



AUROBINDO

INVESTOR PRESENTATION



February 2016

Disclaimer



This presentation contains statements that constitute “forward looking statements” including and without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to our future business developments and economic performance.

While these forward looking statements represent our judgment and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that we have indicated could adversely affect our business and financial performance.

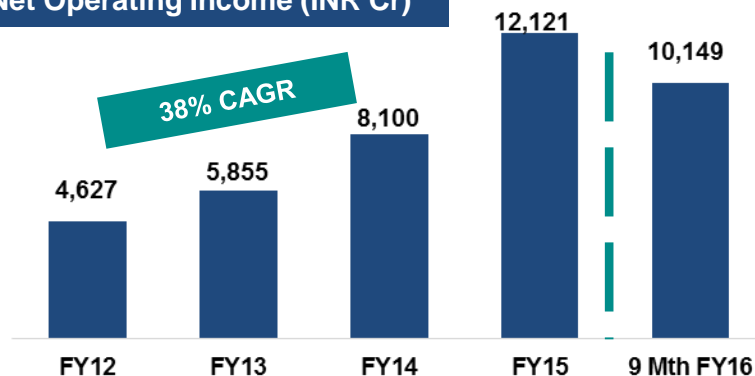
Aurobindo Pharma undertakes no obligation to publicly revise any forward looking statements to reflect future events or circumstances.

Company Overview



- Among the Top-5 listed pharmaceutical companies from India by sales⁽¹⁾ and market capitalization⁽²⁾
- Well entrenched US portfolio of 387 filed ANDAs including 228 approved; 35 approved in 9 Mth FY 15-16⁽²⁾
- Vertical integration with in-house API for over 75% of its Formulation products
- Continued focus on the base business while capitalizing on the complex molecules, differentiated technology platforms and specialty products
- Global presence with over 85% of sales from international markets, spanning across more than 150 countries
- 21 API and Formulation Manufacturing Units with 3 in US and 1 in Brazil
- Over 13,000 employees spread across 150 countries

Net Operating Income (INR Cr)



1) FY15 Sales (Source: Citi Report); 2) As on 31 Dec 2015

Top 10 Therapy Segments

Category	Size (US\$ Bn)	APL's presence
Oncology	74.5	✓
Anti-diabetics	63.6	✓
Pain / acute	59.8	✓
CNS	47.5	✓
Anti-bacterials	40.3	✓
Respiratory	39.6	✓
Mental health	39.1	✓
Anti-viral	35.9	✓
Lipid Regulator	28.4	✓
Dermatology	28.2	X

Top 10 Generics Markets

Markets	% share	APL's presence - FDF	APL's presence - API
USA	40%	✓	✓
Japan	10%	X	✓
France	6%	✓	✓
Germany	6%	✓	✓
Italy	4%	✓	✓
Spain	3%	✓	✓
UK	3%	✓	✓
China	3%	X	✓
Brazil	2%	✓	✓
Mexico	2%	✓	✓

The Journey So Far...



Creation of a leading vertically integrated platform

- Commencement of export of APIs
- Initial Public Offering (1995)
- Began production of formulations

- Acquired formulations facility in USA and Pharmacin in Netherlands
- Investment in building manufacturing, marketing & IPR capabilities

- First approval of Controlled Substance formulations in USA
- Set up AuroPeptide to foray into Peptide business

- Acquired Western European commercial operations from Actavis and Natrol, US nutraceuticals company
- Focus on differentiated technology platforms eg. depot injections

1992 – 2002

2006

2007

2010

2012

2013

2014

2015

- Acquired UK based Milpharm

- Commenced operations of SEZ Unit VII and Aurolife, USA facilities and divested Chinese antibiotics facility

- Commenced marketing specialty injectables products in USA through AuroMedics
- Building capabilities in Penem, Oncology & Bio-catalysis

- Investment into Tergene to fund the development of a pneumonia vaccine

API Focus

Foray into
Finished
Dosage
Formulations

Establishing Global
Footprint

Consolidating Presence in
US and EU + Expanding
Injectables & Differentiated
Offerings

