



**AUROBINDO'S EUROPEAN OPERATIONS
BINDING AGREEMENT TO ACQUIRE GENERIS IN PORTUGAL**

January 2017



Forward Looking Statements

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

Transaction Overview

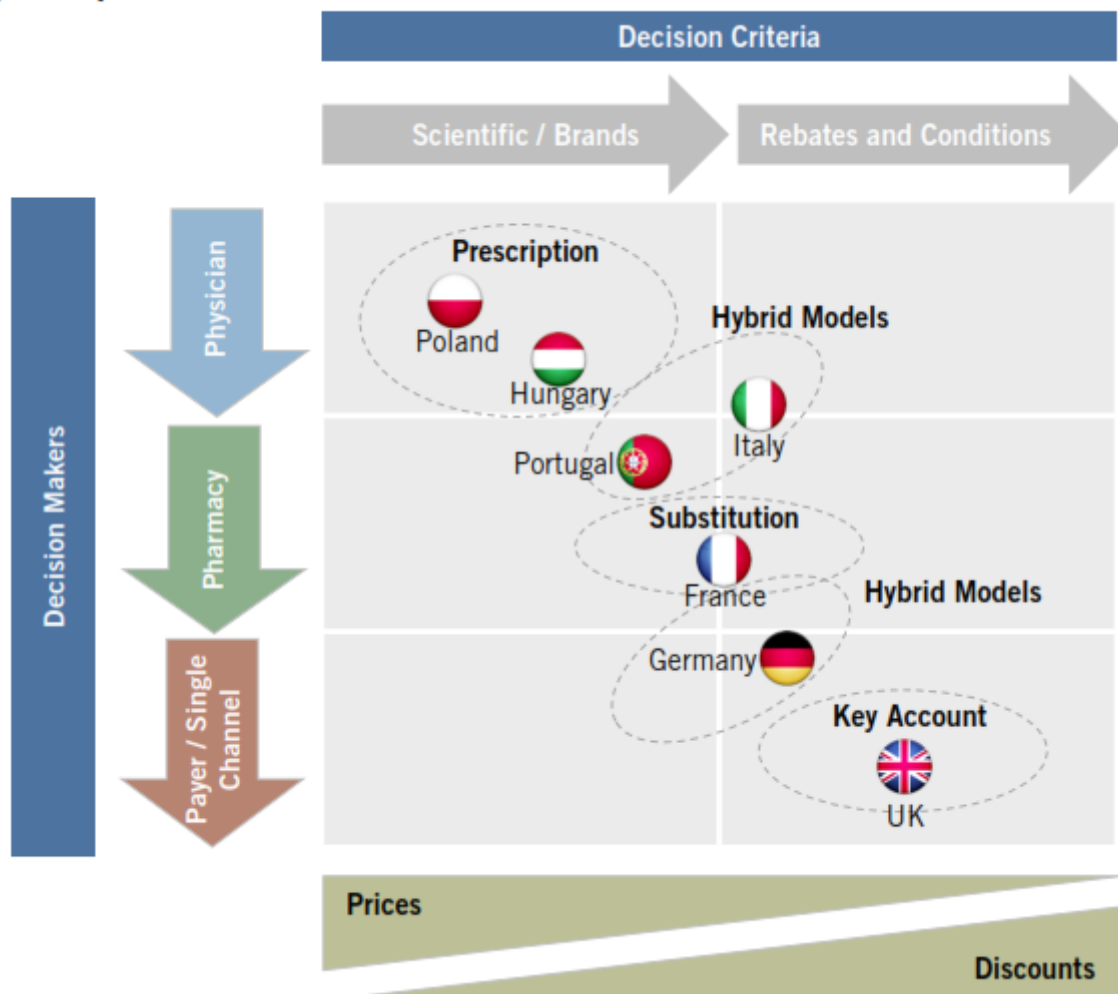
- On January 7, 2017 Aurobindo Pharma Limited (APL) , by & through Agile Pharma BV* made an announcement having entered into a Binding agreement to acquire Generis Farmaceutica SA and its subsidiaries (“Generis”).
- Generis is the ‘most sold’ pharmaceutical brand in Portugal. The Generis Group is currently ranked #2 by value in the Portuguese generic pharma market
- APL already has an existing presence in Portugal via its subsidiaries Aurovitas Unipessoal LDA and Aurobindo Pharma (Portugal) Unipessoal Limitada ranked #11 and #17 respectively by value in the generic pharma market
- This acquisition offers an excellent opportunity to strengthen APL’s existing presence, and catapults APL group to the # 1 position by value and volume in the Portuguese generic market
- Transaction includes production facility at Amadora, Portugal with capacity of 1.2 billion tablets/capsules/sachets
- Total consideration for acquisition is €135m (incl net working capital of € 21.7mn)
- Closing of the transaction is conditional on certain anti-trust approvals

