Agenda

1. Setting the context: GV Prasad, CEO and Abhijit Mukherjee, COO - 25 mins
2. Generics: Amit Biswas - 25 mins
4. Proprietary Products: Raghav Chari - 25 mins
5. Aurigene: CSN Murthy - 20 mins
6. BREAK - 30 mins
7. Q&A - 60 mins
Safe harbor statement

This presentation contains forward-looking statements and information that involve risks, uncertainties and assumptions. Forward-looking statements are all statements that concern plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are other than statements of historical fact, including, but not limited to, those that are identified by the use of words such as “anticipates”, “believes”, “estimates”, “expects”, “intends”, “plans”, “predicts”, “projects” and similar expressions. Risks and uncertainties that could affect us include, without limitation:

- General economic and business conditions in India, Emerging markets and other key global markets in which we operate;
- The ability to successfully implement our strategy, our research and development efforts, growth & expansion plans and technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in the Indian and international interest rates;
- Allocations of funds by the Governments in our key global markets;
- Changes in laws and regulations that apply to our customers, suppliers, and the pharmaceutical industry;
- Increasing competition in and the conditions of our customers, suppliers and the pharmaceutical industry; and
- Changes in political conditions in India and in our key global markets.

Should one or more of such risks and uncertainties materialize, or should any underlying assumption prove incorrect, actual outcomes may vary materially from those indicated in the applicable forward-looking statements.

For more detailed information on the risks and uncertainties associated with the Company’s business activities, please see the Company’s Form 20-F for the fiscal year ended March 31, 2014, and Form 6-k for the quarters ended June 30, 2014, September 30, 2014, December 31, 2014 and its other filings with the Securities and Exchange Commission. Any forward-looking statement or information contained in this presentation speaks only as of the date of the statement. We are not required to update any such statement or information to either reflect events or circumstances that occur after the date the statement or information is made or to account for unanticipated events.
Dr. Reddy’s Today …

- FY15 global revenues of $2.4Bn. Well diversified across India, US, Emerging markets & Europe.
- Steady improvement in capital efficiency & productivity over the last five years.
- Excited about profitable growth opportunities in the future. Well placed to harness these opportunities.
- R&D driven strategy [spend at ~12% to sales]. 1200+ scientists involved in process & product innovation.
- Last three years characterized by sustained focus on Portfolio management, Operations excellence, Science & Technology capabilities and superior Commercial choices across markets.
- Strong visibility of realizing full potential of our Emerging businesses of Proprietary products, Biologics and Aurigene.
Our dialogue to be focused on:-

- Which are the identified areas in which we are investing for talent, infrastructure and technologies?

- What are some of our early successes and milestones across the businesses?

- How is our portfolio evolving to ensure superior value creation?
Our Purpose

WE ACCELERATE ACCESS TO AFFORDABLE AND INNOVATIVE MEDICINES
Our Purpose has guided our customer value propositions leading to specific strategic choices …

<table>
<thead>
<tr>
<th>PURPOSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>• We accelerate access to affordable and innovative medicines</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OUR PROMISES</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Bringing expensive medicine within reach</td>
</tr>
<tr>
<td>• Addressing unmet patient needs</td>
</tr>
<tr>
<td>• Helping patients manage disease better</td>
</tr>
<tr>
<td>• Enabling and helping our partners ensure that our medicines are available where needed</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OUR STRATEGIC CHOICES</th>
</tr>
</thead>
<tbody>
<tr>
<td>• First-to-market, tough-to-make products</td>
</tr>
<tr>
<td>• Differentiated formulations for unmet medical needs</td>
</tr>
<tr>
<td>• Value added services for patients and customers</td>
</tr>
<tr>
<td>• Reliable &amp; flexible supply chain</td>
</tr>
</tbody>
</table>
These key strategic choices are core part of the priorities of each business

<table>
<thead>
<tr>
<th>PURE GENERICS &amp; APIs</th>
<th>BRANDED GENERICS</th>
<th>PROPRIETARY PRODUCTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus on first-to-market and tough-to-make products through flexible &amp; reliable supply chain.</td>
<td>Deliver first-to-market &amp; differentiated products in chosen therapy areas through a flexible supply chain while providing credible knowledge, innovative care and services to key stakeholders and patients.</td>
<td>Improve patient outcomes by identifying unmet needs and addressing them through innovative products &amp; services that are affordable and accessible in addition to providing credible knowledge to key stakeholders.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BIOLOGICS</th>
<th>AURIGENE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accelerate global access to high-quality and affordable bio-similars.</td>
<td>Collaborate with large Pharma and biotech partners addressing unmet needs in Oncology and Inflammation while building options for innovation based businesses in these therapeutic areas.</td>
</tr>
</tbody>
</table>
Professional organization geared for growth
We are known for our distinctive culture as well as strong people & governance practices

- Entrepreneurial and customer focused
- Culture of ‘respect for individual’ and ‘empowerment to professionals’
- Structured processes for leadership development and talent management
- Mechanism to anticipate future requirements and build a bench of internal talent
- Strong succession slate.

