



Aurobindo Pharma Limited

Investor Presentation

August 2015

Forward looking statement



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.

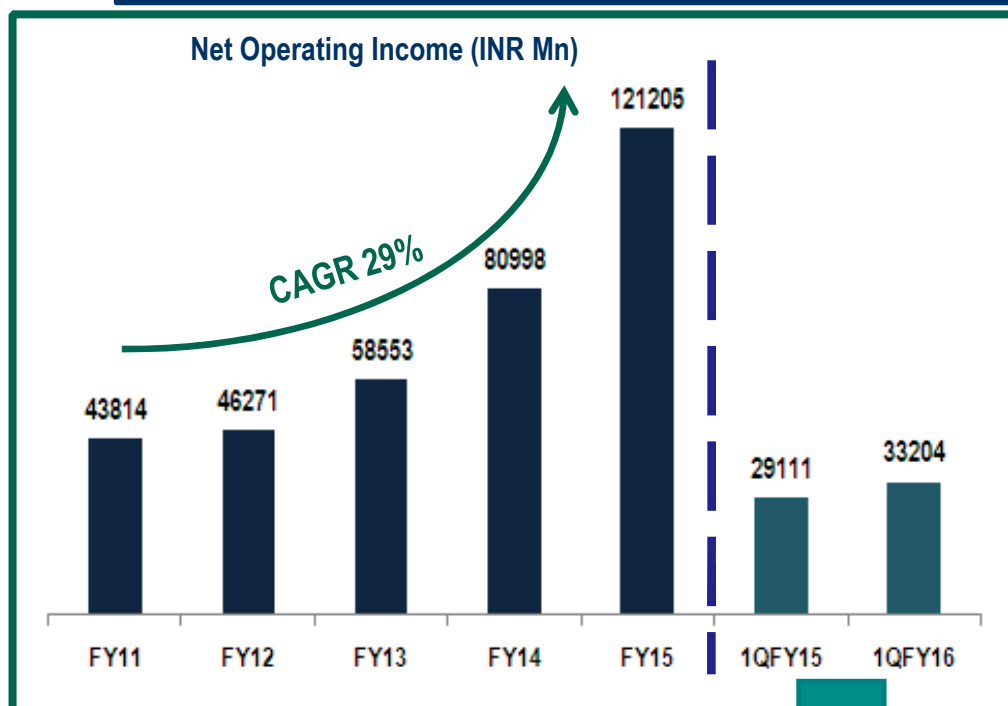
While these forward looking statements represent our judgment and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations.

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.

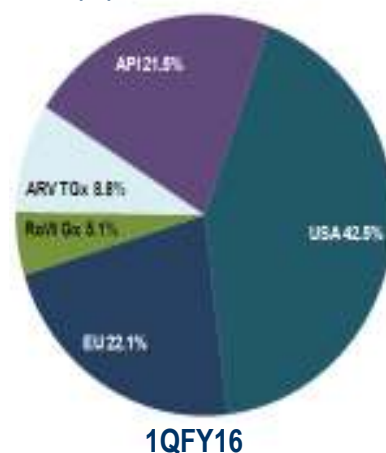
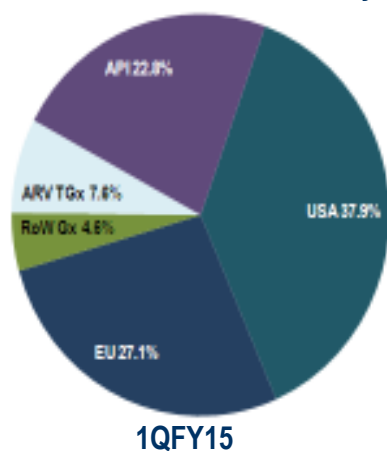
Aurobindo Pharma undertakes no obligation to publicly revise any forward looking statements to reflect future events or circumstances.