Rationale For Transaction

- 1 Portugal has pharma market size of €3.4 bn. Generic penetration in volume is at ~30% in packs which is below several other European peers, signifying a high growth potential
- 2 Generis has the most comprehensive product portfolio compared to its peers. This helps establish it as a preferred supplier for its customers
- 3 Generis brand loyalty allows not only the high market share in the Portuguese market but also provides premium pricing power within generics resulting in better margins
- 4 Highly experienced management team of Generis, with proven track-record in the generics industry
- 5 One of the largest commercial teams in Portugal with excellent customer relationship in the generics market
- 6 Modern manufacturing facility to help Aurobindo service the Portuguese market efficiently and capture untapped business opportunities for APL group's other European subsidiaries (short lead-time tenders, low volume products) leading to improvement in capacity utilisation from current 50% to over 80% by 2020
- 7 Synergies from Aurobindo's vertical integration, new products portfolio launch through Number 1 company and improved capacity utilisation are expected to be €2m in Calendar Year 2018, €5m in 2019, and expected to improve further on an annual basis

The Portuguese Generics Market vs other EU Markets

Key European Generics Markets Matrix

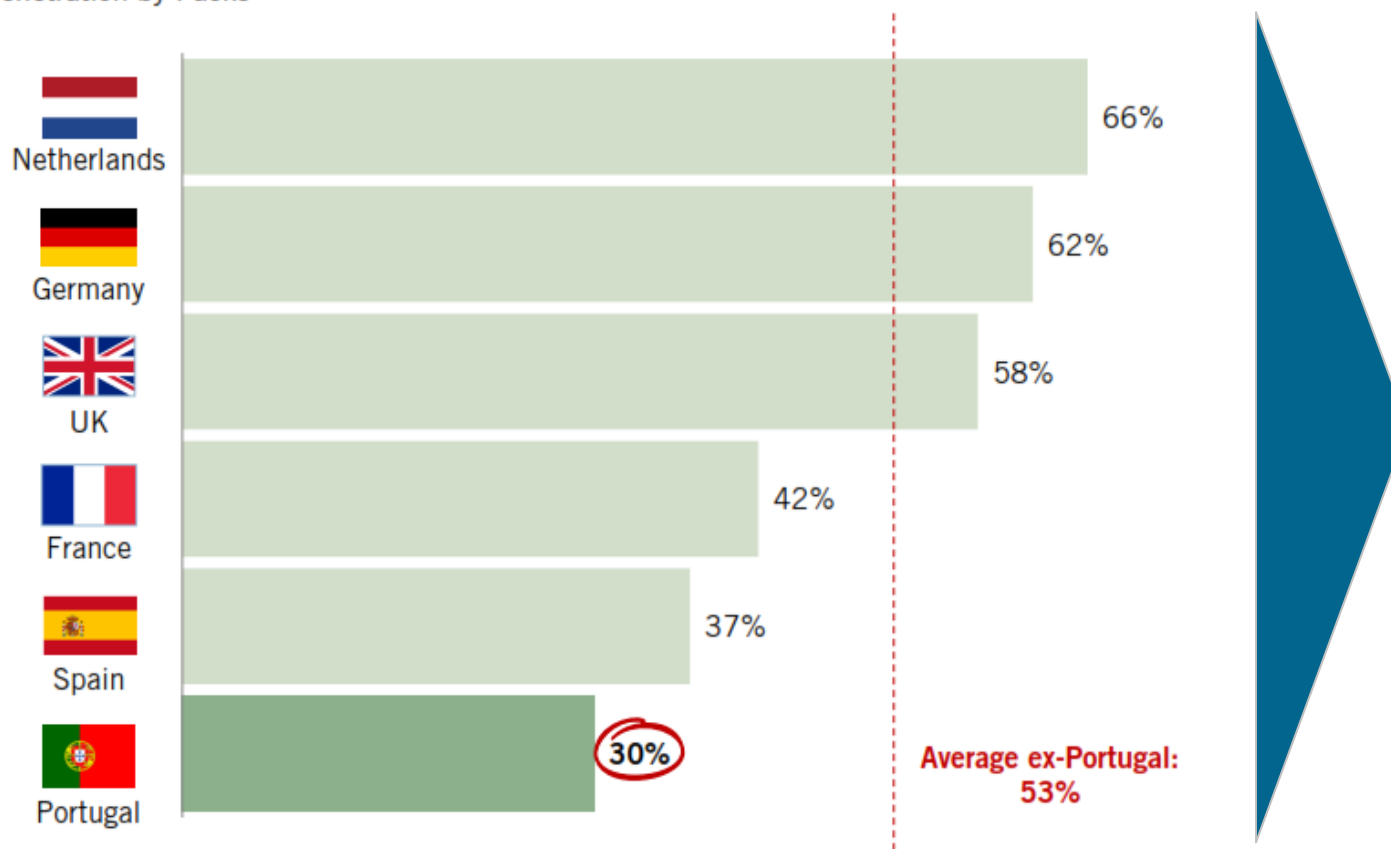