Our Business Segments

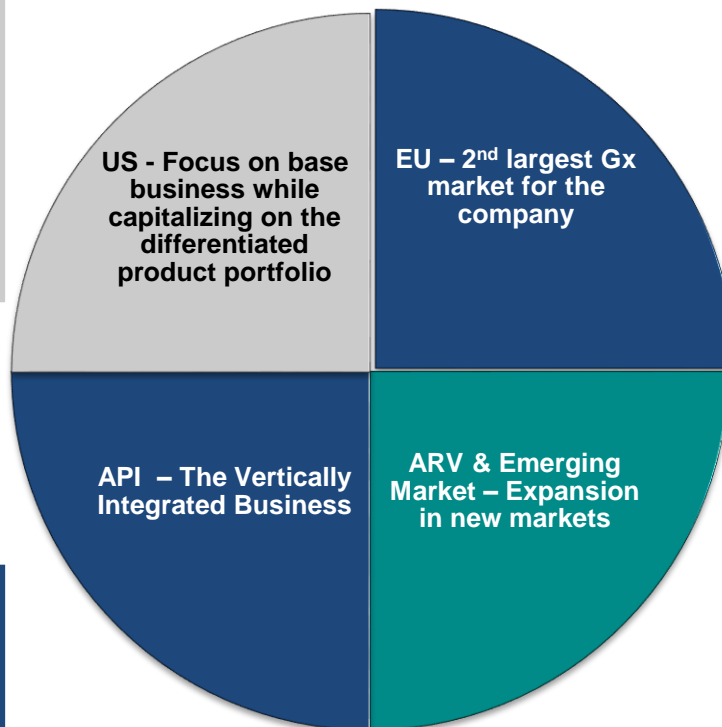


US

- Ranked 8th* Rx supplier as per IMS total prescription dispensed
- Differentiated pipeline with new launches including injectables, ophthalmics, speciality products and controlled substances
- Expanded presence in nutraceutical business through Natrol
- Manufacturing and R&D presence including Controlled substances

API

- Cost effective with vertical integration of over 75% of API requirement sourced internally
- One of the leading supplier of APIs from India - serves as a source for various Gx and branded drugs
- Strong regulatory capability with 202*** US DMF filings



EU

- Among top 15** Gx companies by sales
- Focus markets are France, Germany, Netherlands, Spain, UK, Portugal and Italy
- Augment position through new product launches and extension to selected Eastern Europe markets

ARV – Institutional

- Focus on global tenders; availability across >100 countries
- Maintain competitiveness through development of new products

Emerging Markets

- Focus on major markets viz Brazil, South Africa, Ukraine, and Mexico
- Expansion into selective markets of Asia Pac, Africa, Middle East

*Source: IMS National Prescription Audit, Total Prescriptions Dispensed, Twelve months ending December 2015

Source: Market Reports, *as on 31 Dec 2015

US Business Overview



Aurobindo USA
Oral Rx

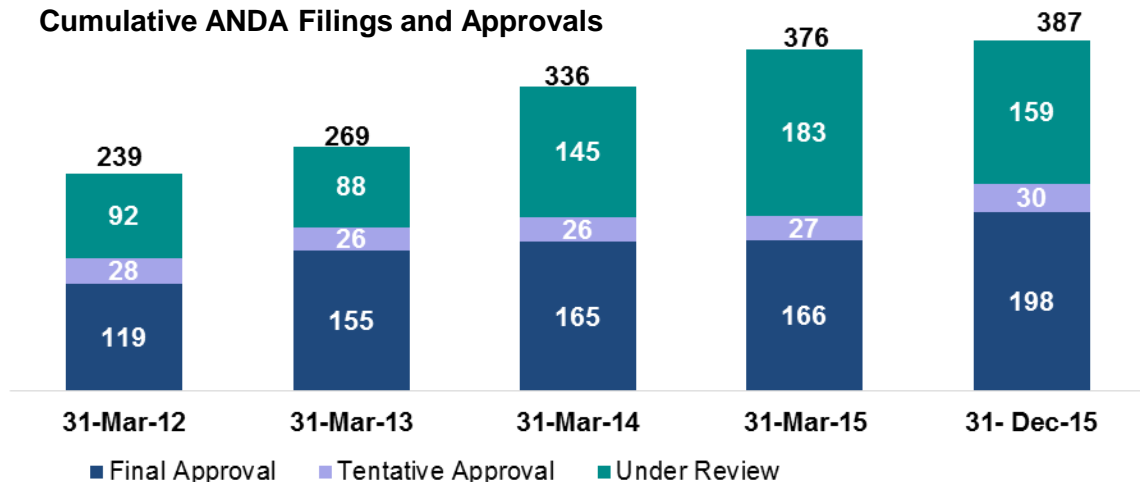
AuroMedics
Injectables

AuroLife Pharma
Manufacturing /
R&D

AuroHealth
Pharma OTC

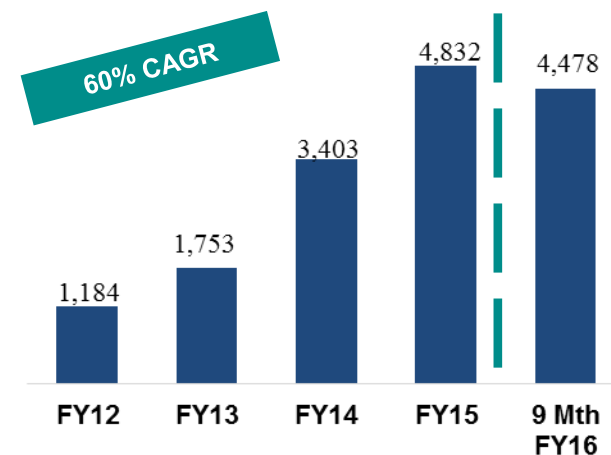
Natrol
Nutraceuticals

Cumulative ANDA Filings and Approvals



Tentative Approvals include 21 ANDAs approved under PEPFAR, which are not for commercialization in the US market

