



Aurobindo Pharma Limited

Presentation to Investors

February 2013

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.

The journey so far…

Aiming to reach revenues of $2Bn by FY16E

1998 Revenues
< USD 100Mn

1992: Began exporting to RoW markets (API)

1995: Launched IPO, Listings in the bourses

Diversified API portfolio to Cephelosporin with leadership in anti-infectives

2001: Setup first overseas plant (China)

2002: Began production of Formulations

2003: First ANDA filed in USA (Dec)

2004: First ANDA approved in USA (Oct)

2006: Acquired Milpharm (UK)

2007: Acquired formulations facility in USA
2007: Acquired Pharmacin (Netherlands)
2007: Filed 100th ANDA in USA (May)

Massive Investment in building manufacturing & IPR capabilities

Leadership in global ARV generic

2008 Revenues
~ USD 500Mn

2008: Acquired IPRs from TAD in Italy

2009: $100+ revenue milestone in USA

2010: Commenced operations of Unit VII (SEZ) and Aurolife, USA facilities
2010: Divested Chinese Penicillin G facility

2011: Filed 200th ANDA in USA (Apr)

2012: First approval of Controlled Substance formulations in USA (Apr)

Niche formulation portfolio in oral & injectables

Licensing & supply arrangements with large pharma MNCs

Manufacturing capacity Augmentation

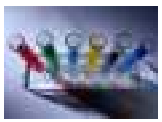
Opportunities in CRAMS, Peptides, Penams & Oral Contraceptives