- INN (generic molecule) name conjoined with corporate name on generic pharmaceutical packs
- Brand recognition of corporate name is very important for customer loyalty
- Established generic products enjoy price premium (willingness for higher co-pay)
- Different market models exist in EU, but the Portuguese model is less genericised and is meeting Government's objectives
- No drastic regulatory change expected over the medium term
- Market is in equilibrium between Government, pharma players and pharmacies

Portugal: Generic Penetration Is Still Far Below Other Major EU Nations

Volume Growth is Supported by Rising Generics Penetration as Portugal Narrows the Gap with the EU

Penetration by Packs



Portuguese Government long term aim : popularise generic penetration to ~45% by 2019

Generis: Strong branding, commercial expertise, and local manufacturing base

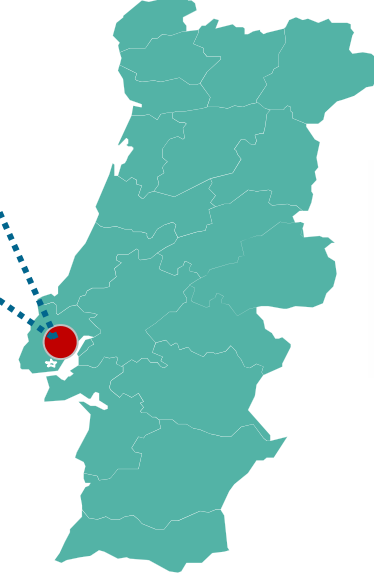
Strong Brand, Solid commercial expertise

- ▶ Headquartered in Lisbon, Portugal
- ▶ 54 people strong sales team
- ▶ Efficient production facility with capacity of 1.2 billion tablets/capsules/sachets
- ▶ Manufacturing plant utilisation – 50% (current); ramp up to >80% by 2020
- ▶ Estimate of ~€64.8m revenue and ~€12.7m *adjusted* EBITDA for (Jan-Dec) 2016, Projection of ~€72.6m revenue and ~€15.8m EBITDA in 2017
- ▶ 2017 profitability improvement from growth in sales mainly from new launches and resolution of temporary supply chain issues from 3rd party in 2016

