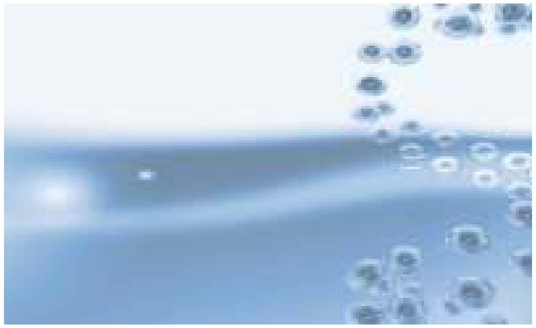
Aurobindo Pharma Limited

Presentation to Investors

February 2014





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…

A well integrated R&D driven company :

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

Well spread global marketing network through 40+ subsidiaries

Employees on role 10000+ including 850+ scientists

Large manufacturing base approved by global regulators

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

1988

1992: Began exporting to RoW markets (API)

1995: Listings in the bourses

Diversified API portfolio to Cephalosporin with leadership in anti-infectives

1999
Rev <$100Mn

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

Massive Investment in building manufacturing & IPR capabilities

Leadership in global ARV generic

2009
Rev <$500Mn

2008: Acquired IPRs from TAD in Italy

2009: $100+ revenue milestone in USA
: Licensing & supply arrangements with large pharma MNCs

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

2011: Filed 200th ANDA in USA (Apr)

2012: First approval of Controlled Substance formulations in USA (Apr)
:Created AuroPeptide to foray into Peptide business

2013: Commenced marketing injectables products in USA though its subsidiary AuroMedics Pharma LLC
: First Penem product filed in USA
: Eugia JV (Oncology & Hormones) & Silicon Lifescience (Non-sterile Penem API)

2014: Entered into binding agreement with Actavis to acquire commercial operations in 7 Western European countries

Differentiated offerings in Oral & Injectable products; new technology & market access