- Continue to abide by high corporate governance standards. 14 years of NYSE listing compliance.
- Recognized by ‘India's Best Managed Boards’ award.
- Best in class financial reporting system supported by strong internal controls and risk management processes.
Our financial performance has been steady

**REVENUES**

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues (Rs Cr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY10</td>
<td>7,028</td>
</tr>
<tr>
<td>FY11</td>
<td>7,469</td>
</tr>
<tr>
<td>FY12</td>
<td>9,674</td>
</tr>
<tr>
<td>FY13</td>
<td>11,627</td>
</tr>
<tr>
<td>FY14</td>
<td>13,217</td>
</tr>
<tr>
<td>FY15</td>
<td>14,819</td>
</tr>
</tbody>
</table>

*Revenues in $ Mn based on convenience translation rate

**PAT %**

- FY10: 13%
- FY11: 14%
- FY12: 16%
- FY13: 15%
- FY14: 16%
- FY15: 16%

*Computed excluding impairments

**RoCE %**

- FY10: 22%
- FY11: 21%
- FY12: 30%
- FY13: 26%@
- FY14: 28%
- FY15: 26%

*Excludes impairment and deferred tax, @ - Adjusted for Olanzapine exclusivity revenues
In FY15, we achieved several important milestones

- US Generics crossed $1Bn in revenues
- US Injectables business scaled-up to $280mn+ in 3 years.
- Superior supply chain enabled strong market share gains in US and serviced significant scale-up in demand from Venezuela market.
- Improvement in global generics margins.
- High-quality pending ANDA pipeline. Increasing share of complex molecules.

- Our new businesses of Proprietary products & Biologics are stepping closer to their desired milestones. PP filed 3 NDAs with the US FDA. Biologics phase-1 trials of Peg-filgrastim & Rituximab on track.
- Aurigene & Curis Inc.: Collaboration agreement focused on immuno-oncology and selected precision oncology targets.
- Continue to explore strategic Business Development and M&A as levers for growth: Habitrol in US and UCB’s select portfolio in India
RESEARCH & DEVELOPMENT
Our investments in R&D

- Compared to FY11, reduction in CoGS and SGA as percentage to sales by 7% → result of sustained cost management initiatives, portfolio momentum, operating leverage and currency benefit
- Deployed 5% from these savings into R&D to capture opportunities for organic growth across markets
- Current thinking largely shaped by unconstrained development subject to capability and validated business case

FY15 spend of $280 mn, 11.8% to sales
Over the past 5 years, we have built strong R&D capabilities across all businesses and increased the focus towards Biologics & Proprietary products development.

### GENERICS
Head, Amit Biswas, Ph.D

- **Generics**
- **API**

<table>
<thead>
<tr>
<th>Qualification</th>
<th>Head-Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graduate</td>
<td>151</td>
</tr>
<tr>
<td>Post-graduate</td>
<td>772</td>
</tr>
<tr>
<td>PhD</td>
<td>143</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1066</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
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<tr>
<td><strong>Total</strong></td>
<td><strong>1066</strong></td>
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</tbody>
</table>

### PROPRIETARY PRODUCTS
Head, Raghav Chari, Ph.D

- **Differentiated Products**
- **NCE Research**

<table>
<thead>
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<th>Head-Count</th>
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</thead>
<tbody>
<tr>
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<tr>
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<tr>
<td>PhD</td>
<td>21</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>160</strong></td>
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<table>
<thead>
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<tbody>
<tr>
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<td>66</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>160</strong></td>
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### BIOLOGICS
Head, Cartikeya Reddy, Ph.D

- **Biologics**

<table>
<thead>
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<tr>
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<tr>
<td>PhD</td>
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<td><strong>Total</strong></td>
<td><strong>540</strong></td>
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<table>
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<tr>
<td><strong>Total</strong></td>
<td><strong>540</strong></td>
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</table>

### AURIGENE
Head, CSN Murthy

- **Discovery Stage products**

<table>
<thead>
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<th>Qualification</th>
<th>Head-Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graduate</td>
<td>-</td>
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<tr>
<td>Post-graduate</td>
<td>351</td>
</tr>
<tr>
<td>PhD</td>
<td>77</td>
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<td><strong>Total</strong></td>
<td><strong>428</strong></td>
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<table>
<thead>
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<th>Qualification</th>
<th>Head-Count</th>
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<tbody>
<tr>
<td>Graduate</td>
<td>410</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>428</strong></td>
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</table>
Expanding R&D Footprint ...
…. supported by a number of external partnerships

- Access to niche technologies through a wide network of strategic partners across the globe
- Dedicated co-development team to synch the efforts, project-manage the partner capabilities and ensure strong governance
UPDATE ON KEY MARKETS
ABHIJIT MUKHERJEE

CHIEF OPERATING OFFICER
North America Generics: Strong base, well poised for growth

- First $500mn took 15 years; then to $1 billion in next 5 years.
- 9th IMS rank based on MAT data. 47 molecules in top 3 ranks.
- Balance of ‘market share gains’ with ‘optimal pricing’
- Delivery of consistently high service levels
- Scaled-up the injectable business.
- Value generated per asset steadily increasing
We have shown commendable commercial success from the complex generics and limited competition opportunities