Broad Product Portfolio, Manufacturing Base

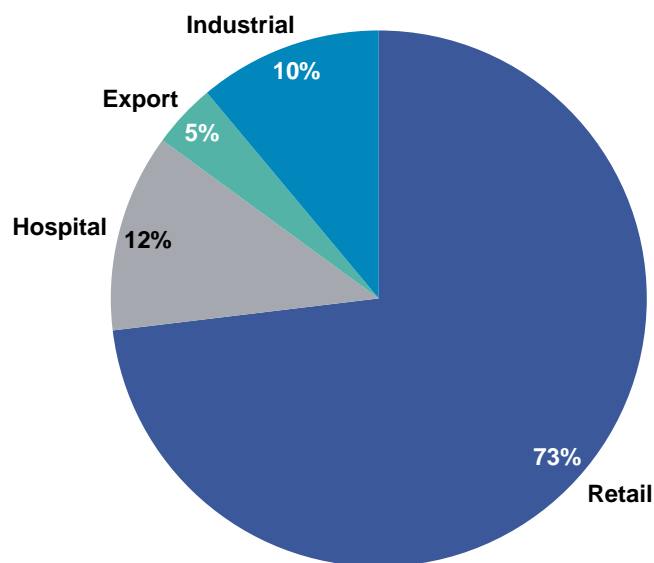
Headquarters and Manufacturing Facility

Amadora, near
Lisbon

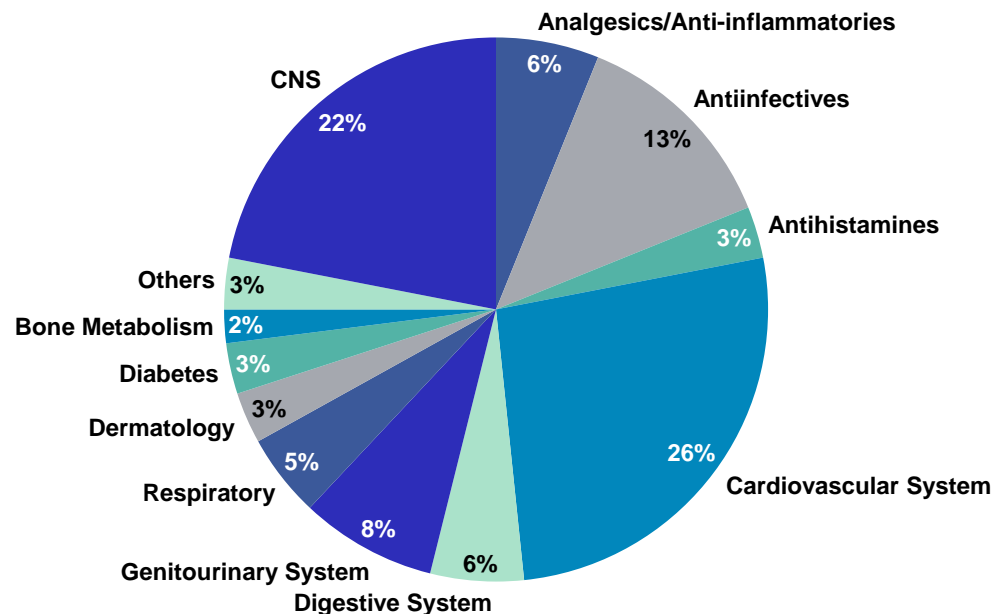


Generis: Sales breakdown by Category

2016LE Net Sales Breakdown by Category



Product Portfolio Breakdown by Therapy Area



Generis

A well diversified portfolio addressing 95% of the generic retail market by value with 227 products + 51 products awaiting approval