2014
Rev >$1Bn

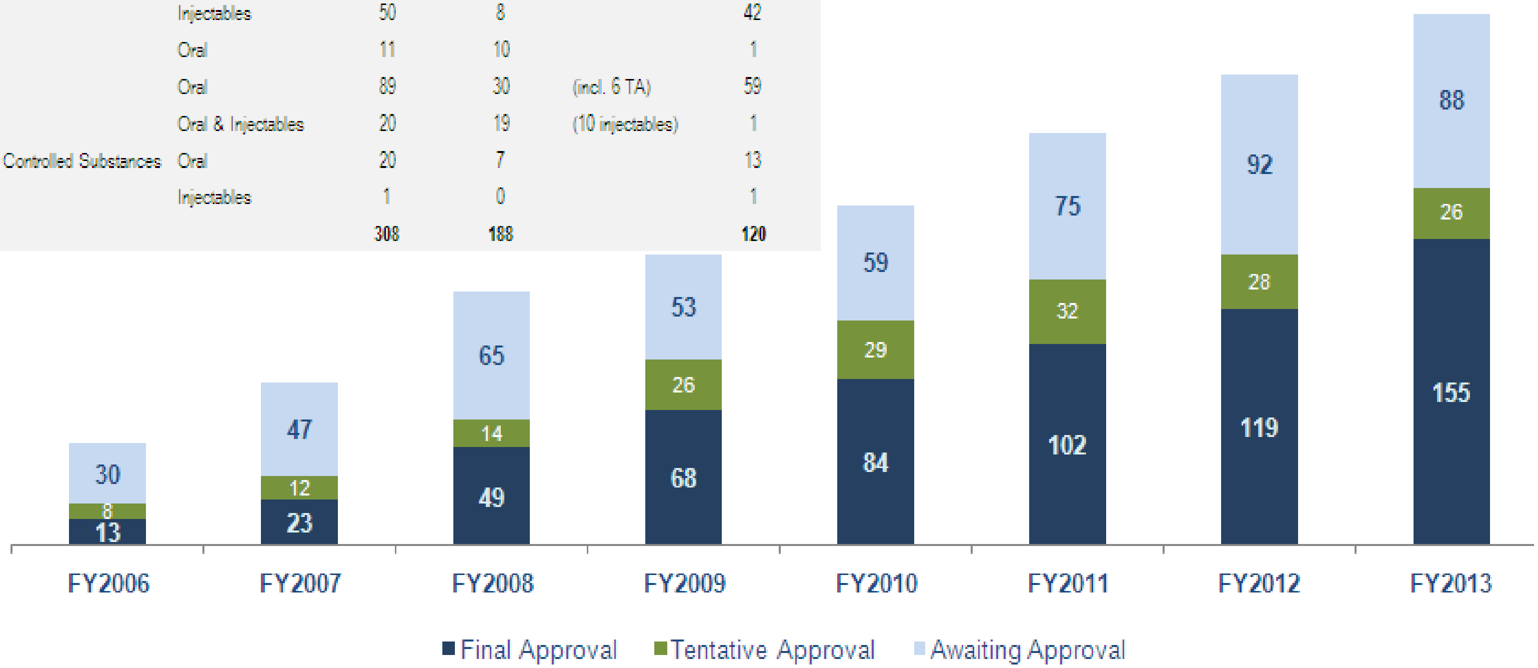
$ = ₹61.805 as at 31.12.2013

US generics

- FY 2012-13 revenues : ₹ 17526Mn; 5 years CAGR: 35%
- Aurobindo USA : new products introduction and deeper penetration with an expanded basket
- AuroLife Pharma : institutional biz and controlled substance manufacturing
- AuroMedics : specializing in Gx injectable products distribution for the hospital and clinical market
- AuroHealth : foray into the US OTC supply space

Unit wise ANDA Filings as at 31-Dec-2013			Filed	Approved		Under Review
Unit III	NPNC	Oral	117	114	(incl. 19 TA)	3
Unit IV	NPNC	Injectables	50	8		42
Unit VIB	Cephs	Oral	11	10		1
Unit VII (SEZ)	NPNC	Oral	89	30	(incl. 6 TA)	59
Unit XII	SSP	Oral & Injectables	20	19	(10 injectables)	1
Aurolife USA	NPNC / Controlled Substances	Oral	20	7		13
AuroNext	Penem	Injectables	1	0		1
			308	188		120

9M-FY14 Revenues: ₹ 22868 Mn



ANDAs Filed	51	82	128	147	172	209	239	269
ANDAs Approved	21	35	63	94	113	134	147	181

Cumulative ANDA Filings and Approvals

EU generics

2014: Entered into binding agreement with Actavis for acquiring their €300Mn+ commercial infrastructure in France, Italy, Spain, Portugal, Germany, Netherlands and Belgium

2011 onwards: Focus markets through own subsidiaries in Netherlands, Spain, Portugal, Germany, Italy, Romania and Malta

Supply arrangements and New Business Opportunities with large MNCs

2006/07: Acquisition of and integrating commercial operations of Milpharm in UK and Pharmacin in Netherlands

- Aims to become one top 10 Gx companies in Europe by FY16
- Strong foothold in France through Arrow Génériques brands
- Vertically integrated platform provides operating synergy and supply chain focus
- Compliment acquired hospital sales infrastructure with injectable and specialty portfolio across Western Europe

1494 dossiers (144 products) filed across 31 countries in Europe

Injectables business

CurePro Parenterals

(Wholly Owned subsidiary of APL)

- AuroMedics: US Injectable Distribution
- Unit IV: General Injectable & Opthalmics manufacturing
- AuroNext (75% share): Penems injectables manufacturing
- Eugia (60% share): Oncology & Hormones manufacturing

Unit XII: SSP Injectables

Peptides

External Sources

- Dedicated facilities for SSPs, Penems and general non-betalactam liquid injectable products
- Foray into Penem, Oncology and Hormones
- Pipeline of 130+ products in non-betalactam, ophthalmic, respiratory, onco, steroids, SSP and penem
- Protection through entry barriers
    - Capital intrinsic
    - Technology driven
- IPR capabilities and vertical integration

Products filed : SSP 10, Penem 1, NPNC 39, Ophthalmic 8, Respiratory 3

Other formulations business

RoW

- Building up a wide diversified product basket
  - 330 product registrations in SA, 152 approved
  - 67 products filed in Canada, 45 approved
  - 49 products filed in Australia, 47 approved
  - 106 products filed in Brazil, 32 approved
  - 29 products filed in Mexico, 4 approved
- Emerging market generics
- Supply arrangements with large pharma MNCs

