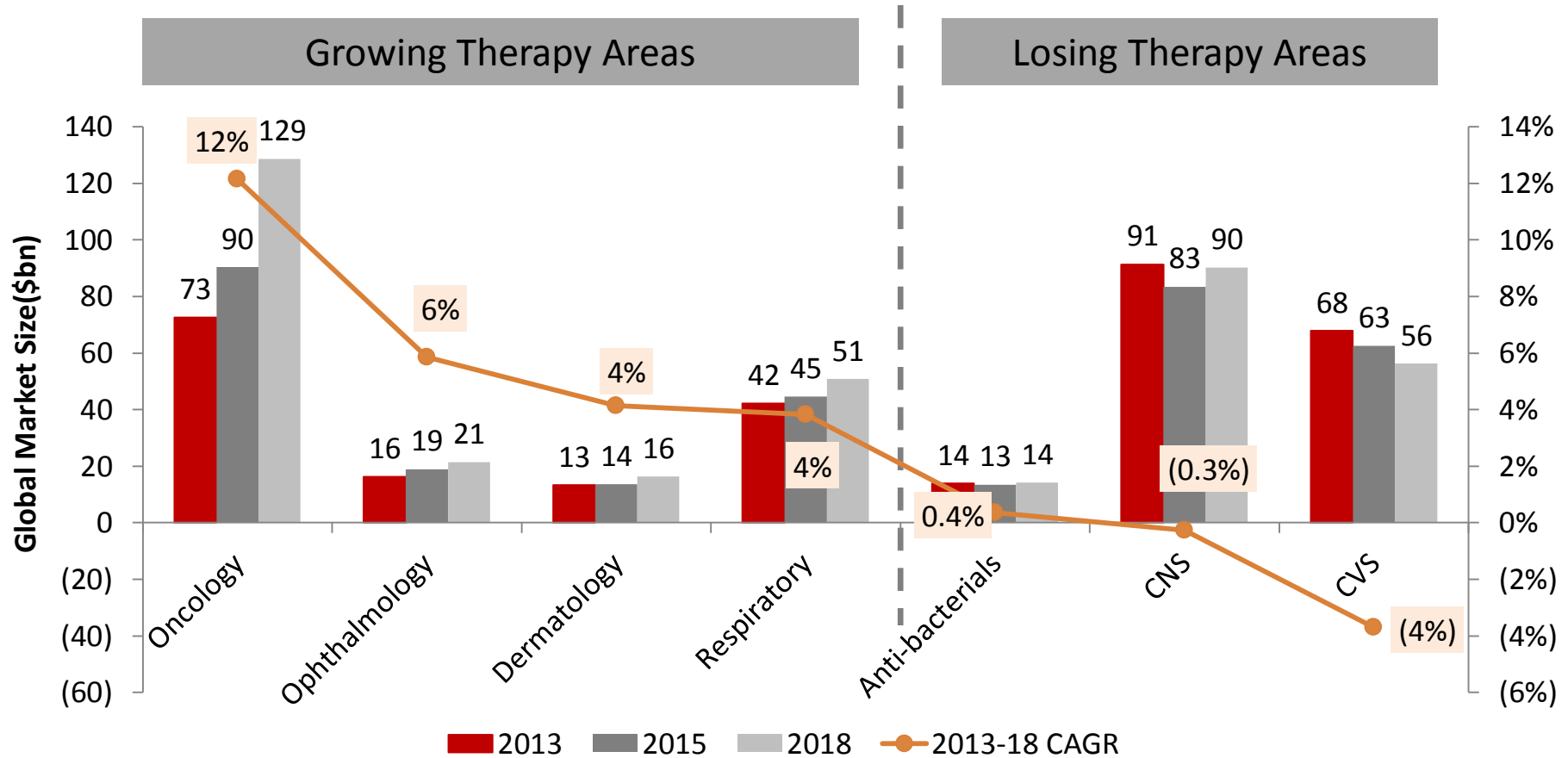
Critical to be a valued partner providing high quality service and products

Market size across Globe



Emerging markets likely to grow much faster than the Developed Markets

Key Therapy Areas – Growth Profile



Source: EvaluatePharma

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What does this mean for Gx?



Focus on:

- 1 *Complex generics*
- 2 *Biosimilars*
- 3 *Specialty business*
- 4 *M & A*

that require investment in building capabilities ...



Lupin's Transformation



2014.....