Gross Sales (INR Cr)



Unit wise ANDA Filings as on 31-Dec-2015

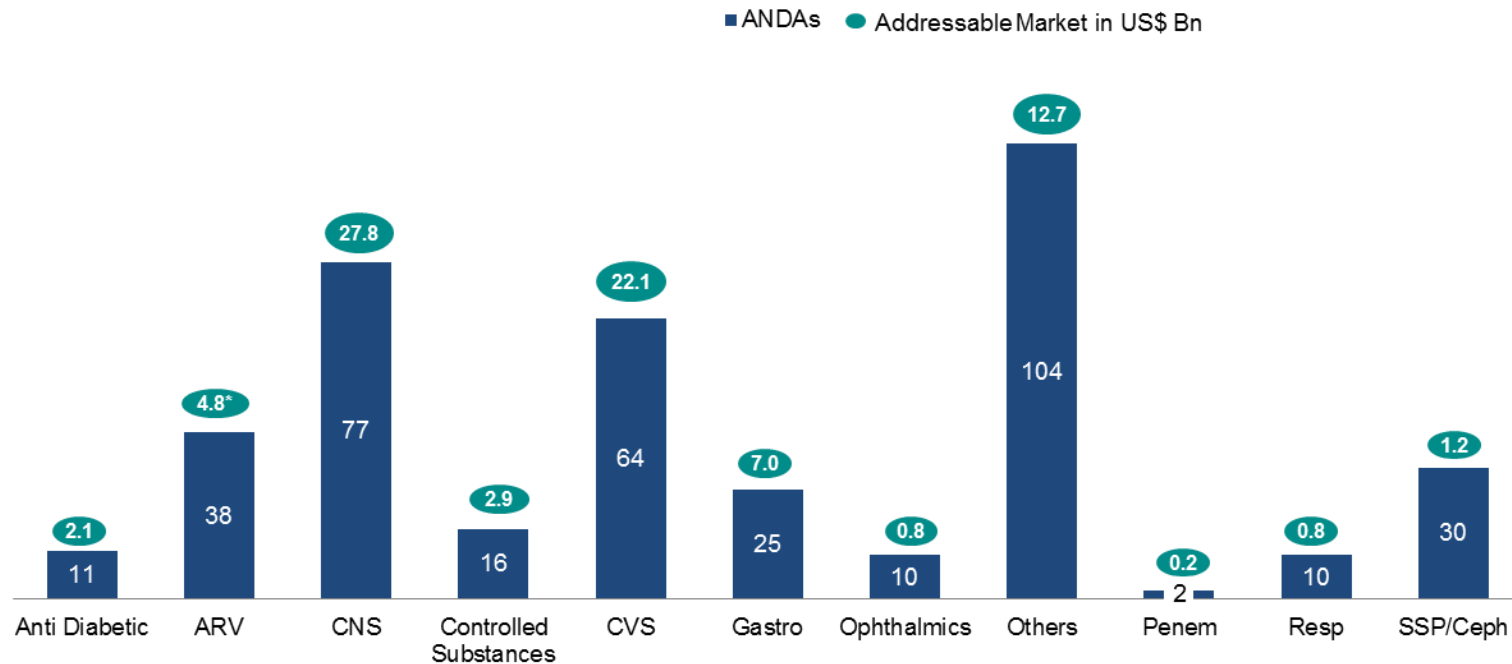
Site	Details	Filed	Approved	Under Review
Unit III	Oral Formulations	119	112	7
Unit IV	Injectables & Ophthalmics	67	21	46
Unit VIB	Cephalosporins Oral	11	11	0
Unit VII (SEZ)	Oral Formulations	143	55	88
Unit XII	Penicillin Oral & Injectables	19	19	0
Aurolife USA	Oral Formulations	26	10	16
AuroNext	Penem Injectables	2	0	2
Total		387	228	159

- Broad product portfolio mix complemented with the introduction of high value products
- Strong Pipeline of sterile products incl. ophthalmic, respiratory, oncology, hormones and penems

US: Expanding Portfolio Mix Towards High-value Products



Portfolio mix is complemented with the introduction of high-value products



Addressable market refers to the ANDAs filed by the company

Future pipeline to include Oncology, Hormones, Depot injections, Inhalers, Patches and Films

*Does not include the addressable market of the products approved under PEPFAR

Source: IMS Data



- Amongst the top 20 branded nutraceuticals companies in US
- Diverse Customer Base with long term relationships with key distribution and retail partners
- Strong customer partnerships across multiple distribution channels with growth potential within each channel
- R&D capabilities in new innovative delivery formats as time release, fast dissolve and natural foam
- Inhouse manufacturing capability & regulatory expertise for quality product at competitive prices
- Synergies
 - Expand presence in other attractive global markets
 - Enhance the Research and Development expertise through collaborations