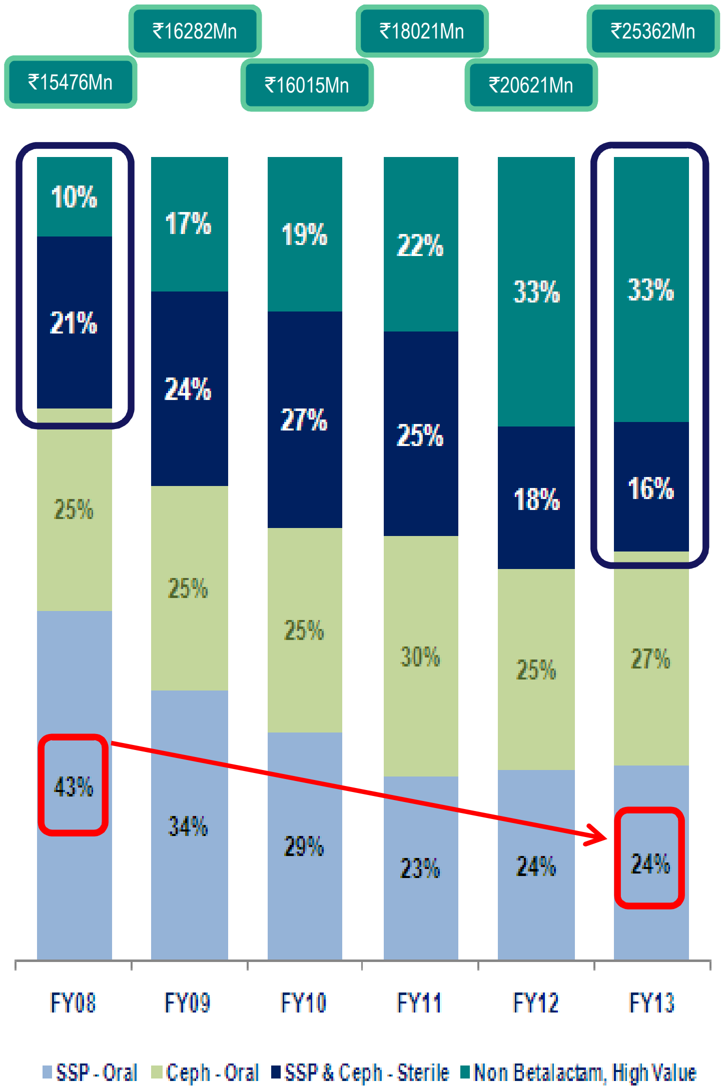
9M-FY14 Revenues: ₹ 3376 Mn

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

9M-FY14 Revenues: ₹ 6453 Mn

Active pharmaceutical ingredients



9M-FY14 Revenues: ₹ 21094 Mn

- Quality & Reliability of supplies
- Emerging Market leadership - largest supplier in India
- Advance Market (EU, Japan, USA) focus
- Focus on high value specialty products and advance markets
- Cost efficiencies as well as economies of scale

Large Regulatory Approved Manufacturing Base

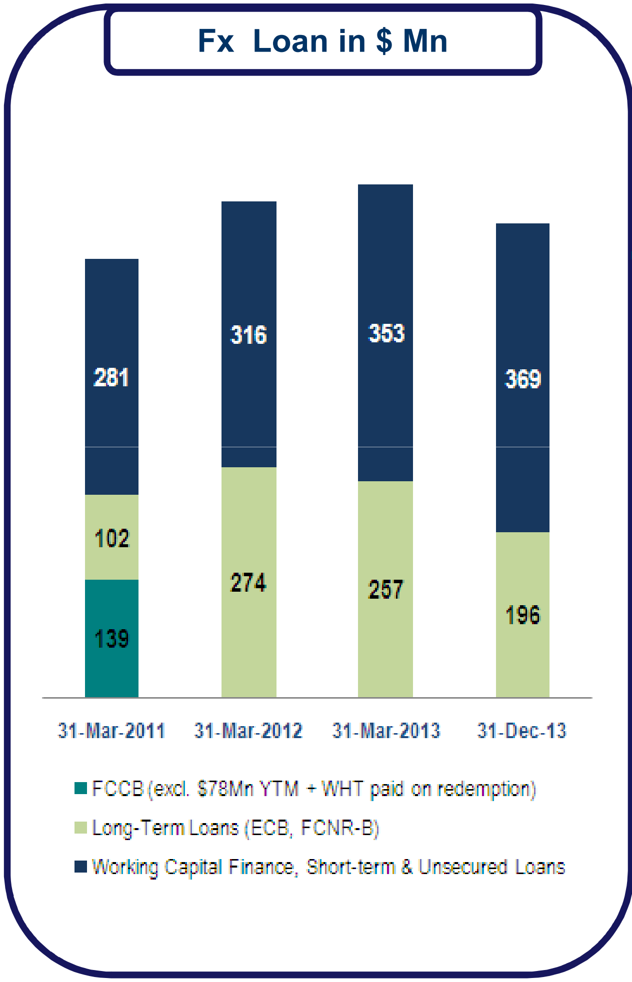
India Unit I	India Unit IA	India Unit V	India Unit VIA
India Unit VIII	India Unit IX	India Unit XIA	India Unit XIB

