AUROBINDO

Date: September 7, 2016

To	To
Listing Department, **NATIONAL STOCK EXCHANGE OF INDIA LIMITED** Exchange Plaza, Bandra Kurla Complex, Bandra (E), **MUMBAI -400 051** **Company Code No. AUROPHARMA**	The Corporate Relations Department **BSE LIMITED** Phiroz Jeejeebhoy Towers, 25th floor, Dalal Street, **MUMBAI -400 001** **Company Code No. 524804**

Dear Sirs,

Sub: Presentation to the Investors / Analysts.

Please find attached the Investor Presentation which will be used in an investor conference in Newyork on 8th September, 2016 and then in London on 15th September, 2016.

The presentation is also uploaded on the website of the Company – http://www.aurobindo.com/investor-relations/investors/investor-presentation

Please take the information on record.

Thanking you,

Yours faithfully,
For AUROBINDO PHARMA LIMITED

B.ADI REDDY
Company Secretary

AUROBINDO

INVESTOR PRESENTATION

August 2016

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.

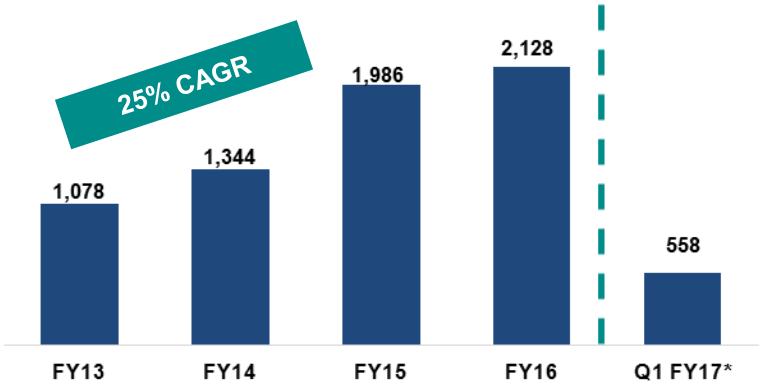
Aurobindo Pharma undertakes no obligation to publicly revise any forward looking statements to reflect future events or circumstances.

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

Company Overview

- Among the Top-5 listed pharmaceutical companies from India by sales[1] and market capitalization[2]
- Well entrenched US portfolio of 403 filed ANDAs including 228 final approved
- Vertical integration with in-house API for around 75% of its Formulation products
- Continued focus on the base business while capitalizing on the complex molecules, differentiated technology platforms and specialty products
- Global presence with 90% of sales from international markets, spanning across more than 150 countries
- 23 API and Formulation Manufacturing Units with 3 in US and 1 in Brazil
- Global footprints with over 15,000 employees

Net Operating Income (US$ Mn)



Top 10 Therapy Segments

Category	Size (US$ Bn)	APL's presence
Oncology	74.5	✓
Anti-diabetics	63.6	✓
Pain / acute	59.8	✓
CNS	47.5	✓
Anti-bacterials	40.3	✓
Respiratory	39.6	✓
Mental health	39.1	✓
Anti-viral	35.9	✓
Lipid Regulator	28.4	✓
Dermatology	28.2	X

Top 10 Generics Markets

Markets	% share	APL's presence - FDF	APL's presence - API
USA	40%	✓	✓
Japan	10%	X	✓
France	6%	✓	✓
Germany	6%	✓	✓
Italy	4%	✓	✓
Spain	3%	✓	✓
UK	3%	✓	✓
China	3%	X	✓
Brazil	2%	✓	✓
Mexico	2%	✓	✓

1) FY16 Sales; 2) As on 31 March 2016; *As per Ind AS

Source: IMS Health, Industry Reports

The Journey So Far…

Creation of a leading vertically integrated platform

1992 – 2003
- Commencement of export of APIs
- Initial Public Offering (1995)
- Began production of formulations

2006
- Acquired UK based Milpharm

2007
- Acquired formulations facility in USA and Pharmacin (now Aurex) in Netherlands
- Investment in building manufacturing, marketing & IPR capabilities

2010
- Commenced operations of SEZ Unit VII and Aurolife, USA facilities and divested Chinese antibiotics facility

2012
- First approval of Controlled Substance formulations in USA
- Set up Auro Peptide to foray into Peptide business

2013
- Commenced marketing specialty injectables products in USA through AuroMedics
- Building capabilities in Penem, Oncology & Bio-catalysis

2014
- Acquired Western European commercial operations from Actavis and US Nutraceuticals company, Natrol
- Focus on differentiated technology platforms eg. depot injections

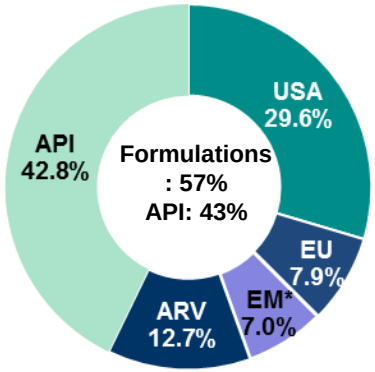
2015
- Investment into Tergene to fund the development of a pneumonia vaccine

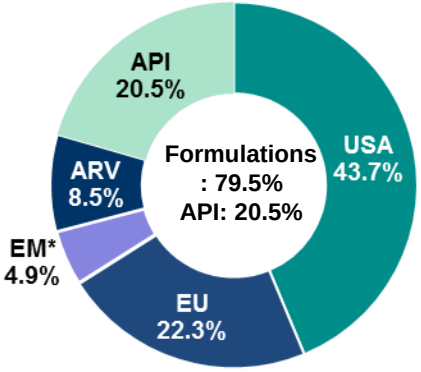
API Focus → **Foray into Finished Dosage Formulations** → **Establishing Global Footprint** → **Consolidating Presence in US and EU + Expanding Injectables & Differentiated Offerings**