1988 **1998** **2008** **2012** **2015-16**

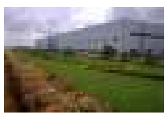
$ = ₹50.875 as at 31.03.2012

Aurobindo today

Global pharmaceutical company with focus on formulations and APIs



In house R&D and Regulatory Affairs for rapid filing of Patents, ANDAs & DMFs



Large GMP compliant manufacturing base approved by global regulators

Exporting to 125+ countries with 70% of revenues from international operations

Well spread global marketing network through 42 subsidiaries

Employee base of 9500+ including 750+ scientists

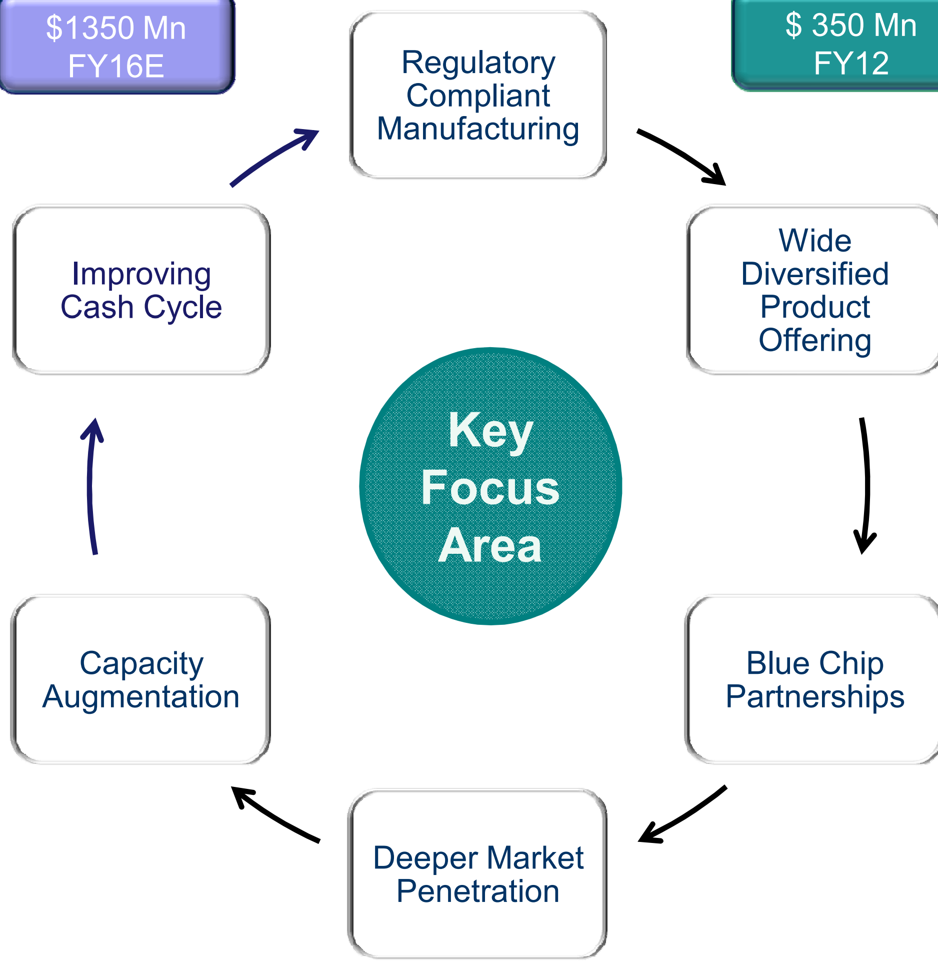
Business focus

Finished Dose Formulations

$475 Mn FY12 → CAGR ~30% → $1350 Mn FY16E

Active Ingredients and Intermediates

$ 350 Mn FY12 → CAGR ~15% → $ 650 Mn FY16E



$ = ₹50.875 as at 31.03.2012

Growth drivers

Business Opportunities

- US penetration with widened product basket
- Supply arrangements with Pharma MNCs
- Foray into SA, Canada, Australia
- Emerging market formulations sales
- ARV business opportunities
- Advance market API sales

Operating Leverage

- Capacity Augmentation
- R&D spent rationalized
- Improving Asset Turnover
- Improving Return on Capital Employed

