



Investor Presentation

Q1 FY 17 Earnings Release

12 August 2016

Except for the historical information contained herein, statements in this presentation and the subsequent discussions may constitute "forward-looking statements". These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, our ability to obtain regulatory approvals, technological changes, cash flow projections, our exposure to market risks as well as other risks. Cipla Limited does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

Q1 FY17 Highlights

Continued Growth Momentum in Key Markets

Leadership position
in a challenging India
Market

Strong base business
performance in US¹

Healthy double digit
growth in South Africa²

Profitability

EBITDA percentage expansion on the base business highlighting early signs of gross margin expansion and expense productivity

InvaGen

EBITDA accretive to the overall business
Integration on track with processes streamlined across key functions

Investment for future Growth

Significant ramp-up in product filings across key markets
R&D spend increased by 40% yoy
Overall R&D spend at ~7% of sales and in-line with the FY target

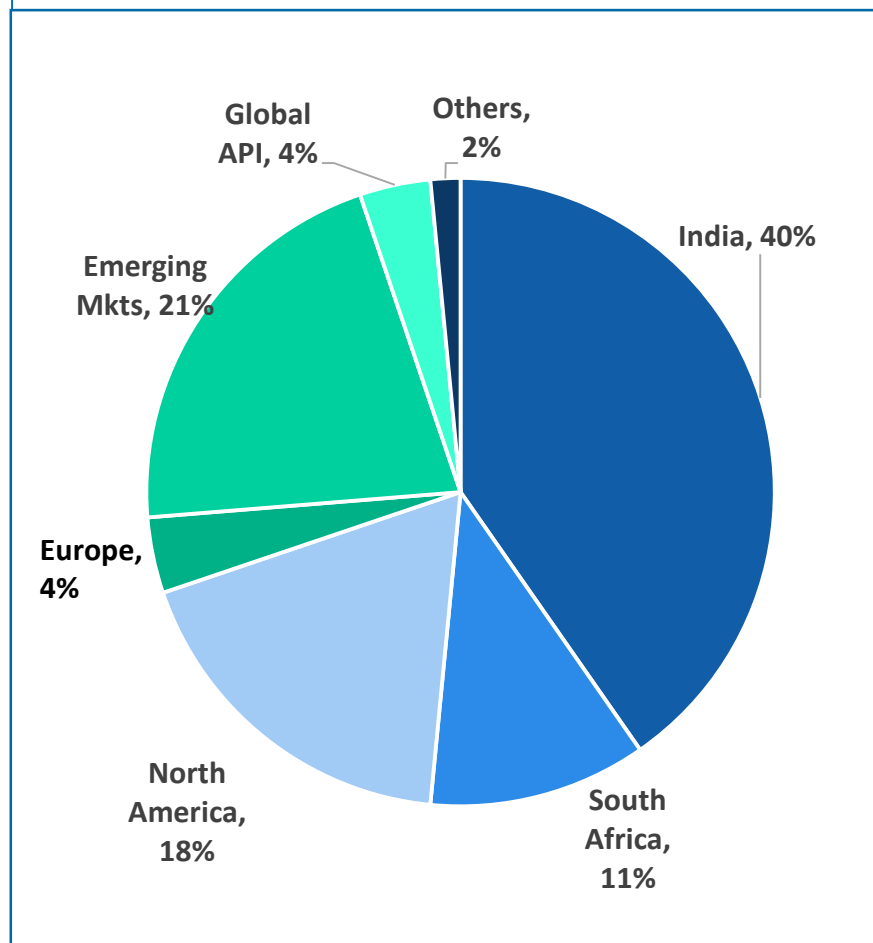
1. Excluding the impact of one-offs (Esomeprazole) and Invagen