Strong Operational Growth

US$ Mn	FY13	CAGR	FY16
Net Revenue	1,078	25%	2,128
EBITDA	164	44%	491
EBITDA Margin (%)	15.2%		23.1%
PAT	54	78%	303
PAT Margin (%)	5.0%		14.3%
ANDA Filed	269		398

Revenue Breakup



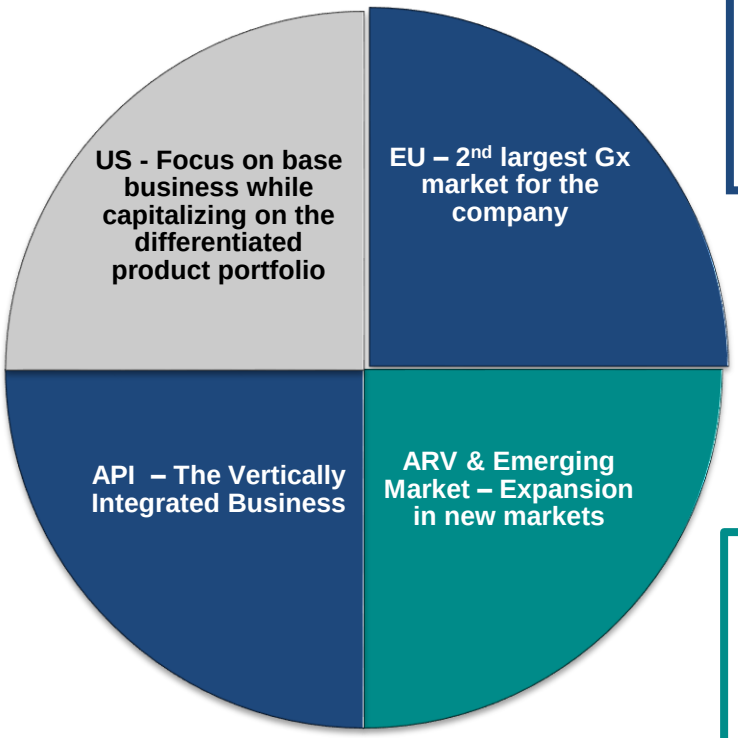


Note: FX rate used for conversion of P&L items: FY13 - 54.31 and FY16 - 65.31
*EM: Emerging Markets

Our Business Segments

US
- Ranked 7th* Rx supplier as per IMS total prescription dispensed
- Differentiated pipeline with new launches including injectables, ophthalmics , speciality products and controlled substances
- Expanded presence in nutraceutical business through Natrol
- Manufacturing and R&D presence including Controlled substances

EU
- Among top 15** Gx companies by sales
- Focus markets are France, Germany, Netherlands, Spain, UK, Portugal and Italy
- Augment position through new product launches and extension to selected Eastern Europe markets



API
- Cost effective with vertical integration of around 75% of API requirement sourced internally
- One of the leading supplier of APIs from India - serves as a source for various Gx and branded drugs
- Strong regulatory capability with 206*** US DMF filings

ARV – Institutional
- Focus on global tenders; availability across >100 countries
- Maintain competitiveness through development of new products

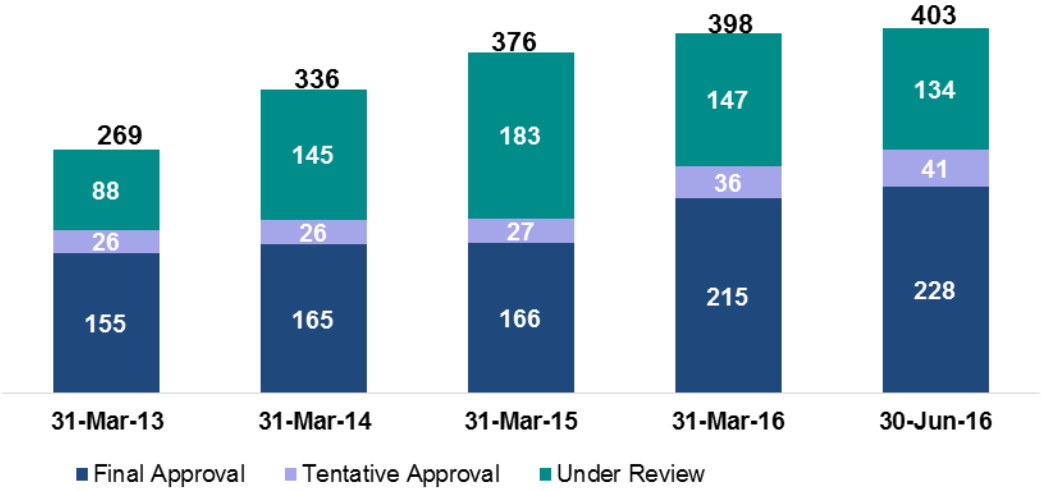
Emerging Markets
- Focus on major markets viz Brazil, South Africa, Ukraine, and Mexico
- Expansion into selective markets of Asia Pac, Africa & Middle East

*Source: IMS National Prescription Audit, Total Prescriptions Dispensed, Twelve months ending April 2016
**Source: Market Reports, ***as on 30 June 2016

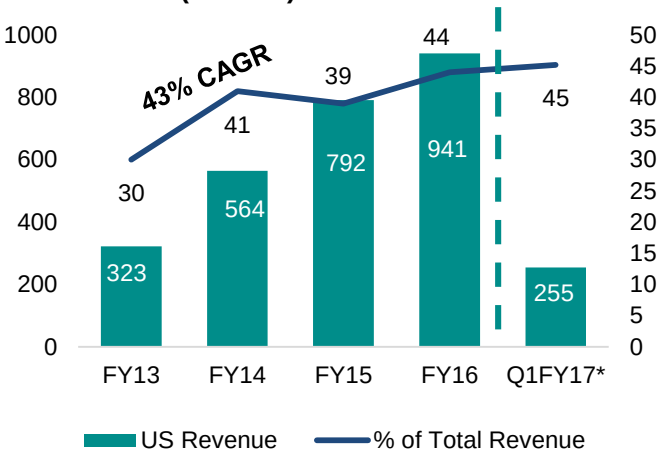
US Business Overview

Aurobindo USA Oral Rx | **AuroMedics** Injectables | **AuroLife Pharma** Manufacturing / R&D | **AuroHealth** Pharma OTC | **Natrol** Nutraceuticals