Specialty generic player across the globe including emerging markets

2005-2013

Generics formulation player focusing on domestic & advanced markets

Pre-2005

Anti-infective and API focused domestic player

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Building Capabilities



➤ Technology and R&D

- **Acquired Nanomi** – a complex injectible platform in Netherlands
- Set-up a specialty R&D center in the US for Inhalation
- Built capabilities in:
 - ✓ Respiratory
 - ✓ Controlled substances
 - ✓ Complex Injectables
 - ✓ Dermatology

➤ Geographic spread – strengthening emerging market presence

- **Acquired** Ophthalmic specialty company in Mexico – **Laboratorios Grin**

➤ Global Biosimilar program

- Two approvals in India
- Developmental JV in Japan – YL Biologics

Building Capabilities



➤ Continued focus on branded business in the US

- Acquired US rights for **Alinia**® Oral Suspension
- Co-marketing arrangement for **Locoid**® Lotion
- Launched **Antara**® low dose

➤ Investment in HR capital:

- Ms. Theresa Stevens – Chief Corporate Development Officer
- Dr. Maurice Chagnaud – President Europe & Head of Inhalation Strategy
- Dr. Matthew Davis as CMO - US & Head of Global Clinical Development – Complex Generics & Specialty
- Dr. Xian-Ming Zeng - Sr. VP, Inhalation R&D
- Dr. Avinash Nangia - VP, R&D



2013-14 Performance Highlights

COMPLIANCE PEOPLE RETURNS PRUDENCE HAPPINESS SERVICEHAPPINESS PASSION
THE BOTTOMLINE IS COMPLIANCE PEOPLE RETURNS PRUDENCE VALUE DISCIPLINE CONCIU COMPLIAN
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Business Highlights



➤ Strategic acquisitions

- Laboratorios Grin – Mexico
- Nanomi BV – Netherlands
- US rights to Alinia® Oral Suspension



➤ Alliances

- Biosimilars development JV with Yoshindo in Japan – YL Biologics
- Co-promotion agreement with MSD for PPV and with LG for Insulin-glargine in India
- Co-promotion agreement for Locoid® Lotion in the US
- Co-promotion agreement with Sanofi to market Zolendronic Acid in Japan

➤ Foray into niche segments

- Launches in Ophthalmic and OCs in the US
- Dermatology portfolio launched and 2 biosimilar approvals in India

Business Highlights



➤ Strengthening leadership positions

- No 1 in 29 products in the US
- No 5 in number of generic prescriptions in the US
- No 1 in overall CVS segment in South Africa
- No 2 in Cardiac and Asthma & No 1 in Anti-TB in India

➤ R&D

- 19 ANDA filings during the year (cumulative 192 ANDAs filed)
- 22 ANDA approvals (total 99 ANDAs approved) & 1 NDA approval
- 1 NCE entering Phase II and 2 NCEs entering Phase I