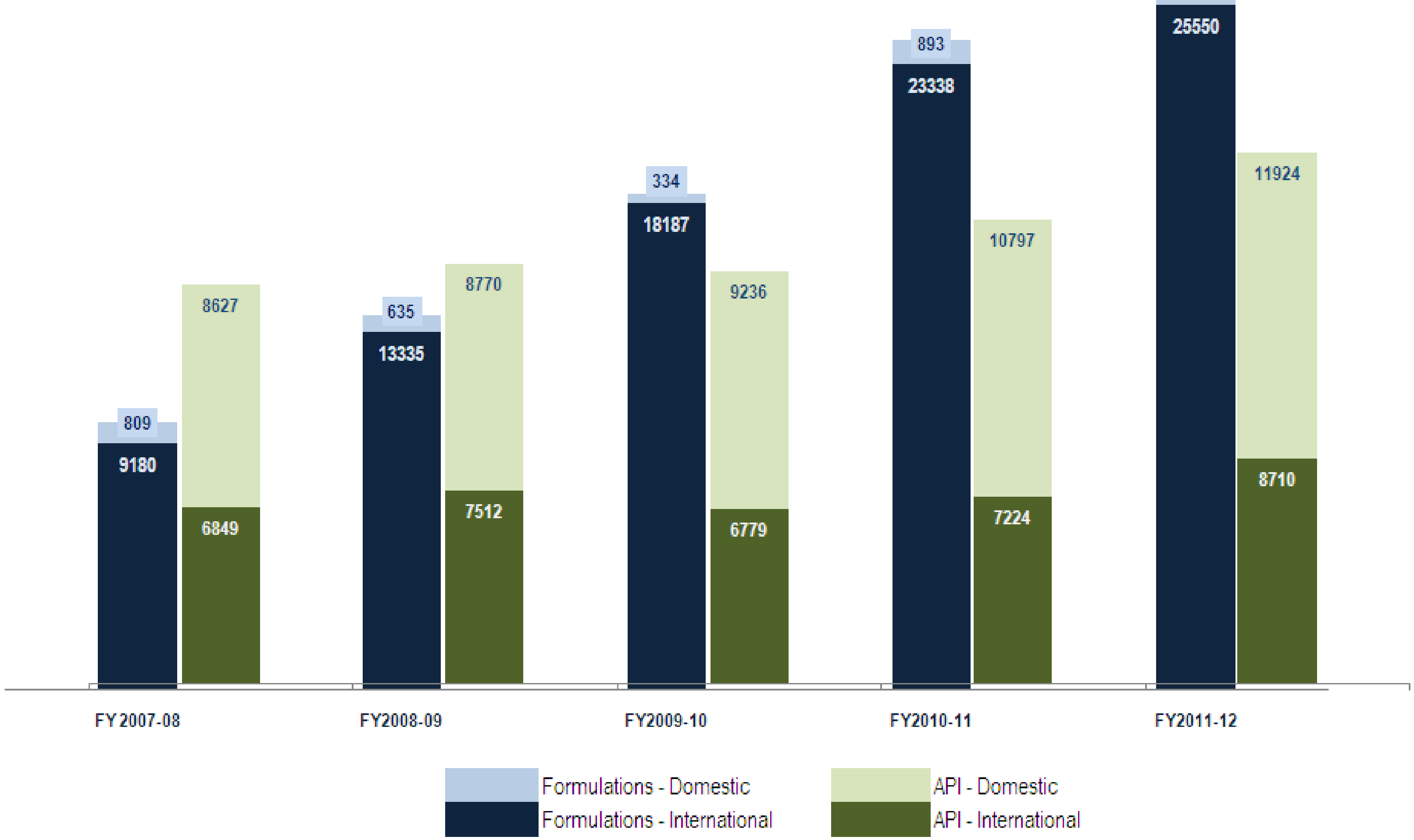
Managing Growth

- Capacity creation in sync with business visibility
- Moving up the value chain in complex products and technologies
- Opportunities in CRAMS
- Investing in robust systems and processes

Business mix

- Changing business mix towards a dominant player in formulations
- Sales in International markets drive growth

Gross Sales ₹ Mn	25465	30252	34536	42252	46651
% API	60.8%	53.8%	46.4%	42.7%	44.2%
% Formulations	39.2%	46.2%	53.6%	57.3%	55.8%