<table>
<thead>
<tr>
<th>PRODUCT</th>
<th>ORDER</th>
<th># OF Gx PLAYERS</th>
<th>SHARE %</th>
<th>PATIENTS TOUCHED / YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>FONDAPARINUX</td>
<td>First to market</td>
<td>Two</td>
<td>51%</td>
<td>130,000+</td>
</tr>
<tr>
<td>AZACITIDINE</td>
<td>First to market</td>
<td>Two</td>
<td>60%</td>
<td>4,000+</td>
</tr>
<tr>
<td>DECITABINE</td>
<td>First to market</td>
<td>Three</td>
<td>83%</td>
<td>13,000+</td>
</tr>
<tr>
<td>LAMOTRIGINE XL</td>
<td>2nd Generic in market</td>
<td>Two</td>
<td>34%</td>
<td>17,000+</td>
</tr>
<tr>
<td>SIROLIMUS</td>
<td>First to market</td>
<td>Two</td>
<td>15%*</td>
<td>2,000+</td>
</tr>
<tr>
<td>SUMA AUTO INJ</td>
<td>3rd Generic in market</td>
<td>Three</td>
<td>24%</td>
<td>35,000+</td>
</tr>
<tr>
<td>ZIPRASIDONE</td>
<td>First to market</td>
<td>Six</td>
<td>43%</td>
<td>80,000+</td>
</tr>
<tr>
<td>VALGANCICLOVIR</td>
<td>2ND Generic in market</td>
<td>Two</td>
<td>59%</td>
<td>10,000+</td>
</tr>
<tr>
<td>FONDAPARINUX</td>
<td>First to market</td>
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<td>Two</td>
<td>15%*</td>
<td>2,000+</td>
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<td>10,000+</td>
</tr>
</tbody>
</table>

DR. REDDY'S 2015 INVESTOR DAY

* - Contracted Market Share
India: consistent outperformance in recent quarters

- Turnaround on the back of
  - Focused sales & marketing efforts on mega brands
  - Improving new launch productivity
  - Scale-up in institutions sales

- Deep focus on Chronic and Super-specialty therapies

- Strategic business development and M&A efforts
  - Differentiated assets in relevant therapies
  - Growth through inorganic opportunities
Russia: deep and strategic presence. Committed to deliver sustainable long-term growth.

- Established strong presence in Pain Management, Gastro Intestinal and Anti-infectives therapies
- Top 5 brands occupy the No. 1 spot in their respective INNs and 12 brands in the top 3 ranks
- Increasing mix of OTC sales.
- A number of products launched through BD efforts – converted into mega brands
Venezuela: fastest growth across all companies in both units and value

- Committed to the market to ensure availability

- Economic turmoil → an opportunity to stay invested in the market and strengthen the base for future

- Ranked 20th in value terms and 12th in unit terms, which clearly highlights our endeavor to provide affordable medicines to patients

- A balanced portfolio across therapeutic areas of Cardio-Vascular, Central Nervous system, Anti-Infectives and Oncology
PSAI: strong connect with large generics customers. Focus on maximizing internal value creation.

- Effective partnerships with top global Generics players: ~40% of sales contributed from global top 5 players
- >60% of Global Generics segment’s sales from the vertically integrated APIs
- Focus on partnership model for Emerging Markets
- Development and manufacturing of API provides a sustainable and distinctive competitive advantage to Global Generics business
Europe Generics

- Made a conscious shift away from large single-winner tenders
- Transitioned to a lean and cash-positive model
- Launched high-value & limited competition assets i.e. Rivastigmine patch, Pregabalin and Aripiprazole
- Future growth based on oncology and hospital platform
There is significant ongoing collaboration across businesses

**Market/ Commercial collaborations**

**US**
- Complex generics leverage to Russia, CIS, Venezuela
- Drive market expansion to Latin America
- Expand potential in China

**India**
- Leverage India BD deals to Emerging markets
- Launches of biosimilars in India and EM

**US**
- Overlap between Complex generics and Proprietary Products Assets

**R&D collaborations**

**Bio.**
- Characterization of complex molecules

**Global Generics**
- Purification technologies

**Proprietary Products**
- Differentiated products for India & EM
AMIT BISWAS

EXECUTIVE VICE PRESIDENT, GENERICS R&D
Key questions

1. How is Dr. Reddy’s Generics R&D distinctive?
2. What are some of our major successes?
3. What outcomes can we expect from our efforts in this direction?
4. How do we see the R&D efforts evolving in the future?
What makes Dr. Reddy’s Generics R&D distinctive?

- Robust portfolio selection
- Sustainable, winning partnerships
- Deep capabilities
- World class infrastructure
Our portfolio philosophy has evolved along multiple dimensions

<table>
<thead>
<tr>
<th>FROM...</th>
<th>... TO</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Formulations / dosage forms</strong></td>
<td>• Primarily simple oral solids based products</td>
</tr>
<tr>
<td><strong>API type</strong></td>
<td>• Synthetic APIs or Simple chemistry</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Analytical characterization</strong></td>
<td>• Requiring simple chemical equivalence and physical parameters affecting solubility and permeability</td>
</tr>
<tr>
<td><strong>Bio-equivalence</strong></td>
<td>• Comparable to innovator drugs using in-vitro bioequivalence or simple pharmacokinetic studies in healthy volunteers</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| **Process Engineering** | • Established processes  
| | • Eg: Scale up of Oral Solids | • Advanced Particle engineering solutions and complex scale ups.  
| | | • Eg: Microsphere and liposomal technologies |
| **Marketability** | • Primarily based on PIV / FTF type opportunities | • Complex products/dosage forms requiring differentiated ‘go to market’ approaches.  
| | | • Multiple 505(b)(2) products |
Conscious shift in the product-mix in line with opportunity canvas

Over the next 5 years, non-OSDs will contribute ~ 50% of the value*

MARKET VIEW

Upcoming Patent Expiries

Source: IMS, Public documents

DR. REDDY’S POSITION

Source: IMS, Public documents

* - US filings
Our development pipeline is further expected to enhance value*
We are preparing for a string of high-value launches*

