



AUROBINDO

INVESTOR PRESENTATION



November 2015

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.

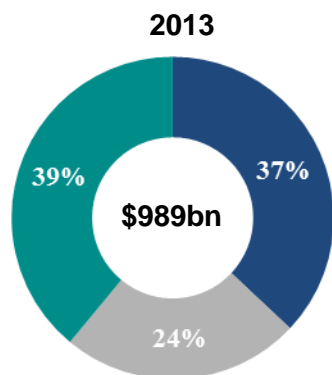
Aurobindo Pharma undertakes no obligation to publicly revise any forward looking statements to reflect future events or circumstances.

Global Pharmaceutical Industry

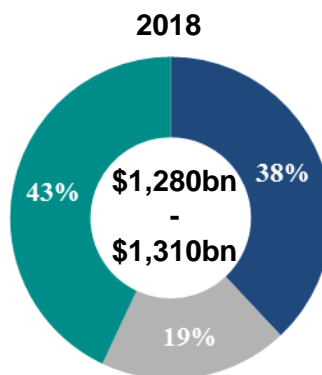


Global spending on prescription medicines grew by approximately US\$194 billion between 2008 and 2013, and is expected to reach size of c.US\$1.3 trillion in 2018

Geographic Distribution of Medical Spending

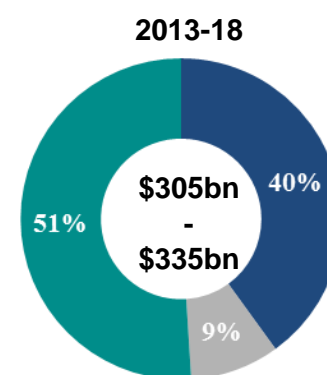


■ North America



■ Europe

Contribution to Growth



■ ROW

North America remains the largest pharmaceutical market with US representing one third of global total spending

Industry growth has been fueled by increase in prices and implementation of Affordable Care Act resulting in expanded healthcare access

European generic drugs market represents the second-largest regulated market for generic drugs

Majority of European markets' growth is expected to remain flat and be largely influenced by changes to discounts and price cuts

Emerging markets have been rising boosted by a combination of rapid population growth and improved access to subsidized healthcare

Growth will be largely driven by generic and non-branded products; spending on generics expected to grow at a double that of branded generics

Company Overview



Among the Top-5 listed pharmaceutical companies from India by sales⁽¹⁾ and market capitalisation⁽²⁾

A global company with more than 85% of operating income coming from international operations, spanning across 150+ countries

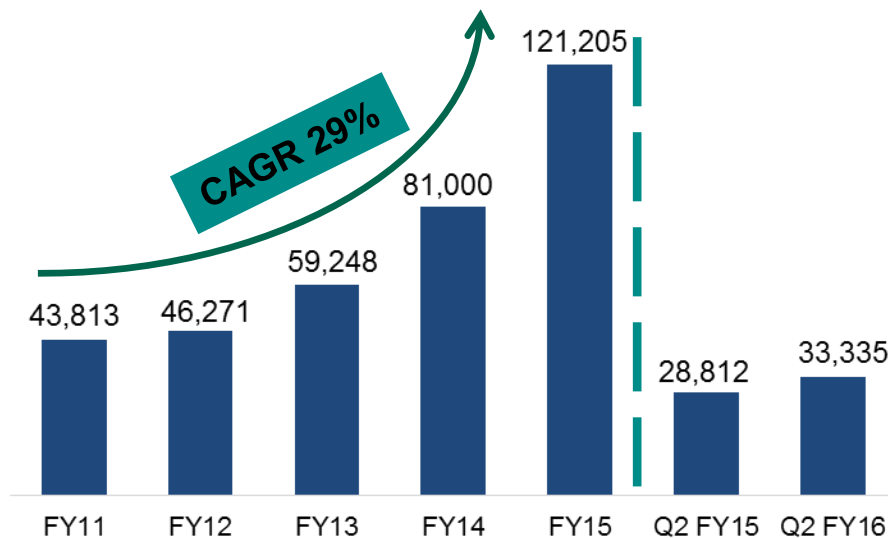
Strategic advantage via vertical integration with in-house API for a major proportion of its products

Well entrenched position in the US with 382 filed ANDAs and 168 pending approval ⁽²⁾