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

Company Overview

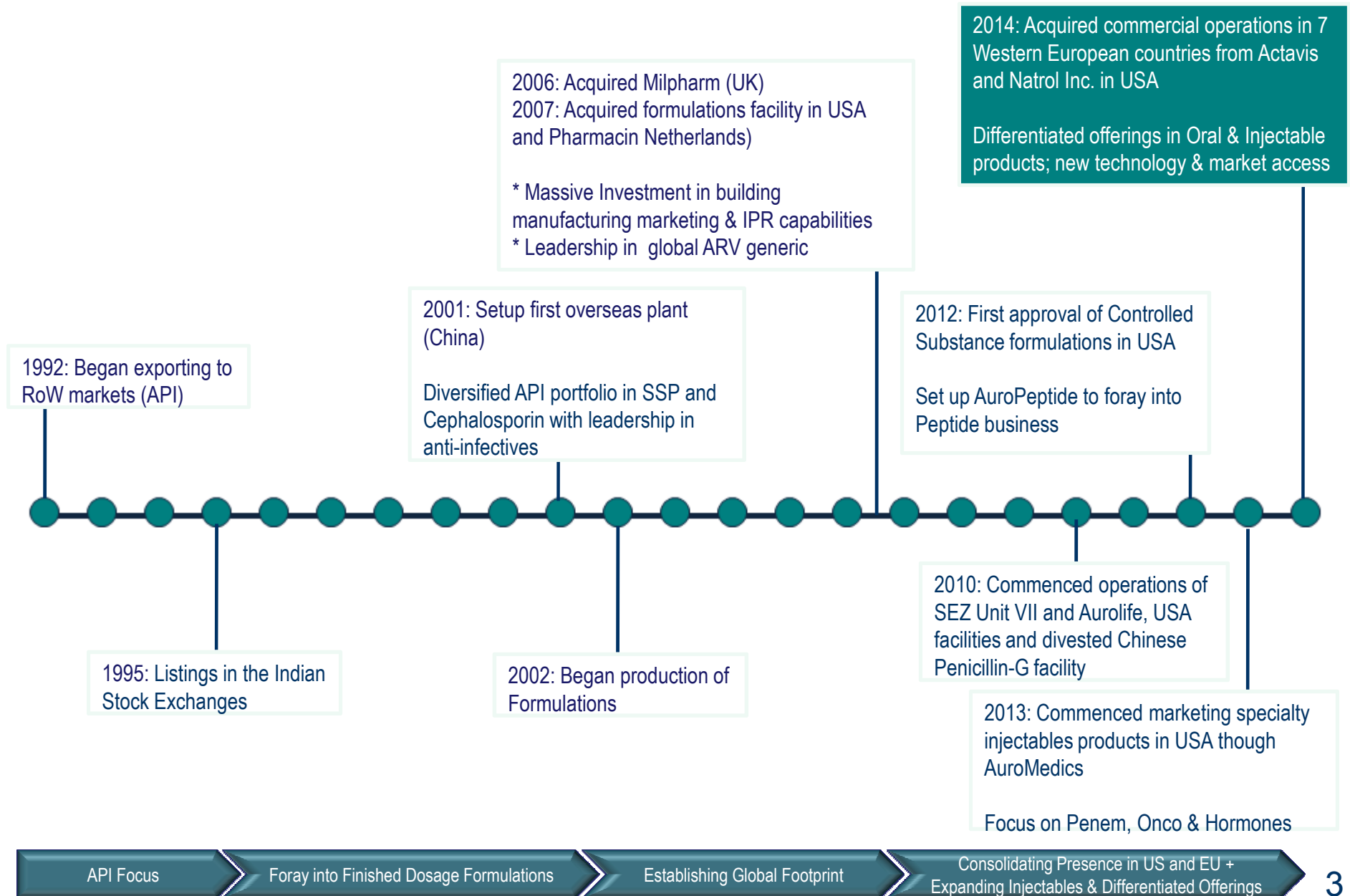


Sales by Segment (%)



- Among the top pharmaceutical companies from India
- One of the leading vertically integrated pharma companies from India in terms of ex-India sales
- A global company with more than 85% of operating income coming from international operations, spanning across 150+ countries
- One of the leading Indian companies with strong generics footprint in Europe
- Focus on complex molecules, differentiated technology platforms and specialty products
- Wide diverse product basket with 2,000+ formulation filings & 3,000+ API filings worldwide
- Features among 10 Indian Companies in the Forbes Asia Fabulous 50 list for 2015

Aurobindo's Journey...