Key Product Segment	
Vitamins, Minerals & Supplements	Sports Nutrition
Diet & Weight Mgt	Hair, Skin & Nails
Favourable Demand Drivers	
Ageing population	Fitness Focus
Consumer awareness	Rising HC costs

EU Business Overview



France

Germany

Netherlands

Spain

UK

Portugal

Italy

Romania

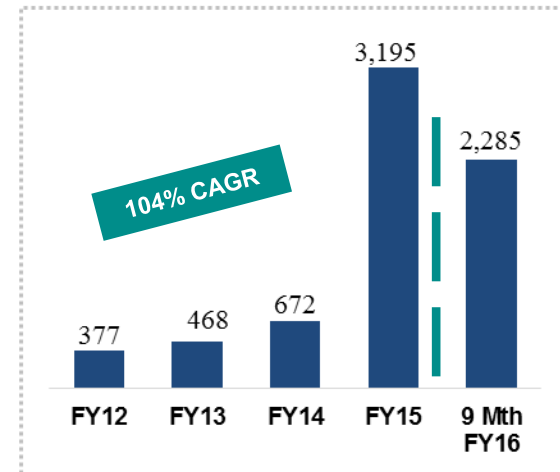
Belgium

- India's Leading Gx company with strong footprint in Europe; Operations in 9 countries with full fledged sales force and support infrastructure
- Presence across Rx, TGx, BGx and Hx segment
- Expanded presence through Actavis assets
 - Over 450 INNs
 - *Arrow Génériques* brand
 - Established commercial and hospital sales infrastructure
- Investment in Malta to expand analytical testing facilities for sterile and non-sterile products
- Pipeline of over 200 products under development

Business Strategy

- Consolidate presence & improve position among Top 10 players in each market
- Expanding into new geographies viz Poland and Czech Republic
- Portfolio Expansion through targeted Day 1 launches; Orals, Hormonals & Penems, Oncology Products, Niche Injectables, Low volume Injectables
- Lower generics penetration in Italy, Spain & France offer future growth potential

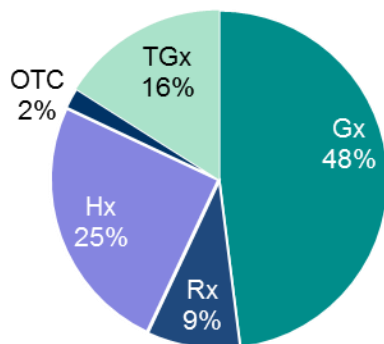
Gross Sales (INR Cr)



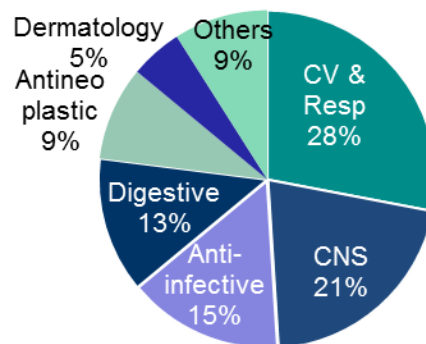
EU: Portfolio Mix Across Channels



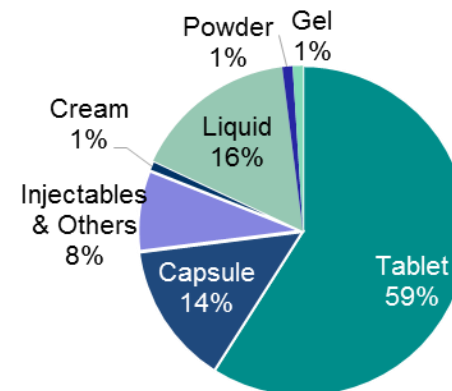
Sales split by Channel



Sales split by Therapeutic Profile



Sales split by Dosage Forms



Channels	Gx	Rx	Hx	TGx
Geographies	All 9 countries	7 countries	All 9 countries	Germany, Spain & Netherlands
# of Products	757 (primarily tablets & capsules)	34	335 (predominantly injectables)	757 (including Gx products)
Other Highlights	Amongst top 10 in most markets	Includes leading brands such as Neotigason, Floxapen, Bezalip among others	Focus on high value areas including oncology	Tender based business

ARV Business Overview

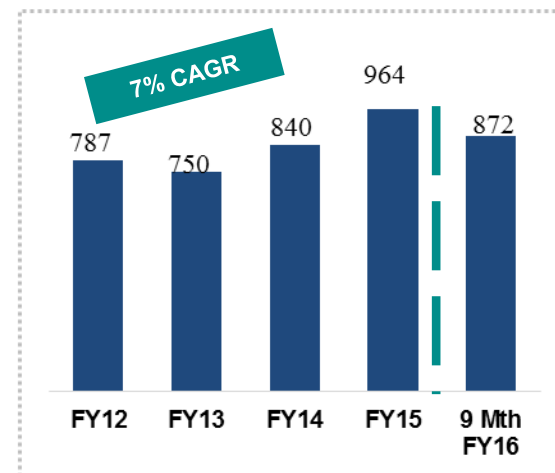


- Focus on global tenders floated by Multi-Lateral Organizations like Global Fund, USAID/PEPFAR and Country specific MOH tenders; currently caters to 2.2 million HIV+ patients
- Well integrated supply chain management services and logistics for ARV supplies (29 products) catering to over 100 countries
- Filed over 1,100 ARV dossiers for registrations across the globe.