Strong Regulatory Capability: US DMF 176; EDMF 1496; CoS 114; RoW 604

Financial Performance : Y-o-Y

Value ₹ Mn	Q3 FY13-14	Q3 FY12-13	Q2 FY13-14	Q2 FY12-13	Q1 FY13-14	Q1 FY12-13	9M FY13-14	9M FY12-13	FY12-13
Formulations	14361	9118	12283	9028	11005	6546	37650	24692	33872
API	7445	6602	7180	6221	6469	5872	21094	18695	25362
Formulations % of sales	*65.9%*	*58.0%*	*63.1%*	*59.2%*	*63.0%*	*52.7%*	*64.1%*	*56.9%*	*57.2%*
Net Sales	**21389**	**15315**	**19077**	**14887**	**17126**	**12076**	**57592**	**42278**	**57793**
Dossier Income	17	386	62	117	30	68	109	571	760
Net Operating Income	**21406**	**15701**	**19139**	**15004**	**17156**	**12144**	**57701**	**42849**	**58553**
Gross Margin	**12429**	**7879**	**9947**	**7439**	**8243**	**5670**	**30619**	**20988**	**28645**
	58.1	***50.2%***	***52.0%***	***49.6%***	***48.0%***	***46.7%***	***53.1%***	***49.0%***	***48.9%***
Overheads	5991	5288	5563	4936	5166	4272	16720	14496	19755
EBIDTA (excl. Fx & other income)	**6438**	**2591**	**4384**	**2503**	**3077**	**1398**	**13899**	**6492**	**8890**
	30.1%	***16.5%***	***22.9%***	***16.7%***	***17.9%***	***11.5%***	***24.1%***	***15.1%***	***15.2%***
Fx (Gain) / Loss	(21)	733	683	(1176)	1724	2065	2386	1622	1634
Other Income	36	56	51	66	39	22	126	144	285
Finance Cost	237	331	246	335	254	331	737	997	1313
Depreciation	760	608	766	598	719	588	2245	1794	2487
PBT	**5498**	**975**	**2740**	**2812**	**419**	**(1564)**	**8657**	**2223**	**3741**
PAT (Loss) (before minority interest)	**4161**	**910**	**2339**	**2219**	**175**	**(1290)**	**6675**	**1839**	**2914**
Fx Rate $ 1= ₹	**61.805**	**54.995**	**62.605**	**52.855**	**59.39**	**55.615**	**61.805**	**54.995**	**54.285**

Debt profile



Outstanding as at…	31-Mar 2011	31-Mar 2012	31-Mar 2013	31-Dec 2013
1 $ = ₹	44.590	50.875	54.285	61.805
₹ Mn				
Fx Loan restated in ₹	23264	30004	33094	34877
Rupee Loan	118	209	549	341
Sales Tax Deferment	747	746	712	684
Gross Debt	**24129**	**30959**	**34355**	**35902**
Cash Balance	1867	709	2085	1956
Net Debt	**22262**	**30250**	**32270**	**33946**
EBIDTA (excl. Fx and Other Income)	9633	6101	8891	
Net Debt/EBIDTA (x)	**2.3**	**5.0**	**3.6**	
Shareholders' Fund	25631	23397	26058	
Net Debt / Shareholders' Fund (x)	**0.9**	**1.3**	**1.2**	