Aurobindo's European Footprint Post-Acquisition



United Kingdom

- ▶ APL position in market: 11th
- ▶ Number of products currently marketed: 91



Netherlands

- ▶ APL position in market: 3rd
- ▶ Number of products currently marketed: 260



Belgium

- ▶ APL position in market: 9th
- ▶ Number of products currently marketed: 33



France

- ▶ APL position in market: 6th
- ▶ Number of products currently marketed: 268



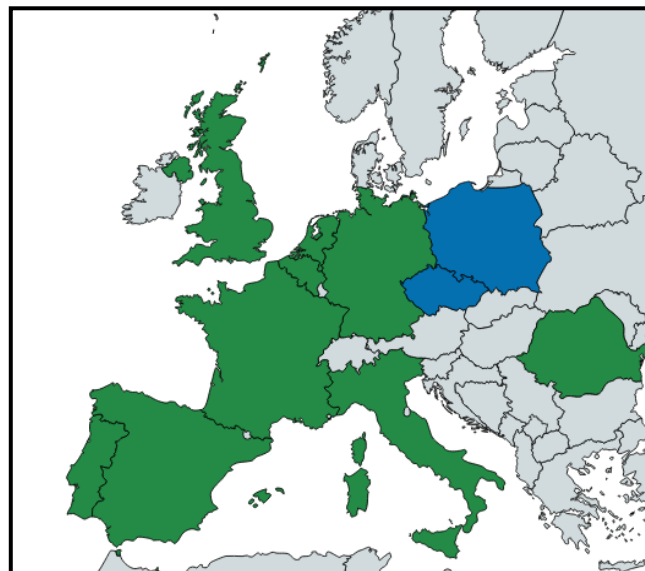
Spain

- ▶ APL position in Spain: 9th
- ▶ Number of products currently marketed: 142



Portugal + Generis Acquisition

- ▶ APL position in Portugal: 1st
- ▶ Number of products total marketed: 271



■ Core European territories

■ Territories for further expansion – PL and CZ



Germany

- ▶ APL position in market: 8th
- ▶ Number of products currently marketed: 239



Romania

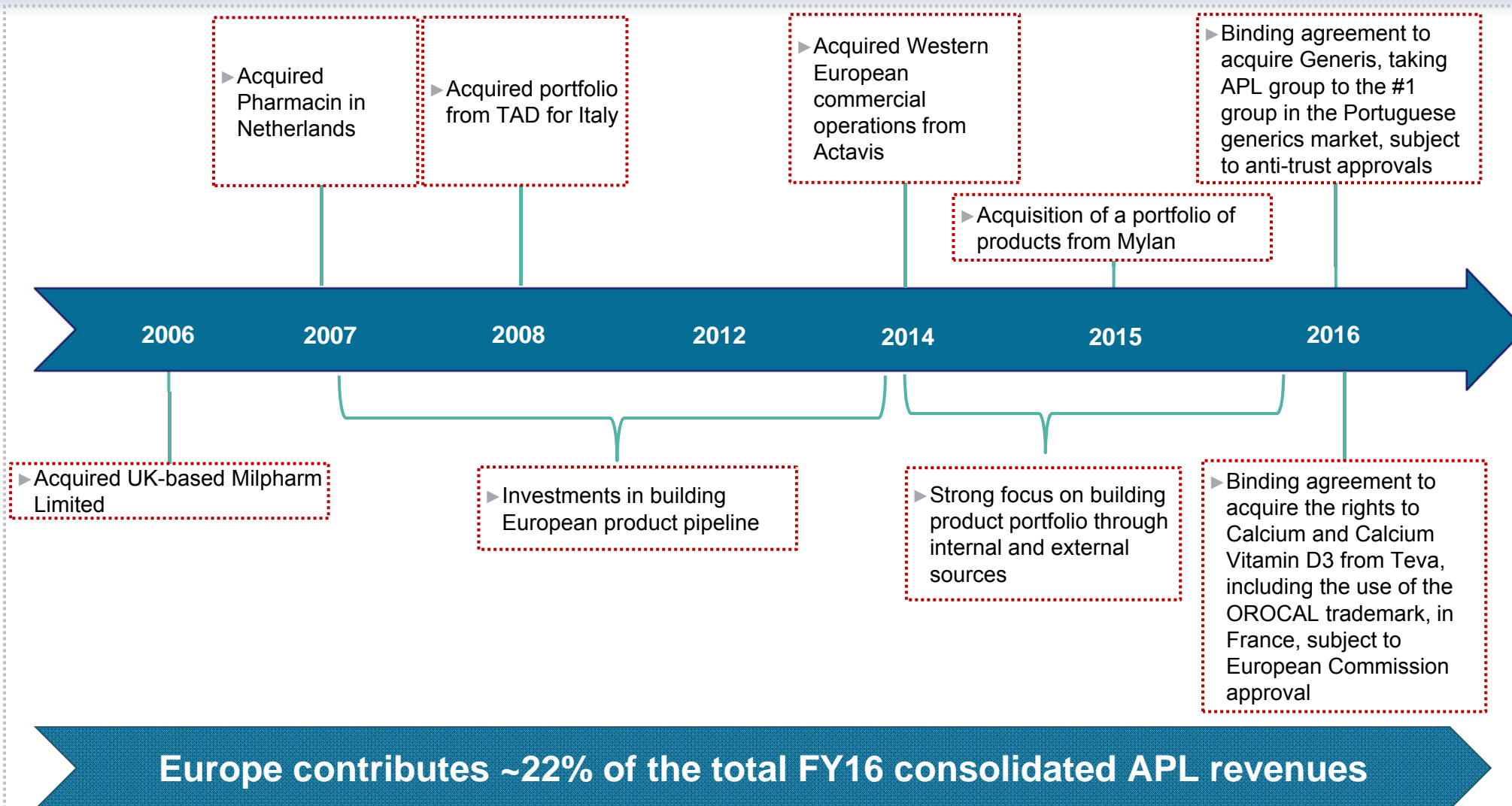
- ▶ APL position in market: 34th
- ▶ Number of products currently marketed: 35



Italy

- ▶ APL position in market: 10th
- ▶ Number of products currently marketed: 140

Aurobindo's European Progression (1/2)



Aurobindo's European progression (2/2)

- **Acquisition catapults APL group to the # 1 position in Generics Market of Portugal**
- **Within 3 years Aurobindo's European Formulation Business jumps more than Five Times from €84 m FY14**
- **Aurobindo Group ranking in Europe is now within the top 10 generic companies**