Dolutegravir (DTG) – The Next Growth Driver

- Aurobindo is the first generic company to sign license with ViiV Healthcare for the next generation Integrase Inhibitor – DTG
 - Filed an ANDA application for DTG 50mg with USFDA under the PEPFAR program.
 - WHO announced this drug as a 1st line reserve drug in its 2015 HIV treatment guidelines
 - Play a collaborative role in upgrading millions of patients to the latest best in class ARV drug
- Developing a Triple drug combination containing DTG
- Market size is expected to be \$ 2bn* in 2017; Triple combination drug containing DTG expected to garner major share

Gross Sales (INR Cr)



Key Products

Efavirenz+Lamivudine+Tenofovir
Lamivudine + Zidovudine Tabs
Abacavir Sulfate Tabs
Lopinavir + Ritonavir Tabs
Efavirenz+Emtricitabine+Tenofovir Tabs
Zidovudine + Lamivudine + Nevirapine Tabs

Emerging Markets Business Overview

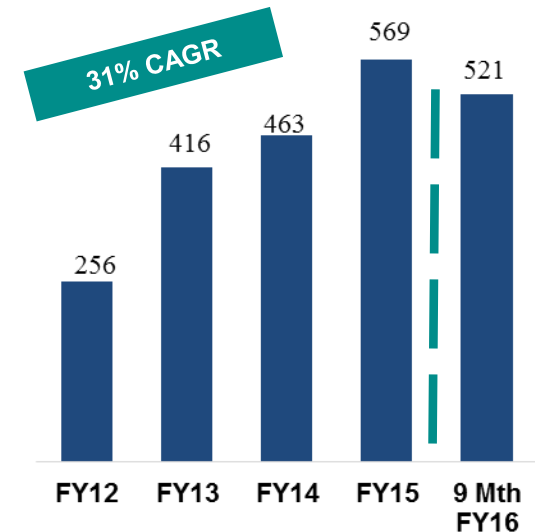


- Focus markets include Brazil, South Africa, Ukraine and Mexico
- Geographic diversification through expansion into selective markets of Asia Pacific, Africa, Middle East etc

Opportunity to Leverage

- Build branded generics presence
- Enhance penetration in selected emerging markets through local manufacturing units
- Expand presence with Therapeutic Areas like Oncology and specialty injectables

Gross Sales (INR Cr)

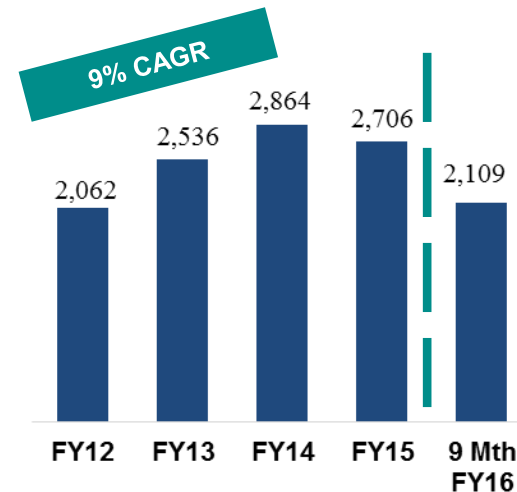


The Base Business : API

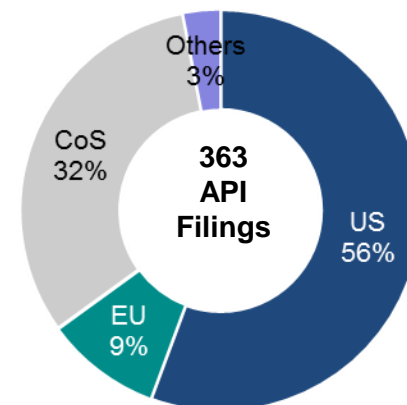


- Amongst the most vertically integrated generic pharma platforms with API integration for over 75% of its products; offers cost competitiveness and high process chemistry skills coupled with commitment to quality
- Quality & Reliability of supplies and ability to command cost efficiencies as well as economies of scale
- Growing into more advanced regulated market (EU, Japan, USA)
- Focus on high value, specialty, small/mid-size products with a limited competition
- Facilities meet regulatory standard of advanced market regulators as USFDA, UK MHRA, EU, Japan PMDA, Mexico COFEPRIS, Brazil-ANVISA, Korea FDA etc
- Manufacturing capacities has been enhanced by adding large volume blocks at Vizag to support growth

Gross Sales (INR Cr)