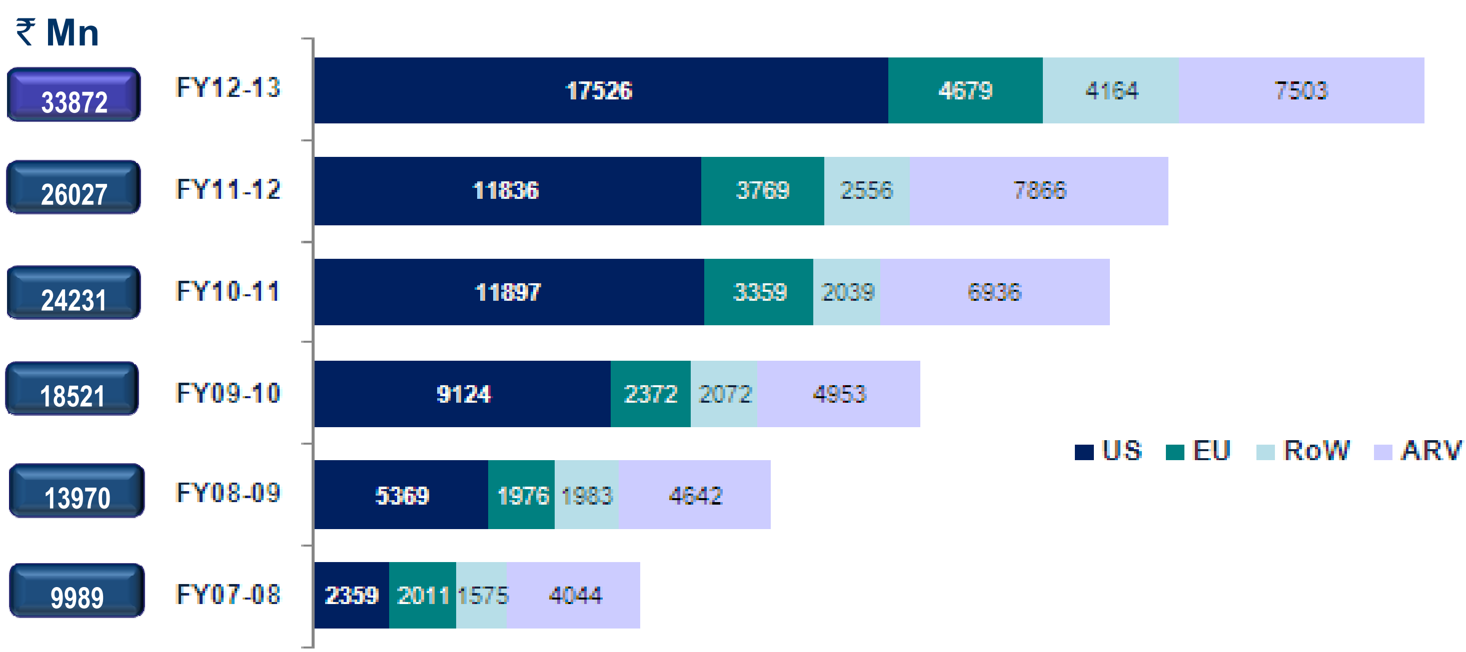
Thank You

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

Annexure

Formulation gross sales break-up

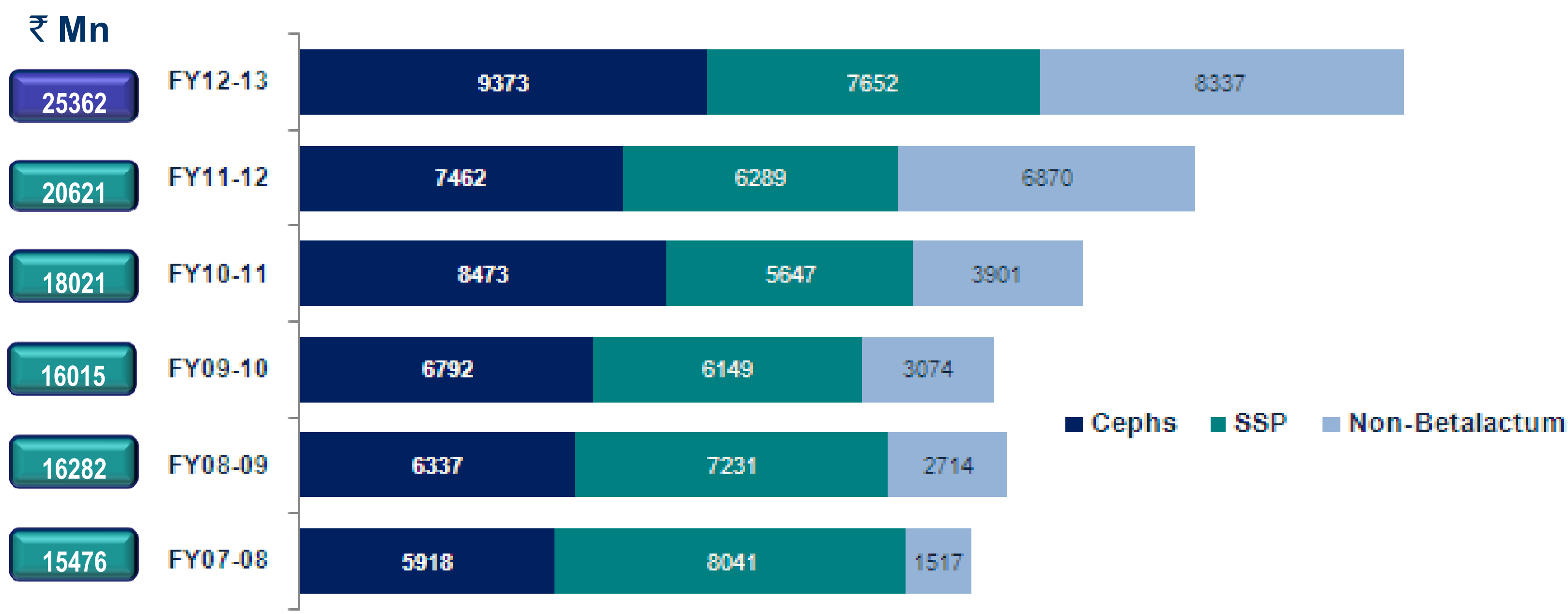
₹ Mn	FY 2011-12				FY 2012-13				FY 2013-14		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
USA	2,740	2,833	3,254	3,009	3,283	4,249	5,134	4,860	6,248	7,308	9,312
Europe	833	938	1,231	767	1,032	1,332	1,104	1,211	1,739	1,706	1,508
RoW	538	255	812	951	829	925	1,129	1,281	1,100	939	1,337
ARV	2,115	1,846	2,146	1,759	1,402	2,522	1,751	1,828	1,918	2,331	2,204
Total	**6,226**	**5,872**	**7,443**	**6,486**	**6,546**	**9,028**	**9,118**	**9,180**	**11,005**	**12,284**	**14,361**
Gross Sales	**10,816**	**10,773**	**12,828**	**12,188**	**12,418**	**15,249**	**15,720**	**15,848**	**17,474**	**19,463**	**21.806**
% of Sales	**58%**	**55%**	**58%**	**53%**	**53%**	**59%**	**58%**	**58%**	**63%**	**63%**	**66%**



Annexure

API gross sales break-up

₹ Mn	FY 2011-12				FY 2012-13				FY 2013-14		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Cephalosporin	1,943	1,704	1,882	1,933	2,231	2,256	2,453	2,436	2,163	2,067	2,175