P&L Highlights

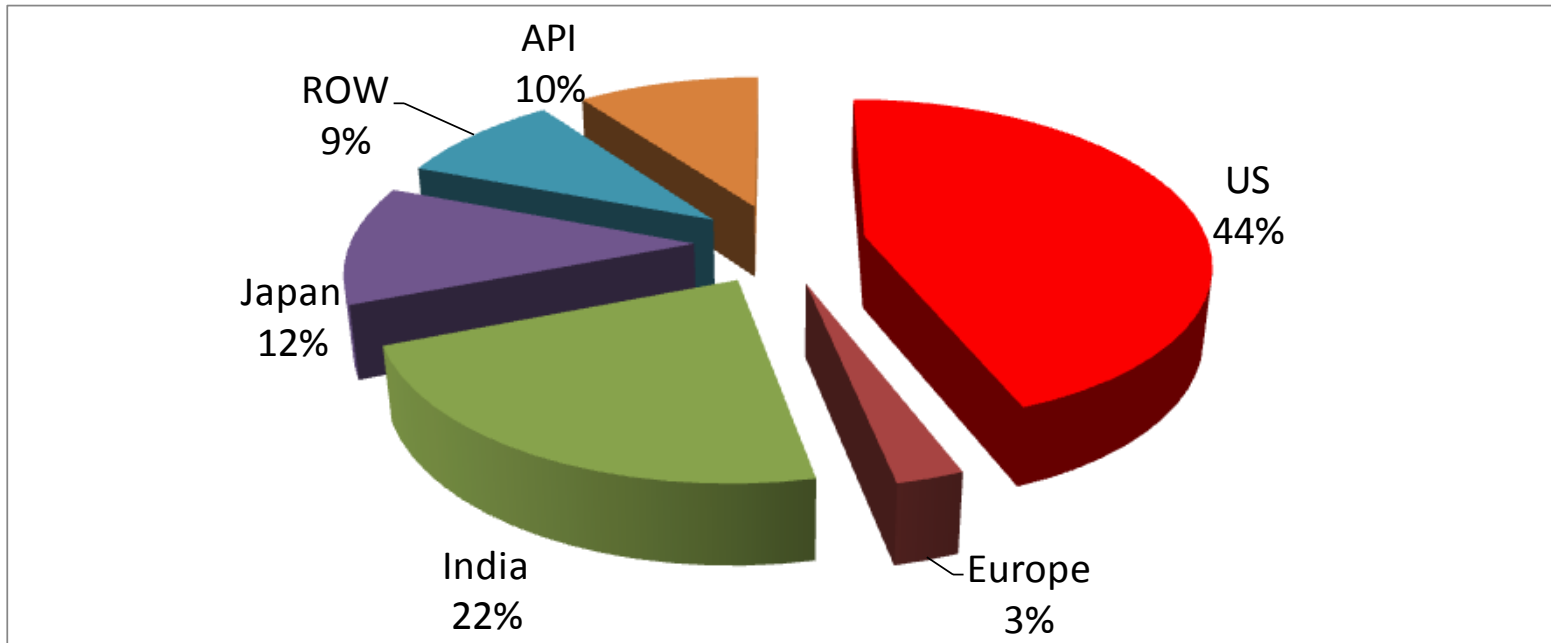


Particulars (Rs mm)	FY14	% of net sales	FY13	% of net sales	% YoY growth
Net sales	110,866	100.0	94,616	100.0	17.2
Other operating income	2,001	1.8	1,797	1.9	11.4
Total revenue	112,868	101.8	96,413	101.9	17.1
Gross margin (excl. other operating income)	72,693	65.6	59,136	62.5	22.9
EBITDA	31,193	28.1	22,979	24.3	35.7
EBIT	28,583	25.8	19,657	20.8	45.4
Net profit	18,364	16.6	13,142	13.9	39.7

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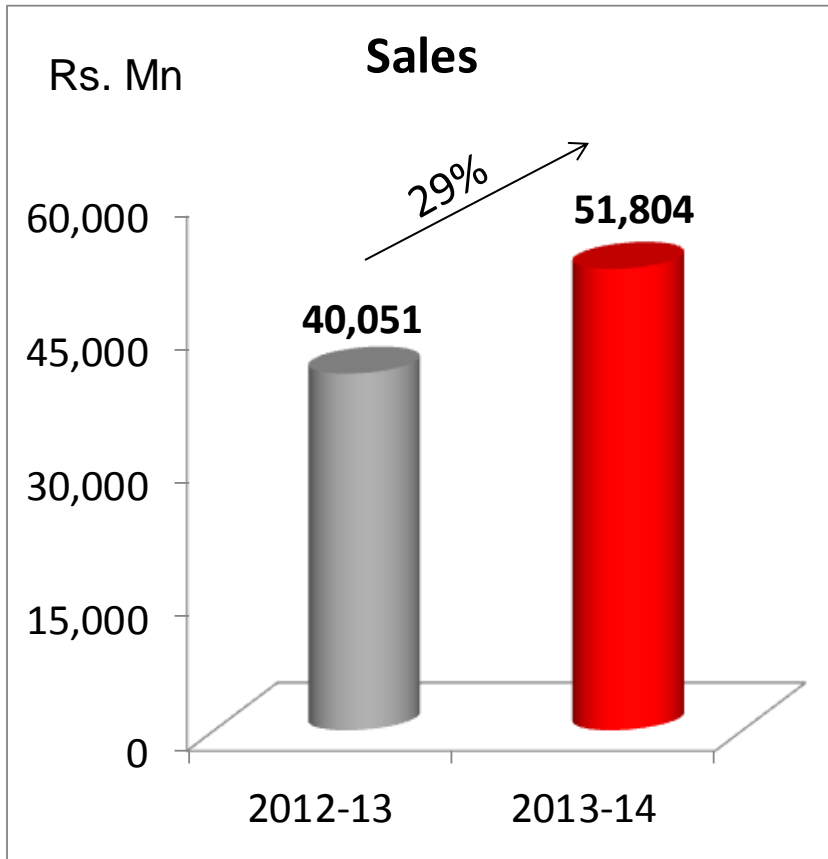