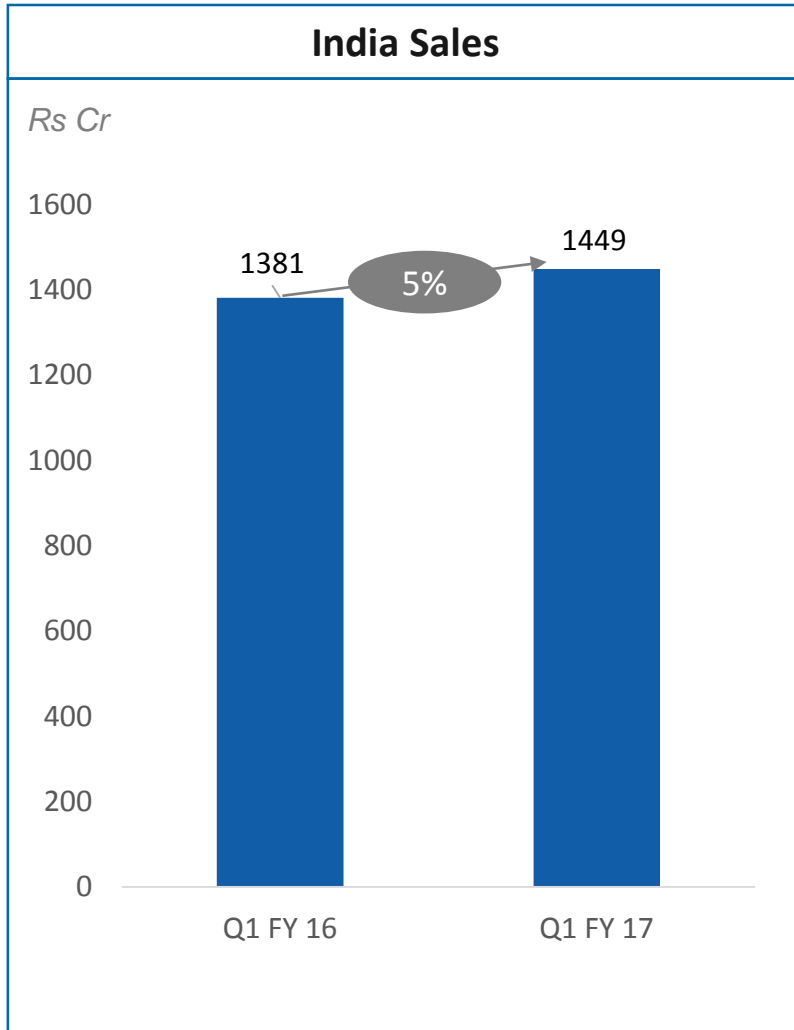
2. In local currency terms

Q1 FY17 (Consolidated)

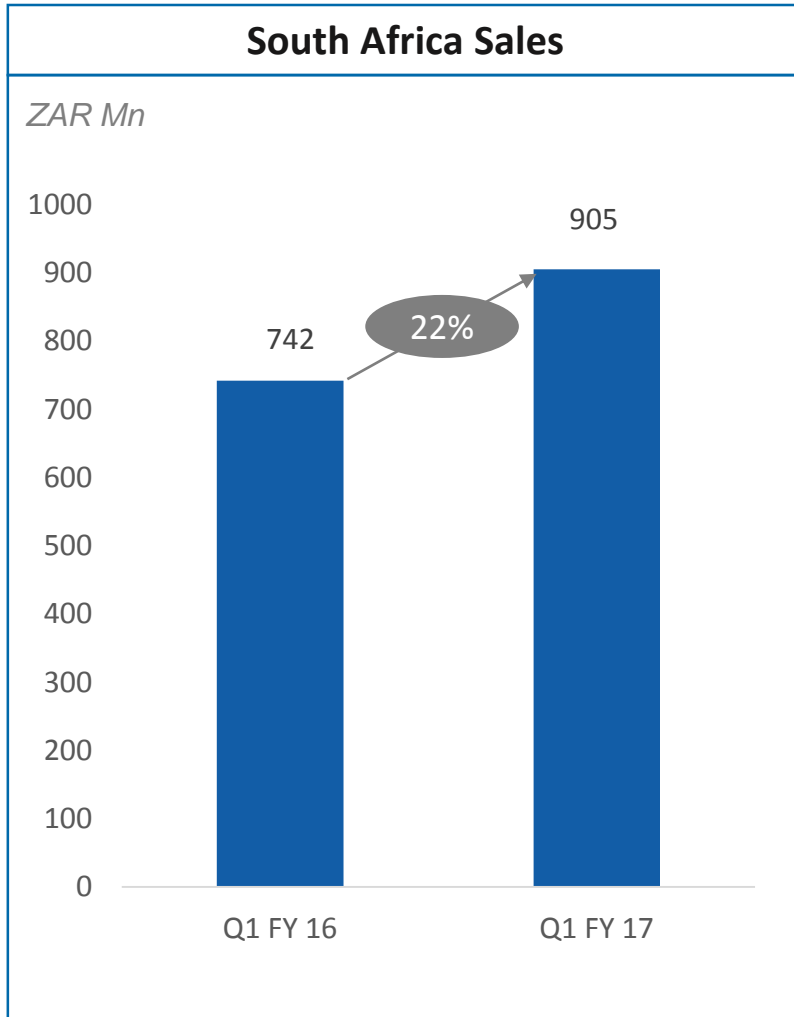
	Actuals (Rs Cr)	vs Q1 FY 16
Total Income from Operations	3,594	-6%
a) Domestic Sales	1,449	5%
b) Int'l Sales	2,051	-14%
c) Other Operating Income	94	21%
EBITDA	611	-42%
EBITDA %	17.0%	-11%
PBT	444	-50%
PBT %	12.4%	-11%
PAT	365	-44%
PAT %	10.2%	-7%