Cumulative ANDA Filings and Approvals



Gross Sales (US$ Mn)



Tentative Approvals include 21 ANDAs approved under PEPFAR

Unit wise ANDA Filings as on 30-June-2016

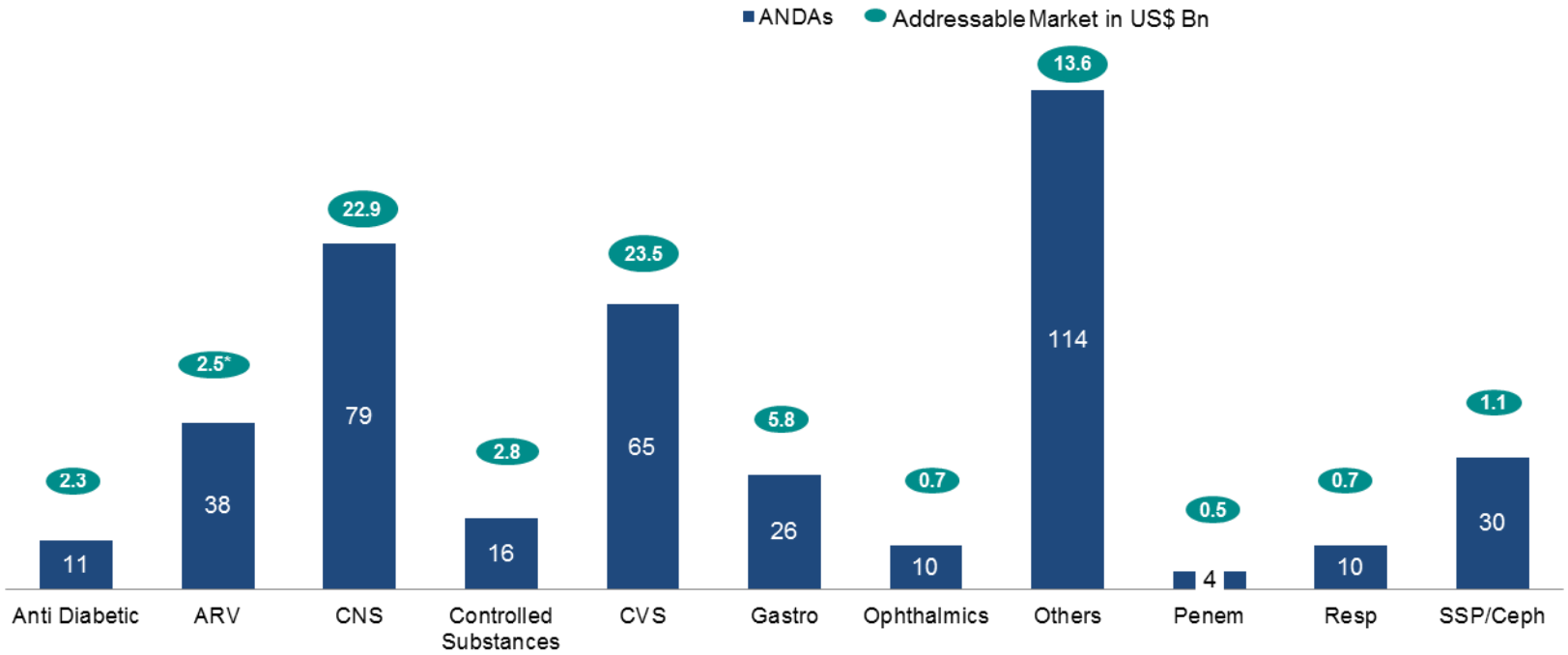
Site	Details	Final Approval	Tentative Approval	Under Review	Total
Unit III	Oral Formulations	93	19	12	124
Unit IV	Injectables & Ophthalmics	31	2	35	68
Unit VIB	Cephalosphorins Oral	11			11
Unit VII (SEZ)	Oral Formulations	61	20	70	151
Unit XII	Penicillin Oral & Injectables	19			19
Aurolife USA	Oral Formulations	13		13	26
AuroNext	Penem Injectables			4	4
Total		**228**	**41**	**134**	**403**

- Broad product portfolio mix complemented with the introduction of high value products
- Strong Pipeline of sterile products incl. ophthalmic, respiratory, oncology, hormones and penems

*As per Ind AS

US: Expanding Portfolio Mix Towards High-value Products

Portfolio mix is complemented with the introduction of high-value products



Addressable Market at US$ 76.4 Bn including ~US$ 50.1 Bn for Under Review and Tentatively approved ANDAs

Future pipeline to include Oncology, Hormones, Depot injections, Inhalers, Patches & Films

Addressable market refers to the market size as per IMS. Data is for the total 403 ANDAs filed by the company

*Does not include the addressable market of the products approved under PEPFAR
Source: IMS Data, June 2016

Natrol

- Amongst the top 20 branded nutraceuticals companies in US
- Diverse Customer Base with long term relationships with key distribution and retail partners
- Strong customer partnerships across multiple distribution channels with growth potential within each channel
- R&D capabilities in new innovative delivery formats as time release, fast dissolve and natural foam
- Inhouse manufacturing capability & regulatory expertise for quality product at competitive prices
- Synergies
  - Expand presence in other attractive global markets
  - Enhance the Research and Development expertise through collaborations

Key Product Segment	
Vitamins, Minerals & Supplements	Sports Nutrition
Diet & Weight Mgt	Hair, Skin & Nails
Favourable Demand Drivers	
Ageing population	Fitness Focus
Consumer awareness	Rising HC costs

