

Aurobindo Pharma Limited

Major Strengthening of Aurobindo's European Platform– Binding Agreement to Acquire Actavis 's Western European Operations in 7 Countries

Presentation to Investors – January 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.

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



Transaction Overview

- On Saturday, 18 January 2014, Aurobindo Pharma Limited made an announcement to enter into a Binding agreement⁽¹⁾ through its European Subsidiary to acquire Actavis 's Western European Operations in 7 Countries ("Target Businesses").
- The team has been working on the deal since September 13. A Joint Steering Committee (JSC) will be put in place to oversee the transition from Actavis to Aurobindo.
- The target businesses provide a broad Western-European pharmaceuticals platform including personnel, commercial infrastructure, products, marketing authorizations and dossier licences
- Establishes a strong foothold into France (through the 'Arrow Generiques' brand) and complements Aurobindo's European operations through front-end capabilities in Germany, Spain, Portugal, Netherlands, Italy and Belgium
- Management estimates the target businesses to generate net sales of c.€320 million for the year ended 31st December, 2013
- Aurobindo will leverage its industry leading manufacturing economies of scale and ability to source lower cost APIs to significantly improve profitability of the business in the coming several years
- Actavis and Aurobindo will enter into a long term partnership and supply arrangement in order to support the ongoing growth plans of these businesses
- Total consideration is expected to be around EUR 30 million and will depend upon the Cash and Net Working Capital position at closing. Aurobindo plans to fund the acquisition through internal accruals
- The transaction has been approved by the Aurobindo board
- Closing of the transaction is conditional on certain antitrust approvals and completion of employee consultation processes.
- Jefferies International Limited acted as sole financial advisor and Herbert Smith Freehills LLP acted as legal counsel to Aurobindo

(1): Transaction is conditional on certain antitrust approvals and completion of employee consultation processes

Rationale for the Transaction



1

Highly strategic and transformative opportunity – Aurobindo will become one of the leading Indian pharmaceutical companies in Europe

2

Provides Aurobindo with strong foothold in France through Arrow Génériques while adding capabilities in the most important markets in Europe, enabling Aurobindo to leverage its portfolio and pipeline in these markets

3

The target businesses' European infrastructure is highly complementary to Aurobindo's critical mass in the UK

4

Aurobindo's vertically integrated platform provides the target businesses with an unique opportunity to materially lower COGS and enable its return to profitability

5

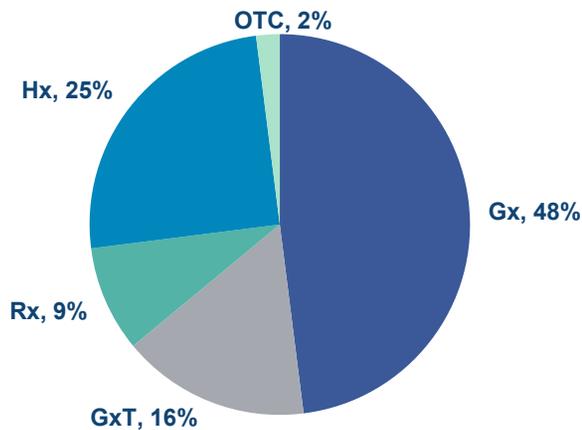
The target businesses provide a readymade hospital sales infrastructure for Aurobindo to launch its own injectable and specialty portfolio across Western Europe