Business Split



- 74% business from International markets
- 90% formulation business
- US business comprises 10% branded formulations

US & Europe



US business grew 29% to Rs. 47,480 mm & EU business grew 24% to Rs. 2,934mm

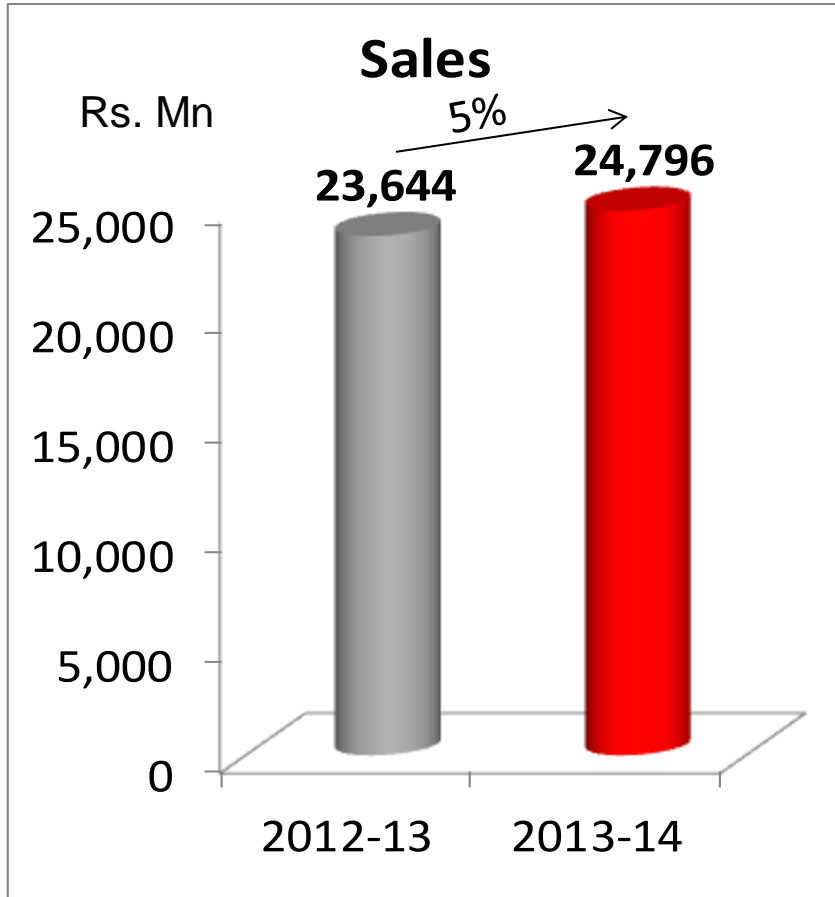
20 products launched in US. Current portfolio of 72 products

US Market Share: No. 1 in 29 products & top 3 in 49 products.

Acquired Nanomi B.V. in Netherlands

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**IMS MAT Mar 2014

**Launched 54
new products
during the
year**

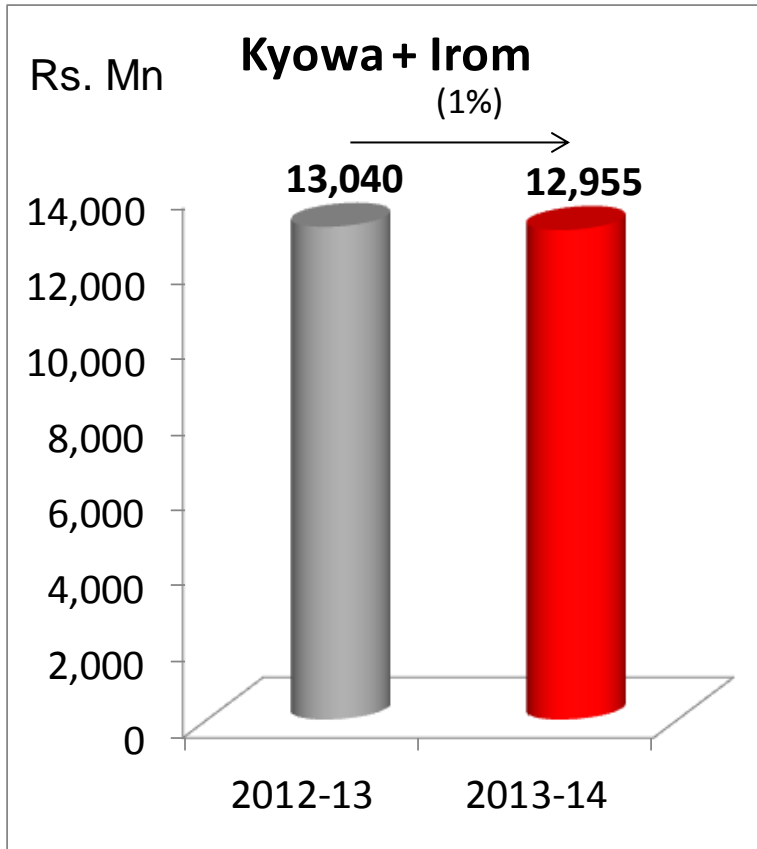
**Strategic
partnership
with MSD &
LG to co-
market
products**