Average sales value of our US launches continues to increase consistently

Relative value per launch (FY12 = 100%)

Year of launch

- FY12
- FY13
- FY14
- FY15
- FY20e

* - US filings
Secured synergies between API and Formulations

Value in multiple successful launches has been driven by leveraging our advanced in-house API R&D capabilities

<table>
<thead>
<tr>
<th>Generic Name</th>
<th>Brand Name</th>
<th>Brand Sales *</th>
<th># of Gx Players</th>
<th>Our Market Share (Mar ‘15)</th>
<th>API Capabilities leveraged</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decitabine</td>
<td>Dacogen</td>
<td>251</td>
<td>3</td>
<td>83%</td>
<td>Oncology API</td>
</tr>
<tr>
<td>Azacitidine</td>
<td>Vidaza</td>
<td>380</td>
<td>2</td>
<td>60%</td>
<td>Oncology API</td>
</tr>
<tr>
<td>Amlodipine-Atorvastatin</td>
<td>Caduet</td>
<td>340</td>
<td>4</td>
<td>18%</td>
<td>Novel Form API, Supply Flexibility</td>
</tr>
<tr>
<td>Fondaparinux</td>
<td>Arixtra</td>
<td>340</td>
<td>2</td>
<td>51%</td>
<td>Complex Pentasaccharide API</td>
</tr>
<tr>
<td>Ziprasidone</td>
<td>Geodon</td>
<td>1,340</td>
<td>6</td>
<td>43%</td>
<td>Polymorph Play, Obtained FTF</td>
</tr>
</tbody>
</table>

Our current API portfolio is well positioned to drive value in our Global Generics business

* API Capabilities leveraged
  - Oncology API
  - Novel Form API, Supply Flexibility
  - Complex Pentasaccharide API
  - Polymorph Play, Obtained FTF

* Annual sales in the year of Launch ($mn)

**APIs Under Development**
We have organized R&D around four verticals ...

Generics R&D Organization

- Structured to enable deep capabilities in advanced products in each dosage form
- Enables collaboration and integration with our global R&D network and partners

In addition to deepening our expertise, this has also helped us expand our development pipeline

Products under development

* - Support functions include Intellectual Property, Regulatory Affairs, Development quality assurance, Biostudies
..and we are building strong capabilities

**COMPLEX CLINICAL TRIALS**
- Significant increase in the number of clinical-trial based assets
- Deep engagement in protocol finalization, site Selection and monitoring

**ADVANCED DEVICES AND PACKAGING**
- Building world class inventory of Non-Infringing devices to support future portfolio for injectable & respiratory products
- Aided by strong supply chain and manufacturing systems
- Eg: Isotretinoin, Sumatriptan Auto Injector

**COMPLEX SCALE UP / TECH TRANSFER**
- Multiple scale up batches with different batch sizes for process optimization
- Smooth process transfer between formulation scientists and chemical engineering teams
  Eg: Sirolimus

**REGULATORY FRAMEWORK**
- Improving the connect and quality of dialogue with regulators
- Taking innovative approaches on regulatory matters to stay ahead of competition
  E.g. Azacitidine
In Oral solids, we have successfully solved challenges for several complex assets

<table>
<thead>
<tr>
<th>Formulation complexity</th>
<th>API complexity</th>
<th>IP complexity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Divalproex ER</strong></td>
<td><strong>Fexofenadine</strong></td>
<td><strong>Ziprasidone</strong></td>
</tr>
<tr>
<td>Efficient handling of manufacturing scale-up challenges</td>
<td>High degree of API process complexity</td>
<td>API polymorph play</td>
</tr>
<tr>
<td>Secured high market share - even after being a late entrant to the market</td>
<td>Fortified non-infringing positions on multiple process patents</td>
<td>Launched as a shared exclusive product</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bio-equivalence</th>
<th>Process Engineering</th>
<th>Go to Market</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Omeprazole</strong></td>
<td><strong>Metoprolol</strong></td>
<td><strong>Isotretinoin</strong></td>
</tr>
<tr>
<td>High bio-variable drug with challenging fed-state bio-studies</td>
<td>Highly complex product with a 7-layer coating process</td>
<td>REMS program working as a barrier for entry</td>
</tr>
<tr>
<td>Sustained meaningful revenues over several years</td>
<td></td>
<td>Use of our Promius team to promote the branded product</td>
</tr>
</tbody>
</table>
...same is true in Injectables & Soft gels

<table>
<thead>
<tr>
<th>Formulation complexity</th>
<th>API complexity</th>
<th>Analytical complexity</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Will be filing our first drug-delivery based injectable soon.</td>
<td><strong>Fondaparinux</strong>&lt;br&gt;• Complex pentasachharide&lt;br&gt;• A number of purification steps to reach ICH guidelines.&lt;br&gt;• Highly sensitive analytical method</td>
<td><strong>Azacitidine</strong>&lt;br&gt;• Established sameness of Viscosity, Osmolity and pH with innovator drug.&lt;br&gt;• Complex in-vitro characterization to prove sameness of particle size and morphology.</td>
</tr>
<tr>
<td>• Overcame complex-characterization and sameness related hurdles</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bio-equivalence</th>
<th>Devices</th>
<th>Go to Market</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Soft gel product</strong>&lt;br&gt;• Clinical trial study in ~ 900 patients&lt;br&gt;• ~ $350 mn of brand sales</td>
<td><strong>Sumatriptan</strong>&lt;br&gt;• Auto Injector Device</td>
<td><strong>Zoledronic acid</strong>&lt;br&gt;• First wave successful launch with label carve out</td>
</tr>
<tr>
<td>Microspheres</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Liposomals</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Particulate Systems</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Ready-to-Use</td>
<td>4</td>
<td>Multiple</td>
</tr>
</tbody>
</table>
... similarly for Topicals, Soft gels and Respiratory