Revenue Break-up

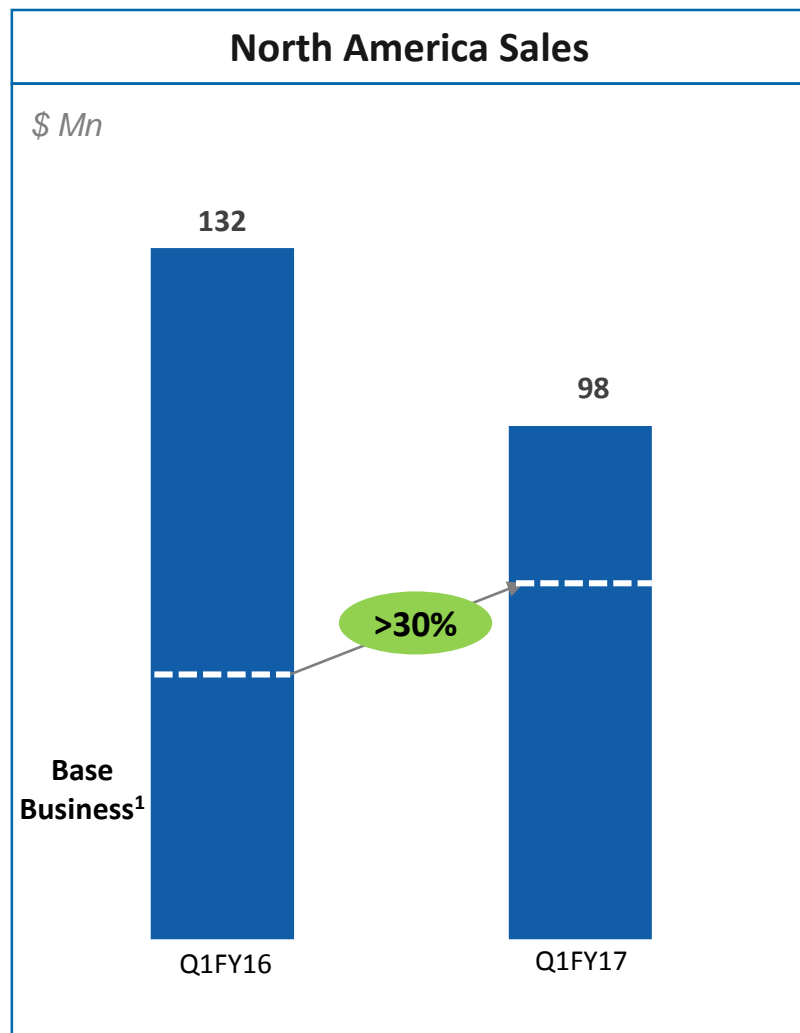




- As per IMS MAT Jun'16, strong domestic growth of ~13% with 5.2% market share in Rx
- Robust performance despite regulatory challenges
 - Key therapies such as Respiratory and Anti-infective have outperformed the market²
- Significant progress in portfolio build out for high-value therapies
 - In-licensing of Hepatitis B vaccine from Serum Institute of India (SII)