EU Business Overview

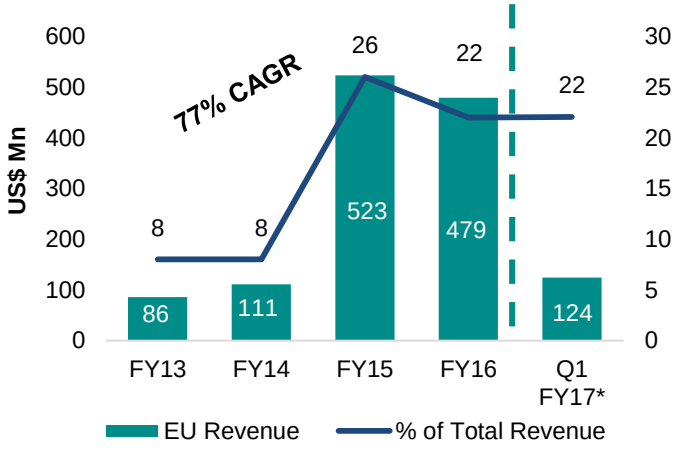
France | Germany | Netherlands | Spain | UK | Portugal | Italy | Romania | Belgium

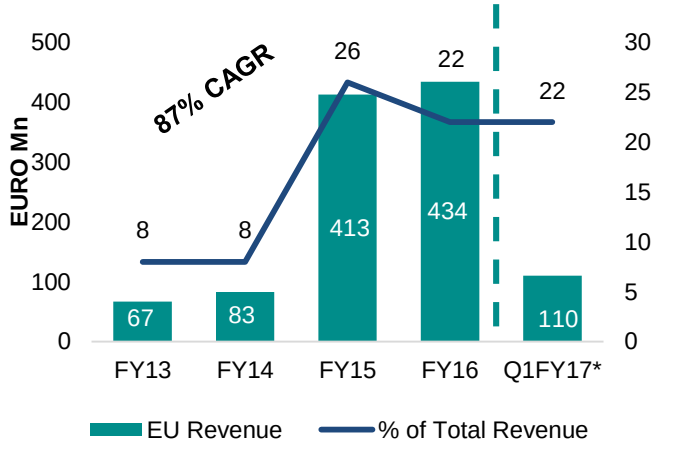
- India's Leading Gx company with strong footprint in Europe
  - Operations in 9 countries with full fledged sales force & support infrastructure
  - Significant presence and position in Top 5 EU markets led by France & Germany
  - Commercialized over 450 INNs across 9 countries of operation
- Presence across Gx, TGx, BGx and Hx segment with established commercial and hospital sales infrastructure
- Expanded analytical testing facilities for sterile and non-sterile products in Malta
- Pipeline of over 200 products under development

Business Strategy

- Consolidate presence & improve position among Top 10 players in each market
- Expanding into new geographies viz Poland and Czech Republic
- Portfolio Expansion through targeted Day 1 launches; Orals, Hormonals & Penems, Oncology Products, Niche Injectables, Low volume Injectables
- Lower generics penetration in Italy, Spain & France offer future growth potential as share of generics improves

Gross Sales

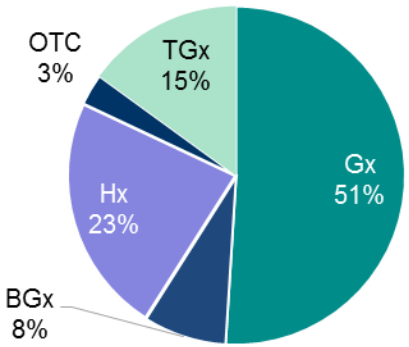




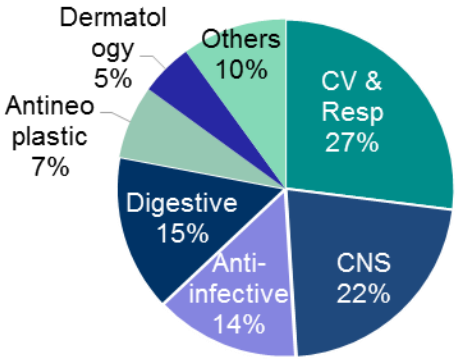
*As per Ind AS

EU: Portfolio Mix Across Channels

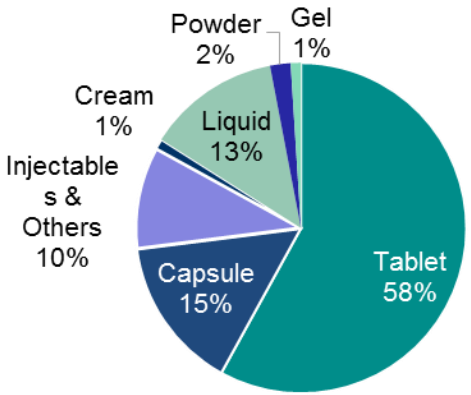
Sales split by Channel



Sales split by Therapeutic Profile



Sales split by Dosage Forms



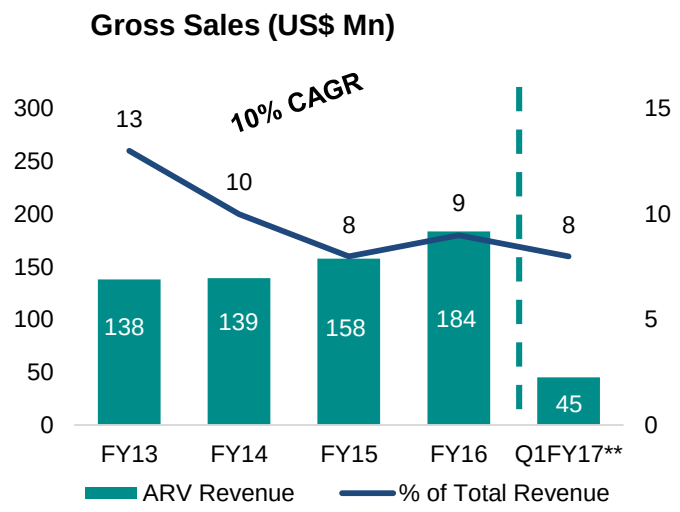
Channels	Gx	BGx	Hx	TGx
Geographies	All 9 countries	7 countries	All 9 countries	Germany, Spain & Netherlands
# of Products	761 (primarily tablets & capsules)	34	343 (predominantly injectables)	765 (including Gx products)
Other Highlights	Amongst top 10 in most markets	Includes leading brands such as Neotigason, Floxapen, Bezalip among others	Focus on high value areas including oncology	Tender based business