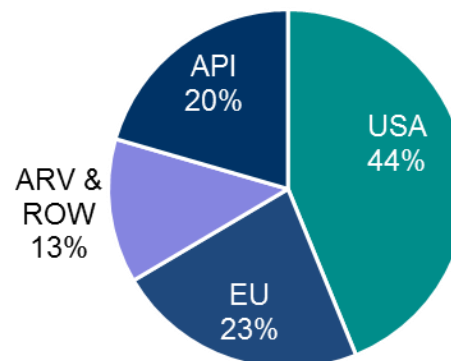
One of the leading Indian pharmaceutical companies with strong generics footprint in Europe

Increasing focus on complex molecules, differentiated technology platforms and specialty products

Net Operating Income (INR Mn)



Q2 FY16 Sales by Segment (%)



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, Oncolytics & 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

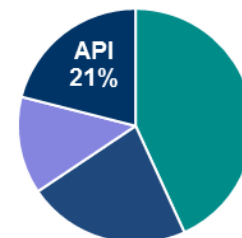
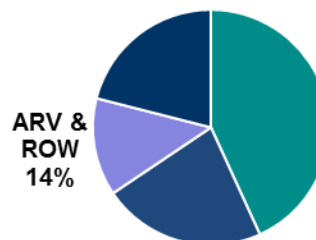
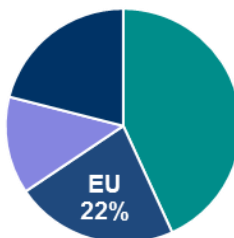
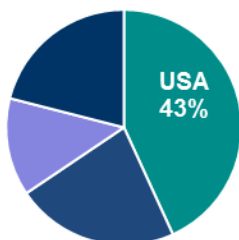
Key Business Segments



Overview

Formulations			APIs
US	EU	ARV and RoW	
<ul style="list-style-type: none"> ➤ Portfolio of 382 ANDA filings including 214 approved ANDAs ➤ Incrementally differentiated pipeline with new launches including injectables, ophthalmics, speciality products, controlled substances and nutraceuticals ➤ Manufacturing and R&D presence in the US including controlled substances and Depot injections 	<ul style="list-style-type: none"> ➤ Focus markets are France, Germany, Netherlands, Spain, UK, Italy and Portugal ➤ Augmented position via acquisition of commercial infrastructure and pipeline from Actavis in seven Western European countries 	<ul style="list-style-type: none"> ➤ ARV – Institutional <ul style="list-style-type: none"> ➤ Focus on selective participation in global tenders ➤ Cost effective generic versions of over 43 ARV products distributed across more than 100 countries ➤ RoW Generics <ul style="list-style-type: none"> ➤ Focus markets with ground presence include Mexico, Colombia, Brazil, Russia, Canada, South Africa and Middle East ➤ Expansion in new markets through ground presence / partnerships 	<ul style="list-style-type: none"> ➤ Strategically important business – also serves as captive source for FDF products ➤ One of the leading supplier of APIs from India - serves as a source for various Gx and branded drugs ➤ Strong regulatory capability with 200 US DMF filings