US Generics



Aurobindo USA
Oral Rx

AuroLife Pharma
Manufacturing / R&D

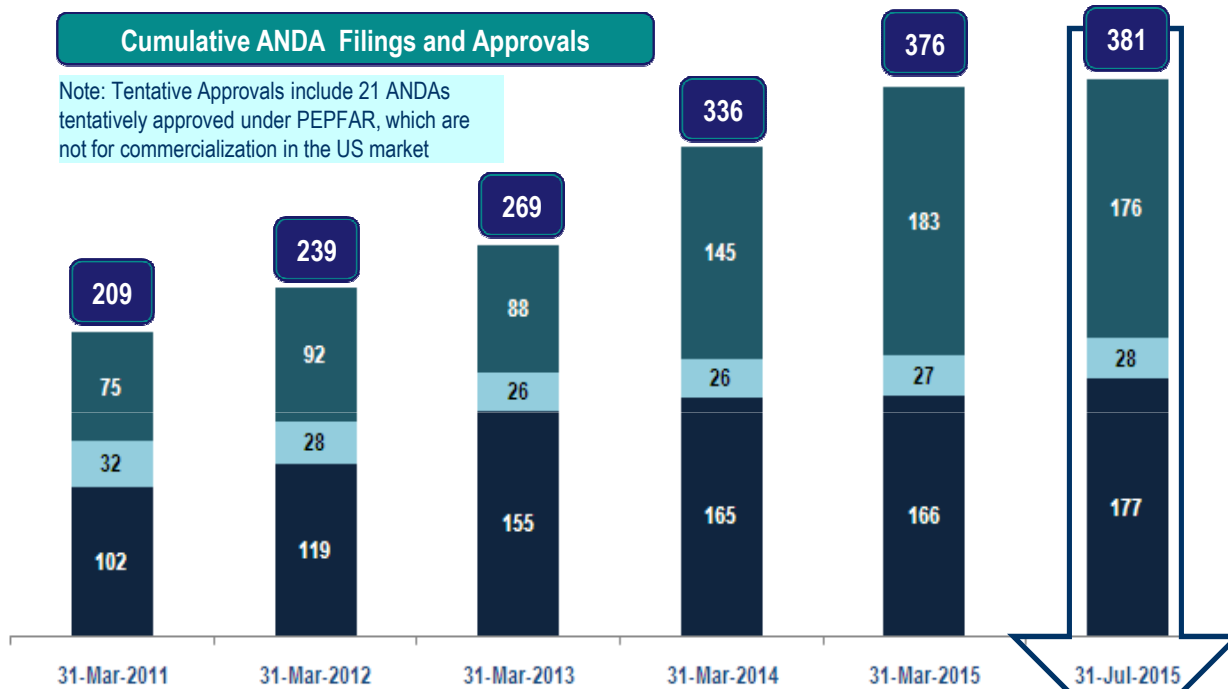
AuroMedics
Injectables

AuroHealth
Pharma OTC

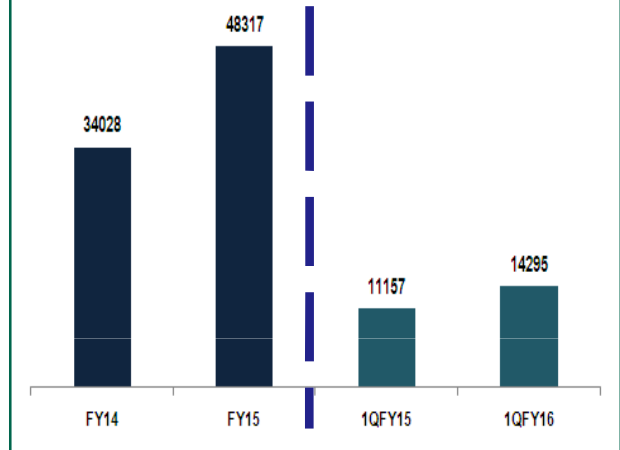
Natrol
Nutraceuticals

Cumulative ANDA Filings and Approvals

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



Gross Sales (INR Mn)



Unit wise ANDA Filings as at 31-July-2015			Filed	Approved	Under Review
Unit III	NPNC	Oral	116	111	5
Unit IV	NPNC	Injectables	66	13	53
Unit VIB	Cephalosporin	Oral	11	11	-
Unit VII (SEZ)	NPNC	Oral	141	42	99
Unit XII	Penicillin	Oral & Injectables	19	19	-
AuroLife USA	NPNC / Controlled Substances	Oral	26	9	17
AuroNext	Penem	Injectables	2	-	2
			381	205	176

- ▶ Broad product portfolio with backward integration across the basket
- ▶ Strong Pipeline of injectable products incl. ophthalmic, respiratory, oncolytic, hormones and penems
- ▶ Foray into Pharma OTC and Branded Nutraceuticals
- ▶ Focus on customer services, key accounts, expanded volume and market share on new and existing products

EU Generics



France

Germany

Netherlands

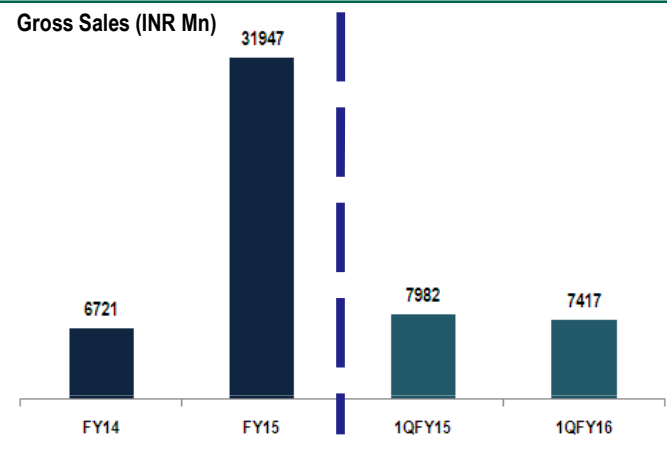
United Kingdom

Spain

Italy

Portugal

- ▶ One of the leading Indian companies with strong generics footprint in Europe. Presence in Rx, TGx, BGx, Hx and OTC
- ▶ Foray into EU markets via acquisition of and integrating commercial operations of Milpharm in UK and Pharmacin in Netherlands
- ▶ Acquisition of commercial infrastructure, products, MAs, dossier licence rights and personnel in seven European countries from Actavis



Critical Mass through Acquisition of Commercial Assets in Western Europe from Actavis