Strong Regulatory Capability*



* Excludes Multiple registrations

Key Financial Indicators



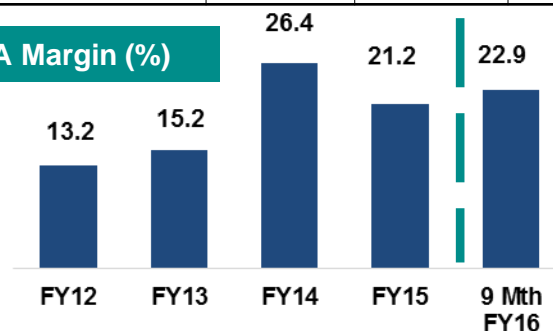
INR Cr	FY14	FY15	9 Mth FY15	9 Mth FY16
Average US\$ = INR	60.28	61.04	60.67	64.63
US	3,403	4,832	3,491	4,478
EU	672	3,195	2,426	2,285
Emerging Markets	463	569	428	521
ARV Formulations	840	964	697	872
Formulations	5,378	9,559	7,042	8,155
API	2,864	2,706	2,030	2,109
Net Operating Income*	8,100	12,121	8,958	10,149
EBITDA (excl. Forex)	2,134	2,564	1,908	2,323
PBT (excl Forex)	1,533	2,168	1,611	2,022
PAT	1,173	1,576	1,172	1,419

*Net of excise duty

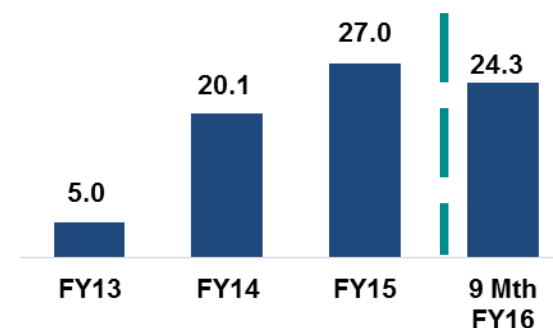
Debt as on (INR Cr)	Mar-14	Mar-15	Sept-15	Dec-15
Closing Rate1 US\$ = INR	59.92	62.50	65.59	66.16
Fx Loan restated in INR	3,651	4,355	4,851	4,699
Rupee Loan	53	50	86	100
Sales Tax Deferment	65	55	55	55
Gross Debt	3,769	4,460	4,992	4,854
Cash Balance	181	471	648	819
Net Debt	3,588	3,989	4,343	4,035
Net Debt (US\$ Mn)	599	638	662	610

Key Ratios	Mar-13	Mar-14	Mar-15
Net Debt/EBIDTA (x)	3.6	1.7	1.6
Finance Cost (%)	3.8	2.9	1.9
Net Debt/Equity (x)	1.23	0.95	0.77
ROE (%) (Avg)	11.8	36.7	35.2
ROCE (%) (Avg)	8.8	24.1	26.2
Gross Fixed Asset Turnover (x) (Avg)	1.7	2.1	2.7

EBITDA Margin (%)



EPS (INR)



Consolidated Financial Performance



Value INR Cr	Q3 FY16	Q3 FY15	Q2 FY16	9 Months FY16	9 Months FY15	FY15	FY14
Formulations	2,837	2,530	2,681	8,155	7,042	9,559	5,378
API	695	674	691	2,109	2,030	2,706	2,864
<i>Formulations % of sales</i>	<i>80%</i>	<i>79.0%</i>	<i>79.5%</i>	<i>79%</i>	<i>77.6%</i>	<i>77.9%</i>	<i>65%</i>
Net Operating Income	3,495	3,166	3,333	10,149	8,958	12,121	8,100
Gross Margin	1,942	1,628	1,864	5,619	4,775	6,615	4,494
	55.6%	51.4%	55.9%	55.4%	53.3%	54.6%	55.5%
Overheads	1,119	1,015	1,089	3,296	2,867	4,051	2,359
EBIDTA (excl. Fx & other income)	823	612	776	2,323	1,908	2,564	2,134
	23.5%	19.3%	23.3%	22.9%	22.4%	21.2%	26.4%
Fx (Gain) / Loss	(13)	20	58	71	61	60	203
Other Income	7	36	12	48	74	81	22
Finance Cost	23	22	24	68	62	84	108
Depreciation	99	67	93	281	248	333	313
PBT	721	539	613	1,951	1,611	2,168	1,533
PAT	535	384	452	1,419	1,172	1,576	1,173
Avg Fx Rate US\$ 1= INR	65.77	61.86	64.82	64.63	60.67	61.04	60.28

Interim Dividend declared at INR 0.70 per equity share of INR 1/- for Q3 FY15-16 totaling the total interim dividend for 9 Months FY15-16 at INR 1.8 per equity share

New Business and Technology Initiatives to Support Growth



PEPTIDES

- Manufacturing peptides from short to long chain molecules supporting mg to kg scale
- Highly Experienced team of scientists; developed technologies for over 10 products
- Two DMFs filed; one to be filed in Q4 FY16
- Forward integrating by developing microspheres with an addressable market of US\$ 3bn