H1
FY15-16



US Generics



Aurobindo USA
Oral Rx

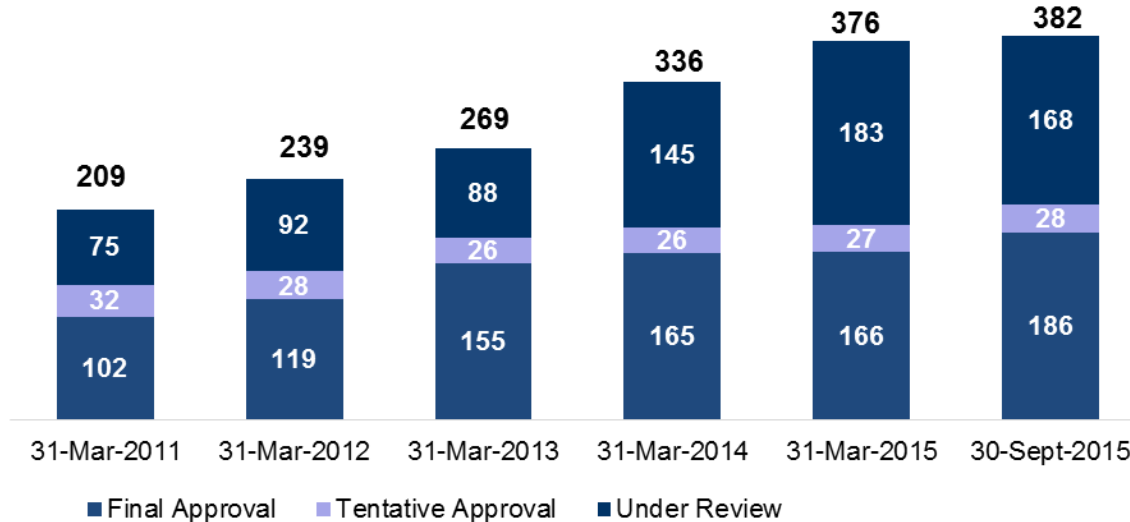
AuroLife Pharma
Manufacturing /
R&D

AuroMedics
Injectables

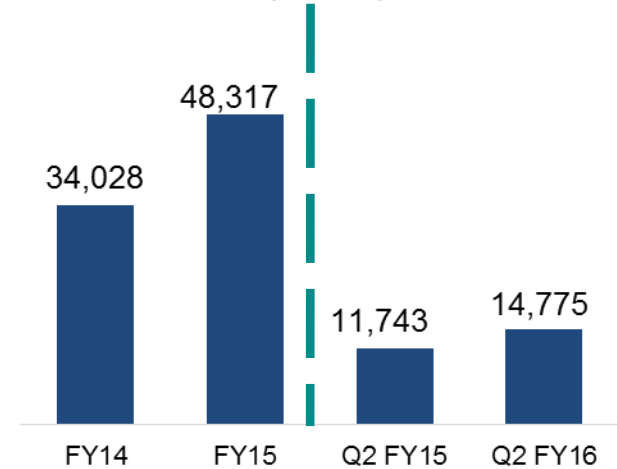
AuroHealth
Pharma OTC

Natrol
Nutraceuticals

Cumulative ANDA Filings and Approvals*



Gross Sales (INR Mn)



Unit wise ANDA Filings as at 30-Sept-2015			Filed	Approved	Under Review
Unit III	NPNC	Oral	117	112	5
Unit IV	NPNC	Injectables	66	15	51
Unit VIB	Cephelosporin	Oral	11	11	0
Unit VII (SEZ)	NPNC	Oral	141	47	94
Unit XII	Penicillin	Oral & Injectables	19	19	0
Aurolife USA	NPNC / Controlled Substances	Oral	26	10	16
AuroNext	Penem	Injectables	2	0	2
Total			382	214	168

- Broad product portfolio mix complemented with the introduction of high value products
- Strong Pipeline of injectable products incl. ophthalmic, respiratory, oncolytic, hormones and penems
- Foray into Pharma OTC and Branded Nutraceuticals

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

EU Generics



France

Germany

Netherlands

United Kingdom

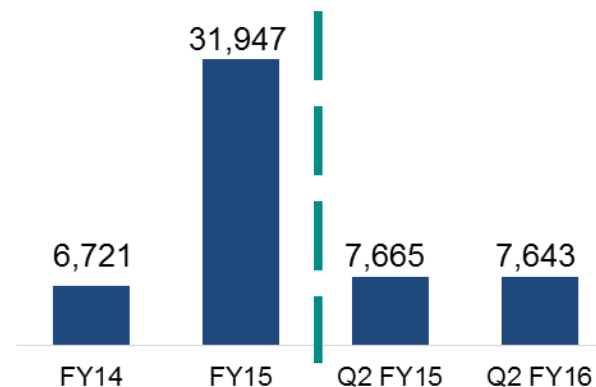
Spain

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
- Expanded presence through acquisition of Actavis assets in 2014; acquired product lines and distribution network incl. 1,250 dossier license rights

Gross Sales (INR Mn)