Acquired Platform

- ▶ Commercial Infrastructure in 7 countries
 - 1,200 products with more than 450 INNs
 - Pipeline of over 200 products
 - ‘Arrow Génériques’ brand
 - Dossier licenses
 - Readymade hospital sales infrastructure

Aurobindo Contribution

- ▶ Cost effective high quality APIs
- ▶ Large integrated manufacturing capabilities
- ▶ Good presence in Injectables market
- ▶ Broadbase product portfolio to better utilize marketing registrations including OTC

Opportunity to Leverage

- ▶ Achieve critical mass with top 10 rank in several key markets in Europe
- ▶ Leveraging its vertically integrated platform and ability to source lower cost API to materially lower COGS
- ▶ Significant number of molecules to be site transferred or replaced by Aurobindo manufactured product
- ▶ Compliment acquired hospital sales infrastructure with injectable and specialty portfolio across Western Europe

ARV TGx and RoW Generics



ARV Tenders

Brazil

South Africa

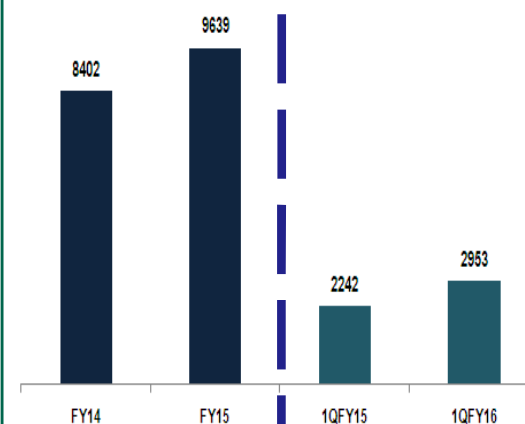
Canada

Other LatAm
and Asia Pacific

ARV TGx

- Globally 35 million people are HIV+ infected with only 12 million receiving treatment
- Aurobindo focuses on selective participation in global tenders (PEPFAR, Clinton Foundation / WHO, Country specific) and currently caters to 3 million HIV+ patients
- Low cost generic versions of over 43 ARV product catering to more than 100 countries
- Highest number of pediatric formulations range to meet the global need for HIV therapy
- Well integrated supply chain management services and logistics for ARV supplies
- Filed over 1,100 ARV dossiers for registrations across the globe
- Conducts regular medical education programs to ensure education on proper use of medicines for HIV/AIDS

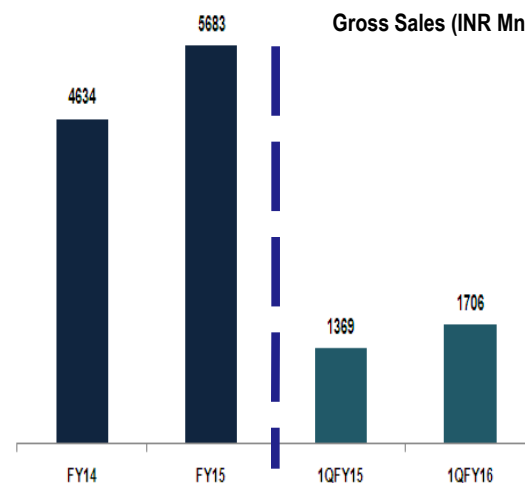
Gross Sales (INR Mn)



RoW Gx

- Focus markets include Brazil, South Africa and Canada
- Other focus markets being developed : Mexico, Columbia, Ukraine, Russia, Kenya, Tanzania, Ethiopia, Nigeria, Vietnam, Malaysia, Philippines
- Largely driven by ethical promotion of Brands.
- Rising healthcare costs, capacity constraints and growing economic disparities pose new challenges and provide opportunities to promote Gx.

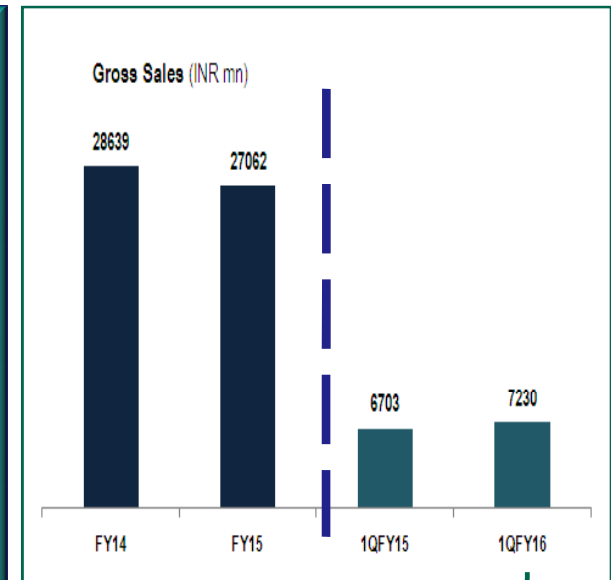
Gross Sales (INR Mn)