<table>
<thead>
<tr>
<th># Current Pipeline</th>
<th># Future Products</th>
<th>Addressable Market /Brand Sales</th>
<th>Key developments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derma</td>
<td>7</td>
<td>~ $ 3.5 bn</td>
<td>• Filed Three ANDAs in FY’15</td>
</tr>
</tbody>
</table>
| Transdermal        | 3                | ~ $ 1.9 bn                      | • Two patches filed till date  
|                    | 1                |                                 | • Acquisition of Habitrol     |
| Soft gels          | 3                | ~ $ 1.0 bn                      | • Commercialised Isotretinoin in US both as a branded and generic product |
| Respiratory        | 3                | ~$ 3.0 bn                       | • Launched Levalbuterol       |
## Semi-synthetics: our play in the $10 billion space

<table>
<thead>
<tr>
<th>Technologies</th>
<th>Use/ Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bio-catalysis &amp; Chemo-catalysis</td>
<td>• To generate Chiral and achiral building blocks in API synthesis.</td>
</tr>
<tr>
<td></td>
<td>• Leveraging Chirotech capabilities</td>
</tr>
<tr>
<td>Pegylation</td>
<td>• To generate pegylated bio-similars and pegylated APIs.</td>
</tr>
<tr>
<td>Complex, Fermentation &amp; Recombinant</td>
<td>• Dedicated Kilo lab.</td>
</tr>
<tr>
<td>technology-based products</td>
<td>• Strong business rationale for Fermentation technologies.</td>
</tr>
<tr>
<td>Semi-synthetics &amp; Peptides</td>
<td>• Oligonucleotide synthesis capability.</td>
</tr>
</tbody>
</table>
Emerging Markets & India: Leveraged Filings

- FY’16: 100+ NA/EU leverage filings
- FY’15 achieved: 60 NA/EU leverage filings
- Majority of leverage comes from Injectable and OSD pipeline
- FY16 Injectable leverage filings is key to entry into new EM markets
- Three reasons that leverage is more viable now than 3 years back:
  - Global development with R&D, manufacturing capability going up
  - Products going off-patent are more related to lifestyle diseases
  - Innovator maturity on patenting led to similar patent scenario across global markets
Continue to hone our capabilities in drug device combinations

- Installed automatic packaging equipment in FTO2
- Anti-Counterfeit Features (Omez, Nise, Enam)
- Cyto safe Vial Guards
- PFS with safety device
- Disposable Auto Injector
- Disposable Pen with cartridge

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>Unit Dose Dispensers (Mintop)</td>
</tr>
<tr>
<td>2002</td>
<td>First In House MDI and DPI Devices</td>
</tr>
<tr>
<td>2007</td>
<td>First Ophthalmic Delivery Dose Droppers</td>
</tr>
<tr>
<td>2009</td>
<td>Airless pump</td>
</tr>
<tr>
<td>2011</td>
<td>Reusable Auto Injector</td>
</tr>
<tr>
<td>2012</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
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<tr>
<td>2016</td>
<td></td>
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<tr>
<td>2017</td>
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</tbody>
</table>

Future… Developing Capabilities in Injectable and Inhalation Space

- Developing deep capabilities in drug device combination products in space of Injectable (AI and Pen Systems) and pMDIs
- Cost of each device development ~ $3-4 mm
- Developing key strategic partnerships for devices
Infrastructure investment has enabled multiple complex assets

**KEY CASE STUDIES**

**Azacitidine**
- Used Advanced Characterization methods to prove particle size & morphology
- Proved Physico-chemical equivalence

**Glatiramer:**
- Filed the injectable drug for relapsing multiple sclerosis

**Implementation of Process Analytical Tool**
- Characterization and in-process control for extended release oral solids
- In-process monitoring of chemical reactions

**Advanced Topical Development Capabilities**
- Advanced PK & complex CT studies for patients
- Reverse Engineering capabilities
Built a thoughtful co-development agenda

OUR EXTERNAL PARTNERSHIPS ARE...

- Selectively contracted to accelerate access to new technology platforms and dosage forms, e.g.
  - Transdermal Patches
  - Inhalers
  - Controlled Substances
- Designed to leverage our complimentary capabilities
- Long-term in outlook

We are currently working with 25+ partners on 12+ dosage forms on the pipeline addressing > $10 bn of brand value
Complex products now make up about half of our filed generics portfolio

Mar 2011
76 pending ANDAs with 37% complex products

Mar 2013
65 pending ANDAs with 38% complex products

Mar 2015
68 pending ANDAs and 3 pending NDAs (505b2s) with 51% complex products

OSD: Oral Solid Drug; STR: Softgel Topical and Respiratory
Evolving journey

- Large PKPD studies and PMS
- Product ideation/device integration
- Packaging development

- Connect with physicians, patients and payers
- Pharmacoeconomics
- Branding and promoting capabilities

- Connect with Distributor, Retailer, GPO, Clinics and Hospital network
- Hub service programs

- Clinic and complex Bio studies
- Shaping regulatory pathway
- Development of multiple dosage forms

Customer connect

Technical Capability
In Summary

• We are committed to investing in products with high barriers of entry and thereby fueling strong organic growth in the coming years.