ARV Business Overview

- Focus on global tenders floated by Multi-Lateral Organizations like Global Fund, USAID/PEPFAR and Country specific MOH tenders; currently caters to 2.2 million HIV+ patients
- Well integrated supply chain management services and logistics for ARV supplies (29 products) catering to over 100 countries
- Filed over 1,100 ARV dossiers for registrations across the globe.

Dolutegravir (DTG) – The Next Growth Driver

- Aurobindo is the first generic company to sign license with ViiV Healthcare for the next generation Integrase Inhibitor – DTG
  - Filed an ANDA application for DTG 50mg with USFDA under the PEPFAR program.
  - WHO announced this drug as a 1st line reserve drug in its 2015 HIV treatment guidelines
  - Play a collaborative role in upgrading millions of patients to the latest best in class ARV drug
- Developing a Triple drug combination containing DTG
- Market size is expected to be $ 2bn* in 2017; Triple combination drug containing DTG expected to garner major share



Products
Efavirenz+Lamivudine+Tenofovir
Zidovudine + Lamivudine + Nevirapine Tabs
Lopinavir + Ritonavir Tabs
Lamivudine + Zidovudine Tabs
Abacavir Sulfate Tabs
Efavirenz+Emtricitabine+Tenofovir Tabs
Lamivudine Tabs

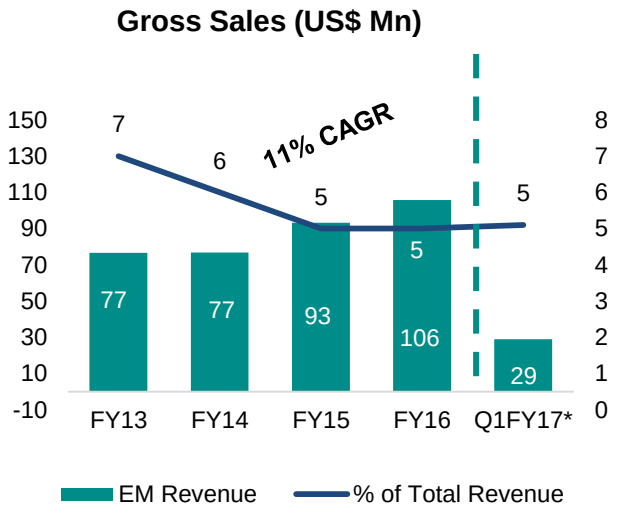
*Source: Market Report of Clinton Health Access Initiative(CHAI) and WHO global forecast report; **As per Ind AS

Emerging Markets Business Overview

- Focus markets include Brazil, South Africa, Ukraine and Mexico
- Geographic diversification through expansion into selective markets of Asia Pacific, Africa, Middle East etc

Opportunity to Leverage

- Build branded generics presence
- Enhance penetration in selected emerging markets through local manufacturing units
- Expand presence with Therapeutic Areas like Oncology and specialty injectables

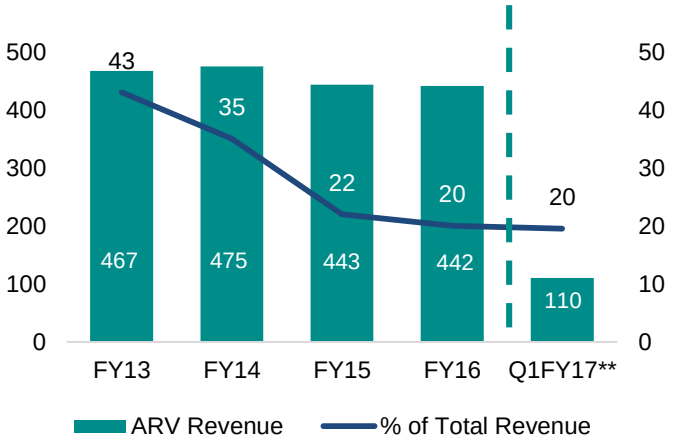


*As per Ind AS

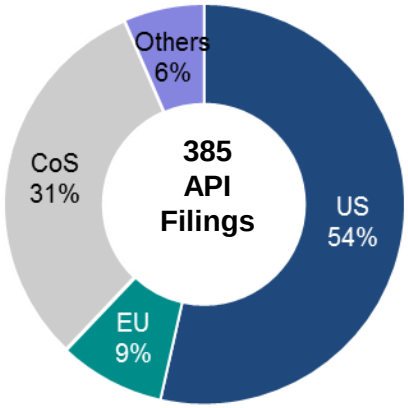
The Base Business : API

- Focus on high value, specialty, small/mid-size products with a limited competition
- Amongst the most vertically integrated generic pharma platforms with API integration for around 75% of its products; offers cost competitiveness and high process chemistry skills coupled with commitment to quality
- Quality & Reliability of supplies and ability to command cost efficiencies as well as economies of scale
- Growing into more advanced regulated market (EU, Japan & USA)
- Facilities meet regulatory standard of advanced market regulators as USFDA, UK MHRA, EU, Japan PMDA, Mexico COFEPRIS, Brazil-ANVISA, Korea FDA etc
- Manufacturing capacities has been enhanced by adding large volume blocks at Vizag to support growth