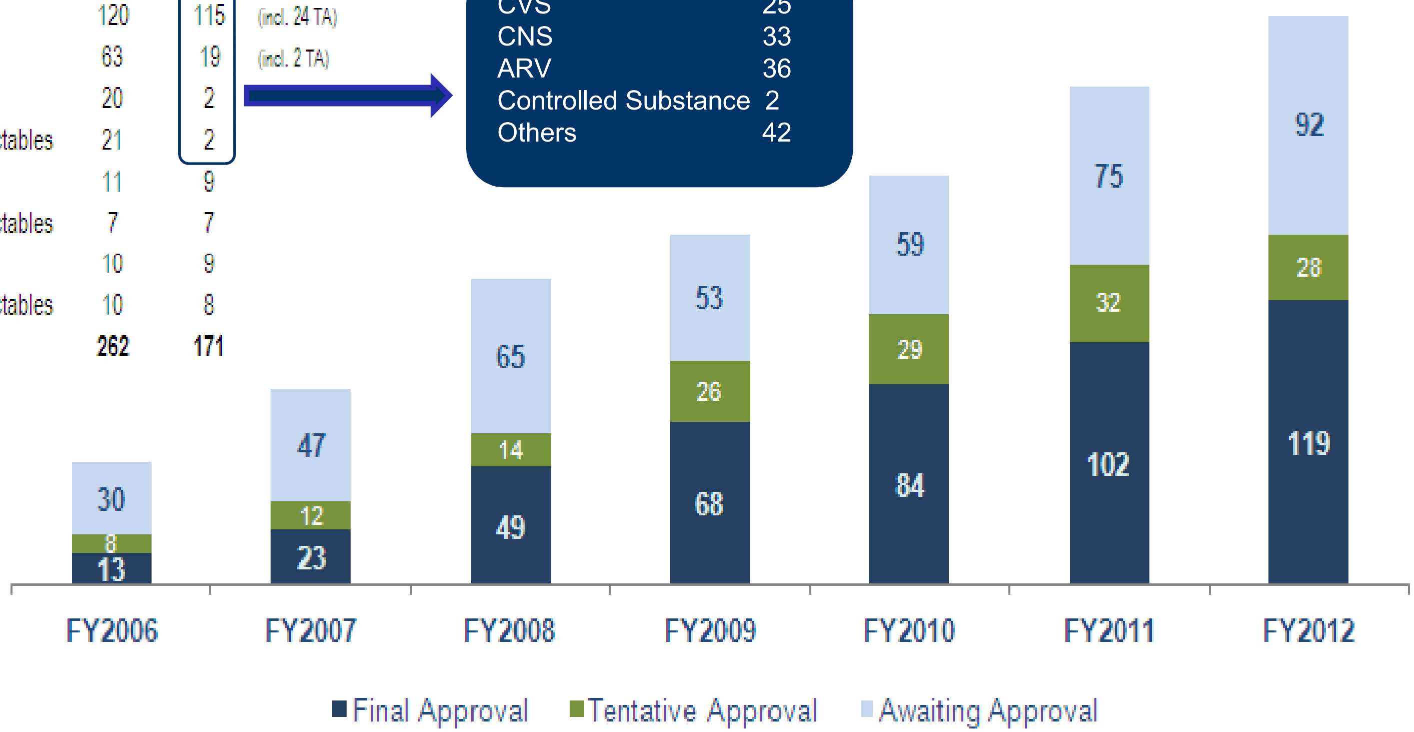
Wide Diversified portfolio of 300+ products catering to125+ countries

US generics

- FY 2011-12 revenues : ₹ 11836 million; 5 years CAGR: 50%
- Aurobindo USA : new products introduction and deeper penetration with an expanded basket
- AuroLife Pharma : institutional biz and controlled substance manufacturing
- Auro Medics : specializing in generic injectable products distribution for the hospital and clinical market

Unit wise breakup of Approvals as at 31.12.2012			Filed	Approved	
Unit III	Non-Betallactum	Oral	120	115	(incl. 24 TA)
Unit VII (SEZ)	Non-Betallactum	Oral	63	19	(incl. 2 TA)
USA-NJ (Aurolife)	Non-Betallactum	Oral	20	2	
Unit IV	Non-Betallactum	Injectables	21	2	
Unit VIB	Cephalosporin	Oral	11	9	
Unit VIB	Cephalosporin	Injectables	7	7	
Unit XII	Semi Synthetic Penicillin	Oral	10	9	
Unit XII	Semi Synthetic Penicillin	Injectables	10	8	
			262	171	

CVS	25
CNS	33
ARV	36
Controlled Substance	2
Others	42



ANDAs Filed	51	82	128	147	172	209	239
ANDAs Approved	21	35	63	94	113	134	147

Cumulative ANDA Filings and Approvals

Other formulations business

EU

- Acquired and integrating marketing operations
  - Milpharm ,UK
  - Pharmacin, Netherlands
- Focus on new markets through own distribution
  - Spain
  - Portugal
- Supply arrangements with large pharma MNCs
- 1337 dossiers filed pan-EU; 777 approved

RoW

- Building up a wide diversified product basket
  - 310 dossiers filed in SA, 103 approved
  - 46 products filed in Canada, 26 approved
  - 47 products filed in Australia, 37 approved
  - 87 products filed in Brazil, 31 approved
- Emerging market Branded generics
- Supply arrangements with large pharma MNCs