The Base Business : API

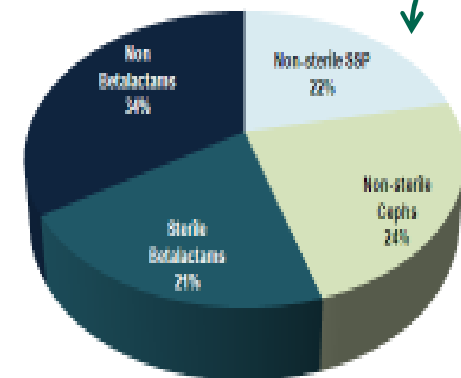


- Amongst the most vertically integrated generic pharma platforms with API integration for c.85% of its products
- Quality & Reliability of supplies: Insulated from supply shocks and ability to command cost efficiencies as well as economies of scale
- Captive feed for value-added APL-Gx
- Emerging Market leadership - largest supplier in India
- Advance Market (EU, Japan, USA) focus
- Serve as preferred source for generics and branded drugs
- 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 GMP, Japan PMDA, Brazil-ANVISA etc



APL offers cost competitiveness and high process chemistry skills coupled with commitment to quality.

Share of emerging markets in India's overall API exports has reached 45% from 32% in 2007.



Consolidated Financial Performance (1Q FY2015-16)

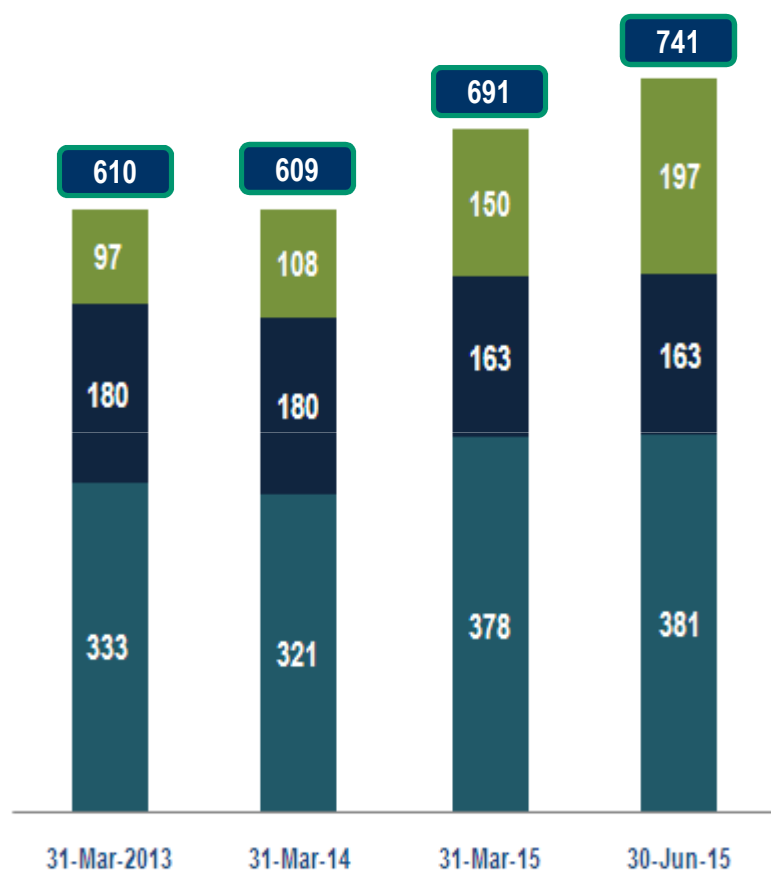


Value ₹ Mn	Q1 FY15-16	Q1 FY14-15	Q2 FY14-15	Q3 FY14-15	Q4 FY14-15	FY2014-15	FY2013-14
Formulations	26371	22750	22365	25297	25174	95586	53785
API	7230	6703	6850	6744	6765	27062	28640
Formulations % of sales	78.5%	77.2%	76.6%	79.0%	78%	78%	65%
Net Sales	33204	29093	28809	31641	31586	121129	80834
Dossier Income	-	18	3	21	35	77	165
Net Operating Income	33204	29111	28812	31662	31621	121206	80999
Gross Margin	18125 54.6%	15304 52.6%	16165 56.1%	16795 53.0%	17885 56.6%	66149 54.6%	44939 55.5%
Overheads	10879	8722	9793	10674	11324	40513	23593
EBIDTA (excl. Fx & other income)	7246 21.8%	6582 22.6%	6372 22.1%	6121 19.3%	6561 20.7%	25636 21.2%	21346 26.4%
Fx (Gain) / Loss	256	(14)	420	202	(12)	596	2030
Other Income	291	108	273	359	68	808	216
Finance Cost	208	189	210	218	226	843	1079
Depreciation	891	908	898	673	847	3326	3125
PBT	6182	5607	5117	5387	5568	21679	15328
PAT (Loss) (before minority interest)	4317	4143	3712	3824	4034	15713	11691
Fx Rate \$ 1= ₹	63.645	60.175	61.750	63.035	62.500	62.500	59.915

Debt profile



Fx Loans in \$ Mn



■ Working Capital Finance

■ ECB - APL

■ Other Term Loans (Subsidiaries) and Unsecured Loans

Outstanding As on...