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

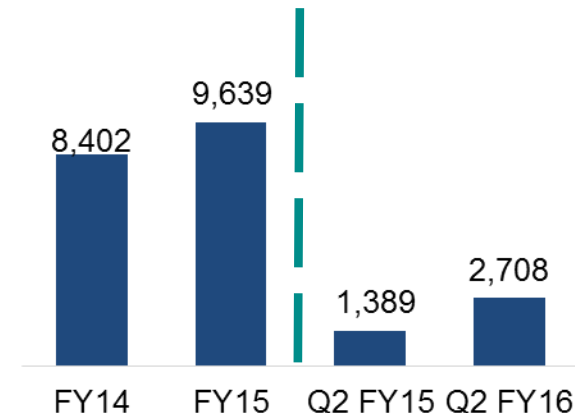
ARV TGx and RoW Generics



ARV-Overview

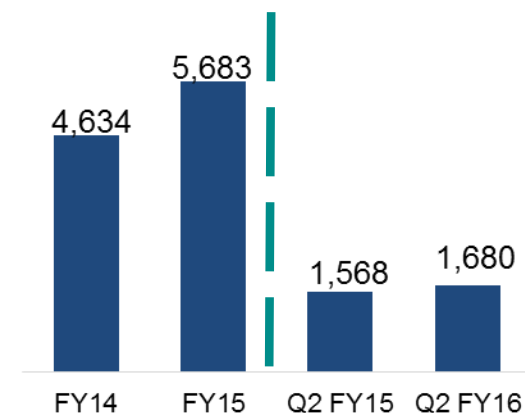
- Globally 35 million people are HIV+ infected with only 12 million receiving treatment
- Focus on selective participation in global tenders (PEPFAR, Clinton Foundation / WHO, Country specific); currently caters to 2.2 million HIV+ patients
- Cost effective generic versions of over 43 ARV product catering to more than 100 countries
- Well integrated supply chain management services and logistics for ARV supplies
- Conducts regular medical education programs to ensure education on proper use of medicines for HIV/AIDS

Gross Sales (INR Mn)



RoW Gx-Overview

- Focus markets include Brazil, South Africa, Canada, Russia, Mexico, Middle East; expansion ongoing in new markets through ground presence/partnerships
- Rising healthcare costs, capacity constraints and growing economic disparities pose new challenges and provide opportunities to promote Gx.



The Base Business : API



Non-sterile
SSP

Non-sterile
Cephalosporin

Non-sterile
Non-
Betalactam

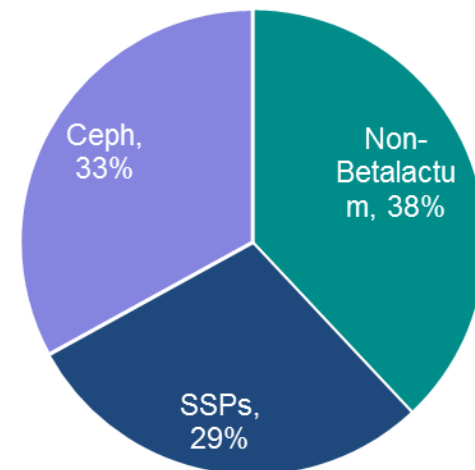
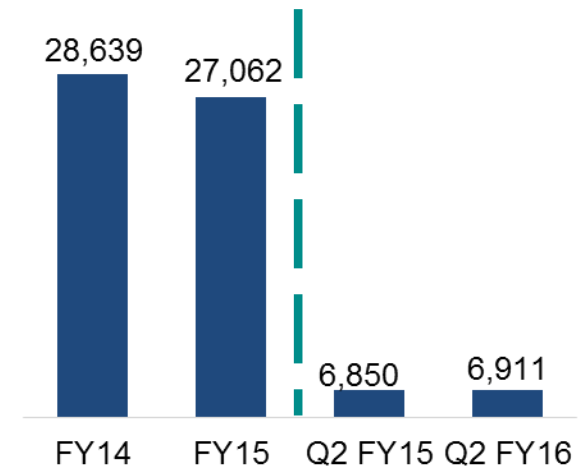
Non-sterile
Penem

Sterile APIs

Peptides

- Amongst the most vertically integrated generic pharma platforms with API integration for c.85% of its products; offers cost competitiveness and high process chemistry skills coupled with commitment to quality
- Quality & Reliability of supplies: Insulated from supply shocks and ability to command cost efficiencies as well as economies of scale
- Emerging Market leadership (largest supplier in India) with advanced regulated market (EU, Japan, USA) focus
- 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

Gross Sales (INR Mn)



Harnessing Synergies from Acquisitions of Actavis and Natrol



Actavis's Commercial Assets in Europe

Acquired Platform

- ▶ Acquired commercial Infrastructure in 7 countries in Apr-2014
 - 1,200 products / 450+ INNs
 - Pipeline of over 200 products
 - 'Arrow Génériques' brand
 - Dossier licenses
 - Readymade hospital sales infrastructure

Aurobindo Contribution / Opportunity to Leverage

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

Natrol in US

Acquired Platform

- ▶ Acquired assets of nutritional supplement maker, Natrol in Dec-2014
 - Brands
 - Commercial Infrastructure
 - Personnel
 - Products
 - Manufacturing Unit

Acquisition Rationale / Opportunity to Leverage

- ▶ 35 years of experience in US nutraceuticals market
- ▶ Majority of products manufactured in-house
- ▶ Deeper penetration and expanding presence in domestic and international markets
- ▶ Expand product portfolio by leveraging on brand strengths and introducing new products
- ▶ Optimizing cost by enhancing sourcing capabilities