- As per IMS MAT (Jun'16), growth of ~14% vs. ~7% market growth in private market, among the Top 3 fastest-growing players
 - Leadership in Respiratory, CNS, Oncology segments with ~25-30% market share
- Market share of 5.3% in private market, up from 4.7% last year
- 10% growth in tender market vs. last year, focus on higher-margin tenders going forward
- Partnership with the Government to set up South Africa's first biotech manufacturing facility

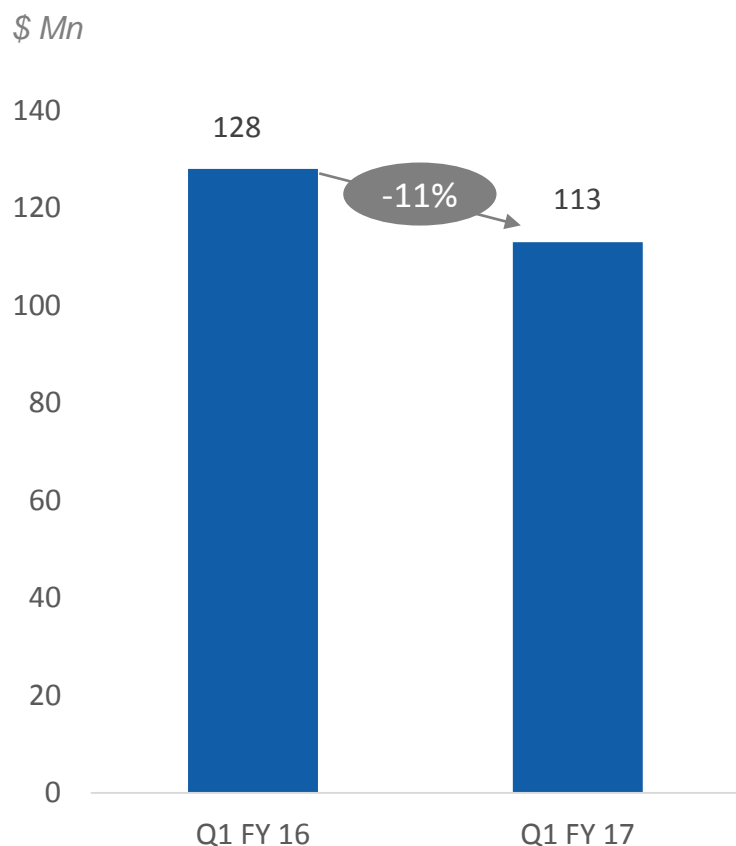


¹For illustrative purposes only and not to scale

- Base business growth of 30%+ in dollar terms vs last year
- Third fastest-growing generics player in the US in Q1 FY17², strong DTM performance
 - 8 of 38 products ranked #1 in their segments
- Integration of InvaGen Pharmaceuticals Inc. and Exelan Pharmaceuticals Inc. progressing smoothly
- Ramp-up in US portfolio and filing intensity
- Acquired 3 products from Teva’s US portfolio
 - Includes the rights to a limited-competition product with likely filing date in Q2