Gross Sales (US$ Mn)



Strong Regulatory Capability*



*As on 30 June 2016 (excludes Multiple registrations); **As per Ind AS

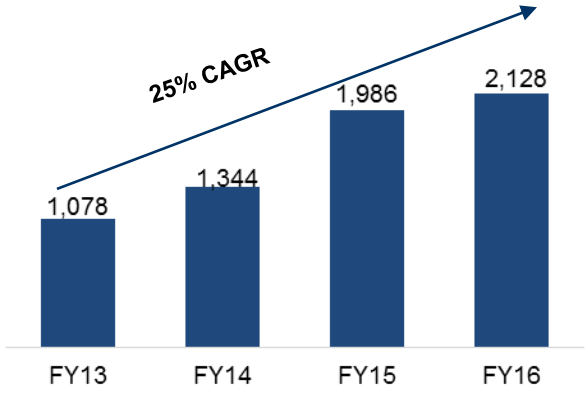
Consolidated Financials

Value US$ Mn	Q1 FY17	Q1 FY16	% Change
Formulations	453.7	413.3	9.8%
API	109.9	114.2	
Formulations % of sales	*80.5%*	*78.3%*	
Net Operating Income	**557.6**	**521.2**	**7.0%**
Gross Margin	312.6	282.3	10.7%
	56.1%	***54.2%***	
Overheads	179.6	167.7	7.1%
EBIDTA (excl. Fx & other income)	133.0	114.6	16.1%
	23.9%	***22.0%***	***188 bps***
Fx (Gain) / Loss	(1.1)	1.7	
Other Income	2.4	4.6	
Finance Cost	3.1	3.3	
Depreciation	15.9	14.1	
PBT from ordinary activities	**117.5**	**100.2**	**17.3%**
PAT (after JV share, minority interest and OCI)	**87.5**	**74.5**	**17.5%**
Avg Fx Rate US$ 1= INR	**66.8255**	**63.29**	

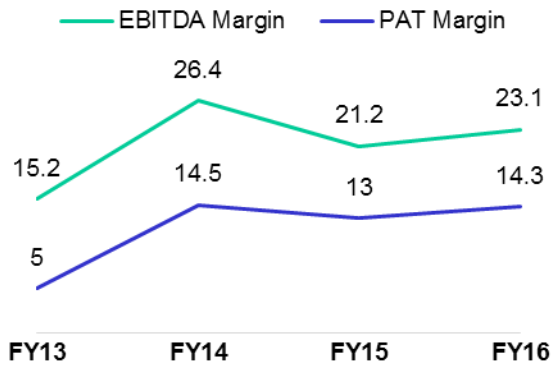
As per Ind AS

Financial Performance

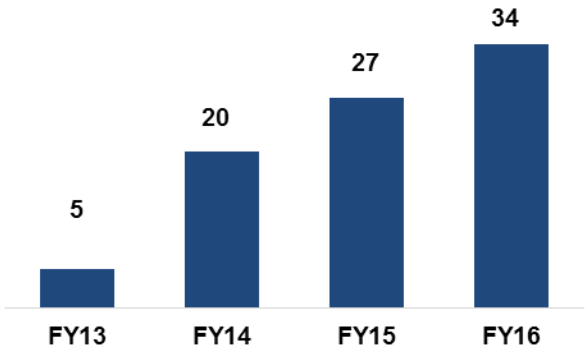
Sales (US$ Mn)



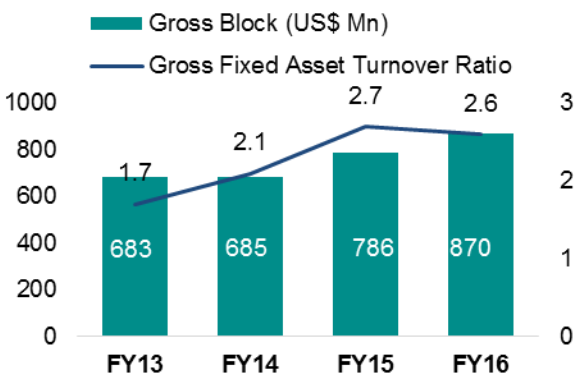
EBITDA & PAT Margin (%)



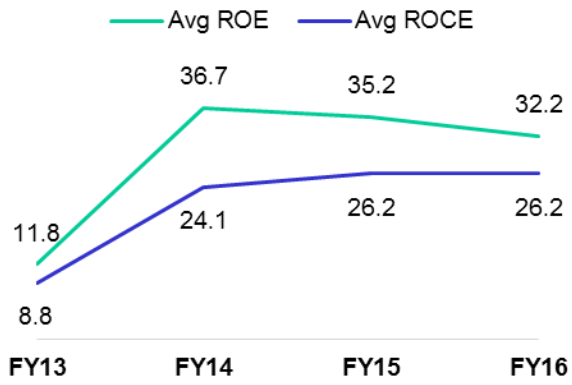
EPS (INR/Share)