SSPs	1,567	1,502	1,572	1,648	1,791	1,846	2,130	1,885	2,222	2,429	2,583
Non-Betalactam	1,080	1,695	1,974	2,121	1,850	2,120	2,020	2,347	2,084	2,684	2,687
Total	**4,590**	**4,901**	**5,428**	**5,702**	**5,872**	**6,222**	**6,603**	**6,668**	**6,469**	**7,180**	**7,445**
Gross Sales	**10,816**	**10,773**	**12,828**	**12,188**	**12,418**	**15,249**	**15,720**	**15,848**	**17,474**	**19,463**	**21,806**
% of Sales	**42%**	**45%**	**42%**	**47%**	**47%**	**41%**	**42%**	**42%**	**37%**	**37%**	**34%**



Annexure

Filing details (as at 31st December 2013)

		As at Mar 12	As at Mar 13	Apr-Jun 2013	Jul-Sep 2013	Oct-Dec 2013	As at Dec 13	Approvals
Formulations Advanced markets	US FDA ^	**239**	**269**	12	13*	14	**308**	188* (FA: 163, TA: 25)
	Europe *	**1258**	**1341**	61	24	68	**1494**	117 (965 dossiers)
	SA	**308**	**314**	4	3	9	**330**	66 (152 registrations)
	Australia	**46**	**49**	-	-	-	**49**	47
	Canada	**35**	**49**	7	7	4	**67**	45
		1886	**2022**	84	47	95	**2248**	

* Net of 8 Approved and 2 Tentatively Approved ANDA filings withdrawn in 2QFY14

^ Includes filings made from AuroLife Pharma LLC, USA

* Includes Multiple Registration

+Includes duplicate & triplicate dossiers.