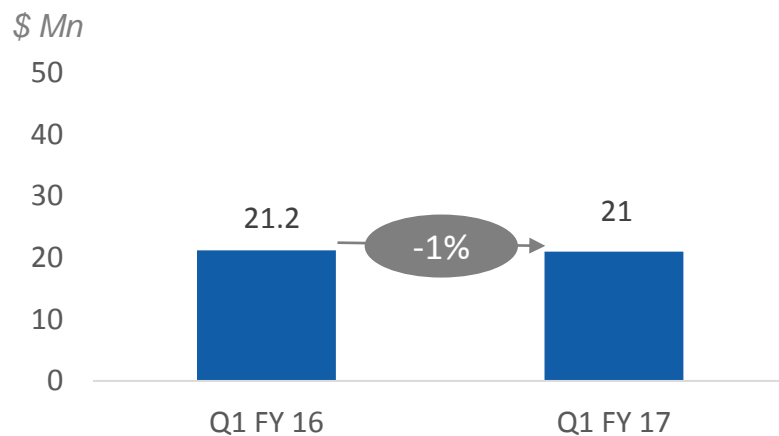
²Based on IMS data on absolute number of scripts

Emerging Markets Sales



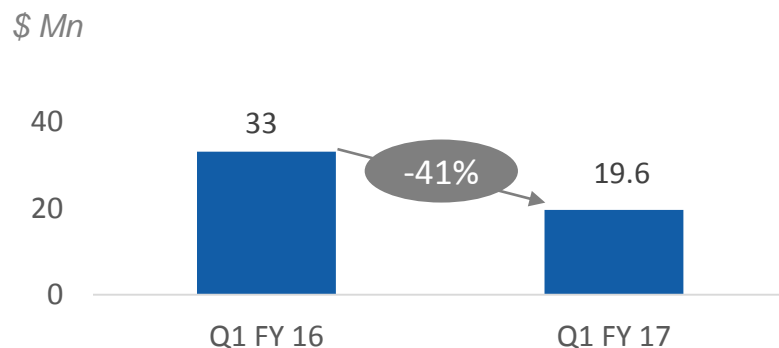
- Decline of ~13% in DTM markets vs. last year, driven by forex volatility and complexity reduction initiatives
- Decline of ~15% in partnership-led markets (B2B), mainly on account of price decline in some Middle East markets
- Focus on building harmonized portfolio and leveraging existing dossiers across markets
- Cipla Global Access (CGA) decline of ~9%, partly on account of lumpiness in order placement
 - Continued competition and price pressure

Europe Sales



- Sales largely flat vs. last year, driven by country-specific challenges in B2B business
- Progress on transition from DTM to B2B (partnering) model in select countries
- Focus on profitability through product mix improvement and leaner cost structure

API Q1 Sales



- Decline mostly attributable to higher inventory levels with partners

Progress on key priorities is on track



Key Priorities	Q1 FY17 Progress
<p>1 Accelerate scale-up of US business</p>	<ul style="list-style-type: none"> ✓ ~6x growth in organic US DTM business; 6 from Cipla pipeline in last six months ✓ Seamless integration of InvaGen and Exelan businesses <ul style="list-style-type: none"> - Processes integrated across key functions (Commercial, Quality, Manufacturing etc.) - 1 product launched from InvaGen pipeline - 4 filings in Q1 FY17, including some oncology filings ✓ 3 products acquired for the US from Teva's portfolio including a limited-competition product, continued focus on partnerships for first-to-file opportunities and differentiated generics
<p>2 Enhance growth in India business</p>	<ul style="list-style-type: none"> ✓ Strong performance and above-market growth in key therapies and top Cipla Rx brands ✓ Hepatitis B vaccine added, new products launched in Urology, Dermatology and Gastrology
<p>3 Enhance leadership position in key Emerging Markets</p>	<ul style="list-style-type: none"> ✓ Among top 3 fastest-growing players in South Africa, increase in private market share to 5.3% ✓ Focus on resolution of country-specific challenges to restore growth in emerging markets
<p>4 Continue to invest in pipeline</p>	<ul style="list-style-type: none"> ✓ Development progress and filing timelines of top 50 projects on track ✓ Human clinical trials for Bevacizumab underway, development initiated for second product ✓ ~40% increase in total R&D spend vs. last year, currently stands at ~6.6% of sales
<p>5 Enhance organizational efficiency, maintain quality track record</p>	<ul style="list-style-type: none"> ✓ Improvement in profitability through focus on cost management ✓ Complexity reduction through decrease in the number of countries with DTM play ✓ Successful inspections with key regulatory entities across multiple manufacturing locations

Thank you

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