• Our deep technical capabilities, world-class infrastructure and winning external partnerships ensure a design-for-success in Generics R&D.

• While there will always be learnings as we move forward, the early commercial successes give us enough conviction about our roadmap and future trajectory.
CARTIKEYA REDDY
EXECUTIVE VICE PRESIDENT, BIOLOGICS
1. Maximizing value from current assets in the near to mid-term while pursuing global development

2. Creating substantial value in the long term from new portfolio choices while driving R&D productivity
Maximizing value from current assets in the near to mid-term while pursuing global development
Biologics Today: 4 Biosimilars commercialized in Emerging Markets with 2 INDs filed with US FDA

Biologics revenue has grown at approx. 40% CAGR over the last 10 years

1. Grafeel®
   - Dr. Reddy’s filgrastim launched; The 1st biosimilar filgrastim (G-CSF) in India

2. Reditux™
   - Dr. Reddy’s rituximab alfa was launched in India; The 1st biosimilar MAb in the world.

3. Cresp®
   - Dr. Reddy’s darbepoetin alfa was launched in India; The first biosimilar darbepoetin alfa in the world.

4. Peg-grafeel®
   - Dr. Reddy’s peg filgrastim launched; End-to-end development in-house (single source pegfilgrastim)

2 US INDs filed - Rituximab and Peg-GCSF

Pre-2006

2007

2010

2011

2012

2014

DR. REDDY’S 2015 INVESTOR DAY
Comprehensive Portfolio including two additional Oncology Antibodies entering Clinical Development

- **Rituximab**
  - Rituximab and pegfilgrastim global studies also designed to accelerate key emerging market (EM) approvals.
- **Pegfilgrastim**
  - Additional darbepoetin clinical studies primarily aimed at key EMs will also be initiated this year.
- **Darbepoetin**
- **Trastuzumab**
  - Trastuzumab patient study recruitment will commence shortly.
  - Bevacizumab clinical program will also commence later this year.
- **Bevacizumab**
- **MAb 4**
- **MAb 5**
  - Next two products will enter toxicology phase towards the end of the year.
## End-to-End Capabilities and Integrated Organization connecting Hyderabad, Basel and Princeton

| **Product Development** | • State-of-the-art technology in cell line and process development  
|                         | • Significant advances in analytical and bio-analytical capabilities |
| **Clinical Development** | • Extensive experience with complex healthy volunteer and patient studies both for emerging and developed markets |
| **Regulatory**          | • First-hand experience with all key regulatory agencies including EU and US |
| **Manufacturing**       | • Consistent manufacturing and quality track record; successful audit history  
|                         | • Multiple successful technology transfers to partners |
| **Commercial**          | • Significant presence across EMs including select strategic partnerships  
|                         | • Strategic partnership with Merck Serono for multiple markets |
Very Significant Opportunity for our Portfolio across Emerging and Developed Markets

- 2014 Market Size of Our Current Portfolio* in EMs is approximately $3B and in DMs is approximately $25B
- Significant increase in volume and value expected post biosimilar launches in EMs

* Only includes products that are currently commercialized and those in late-stage development (Rituximab, Pegfilgrastim, Darbepoetin, Trastuzumab and Bevacizumab)
Combination of Strategic Partnerships and Direct Presence across Key Regions

Current Market Opportunity (FY2014)

<table>
<thead>
<tr>
<th>Region</th>
<th>Opportunity (M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>$120M</td>
</tr>
<tr>
<td>Russia &amp; CIS</td>
<td>$350M</td>
</tr>
<tr>
<td>LatAm &amp; Mx</td>
<td>$900M</td>
</tr>
<tr>
<td>MENA</td>
<td>$250M</td>
</tr>
<tr>
<td>ASEAN</td>
<td>$250M</td>
</tr>
<tr>
<td>China</td>
<td>$400M</td>
</tr>
<tr>
<td>Global</td>
<td>$25B</td>
</tr>
</tbody>
</table>

- In-depth understanding of commercial dynamics in all key countries
- However, regulatory dynamics are still maturing
- Global partnership with Merck Serono for part of the portfolio
Regulatory Expectations in Developed Markets are Clear & Consistent (while remaining onerous!)

<table>
<thead>
<tr>
<th>Product Similarity</th>
<th>Clinical Evaluation</th>
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</thead>
<tbody>
<tr>
<td>Highly Similar</td>
<td>No structural differences or only those known to not affect safety or efficacy.</td>
</tr>
<tr>
<td></td>
<td>Clinical studies do not have the precision to evaluate the significance of these differences</td>
</tr>
<tr>
<td>Similar</td>
<td>No structural differences that affect function(s) that are known to influence safety and efficacy.</td>
</tr>
<tr>
<td></td>
<td>Only structural differences that remain are those that do not have any known significance. (But absence of evidence is not evidence of absence!)</td>
</tr>
<tr>
<td>Not Similar</td>
<td>Structural differences affecting function(s) that are known to affect safety or efficacy.</td>
</tr>
<tr>
<td></td>
<td>Clinical evaluation as biosimilars would be unethical</td>
</tr>
</tbody>
</table>
Each of our products today and all new products will meet these criteria.