31-Mar
2013

31-Mar
2014

31-Mar
2015

30-Jun
2015

1 \$ = ₹

54.285

59.915

62.500

63.645

₹ Mn

Fx Loan restated in ₹

33433

36512 *

43173**

47189**

Rupee Loan

210

534

876

601

Sales Tax Deferment

712

645

549

551

Gross Debt

34355

37691

44598

48341

Cash Balance

2117

1807

4708

4917

Net Debt

32238

35884

39890

43424

EBIDTA

(excl. Fx and Other Income)

8891

21345

25636

Net Debt/EBIDTA (x)

3.6

1.7

1.6

Finance Cost

1313

1079

843

Cost of debt (%)

3.8%

2.9%

1.9%

*Includes \$ 67Mn advance paid under escrow bank account towards acquisition of Actavis' Western European commercial operations

**Includes \$104Mn borrowing of account of Natrol Inc, USA

Thank You



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

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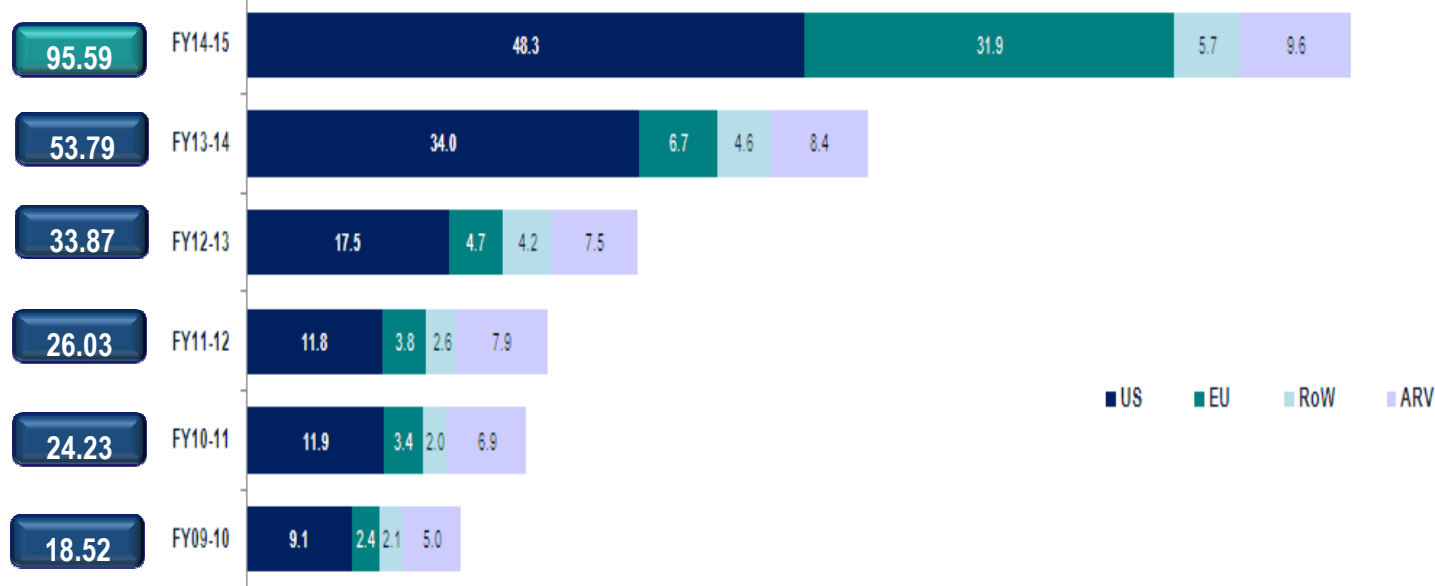
Registered Office: Plot No. 2, Maitrivihar
Ameerpet, Hyderabad - 500038

Annexure

Formulation gross sales break-up



₹ Bn	FY 2014-15				FY2014- 15				FY2015-16
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
USA	6.25	7.31	9.31	11.16	11.16	11.74	12.01	13.41	14.29
Europe	1.74	1.71	1.51	1.77	7.98	7.67	8.61	7.69	7.42
RoW	1.10	0.93	1.34	1.26	1.37	1.57	1.34	1.40	1.71
ARV	1.92	2.33	2.20	1.95	2.24	1.39	3.34	2.67	2.95
Total	11.01	12.28	14.36	16.14	22.75	22.37	25.30	25.17	26.37
Gross Sales	17.48	19.46	21.81	23.68	29.45	29.22	32.04	31.94	33.60
% of Sales	63%	63%	66%	68%	77%	77%	79%	79%	79%