Consolidated Financial Performance

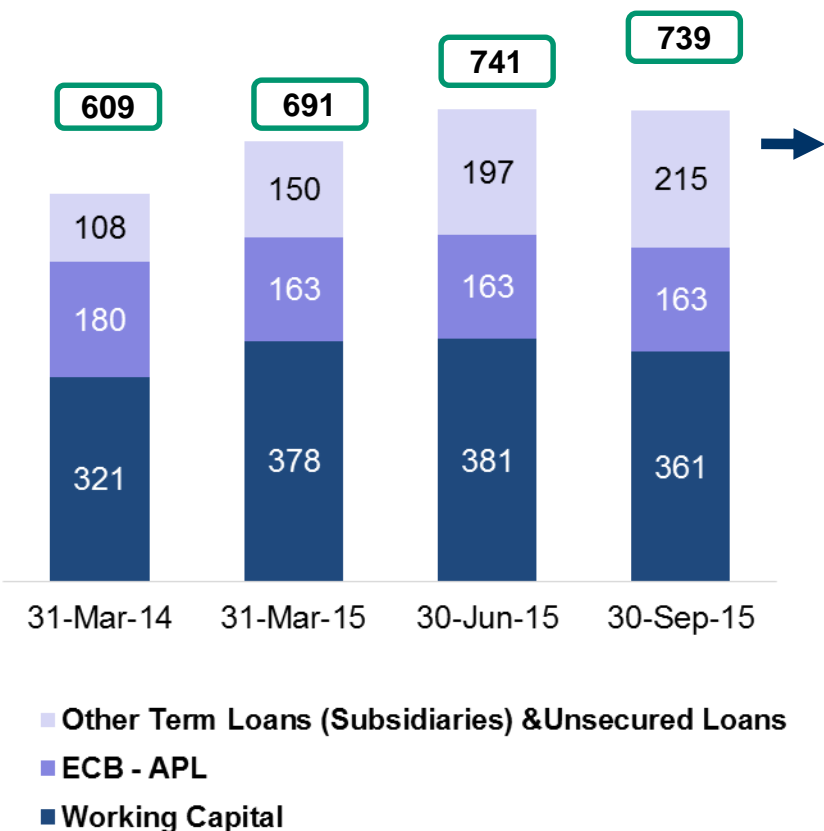


Value INR Mn	Q2 FY15-16	Q2 FY14-15	Q1 FY15-16	H1 FY15-16	H1 FY14-15	FY14-15	FY13-14
Formulations	26,806	22,365	26,371	53,177	45,115	95,586	53,785
API	6,911	6,850	7,230	14,141	13,553	27,062	28,640
<i>Formulations % of sales</i>	<i>79.5%</i>	<i>76.6%</i>	<i>78.5%</i>	<i>78.9%</i>	<i>76.9%</i>	<i>78%</i>	<i>65%</i>
Net Sales (post excise duty)	33,326	28,809	33,204	66,530	57,911	121,129	80,834
Dossier Income	9	3	-	9	12	77	165
Net Operating Income	33,335	28,812	33,204	66,539	57,923	121,206	80,999
Gross Margin	18,645	16,165	18,125	36,770	31,469	66,149	44,939
	55.9%	56.1%	54.6%	55.3%	54.3%	54.6%	55.5%
Overheads	10,889	9,793	10,879	21,767	18,515	40,513	23,593
EBIDTA (excl. Fx & other income)	7,756	6,372	7,246	15,003	12,954	25,636	21,346
	23.3%	22.1%	21.8%	22.5%	22.4%	21.2%	26.4%
Fx (Gain) / Loss	579	420	256	835	406	596	2,030
Other Income	117	273	291	408	381	808	216
Finance Cost	241	210	208	449	399	843	1,079
Depreciation	928	898	891	1,819	1,806	3,326	3,125
PBT	6,125	5,117	6,182	12,307	10,724	21,679	15,328
PAT (before minority interest)	4,518	3,712	4,317	8,842	7,855	15,713	11,691
Avg Fx Rate US\$ 1= INR	64.82	60.47	63.29	64.06	60.07	61.04	60.28

Debt Profile



Fx Loan US\$ Mn



Outstanding As on...	31-Mar 2014	31-Mar 2015	30-June 2015	30-Sept 2015
(INR Mn)				
Closing Rate ¹ US\$ = INR	59.915	62.500	63.645	65.5875
Fx Loan restated in INR	36,512	43,173	47,189	48,508
Rupee Loan	534	876	601	858
Sales Tax Deferment	645	549	551	550
Gross Debt	37,691	44,598	48,341	49,916
Cash Balance	1,807	4,708	4,917	6,483
Net Debt	35,884	39,890	43,424	43,434
Net Debt (US\$ Mn)	599	638	682	662