<table>
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<td>Not Similar</td>
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</tr>
<tr>
<td></td>
<td>Clinical evaluation as a biosimilars would be unethical.</td>
</tr>
</tbody>
</table>

1. This establishes a **scientifically sound regulatory basis** for a confirmatory clinical evaluation.

2. Adaptive study designs facilitate preliminary assessments while allowing for the continuance of a study towards more robust end-points.

3. Clinical studies designed with the benefit of deep product understanding can significantly reduce cost and timelines.

4. However, approval-enabling studies for developed markets are likely to remain expensive and time-consuming.
Targeting Emerging and Developed Markets: Key Aspects of our Strategy

<table>
<thead>
<tr>
<th>Product Quality</th>
<th>One Product. One Quality.</th>
</tr>
</thead>
</table>

| Clinical Evaluation | Integrated clinical development programs serving both emerging and developed markets. |

The level of R&D spends for developed markets coupled with commercial uncertainty means that partnering remains a key risk-sharing strategy.
FY20 View of Current Portfolio

- **R** Rituximab
- **P** Pegfilgrastim
- **D** Darbepoetin
- **T** Trastuzumab
- **B** Bevacizumab

**India**

**Russia & CIS**

**LatAm & Mx**

**MENA**

**ASEAN**

**China**

- **US, EU**

**Filed in all Key Emerging Markets**

**Several Major Launches**

- FY16 – 17 Filings: **R P D**
- FY17 – 19 Filings: **T B**

**All Products in Development**

**First Wave of Launches**
Creating substantial value in the long term from new portfolio choices while focusing on R&D productivity
Next Wave of Portfolio choices will build on our Strengths

- 10 Molecules in Evaluation, Pre-development Stage
- Cumulative Market Size = $37Bn
- 2 Molecules will move into active development in FY16

<table>
<thead>
<tr>
<th>#</th>
<th>Molecule</th>
<th>2014 Sales ($B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Adalimumab</td>
<td>12.5</td>
</tr>
<tr>
<td>2</td>
<td>Cetuximab</td>
<td>1.9</td>
</tr>
<tr>
<td>3</td>
<td>Infliximab</td>
<td>9.2</td>
</tr>
<tr>
<td>4</td>
<td>Ustekinumab</td>
<td>2.1</td>
</tr>
<tr>
<td>5</td>
<td>Tocilizumab</td>
<td>1.4</td>
</tr>
<tr>
<td>6</td>
<td>Denosumab</td>
<td>2.3</td>
</tr>
<tr>
<td>7</td>
<td>Aflibercept</td>
<td>2.8</td>
</tr>
<tr>
<td>8</td>
<td>Pertuzumab</td>
<td>1.0</td>
</tr>
<tr>
<td>9</td>
<td>Abatacept</td>
<td>1.6</td>
</tr>
<tr>
<td>10</td>
<td>Omalizumab</td>
<td>1.6</td>
</tr>
</tbody>
</table>

Rationale for Selection

- Therapeutic area of focus
- High Emerging Markets potential
- Patent expiry in regulated markets

Given the rapid expansion in the originator biologics portfolios and pipelines, the ability to scale R&D productivity is critical.
R&D Productivity is Influenced by Two Major Factors

<table>
<thead>
<tr>
<th>Product Development, Manufacturing</th>
<th>Minimizing cycle time from development initiation to robust manufacturing processes producing highly similar molecules</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clinical Development</td>
<td>Cost-effective design and execution of complex, adaptive multi-center clinical designs</td>
</tr>
</tbody>
</table>
Understanding Biosimilars R&D Productivity

Indicative trend in biosimilars R&D spend. Not intended to be exact.

FY07 – FY11
EM-focused development of 4 products

FY11 – FY15
Building a global development approach, capabilities
Bridging 4 legacy products; 2 products under IND
2 additional products entering clinical development

FY16 – FY20
Continued progress on current portfolio of 6 products
5 new products entering clinical development
5 additional products in pre-clinical stages

~ $40Mn
1. Maximizing value from current assets in the near to mid-term while pursuing global development

2. Creating substantial value in the long term from new portfolio choices while driving R&D productivity
## Biologics in FY20 (and FY25)

### Product Portfolio
- 6 existing products; > 50 filings across 14 major countries
- 5 new products in clinical development
- 5 new products in early development

### FY20 Business Profile
- Emerging Markets Revenue: $150Mn – $200Mn
- Developed Markets Profits/Royalties expected to Kick-in
- EBITDA margin post R&D: > 25 %

### FY25 Business Profile
- Emerging Markets Revenue: $300Mn – $400Mn
- Developed Markets Profits: ~ $150 – 200Mn
- EBITDA margin post R&D: > 35 %
RAGHAV CHARI
EXECUTIVE VICE PRESIDENT, PROPRIETARY PRODUCTS AND
HEAD, PROMIUS PHARMA
Agenda

1. About Us
2. Key Technologies
3. Portfolio and Projections
4. Summary
ABOUT US
Snapshot: Proprietary products group

- Possesses substantial product development, translational medicine, clinical development, regulatory, and commercial expertise (through our commercial arm, Promius Pharma)

- Pursuing significant unmet dermatology and CNS needs through a small provider audience

- Has assembled a robust pipeline of highly innovative products within the 505b2 regulatory framework

- Seasoned leadership team with 200+ collective years of industry experience, having collectively prosecuted 30+ NDAs over their careers

- On track with near-term catalysts and long term value creation for Dr. Reddy’s
Snapshot: Promius Pharma