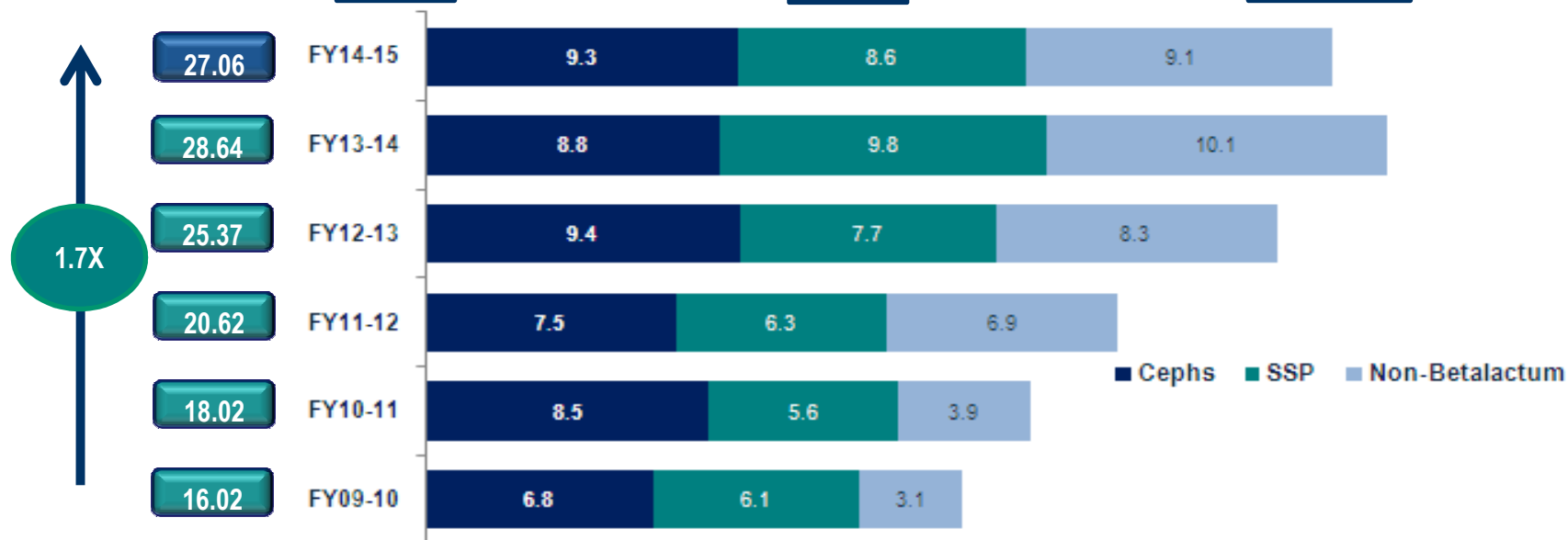


Annexure

API gross sales break-up



₹ Bn	FY 2014-15				FY2014-15				FY2015-16
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Cephalosporin	2.16	2.07	2.18	2.35	2.12	2.35	2.47	2.36	2.61
SSPs	2.22	2.43	2.58	2.54	2.38	2.15	2.06	2.05	2.17
Non-Betalactam	2.09	2.68	2.69	2.65	2.20	2.35	2.21	2.36	2.45
Total	6.47	7.18	7.45	7.54	6.70	6.85	6.74	6.77	7.23
Gross Sales	17.48	19.46	21.81	23.68	29.45	29.22	32.04	31.94	33.60
% of Sales	37%	37%	34%	32%	23%	23%	21%	21%	21%



Annexure

Filing details (As on 30th June 2015)



		As at Mar 13	As at Mar 14	As at Mar 15	Apr'14-Jun'15	As at Jun'15	Approvals
Formulations Advanced markets	US FDA ^	269	336	376	3	379	201 (FA: 174, TA:27)
	Europe *	1341	1542	1756	47	1803	1181 dossiers (131 products)
	SA+	314	334	345	-	345	152 Registrations (77 products)
	Canada	49	72	83	6	89	72 dossiers (FA:68 TA: 4)
		1973	2284	2560	56	2616	

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

* Includes Multiple Registration of dossiers developed in-house. In addition 3348 Marketing Authorizations acquired from Actavis

+ Includes duplicate & triplicate dossiers. (net of Registration withdrawn)

APIs	US FDA	172	181	192**	4**	196
	EDMF	1443	1504	1601	17	1618
	CoS	109	106	114	1	115
	RoW	565	627	681	9	690
		2289	2418	2588	31	2619

** Includes DMFs filed from AuroNext and AuroPeptides

Patents	532	561	594	9	603	87 Patents granted
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Annexure