**No 1 in Anti-
TB
No 2 in
Asthama &
Cardiac**

**Growth
impacted by
regulatory
and trade
environment**



Japan



Growth in local currency 8%

Growth (local currency)-
Kyowa: 14%;
Irom: (6%)
{Due to Cont Mfg business}

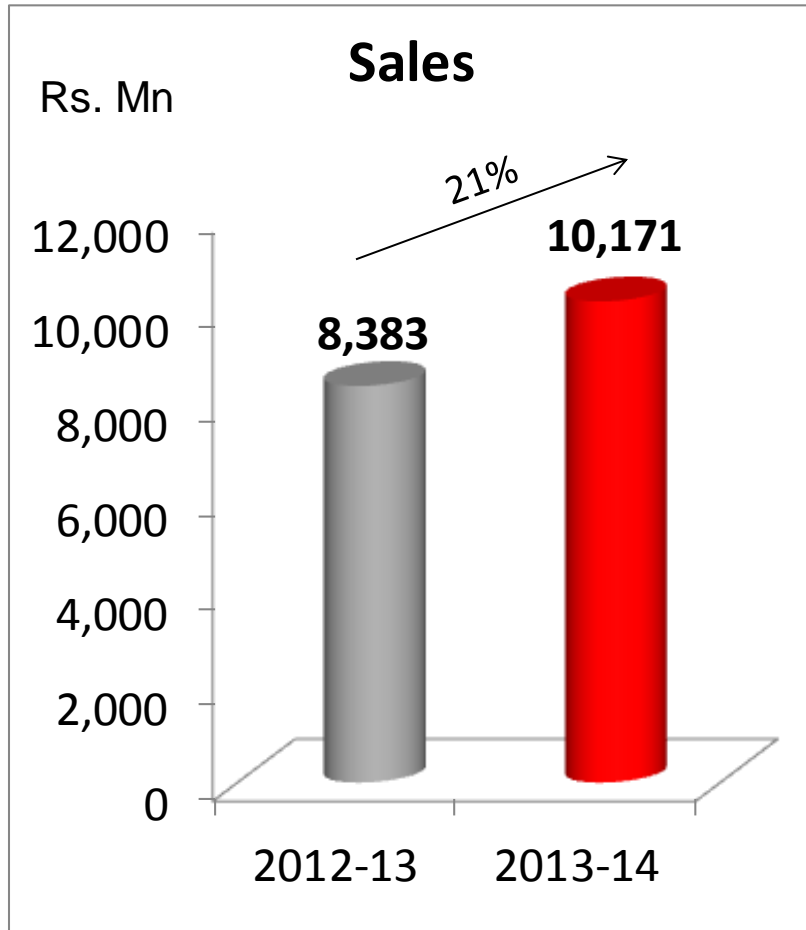
Product Launches-
Kyowa: 9;
Irom: 4

Field Force-
Kyowa: 135;
Irom: 35

4 formulations & 2 APIs supplied from India

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South Africa