Overview of Target Businesses – Wide Diversified Product Offering

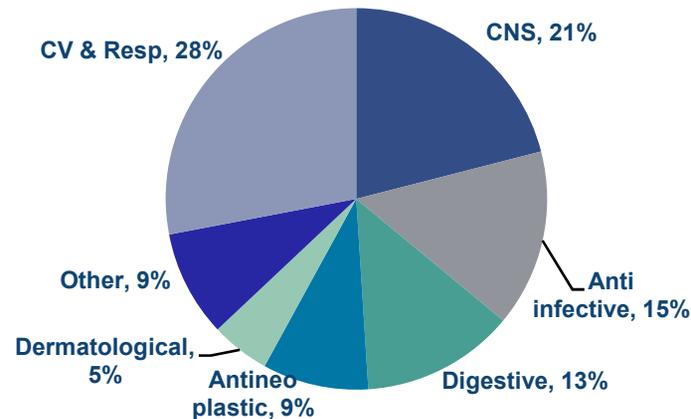


Target Businesses – Estimated Net Sales 2013 Breakup

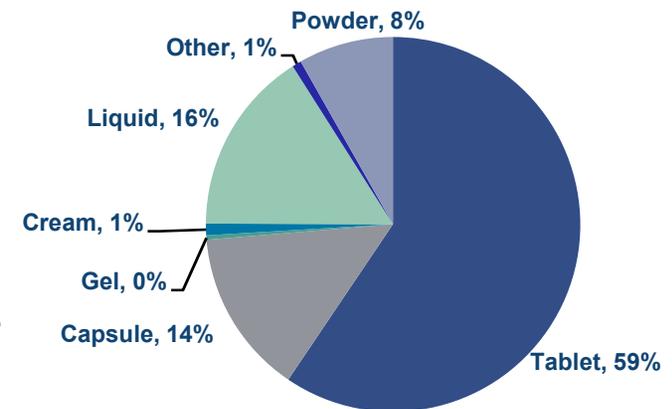
Sales Channel



Therapeutic Area



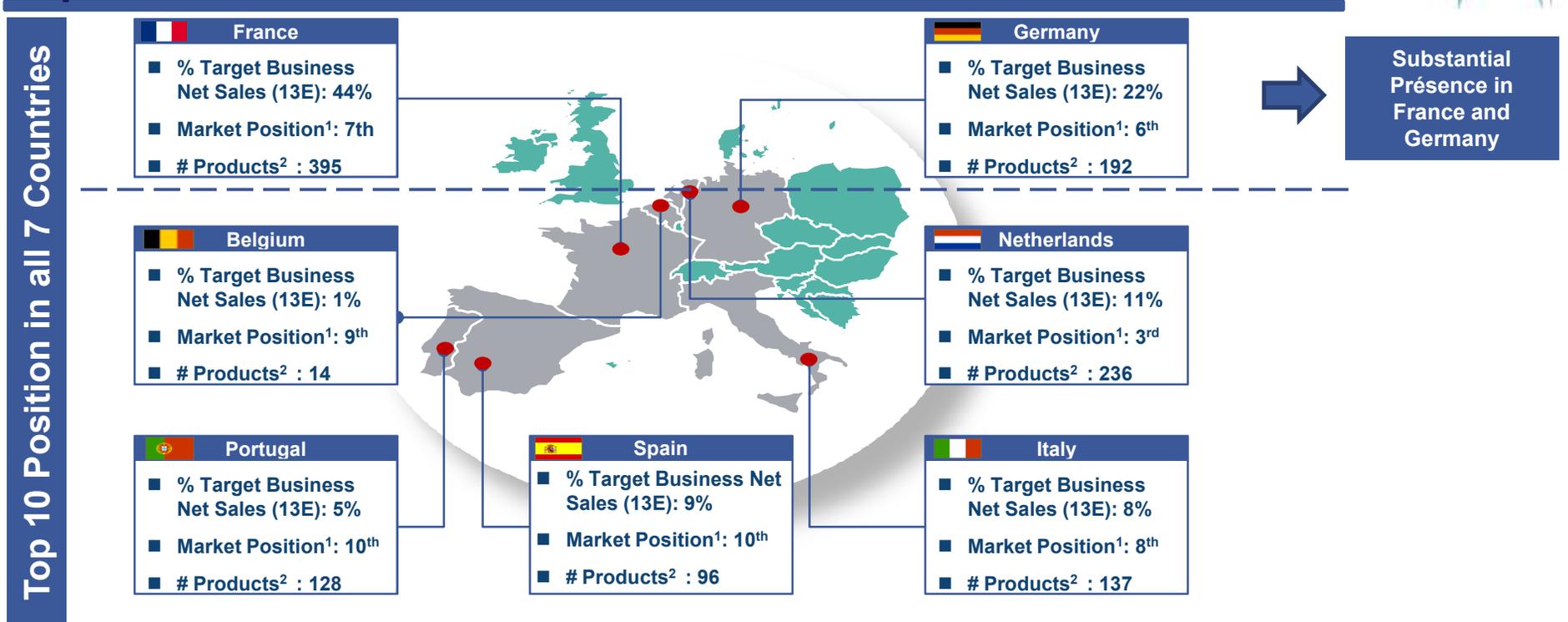
Dosage Form



- Large operational infrastructure with estimated net sales of c.€320 million in 2013 with a year on year growth of over 10%
- Provides access to diversified product range
 - 1,200 products with more than 450 INNs
 - Pipeline of over 200 products to be launched in next few years across the seven European countries
 - The Hospitals portfolio includes a number of attractive injectables including oncology, pain management and anti infective therapies

Notes: All pie charts are based on 2013E sales, Some product overlap on country by country basis by INN

Overview of Target Businesses – Geographic and Sales Channel Expansion



- Provides entry and establishes critical mass in the French market through the ‘Arrow Génériques’ brand
- Establishes Aurobindo amongst the top 5 pharmaceutical companies in Portugal
- Compliments Aurobindo’s presence in Germany, Spain and Netherlands.
- Provides a foothold into the Italian and Belgian Gx markets
- The target businesses provides a front end infrastructure in five segments including generics, Branded (Out of Patent) products, over-the-counter products, hospital products and generics tenders.

Source: IMS Data (1): Based on the Gx/GxT market segments only for standalone target businesses (2): Some product overlap on a country by country basis by INN

Strategic Steps to Restore Profitability



- ✓ The binding offer for Target Businesses was made after completing a thorough due diligence exercise over last four months covering financial, operational, commercial and legal aspects. There were also series of meetings between Top management, Operations Teams and Commercial Teams.
- ✓ Strong team of advisors including Jefferies International Limited, Herbert Smith Freehills and KPMG helped Aurobindo in the acquisition process



Leveraging Aurobindo's vertically integrated platform and its ability to source lower cost API to materially lower the Target Businesses' COGS



Significant number of molecules can be site transferred or replaced by Aurobindo manufactured products



Improved operating leverage by channeling a larger portfolio of marketed and pipeline products through the front end infrastructure



Established hospital infrastructure in key European geographies would provide a ready-made market for higher margin injectable products supplied (or to-be supplied) from Unit 4, Eugia Auronext and Unit 12.

Delivering on Long Term Growth Strategy



New Channels

- Retail Generics.
- Branded (Out of Patent) Products.
- Over-The-Counter Products.
- Hospital Products

New Therapeutic Areas

- Hormones
- Oncological
- Penems
- Oral Contraceptives
- Dermatological.
- Pain Management.
- Ophthalmic

Pipeline Products in Growth Countries

- Pipeline of over 200 products to be launched in next few years across the seven European countries.

Entry into New Territories

- France
- Italy
- Belgium

Aurobindo Pharma: The Journey So Far...