Oncology and Hormones

- New dedicated R&D centre set up to develop oncology and hormonal products, both for solid and parenteral dosage forms
- Completed first exhibit batches for three hormone products with filing expected in current fiscal year
- Currently working on 15 oncology products and plan to prepare exhibit batches for injectables from current fiscal year

Enzymes

- Develops biocatalysts with applications in the pharma and chemical industry
- Provides chemical transformations screening and invention of new routes utilizing biocatalysis
- Supplies AuroZymes Enzyme screening panels and supports any scale of manufacturing

Other Technology Initiatives

Working on differentiated technology platforms viz Depot injections, Inhalers, Patches and Films

Key Investments for Future Growth



Brownfield Expansions

- ▶ New dedicated block for lyophilized vials at Unit IV (General Injectable facility), India
- ▶ New finished dosage formulations blocks at Unit VII (SEZ), India
- ▶ New API blocks at Unit XI, India
- ▶ Substantial capacity expansion at AuroLife, USA

Greenfield Projects

- ▶ Oral Solid finished dosage formulations facility at Naidupet (SEZ), India
- ▶ Commissioned specialty products (Hormones and Oncology) facility (Eugia), India
- ▶ Finished dosage formulations for European markets at Vizag, India
- ▶ New campus at USA for central automated warehouse, OTC liquids & packaging facility and Others
- ▶ New Formulations Development center in USA

Way Forward



*As on 31 Dec 2015



Annexure

Sales Break-Up



INR Bn	FY14				FY15				FY16		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
USA	6.2	7.3	9.3	11.2	11.2	11.7	12.0	13.4	14.3	14.8	15.7
Europe	1.7	1.7	1.5	1.8	8.0	7.7	8.6	7.7	7.4	7.6	7.8
Emerging Market	1.1	0.9	1.3	1.3	1.4	1.6	1.3	1.4	1.7	1.7	1.8
ARV	1.9	2.3	2.2	1.9	2.2	1.4	3.3	2.7	3.0	2.7	3.1
Total Formulations Sales	11.0	12.3	14.4	16.1	22.8	22.4	25.3	25.2	26.4	26.8	28.4
Betalactum	4.4	4.5	4.8	4.8	4.5	4.5	4.6	4.4	4.8	4.3	4.5
Non-Betalactum	2.1	2.7	2.7	2.7	2.2	2.4	2.2	2.4	2.5	2.6	2.5
Total API Sales	6.5	7.2	7.4	7.5	6.7	6.9	6.7	6.8	7.2	6.9	7.0
Gross Sales	17.5	19.5	21.8	23.7	29.5	29.2	32.0	31.9	33.6	33.7	35.5
Formulations as % of Gross Sales	63%	63%	66%	68%	77%	77%	79%	79%	78%	80%	80%

- Formulations segment witnessed continuous growth and is now 80% of total sales up from 63% in Q1 FY13
- Vertical integration with in-house API for over 75% of its Formulation products

5 Year Financial Snapshot



Value INR Bn	FY11	FY12	FY13	FY14	FY15
Net sales	41.3	45.7	57.8	80.8	121.1
Dossier Income	2.5	0.6	0.8	0.2	0.1
Net Operating Income	43.8	46.3	58.6	81.0	121.2
Gross margin % of operating income	50.4%	45.5%	48.9%	55.5%	54.6%
EBITDA (before Fx and other income) % to Operating income	22.0%	13.2%	15.2%	26.4%	21.2%
Depreciation / Amortization	1.7	2.0	2.5	3.1	3.3
Finance Cost	0.6	1.0	1.3	1.1	0.8
PBT (before exceptional item)	8.0	1.1	3.7	15.3	21.7
PAT before exceptional items	5.7	2.0	2.9	11.7	15.7
Total Shareholder Funds	25.6	23.4	26.1	37.5	51.6
Gross Debt – FCCB	6.2	-	-	-	-
- Other loans	17.9	31.0	34.4	37.7	44.6
Total Gross Debt	24.1	31.0	34.4	37.7	44.6
Net Debt	22.3	30.3	32.3	35.9	39.9
Gross Fixed Assets (net of Goodwill)	24.4	30.3	37.1	41.1	49.1
Ratios					
Gross Debt / Shareholders' funds (x)	0.9	1.3	1.3	1.0	0.9
Net Debt / EBIDTA (x)	2.3	5.0	3.6	1.7	1.6
Gross Fixed Asset Turnover (x) (Avg)	1.8	1.7	1.7	2.1	2.7