Growth of 28%
in local
currency

4th largest
generic
company & #1
CVS player

10 products
registered & 6
launched

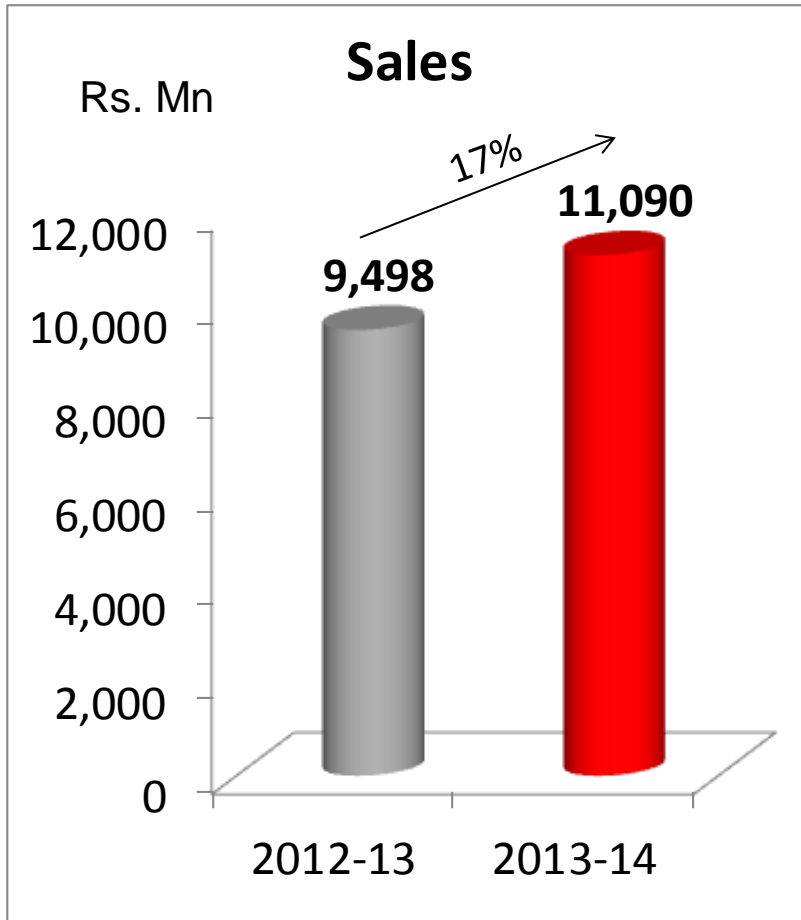
Philippines

Growth of 38%
in local
currency

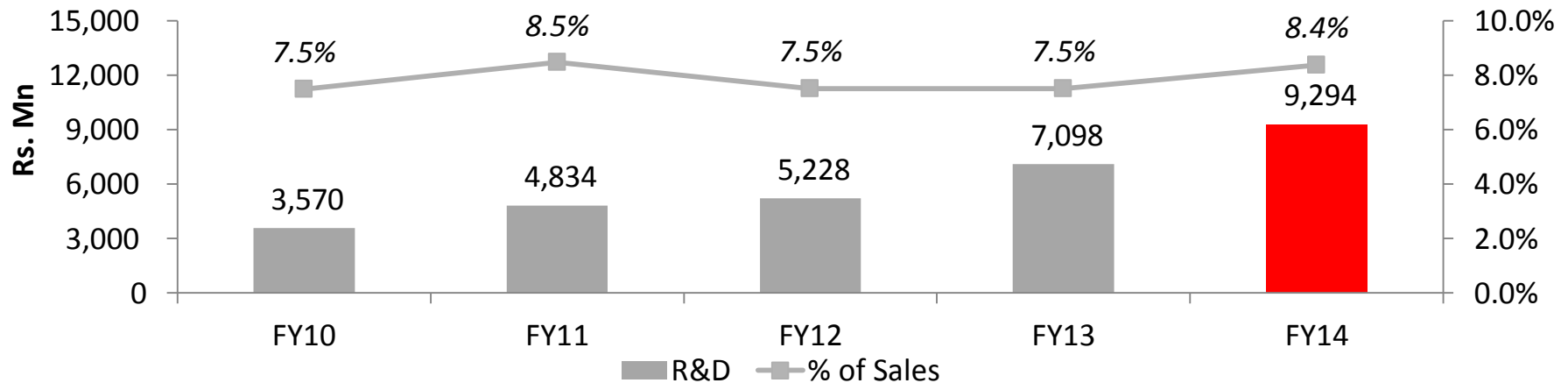
Ranked 26th*

Oncology
division & 7
products
launched





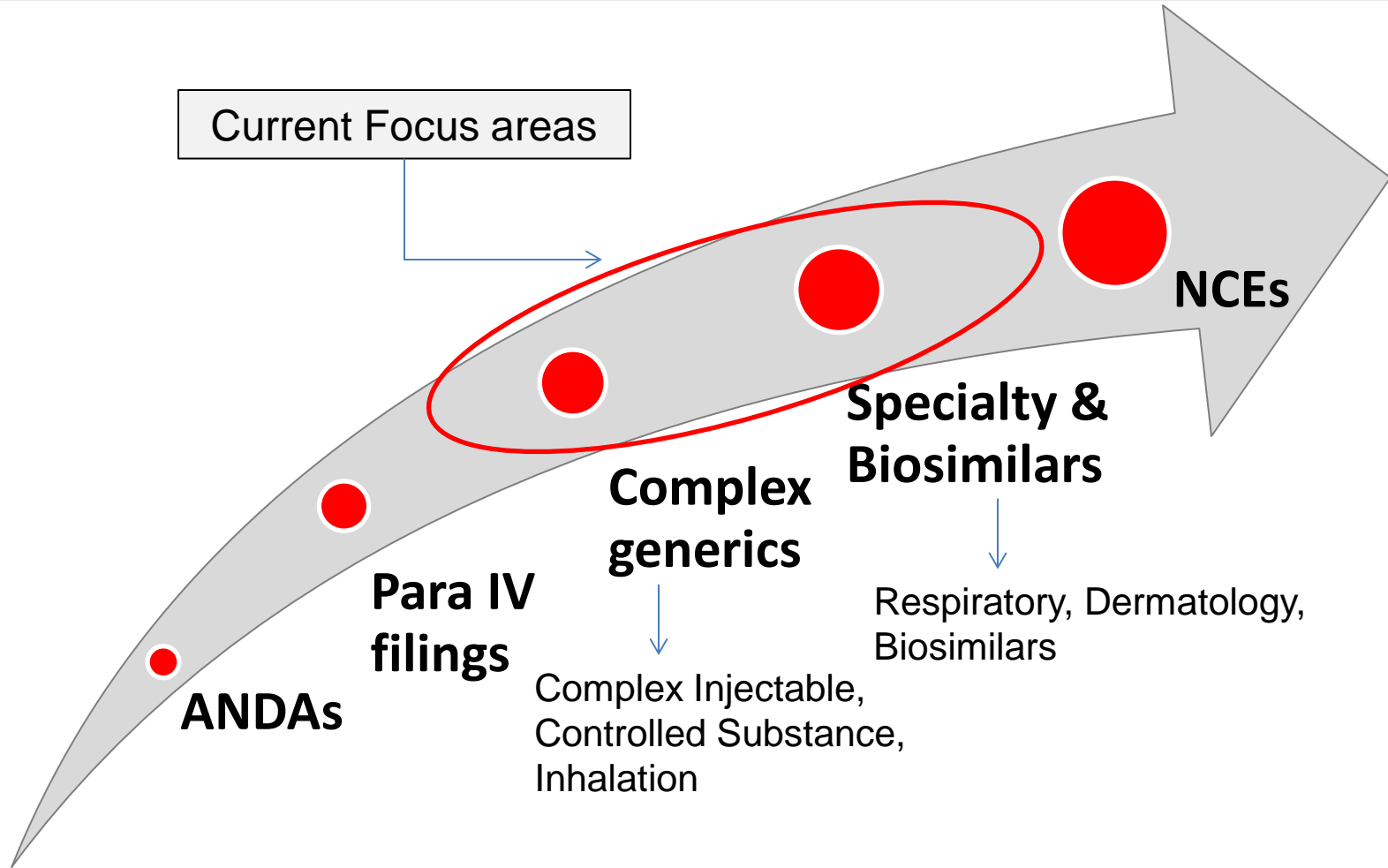
- US Business grew by 22%
- Domestic business grew by 64%



- Talent pool of 1,200+ scientists
- 192 ANDA filings, of which 99 have been approved
- FTFs - 31 filings till date (US\$ 13.7 bn) with 15 Exclusives (US\$ 1.5 bn)
- New R&D center in the US for Inhalation
- Acquired Nanomi – Complex Injectable platform
- 10 programs in various phases of drug discovery
- First NCE moving into Phase II & two additional NCEs' entering into Phase I
- Pipeline of 10 bio-similar drugs in various phases of development