ARV

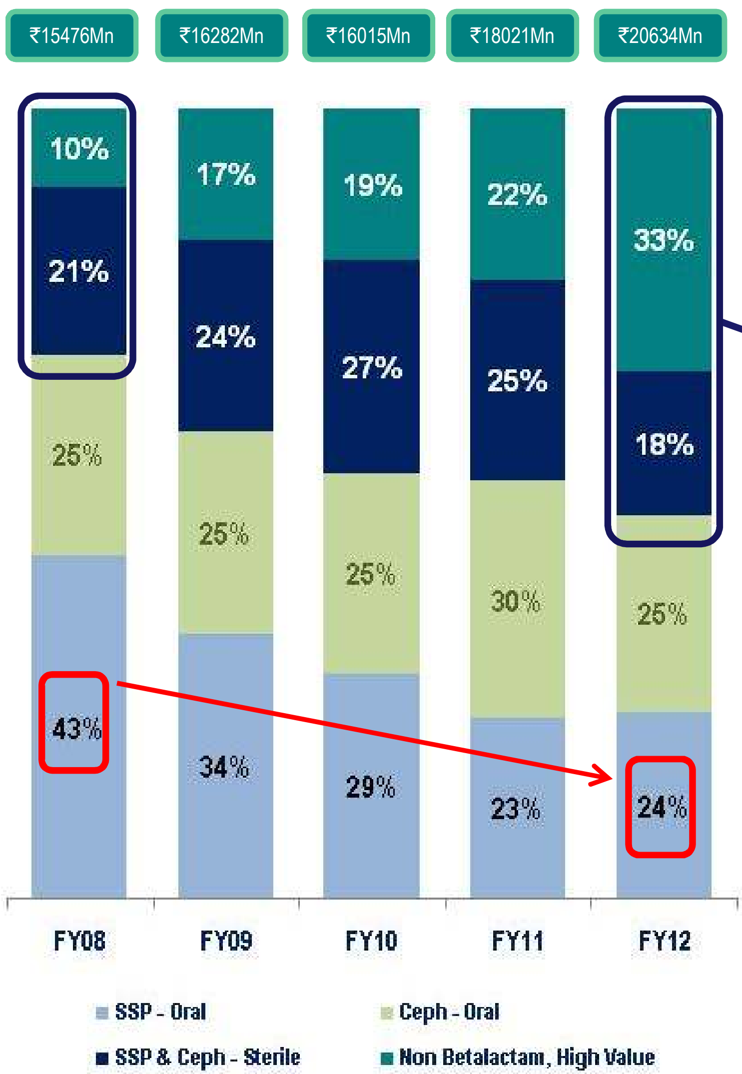
- Selective participation in global tender

  (PEPFAR, Clinton Foundation / WHO, Country specific)
- Large product basket of generic ARV
- Formulation facilities approved by USFDA / WHO
  - Products registered in over 50 countries
  - 1000+ registrations across the world

Injectables

- Dedicated facilities for Cephs, SSPs, Penams & other non-betalactam general products
- Protection through entry barriers
  - Capital intrinsic
  - Technology driven
- IPR capabilities and vertical integration
- Targeting global markets and business alliances

Active pharmaceutical ingredients



- Quality & Reliability of supplies
- Emerging Market leadership
- Strategic inputs to Formulations business
- Focus on high value specialty products and advance markets
- Cost efficiencies as well as economies of scale

Large Regulatory Approved Manufacturing Base

India Unit I	India Unit IA	India Unit V	India Unit VIA
India Unit VIII	India Unit IX	India Unit XIA	India Unit XIB