APIs	US FDA	**160**	**172**	(5)**	8	1	**176**
	EDMF	**1395**	**1443**	10	41	2	**1496**
	CoS	**97**	**109**	2	1	2	**114**
	RoW	**502**	**565**	10	5	24	**604**
		2154	**2289**	**17**	**55**	**29**	**2390**

** 9DMFs withdrawn and 4 new filings made during 1QFY14

Patents	**500**	**532**	7	6	6	**551**

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 (75% share)	India	Penem	Injectables
Unit VIB	India	Cephalosporin	Solid & Liquid Orals Injectables
Unit XII	India	SSP	Solid & Liquid Orals Injectables
Eugia (60% share)	India	Oncology and Hormones	Injectables and Soft Gel Capsules

Active Ingredients and Intermediates

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
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 XIA	India	Betalactum	Non-sterile API (for Emerging markets)

Annexure Past financials

Value ₹ Mn	FY2009	FY2010	FY2011	FY2012	FY2013
Net sales	29349	33777	41259	45676	57793
Dossier Income	1424	1977	2556	599	760
Net Operating Income	**30773**	**35754**	**43815**	**46275**	**57793**
Gross margin % of operating income	46.8%	51.9%	50.4%	45.5%	48.5%
EBITDA (before Fx and other income) % to Operating income	16.8%	23.0%	22.0%	13.2%	15.2%
Depreciation / Amortization	1277	1493	1715	2005	2487
Finance Cost	839	678	647	1028	1313
PBT	**726**	**7523**	**7985**	**1081**	**3741**
PAT before exceptional items	**513**	**5609**	**5734**	**1970**	**2914**

Total Shareholder Funds	13181	19203	25631	23397	26058
Borrowed funds – FCCB	9866	7677	6208	-	-
- Other loans	13464	13869	17936	30959	34355
Total Borrowed Funds	**23330**	**21546**	**24144**	**30959**	**34355**
Borrowed Funds net of Cash	22053	20817	22262	30250	**32270**
Fixed Assets (Gross incl. CWIP)	**25098**	29777	30954	37317	39820
Debt (incl. FCCB) / Shareholders' funds (x)	1.8	1.1	0.9	1.3	1.3
Borrowed Funds net of Cash / EBIDTA (x)	4.3	2.5	2.3	5.0	3.6
Asset Turnover Ratio (x)	1.2	1.2	1.4	1.2	1.5

Annexure

Shareholding pattern

%	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	As at 31.03.13	As at 30.06.13	As at 30.09.13	As at 30.12.13
Promoter Group	54.4%	54.8%	54.8%	54.8%	54.8%	54.9%	54.9%	54.9%	54.7%
FII	21.2%	12.4%	13.2%	12.4%	14.7%	16.8%	17.9%	19.8%	21.2%
MF / UTI	6.2%	11.3%	11.6%	11.5%	11.2%	10.9%	11.0%	10.9%	10.2%
Insurance	2.4%	2.5%	2.5%	2.5%	2.5%	2.5%	1.7%	0.2%	0.1%
FIs / Banks / Bodies Corporate	6.7%	8.0%	7.6%	8.5%	7.4%	5.5%	4.7%	4.2%	3.1%
Non-Institutional Investors	9.1%	11.0%	10.3%	10.3%	9.4%	9.4%	9.8%	10.0%	10.7%
	100%	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Equity base (shares # Mn)	**291.1**	**291.1**	**291.1**	**291.1**	**291.1**	**291.2**	**291.2**	**291.2**	**291.2**
Face Value (₹)	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**
Equity Capital (₹ Mn)	**291**	**291**	**291**	**291**	**291**	**291**	**291**	**291**	**291**

Shareholder family (# '000)	**72.3**	**92.2**	**89.9**	**86.5**	**81.1**	**82.5**	**78.1**	**72.1**	**67.9**