Particulars	31-Mar -2014	31-Mar -2015
EBIDTA (INR Mn) (excl. Fx and Other Income)	21,345	25,636
Net Debt/EBIDTA (x)	1.7	1.6
Finance Cost (INR Mn)	1,079	843
Cost of debt (%)	2.9%	1.9%

Fx Debt and Fx Cash Balance are reinstated

New Business and Technology Initiatives to Support Growth



Peptides

- ▶ Manufacturing peptides from short to long chain peptide molecules supporting mg to kg scale
- ▶ Experienced team of scientists developing chemical synthesis processes for peptides
- ▶ Developed technologies for over 10 products

Enzyme

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

Oncolytics and Hormones

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

Vaccines

- ▶ Investment into subsidiary Tergene for developing Pneumococcal Conjugate Vaccine
- ▶ Aurobindo will fund product development in a phased manner over 3 years
- ▶ Aiming to produce an affordable vaccine using novel technology

Other Technology Initiatives

- ▶ Working on differentiated technology platforms viz depot injections and semisolid patches and films

Key Investments and Expansion Plans in Place



Brownfield Expansions

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

Greenfield Projects

- ▶ Oral Solid finished dosage formulations facility at Naidupet (SEZ)
- ▶ Finished dosage formulations for European markets at Vizag
- ▶ Commissioning of specialty products (Hormones and Oncology) facility (Eugia)
- ▶ New campus at USA for central automated warehouse and OTC liquids and packaging facility
- ▶ New Antibiotic injectable unit at SEZ area in Hyderabad
- ▶ Developmental research for some complex molecules and new technology platforms as well as Brand acquisitions

Way Forward



(1) As of 30 Sept, 2015. Excluding 28 tentative approvals

Thank You



For updates and specific queries, please visit our website [www. aurobindo.com](http://www.aurobindo.com)

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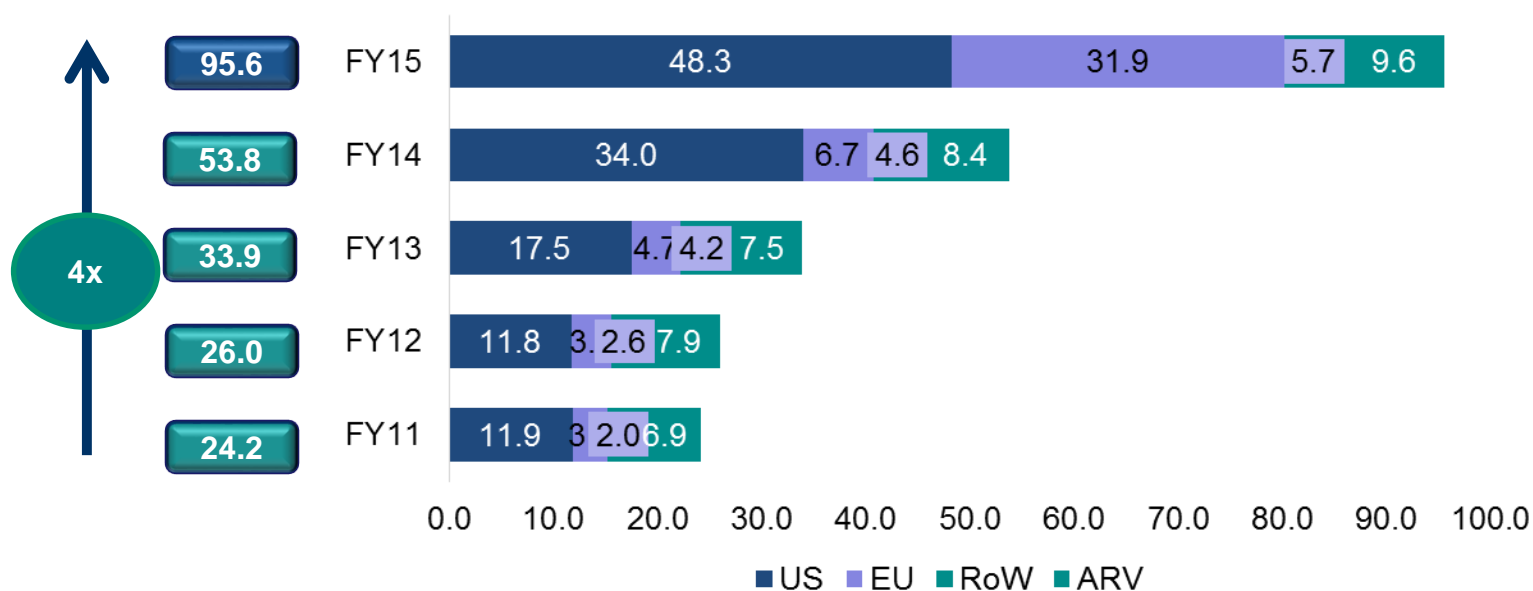
Registered Office:

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

Formulation Gross Sales Break-Up



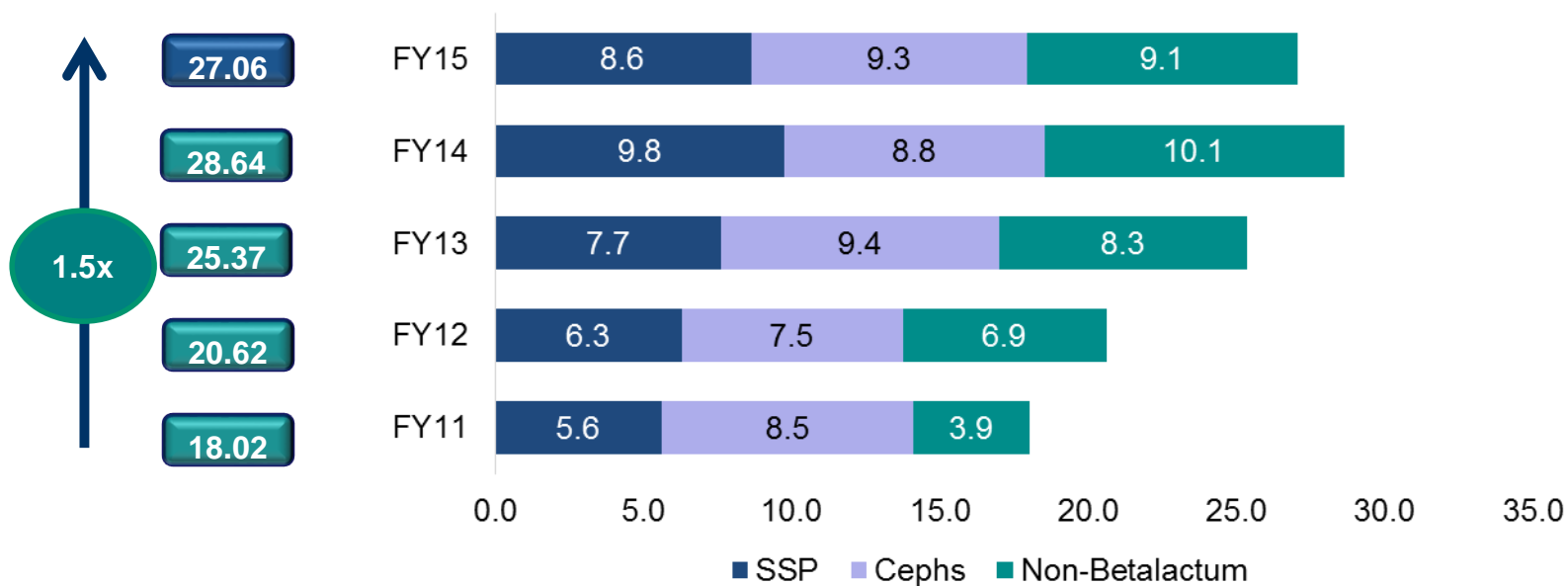
INR Bn	FY 2013-14				FY2014- 15				FY2015-16	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
USA	6.2	7.3	9.3	11.2	11.2	11.7	12.0	13.4	14.3	14.8
Europe	1.7	1.7	1.5	1.8	8.0	7.7	8.6	7.7	7.4	7.6
RoW	1.1	0.9	1.3	1.3	1.4	1.6	1.3	1.4	1.7	1.7
ARV	1.9	2.3	2.2	1.9	2.2	1.4	3.3	2.7	3.0	2.7
Total Formulations Sales	11.0	12.3	14.4	16.1	22.8	22.4	25.3	25.2	26.4	26.8
Gross Sales	17.5	19.5	21.8	23.7	29.5	29.2	32.0	31.9	33.6	33.7
% of Gross Sales	63%	63%	66%	68%	77%	77%	79%	79%	78%	80%