R&D focus shift



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Awards & Accolades



- The Economic Times 500 rankings - India's Most Resilient Companies – 2013-14



- Dr Kamal Sharma - Best CEO - Business Today Awards 2013



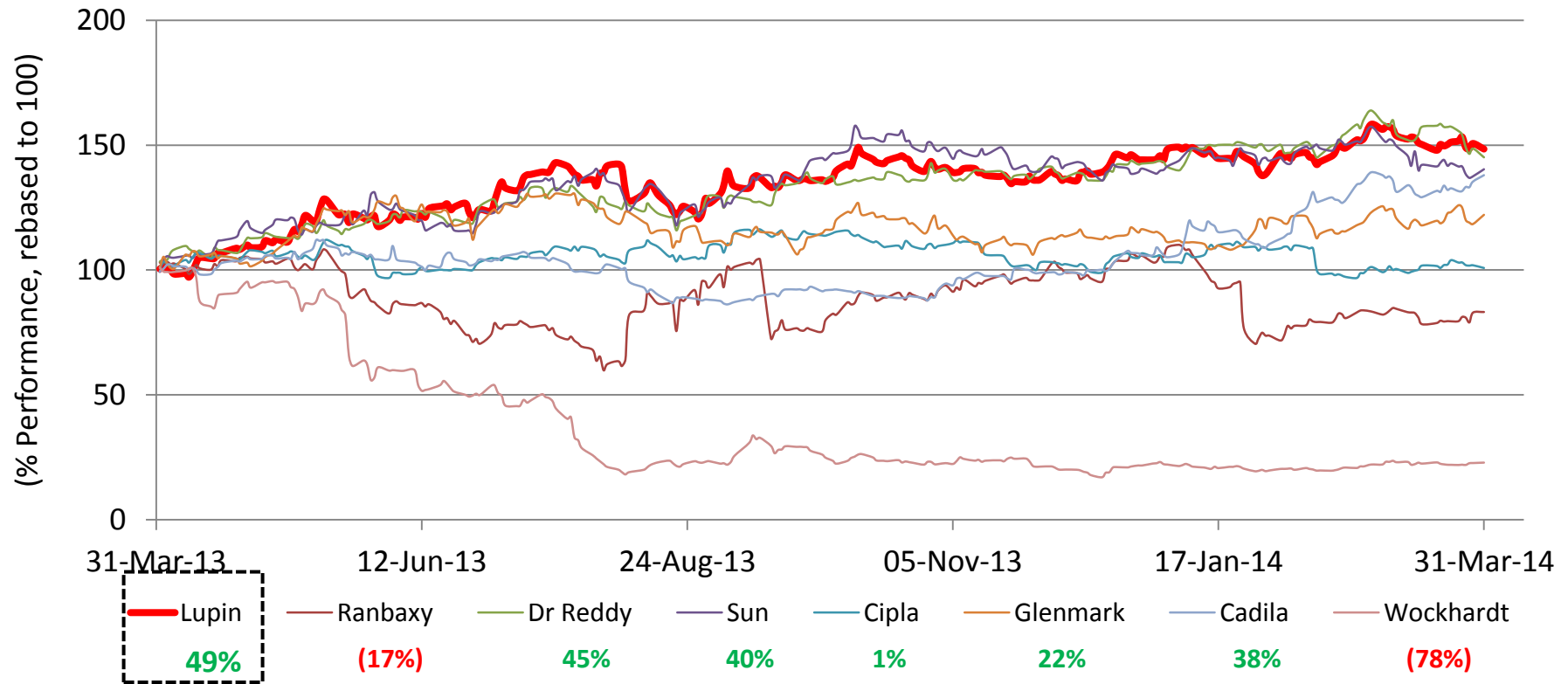
- Ms. Vinita Gupta – Forbes Asia Businesswomen - Power 50



Result of consistent performance



Lupin has delivered highest LTM stock price performance amongst its peers



Dividend increased to 300% from 200% last year – Payout ratio 17.1%

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THE FUTURE

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Initiatives....



Ingredients for Superior Performance	Key Enablers	Actions
<p>Profitability</p> <p>Technology</p> <p>M&A</p>	<ul style="list-style-type: none"> • Cost Management • People, Process, Systems 	<ul style="list-style-type: none"> • <i>Six Sigma</i> • <i>Supply chain</i> • <i>Sales force productivity</i> • <i>Global Talent</i>
	<ul style="list-style-type: none"> • Specialty / Complex Gx • Technology platforms 	<ul style="list-style-type: none"> • <i>Nanomi</i> • <i>NCE & Biotech</i> • <i>Inhalers & controlled substances</i>
	<ul style="list-style-type: none"> • Brands • Geographies 	<ul style="list-style-type: none"> • <i>Advanced markets</i> • <i>Emerging markets</i>

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Execution is KEY



Thank you