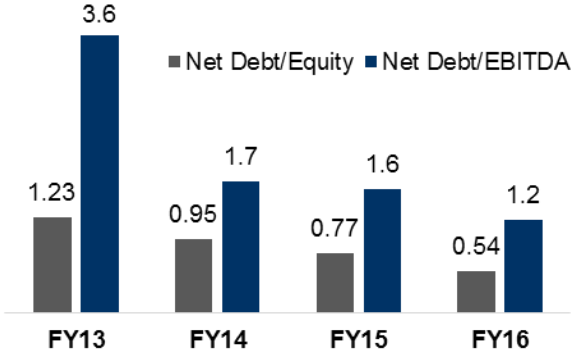
Gross Block & Fixed Asset Turnover



Average ROE & ROCE %



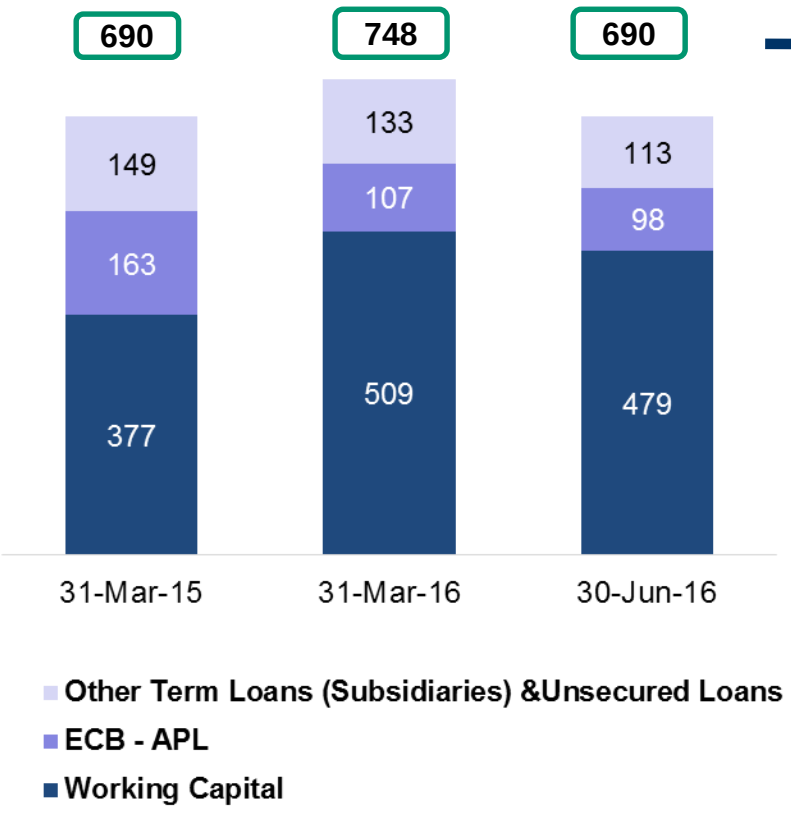
Net Debt/Eq & Net Debt/EBITDA



Gross Block is calculated as Tangible Assets + Intangible Assets-Goodwill

Debt Profile

Fx Loan US$ Mn



Debt as on (INR Cr)	Mar-15	Mar-16	June-16*
Closing Rate1 US$ = INR	62.50	66.255	67.525
Fx Loan restated in INR	4,312.3	4,956.7	4,661.4
Rupee Loan	37.3	46.9	46.5
Sales Tax Deferment	54.9	41.9	0.5
Gross Debt	**4,404.5**	**5,045.6**	**4,708.5**
Cash Balance	450.8	805.2	1,161.9
Net Debt	**3,953.6**	**4,240.3**	**3,546.5**
Net Debt (US$ Mn)	**632.6**	**640.0**	**525.2**
Finance Cost	**1.9%**	**1.8%**	**1.8%**

Numbers as per Ind AS
Debt includes bill discounting
*Gross Debt is after netting off debt factoring of US$ 150 Mn

Fx Debt and Fx Cash Balance are reinstated

New Business and Technology Initiatives to Support Growth

Peptides

- Manufacturing peptides from short to long chain molecules supporting mg to kg scale
- Highly Experienced team of scientists; developed technologies for over 10 products
- Three DMFs filed; work ongoing on more products
- Forward integrating by developing microspheres with an addressable market of US$ 3bn

Oncology and Hormones

- Dedicated R&D center and manufacturing facility set up to develop and manufacture oncology and hormonal products, both for solid and parenteral dosage forms
- Current Product Portfolio includes 6 hormonal products & 57 Oncology products
- Exhibit batches for over 15 Oncology products & 5 hormonal products are scheduled in FY16-17

Enzymes

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

Vaccines

- JV to develop pneumococcal conjugate vaccine
- Efforts to achieve commercial launch of branded products in 2018

Other Technology Initiatives

Working on differentiated technology platforms viz Depot injections, Inhalers, Patches and Films

Key Investments for Future Growth

Brownfield Expansions

- New dedicated block for lypholized vials at Unit IV (General Injectable facility), India
- New finished dosage formulations blocks at Unit VII (SEZ), India
- Substantial capacity expansion at AuroLife, USA

Greenfield Projects

- Oral Solid finished dosage formulations facility at Naidupet (SEZ), India
- Commissioned specialty products (Hormones and Oncology) facility (Eugia), India
- Finished dosage formulations for European markets at Vizag, India
- New campus at USA for central automated warehouse, OTC liquids & packaging facility and Others
- New Formulations Development center in USA

Way Forward

USA	Orals	Market share gain for existing products and introduction of new products (currently 134* ANDAs under review/tentatively approved)
	Specialty	41* ANDA filings under review/tentatively approved for injectables along with a pipeline of Oncology, Peptides and Penem
	OTC	Expand penetration of existing OTC products and capability to capitalize on future OTC conversions
	Nutraceuticals	Enhance the acquired Natrol business profitably through a combination of cost and growth synergies
EU		Margin expansion and ramp up of own filings
ARV		Launch of Dolutegravir and its combination post approvals apart from growing existing market
Emerging Markets		Expansion in new business opportunities
API		Enhanced capacities to support growth in advanced regulatory markets including USA, Europe and Japan
New Opportunities		Complex R&D in differentiated technology platforms such as Depot injections, Inhalers, Patches and Films

*As on 30 June 2016
Oral segment includes 'Under PEPFAR' tentatively approved ANDAs