Strong Regulatory Capability: USA 170; EDMF 1442; CoS 106; RoW 547

Thank You

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

Financial Performance : Y-o-Y

Value ₹ Mn	Q3FY12-13	Q3FY11-12	Q2FY12-13	Q2FY11-12	Q1FY12-13	Q1FY11-12	FY11-12	FY10-11
Formulations	9118	7443	9028	5919	6546	6226	26070	24231
API	6602	5427	6221	4901	5871	4590	20581	18021
Formulations % of sales	*58.0%*	*57.8%*	*59.2%*	*54.7%*	*52.7%*	*57.6%*	*55.9%*	*57.3%*
Net Sales	**15315**	**12617**	**14887**	**10600**	**12076**	**10579**	**45675**	**41259**
Dossier Income	386	228	117	153	68	189	599	2556
Net Operating Income	**15701**	**12845**	**15004**	**10753**	**12144**	**10769**	**46274**	**43815**
Gross Margin	**7879**	**5790**	**7439**	**4759**	**5670**	**5035**	**21076**	**22085**
	50.2%	***45.1%***	***49.6%***	***44.3%***	***46.7%***	***46.8%***	***45.5%***	***50.4%***
Overheads	5288	3879	4936	3613	4273	3396	14975	12452
EBIDTA	**2591**	**1911**	**2503**	**1146**	**1397**	**1639**	**6101**	**9633**
(excl. Fx & other income)	***16.5%***	***14.9%***	***16.7%***	***10.7%***	***11.5%***	***15.2%***	***13.2%***	***22.0%***
Fx (Gain) / Loss	733	1445	(1176)	1854	2064	(32)	2233	(475)
Other Income	56	52	66	63	22	73	247	239
Interest	331	276	335	210	331	189	1028	647
Depreciation	608	552	598	462	588	452	2005	1715
PBT	**975**	**(310)**	**2812**	**(1317)**	**(1564)**	**1103**	**1082**	**7985**
PAT (Loss) (before minority interest)	**910**	**(286)**	**2219**	**(802)**	**(1290)**	**(1228)**	**(1242)**	**5631**
Fx Rate $ 1= ₹	**54.995**	**53.11**	**52.855**	**48.98**	**55.615**	**44.7**	**50.875**	**44.59**