Filing details as on 31st Dec 2015



Category	As at Mar 13	As at Mar 14	As at Mar 15	As at 31.12.15	Approvals
Formulations					
US*	269	336	376	387	228 (FA: 198 TA: 30)
Europe**	1,341	1,542	1,756	2,132	1,270 Approvals (136 Products)
SA**	314	334	343	361	163 Approvals (81 products)
Canada***	49	72	82	99	82 products
Total	1,973	2,284	2,557	2,979	
API					
US	172	181	192	202	
Europe**	1,443	1,504	1,601	1,671	
CoS	109	106	114	116	
Others**	565	627	681	708	
Total	2,289	2,418	2,588	2,697	

In total 363 APIs are filed across geographies with multiple registrations

*Includes filings made from AuroLife Pharma LLC, USA (net of ANDAs withdrawn)

includes multiple registration; *excludes withdrawn

Extensive Manufacturing Base with High Quality Control and Compliance



Finished Dose Formulations

Site	Product Capabilities
Unit III	Non antibiotics, ARVs / orals
Unit IV	Injectables (Non-antibiotics)
Unit VI B	Cephalosporin / orals
Unit VII	Non antibiotics, ARVs / orals
Unit XII	Antibiotics, injectables, orals
AuroNext	Penem formulations
Brazil Unit	Antibiotics
Eugia*	Oncology & hormones
AuroLife	Non antibiotic & controlled substances
AuroHealth	Pharma OTC / Orals and Liquids
Natrol	Nutraceuticals
Unit X*	Non antibiotics, solid orals
Unit XV*	Non antibiotics, solid & liquid orals
Unit XVI*	Antibiotics, injectables
APL Healthcare	Pharma OTC, solid orals

Large manufacturing capabilities approved by key regulators for a diversified product portfolio with technology & expertise for specialty formulations

Vertically integrated operations from conception to commercialization

* Under construction / Yet to be operationalized

Active Pharma Ingredients

Site	Product Capabilities
Unit I	CVS, CNS, Anti-Allergics, Non-Sterile
Unit IA	Cephalosporin
Unit II	Intermediates for non antibiotics, penems
Unit V	Antibiotics (Sterile & Non-sterile)
Unit VIA	Cephalosporins (Sterile)
Unit VIII	ARV, CVS, CNS (Non-sterile)
Unit IX	Intermediates
Unit XI	Non antibiotics
Unit XI U	Antibiotics (Non-sterile)
Unit XIV	CVS, Anti fungal
Silicon LS	Penems (Non-sterile)
AuroNext	Penems (Sterile)
AuroPeptide	Peptides

High specification manufacturing plants approved by key regulators equipped by site dedicated control laboratories located in India

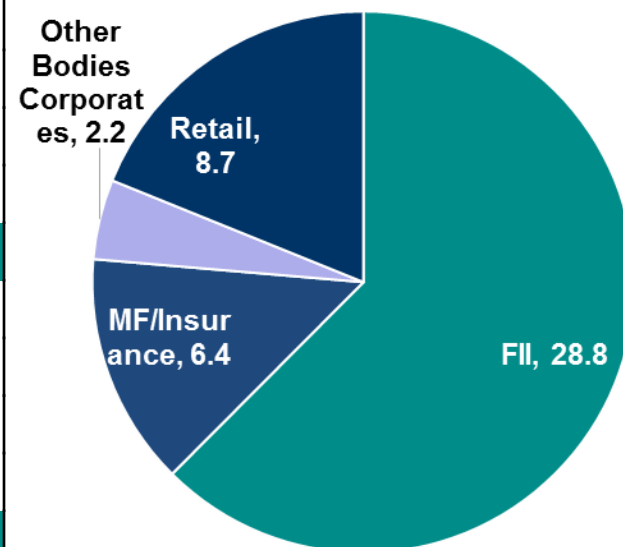
API plants equipped with particle size modifications systems to supply compacted and micronized materials

Shareholding Pattern



Group	As on 31.03.13	As on 31.03.14	As on 31.03.15	As on 31.12.15
Promoter Group	54.9%	54.6%	54.0%	53.9%
FII	16.8%	23.7%	29.6%	28.8%
MF / Insurance	13.4%	9.8%	6.2%	6.4%
Other Bodies Corporates	5.5%	2.2%	1.6%	2.2%
Retail Investors	9.4%	9.7%	8.6%	8.7%
Total	100%	100%	100%	100%
Equity base (shares # Cr)	29.1	29.1	29.2	58.4
Face Value (INR)	1	1	1	1
Equity Capital (INR Cr)	29.1	29.1	29.2	58.4
M-Cap at close (INR Bn)	42.4	149.1	356.7	511.5
Shareholder family (# '000)	82.5	70.1	75.2	101.4

Non-Promoter Holding 46.1%





Thank You



For updates and specific queries, please visit our website www.aurobindo.com

Investor Relations:

Deepika Gupta Padhi

Phone: +91-40-66725000/5401

+91 98486 67906

Email: ir@aurobindo.com

Corporate Office:

Water Mark Building, Level-1, Plot No.11, Survey No. 9, Kondapur, Hitech City, Hyderabad - 500084

Registered Office:

Plot No. 2, Maitrivihar, Ameerpet, Hyderabad – 500038