Manufacturing base



Finished Dose Formulations

AuroLife	USA	Non betalactam, Controlled substances	Solid Orals
Unit III	India	Non betalactam	Solid & Liquid Orals
Unit IV	India	Non betalactam	General Parentrals
Unit X (SEZ) *	India	Non betalactam	Solid Orals
Unit VII (SEZ)	India	Non betalactam	Solid Orals
Unit XV *	India	Non betalacatam	Solid & Liquid Orals
AuroNext	India	Penem	Injectables;
Unit VIB	India	Cephalosporin	Solid & Liquid Orals; Injectables (EM)
Brazil	Brazi	SSP / Amoxi	Solid & Liquid Orals
Unit XII	India	SSP	Solid & Liquid Orals Injectables
Unit XVI *	India	SSP	Injectables
Eugia *	India	Oncolytics, Hormones	Injectables and Soft Gel Capsules
Natrol Inc	USA	Nutraceuticals	Solid & Liquid Orals
AuroHealth *	USA	Pharma OTC	Liquid Orals
APL Healthcare*	India	Pharma OTC	Solid Orals

Active Pharma Ingredients

Unit I	India	Non betalactam	Non-sterile API
Unit VIII	India	Non betalactam	Non-sterile API
Unit XIB	India	Non betalactam	Non-sterile API
Unit XIV	India	Non betalactam	Non-sterile API
AuroNext	India	Penem	Sterile API
Silicon LS	India	Penem	Non-sterile API
Unit IA	India	Cephalosporin	Non-sterile API
Unit VIA	India	Cephalosporin	Sterile API
Unit V	India	SSP	Sterile & Non-sterile API
Unit IX	India	SSP	Non-sterile API
Unit II	India	Betalactum	Non-sterile Intermediates
Unit XIU	India	Betalactum	Non-sterile API (EM)
AuroPeptide	India	Peptides	Non-sterile API

* Under construction / Yet to be operationalized

Annexure

5 year financial snapshot



Value ₹ Bn	FY2011	FY2012	FY2013	FY2014	FY2015
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	8.0	1.1	3.7	15.3	21.7
PAT before exceptional items and minority interest	5.7	2.0	2.9	11.7	15.7

Total Shareholder Funds	25.6	23.4	26.1	37.5	51.6
Borrowed funds – FCCB	6.2	-	-	-	-
- Other loans	17.9	31.0	34.4	37.7	44.6
Total Borrowed Funds	24.1	31.0	34.4	37.7	44.6
Borrowed Funds net of Cash	22.3	30.3	32.3	35.9	39.9
Fixed Assets (Gross incl. CWIP)	31.0	37.3	39.8	44.9	58.6
Debt (incl. FCCB) / Shareholders' funds (x)	0.9	1.3	1.3	1.0	0.9
Borrowed Funds net of Cash / EBITDA (x)	2.3	5.0	3.6	1.7	1.6
Asset Turnover Ratio (x)	1.4	1.2	1.5	1.8	2.1

Annexure

Key financial indicators in USD



\$ Mn7246	Q1 FY15-16	Q1 FY14-15	Q4 FY14-15	FY14-15	FY13-14
Average \$ = ₹	63.29	59.66	62.20	61.04	60.28
US Gx	226	187	216	792	564
EU Gx	117	134	124	523	111
RoW Gx	27	23	22	93	77
ARV Formulations	47	37	43	158	139
Formulations	417	381	405	1566	891
Betalactam (SSP+Ceph)	75	75	71	294	307
Non Betalactam	39	37	38	149	167
API	114	112	109	443	474
Gross Sales	531	493	514	2009	1365
Net Operating Income	525	488	509	1986	1343
EBIDTA (excl. Fx & other income)	114 21.8%	110 22.6%	106 20.7%	420 21.2%	353 26.3%
Finance Cost	3	3	4	14	18
Depreciation	14	15	14	54	52
Other Income	5	2	1	13	4
PBT (excl Fx)	102	94	89	365	287

Debt As on	31-Mar-14	31-Mar-15	30-Jun-15
Closing 1 \$ = ₹	59.915	62.500	63.645
Term Loans	297 *	321**	369**
WC (Lines of Credit)	321	383	381
Sales Tax Deferment	11	9	9
Gross Debt	629	713	759
Cash	30	75	77
Net Debt	599	638	682

*Includes \$ 67Mn advance paid under escrow bank account towards acquisition of Actavis' Western European commercial operations

**Includes \$104Mn borrowing of account of Natrol Inc, USA

Annexure

Shareholding pattern



%	As on 31.03.13	As on 31.03.14	As on 31.03.15	As on 30.06.15
Promoter Group	54.9%	54.6%	54.0%	53.9%
FII	16.8%	23.7%	29.6%	29.5%
MF / UTI	10.9%	9.7%	6.2%	6.2%
Insurance	2.5%	0.1%	-	-
FIs / Banks / Bodies Corporate	5.5%	2.2%	1.6%	1.6%
Non-Institutional Investors	9.4%	9.7%	8.6%	8.8%
	100%	100%	100%	100%

Equity base (shares # Mn)	291.2	291.5	292.0	292.0
Face Value (₹)	1	1	1	1
Equity Capital (₹ Mn)	291	291	292.0	292.0
M-Cap at close (₹ Bn)	42.4	149.1	356.7	424.0

Shareholder family (# '000)	82.5	70.1	75.2	77.7
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Non-Promoter Holding 46.1%