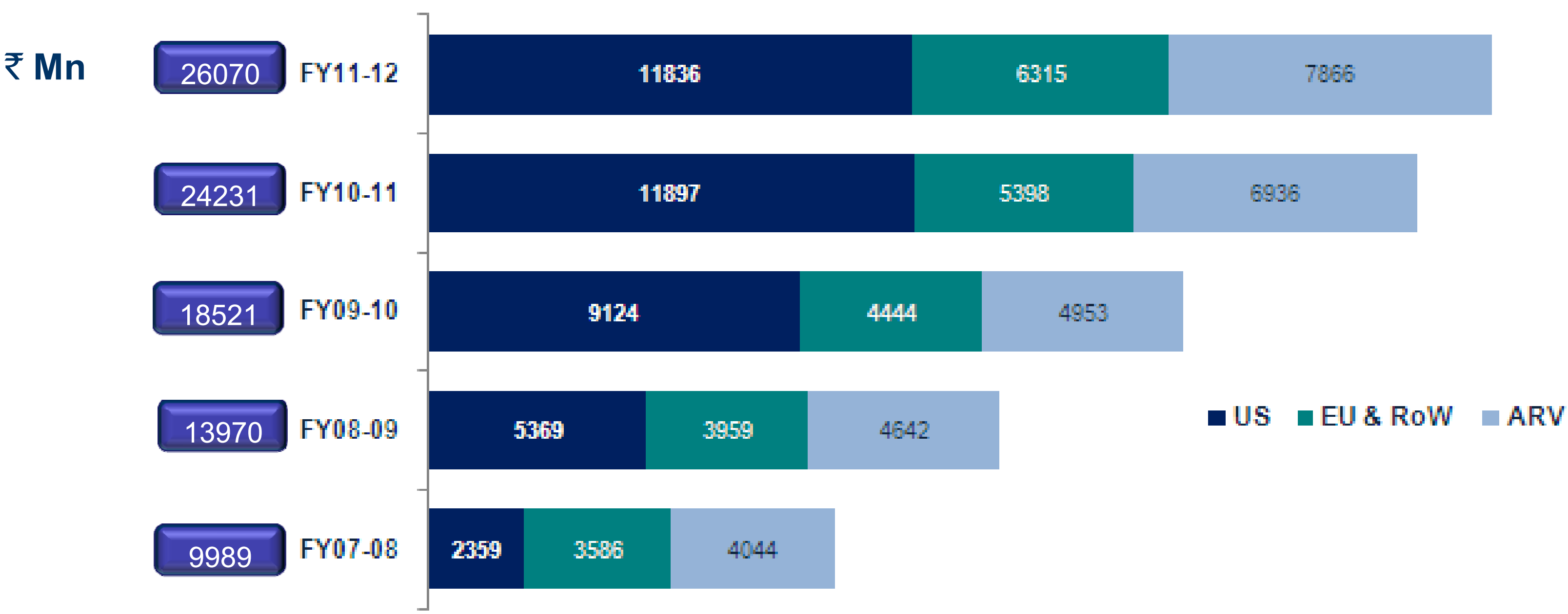
Annexure Debt profile

₹ Bn	As at Dec 31st 2012
Long-Term Loans (incl. ECB, FCNR-B)	12.6
Working Capital Finance, Short-term & Unsecured Loans	19.2
Sales Tax Deferment	0.7
Cash Balance	(1.7)
Net Debt	**30.8**

Annexure

Formulation sales break-up

₹ Mn	FY 2010-11				FY 2011-12				FY 2012-13		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
USA	2,162	2,955	3,282	3,498	2,740	2,833	3,254	3,009	3,283	4,249	5,134
Europe & Row	1,253	1,421	1,323	1,401	1,371	1,239	2,043	1,718	1,861	2,257	2,233
ARV	1,519	1,781	1,833	1,803	2,115	1,846	2,146	1,759	1,402	2,522	1,751
Total	**4,934**	**6,157**	**6,438**	**6,702**	**6,226**	**5,918**	**7,440**	**6,486**	**6,546**	**9,028**	**9,118**
Gross Sales	**9,052**	**10,674**	**10,994**	**11,532**	**10,816**	**10,820**	**12,828**	**12,188**	**12,403**	**15,249**	**15,720**
% of Sales	**54%**	**58%**	**59%**	**58%**	**58%**	**55%**	**58%**	**53%**	**53%**	**59%**	**58%**



Annexure

Filing details (as at 31st December 2012)

				2011-12					2012-13				
		As at Mar 10	As at Mar 11	Q1	Q2	Q3	Q4	As at Mar 12	Q1	Q2	Q3	As at Dec 12	Approvals
Formulations	US FDA ^	**172**	**209**	6	7	11	6	**239**	9	17	(3)#	**262**	171 (FA 145, TA 26)
Advanced markets	Europe *	**764**	**991**	84	50	52	81	**1258**	31	27	21	**1337**	112 (777 dossiers)
	SA +	**234**	**275**	7	14	10	2	**308**	6	11	(15)+	**310**	59 (103 dossiers)
	Australia	**10**	**30**	5	4	2	5	**46**	2	2	-	**50**	37
	Canada	**11**	**25**	3	2	4	1	**35**	4	3	4	**46**	26
		1191	**1530**	105	77	79	95	**1886**	52	60	7	**2005**	

14 ANDA filing under review withdrawn effective 1st November 2012. 11 new filings made in Q3FY13

^ Includes filings made from AuroLife Pharma LLC, USA

* Includes Multiple Registration

+Includes duplicate & triplicate dossiers. 7 new filings made during and 22 registrations withdrawn in Q3FY13

		As at Mar 10	As at Mar 11	Q1	Q2	Q3	Q4	As at Mar 12	Q1	Q2	Q3	As at Dec 12
APIs	US FDA	**145**	**154**	1	-	2	3	**160**	4	6	0	**170**
	EDMF	**1036**	**1271**	54	17	21	32	**1395**	12	22	13	**1442**
	CoS	**81**	**86**	2	4	3	2	**97**	4	4	1	**106**
	RoW	**295**	**426**	19	32	13	12	**502**	13	19	13	**547**
		1557	**1937**	76	53	39	49	**2154**	33	51	27	**2265**
Patents		**418**	**464**	8	7	9	12	**500**	8	5	10	**523**