Annexure

Sales Break-Up

US$ Mn	FY15				FY16				FY17
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1*
USA	187.0	194.2	194.2	215.5	225.9	227.9	238.8	247.3	255.0
Europe	133.8	126.8	139.2	123.6	117.2	117.9	119.1	124.8	124.4
Emerging Market	23.1	25.9	21.6	22.6	27.0	25.9	27.0	26.1	29.0
ARV	37.6	23.0	54.0	42.9	46.6	41.8	46.4	48.7	45.3
Formulations Sales	381.5	369.9	409.0	404.7	416.6	413.5	431.4	446.9	453.7
Betalactum	75.5	74.4	73.2	70.9	75.5	65.9	68.3	74.5	74.1
Non-Betalactum	36.8	38.9	35.8	37.9	38.7	40.7	37.4	40.5	35.8
API Sales	112.3	113.3	109.0	108.8	114.2	106.6	105.7	115.0	**109.9**
Gross Sales	**493.8**	**483.2**	**518.0**	**513.5**	**530.9**	**520.1**	**537.1**	**561.9**	**563.6**
Formulations as % of Gross Sales	**77.2%**	**76.6%**	**79.0%**	**78.8%**	**78.5%**	**79.5%**	**80.3%**	**79.5%**	**80.5%**

- Formulations segment witnessed continuous growth and is now 80% of total sales up from 63% in Q1 FY14
- Vertical integration with in-house API for around 75% of its Formulation products

*As per Indian Accounting Standards (Ind AS) adopted from 1st April 2016

5 Year Financial Snapshot

Value US$ Mn	FY12	FY13	FY14	FY15	FY16
Net Operating Income	**961**	**1,078**	**1,344**	**1,986**	**2,128**
Gross margin % of operating income	45.5%	48.9%	55.5%	54.6%	55.7%
EBITDA (before Fx and other income) % to Operating income	13.2%	15.2%	26.4%	21.2%	23.1%
Depreciation / Amortization	42	46	52	54	60
Finance Cost	21	24	18	14	14
PBT (before exceptional item)	**22**	**69**	**254**	**355**	**417**
PAT before exceptional items	**41**	**54**	**195**	**258**	**303**
Shareholder Funds	460	480	626	825	1,065
Gross Debt	609	633	629	714	711
Net Debt	595	594	599	639	584
Gross Fixed Assets (net of Goodwill)	596	683	685	786	870
Ratios					
Gross Debt / Shareholders' funds (x)	1.3	1.3	1.0	0.9	0.7
Net Debt / EBIDTA (x)	4.7	3.6	1.7	1.5	1.2
Gross Asset Turnover Ratio (x)	1.7	1.7	2.0	2.7	2.6

Filing details as on 30th June 2016

Category	As at Mar 13	As at Mar 14	As at Mar 15	As at Mar 16	As at June 16	Approvals
Formulations						
US*	269	336	376	398	403	269 (FA: 228, TA:41)
Europe**	1,341	1,542	1,756	2,224	2,327	1,380 Dossiers (154 products)
SA**	314	334	345	376	379	168 Registrations (84 products)
Canada***	49	72	83	105	110	87 products
Total	**1,973**	**2,284**	**2,560**	**3,103**	**3,219**	
API						
US	172	181	192	205	206	
Europe**	1,443	1,504	1,601	1,689	1,701	
CoS	109	106	114	118	121	
Others**	565	627	681	715	722	
Total	**2,289**	**2,418**	**2,588**	**2,727**	**2,750**	

In total 385 APIs are filed across geographies with multiple registrations

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

**includes multiple registration; ***excludes withdrawn

For Europe Formulations, as on 30 June 2016 additional 1,641 MAs have been transferred from Actavis

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)&Ophthalmics
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 (EU)
Unit XVI*	Antibiotics, Injectables
APL Healthcare	Pharma OTC, Solid Orals

Active Pharma Ingredients

Site	Product Capabilities
Unit I	CVS, CNS, Anti-Allergics, Non-Sterile
Unit IA	Cephalosporin
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 XI U	Antibiotics (Non-sterile)
Unit XIV	CVS, Anti fugal
Silicon LS	Penems (Non-sterile)
AuroNext	Penems (Sterile)
AuroPeptide	Peptides

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

High specification manufacturing plants approved by key regulators equipped by site dedicated control laboratories located in India

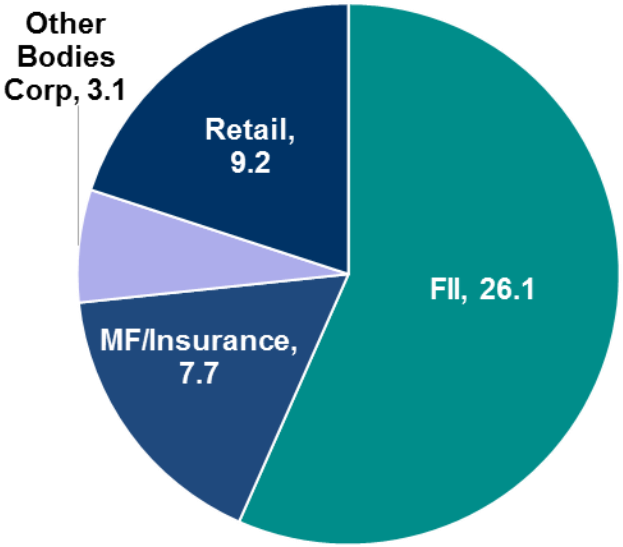
API plants equipped with particle size modifications systems to supply compacted and micronized materials

* Under construction / Yet to be operationalized

Shareholding Pattern

Group	As on 31 Mar 15	As on 31 Mar 16	As on 30 June 16
Promoter Group	54.0%	53.9%	53.9%
FII	29.6%	27.4%	26.1%
MF / Insurance	6.2%	7.2%	7.7%
Other Bodies Corporates	1.6%	2.4%	3.1%
Retail Investors	8.6%	9.1%	9.2%
Total	**100%**	**100%**	**100%**
Equity Shares (in Cr)	29.2	58.5	58.5
Face Value (INR)	1	1	1
Equity Capital (INR Cr)	29.2	58.5	58.5
M-Cap at close (INR Bn)	356.7	435.9	434.5
Shareholder family (# '000)	**75.2**	**115.9**	**128.2**

Non-Promoter Holding 46.1%



Thank You

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

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