API Gross Sales Break-up



INR Bn	FY 2013-14				FY2014-15				FY2015-16	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Cephalosporin	2.2	2.1	2.2	2.3	2.1	2.3	2.5	2.4	2.6	2.3
SSPs	2.2	2.4	2.6	2.5	2.4	2.2	2.1	2.0	2.2	2.0
Non-Betalactam	2.1	2.7	2.7	2.7	2.2	2.4	2.2	2.4	2.5	2.6
Total API Sales	6.5	7.2	7.4	7.5	6.7	6.9	6.7	6.8	7.2	6.9
Gross Sales	17.5	19.5	21.8	23.7	29.5	29.2	32.0	31.9	33.6	33.7
% of Gross Sales	37%	37%	34%	32%	23%	23%	21%	21%	22%	20%



Filing details as on 30th Sept 2015



Category	As at Mar 13	As at Mar 14	As at Mar 15	Apr'15-Jun'15	Jul' 15-Sept'15	As at Sept'15	Approvals
Formulations Advanced Markets							
US FDA [^]	269	336	376	3	3	382	214 (FA: 186 TA: 28) (net of withdrawals)
Europe*	1,341	1,542	1,756	47	242	2,045	1235 dossiers (133 products)
SA+	314	334	343	2	4	349	153 registrations (77 products)
Canada	49	72	83	6	6	95	77 dossiers
Total	1,973	2,284	2,558	58	255	2,871	
APIs							
USFDA	172	181	192**	4**	4	200	
EDMF*	1,443	1,504	1,601	17	19	1,637	
CoS	109	106	114	1	0	115	
RoW	565	627	681	9	12	702	
Total	2,289	2,418	2,588	31	35	2,654	

[^] 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)

** Includes DMFs filed from AuroNext and AuroPeptides

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 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 XIV	CVS, Anti fugal
 Unit IA	Cephalosporin
 Unit XI U	Antibiotics (Non-sterile)
 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

5 Year Financial Snapshot



Value INR 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
Ratios					
Debt (incl. FCCB) / Shareholders' funds (x)	0.9	1.3	1.3	1.0	0.9
Borrowed Funds net of Cash / EBIDTA (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

Key Financial Indicators



US\$ Mn	Q2 FY15-16	Q2 FY14-15	Q1 FY15-16	FY14- 15	FY13- 14
Average \$ = INR	64.82	60.47	63.29	61.04	60.28
US Gx	228	194	226	792	564
EU Gx	118	127	117	523	111
RoW Gx	26	26	27	93	77
ARV Formulations	42	23	47	158	139
Formulations	414	370	417	1,566	891
Betalactam (SSP+Ceph)	66	74	75	294	307
Non Betalactam	41	39	39	149	167
API	107	113	114	443	474
Gross Sales	520	483	531	2,009	1,365
Net Operating Income	514	476	525	1,986	1,343
EBIDTA (excl. Fx & other income)	120 23.3%	105 22.1%	114 21.8%	420 21.2%	353 26.3%
Finance Cost	4	3	3	14	18
Depreciation	14	15	14	54	52
Other Income	2	5	5	13	4
PBT (excl Fx)	103	92	102	365	287

Debt As on (US\$ Mn)	31-Mar- 14	31-Mar- 15	30-June- 15	30-Sept- 15
Closing 1 US\$ = INR	59.92	62.50	63.65	65.59
Term Loans	297	321	369	392
WC (Lines of Credit)	321	383	381	361
Sales Tax Deferment	11	9	9	8
Gross Debt	629	713	759	761
Cash	30	75	77	99
Net Debt	599	638	682	662

Shareholding Pattern



Group	As on 31.03.13	As on 31.03.14	As on 31.03.15	As on 30.09.15
Promoter Group	54.9%	54.6%	54.0%	53.9%
FII	16.8%	23.7%	29.6%	28.9%
MF / Insurance	13.4%	9.8%	6.2%	6.0%
Other Bodies Corporates	5.5%	2.2%	1.6%	2.3%
Retail Investors	9.4%	9.7%	8.6%	9.0%
Total	100%	100%	100%	100%
Equity base (shares # Mn)	291.2	291.5	292.0	583.9
Face Value (INR)	1	1	1	1
Equity Capital (INR Mn)	291	291	292.0	583.9
M-Cap at close (INR Bn)	42.4	149.1	356.7	449.2
Shareholder family (# '000)	82.5	70.1	75.2	104.7

Non-Promoter Holding 46.1%