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	Injectables & Ophthalmic
Unit VII (SEZ)	India	Non betalactam	Solid Orals
AuroNext	India	Penams	Injectables
Unit VIB	India	Cephalosporin	Solid & Liquid Orals Injectables
Unit XII	India	Semi Synthetic Penicillin	Solid & Liquid Orals Injectables

Active Ingredients and Intermediates

Unit I	India	Non betalactam	Non-sterile
Unit VIII	India	Non betalactam	Non-sterile
Unit XIB	India	Non betalactam	Non-sterile
Unit II	India	Penams	Non-sterile Intermediates
Unit IA	India	Cephalosporin	Non-sterile
Unit VIA	India	Cephalosporin	Sterile
Unit V	India	Semi Synthetic Penicillin	Sterile & Non-sterile
Unit IX	India		Intermediates
Unit XIA	India		Intermediates

Annexure Past financials

Value ₹ Mn	FY2008	FY2009	FY2010	FY2011	FY2012
Net sales	24359	29349	33777	41259	45675
Dossier Income	106	1424	1977	2556	599
Net Operating Income	**24465**	**30773**	**35754**	**43815**	**46274**
Gross margin % of operating income	44.8%	46.8%	51.9%	50.4%	45.5%
EBITDA (before Fx and other income) % to Operating income	14.4%	16.8%	23.0%	22.0%	13.2%
Depreciation / Amortization	1004	1277	1493	1715	2005
Finance Cost	432	839	678	647	1028
PBT	**2918**	**726**	**7523**	**7985**	**1082**
PAT before exceptional items	**2385**	**513**	**5609**	**5734**	**1970**

Total Shareholder Funds	11973	13181	19203	25631	23381
Borrowed funds – FCCB	10246	9866	7677	6208	-
- Other loans	8224	13464	13869	17936	30959
Total Borrowed Funds	**18470**	**23330**	**21546**	**24144**	**30959**
Borrowed Funds net of Cash	15675	22053	20817	22262	30250
Fixed Assets (Gross incl. CWIP)	**19325**	**25098**	29777	30954	37317
Debt (incl. FCCB) / Shareholders' funds (x)	1.5	1.8	1.1	0.9	1.3
Borrowed Funds net of Cash / EBIDTA (x)	4.4	4.3	2.5	2.3	4.9
Asset Turnover Ratio (x)	1.3	1.2	1.2	1.4	1.2

Annexure

Shareholding pattern

%	As at 31.03.09	As at 31.03.10	As at 31.03.11	As at 31.03.12	As at 31.06.12	As at 31.09.12	As at 31.12.12
Promoter Group	59.8%	56.9%	54.4%	54.8%	54.8%	54.8%	54.8%
FII	13.2%	23.9%	21.2%	12.4%	13.2%	12.4%	14.7%
MF / UTI	5.6%	6.6%	6.2%	11.3%	11.6%	11.5%	11.2%
Insurance	3.3%	2.8%	2.4%	2.5%	2.5%	2.5%	2.5%
FIs / Banks / Bodies Corporate	7.8%	2.9%	6.7%	8.0%	7.6%	8.5%	7.4%
Non-Institutional Investors	10.3%	6.9%	9.1%	11.0%	10.3%	10.3%	9.4%
	100%	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Equity base (shares # Mn)	**53.8**	**55.7**	**291.1**	**291.1**	**291.1**	**291.1**	**291.1**
Face Value (₹)	**5**	**5**	**1**	**1**	**1**	**1**	**1**
Equity Capital (₹ Mn)	**269**	**279**	**291**	**291**	**291**	**291**	**291**