- 54 sales reps targeting ~8000 medical dermatologists
- Portfolio consists of 4 products focusing on steroid-responsive dermatoses and acne:
  - Cloderm [mid potent steroid]
  - Promiseb [510k cream for seborrheic dermatitis]
  - Zenatane [isotretinoin]
  - Scytera [BTC coal tar foam]
  - Trianex [Triamcinolone Acetonide]
- High profile Scientific and Commercial Advisory Boards in place
Key trends in the US market have defined the standards of innovation that we must pursue

- Develop products that address a clearly defined unmet need for patients
- Ensure that clinical data on these products is available that demonstrates the value that these products offer
- Price the products fairly and in line with the value of the products

Various insurers/payers will begin to drive healthcare institutions into “pay for performance” models (started with Medicare in 2012)

Higher out-of-pocket costs for patients will cramp utilization of drugs and also drive patients to postpone elective (and even some non-elective) procedures

Providers and insurers will begin teaming up to improve population health while trying to optimize their economics collectively
Our focus is on novel differentiated formulations …

- Address patient unmet needs utilizing previously approved active ingredients
- Pursue both product improvement opportunities and repurposed drugs
- Work primarily within the 505(b)(2) regulatory framework
...targeting the Dermatology and Neurology markets

• Both dermatology and neurology are highly promotionally responsive market segments, that respond both to targeted messaging, sampling and other conventional marketing tactics

• There are significant elements of complexity in patient management in both areas: in dermatology, in indications like acne psoriasis, and actinic keratosis, while in neurology, in most key indications (including but not limited to migraine, epilepsy and Parkinson’s). The value of tailored patient support models is significant in these areas

• There are unique translational paradigms at play in both segments, allowing for a highly differentiated development strategy in these indications
KEY TECHNOLOGIES
The solutions we pursue live at the interface of science & technology and the patient experience

Reverse Translation-based Product Development Engine

Promius: A unique, unmet-need driven Specialty Dermatology and Neurology company

Commercialization Model focused on solving patient challenges [focusing directly on both physician and patient]
Reverse translation: A platform-based integrated translational approach for the development of Repurposed medicines

Development of animal-human correlative PK/PD models using known information on API allows rapid iteration of formulations in preclinical models.

Seamless integration of preclinical biology, PK/PD, toxicology, translational studies, manufacturing strategy and regulatory approach.
We target underserved segments within large disease areas both in Dermatology ….

**Numbers of patients**

- **Acne:** 40-50M, 2-4M
  - More convenient, more tolerable, safer approaches to moderate-severe acne

- **Psoriasis:** 7.5M, >1.5 M
  - Topical approaches to addressing gaps in the management of acute flares

- **Actinic Keratosis (AK):** 58M, 0.8-1M
  - Improved efficacy, novel more convenient treatment regimen

- **Rosacea:** 16M, 0.8-1M
  - More effective approaches
…and in Neurology

**Numbers of patients**

- **Migraine:** 30M
  - 2-4M

- **Epilepsy:** 1.7M
  - 250-500K

- **Parkinson’s:** 1M
  - 150-250K

- **Rapid acting approaches, new approaches to recurrent headache**
- **More tolerable, more convenient approaches to treatment**
- **Pursuing niche unfulfilled opportunities with dopamine homeostasis**
The product development efforts rely on bringing together drug delivery systems, translational medicine and commercial / clinical insights.

### Delivery technologies

- Topical gels/lotions/creams/sprays/foams
- Injectable dosage forms (local)
- Oral modified release dosage forms
- Rapid acting orally delivered dosage forms
- Buccal/sublingual delivery
- Rapid acting intranasal (= injection-like)
- Injectable dosage forms

### Indications Pursued

- Psoriasis
- Atopic dermatitis
- Seborrheic dermatitis
- Acne
- Rosacea
- Actinic Keratosis
- Warts
- Migraine
- Epilepsy
- Parkinson’s disease

### Translational approaches utilized

- Animal and human systemic PK studies
- In vivo disease models
- Microdialysis & other approaches for local PK measurements
- Imaging (scintigraphy, confocal techniques, etc)
- Radiolabeling
- Biomarker-based approaches

**Dermatology**

**Neurology**
PORTFOLIO AND PROJECTIONS
Robust pipeline of opportunities in each disease area that we are targeting: Dermatology

Key Programs in Dermatology Pipeline

<table>
<thead>
<tr>
<th>Preclinical</th>
<th>Phase 1</th>
<th>Phase 2a</th>
<th>Phase 2b</th>
<th>Phase 3/BE</th>
<th>Filed</th>
</tr>
</thead>
<tbody>
<tr>
<td>DFD-01: Psoriasis</td>
<td></td>
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</tr>
<tr>
<td>DFD-09: Rosacea</td>
<td></td>
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</tr>
<tr>
<td>DFD-10: Acne</td>
<td></td>
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<tr>
<td>DFD-06: Psoriasis</td>
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<td>DFD-03: Acne</td>
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<td>DFD-05: NGW*</td>
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<td>DFD-04: Rosacea</td>
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<td>DFD-07: AK</td>
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<tr>
<td>DFD-08: AK</td>
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</tbody>
</table>

* Non Genital Warts
Robust pipeline of opportunities in each disease area that we are targeting: Neurology

**Key Programs in Neurology Pipeline**

<table>
<thead>
<tr>
<th>Preclinical</th>
<th>Phase 1</th>
<th>Phase 2a</th>
<th>Phase 2b</th>
<th>Phase 3/BE</th>
<th>Filed</th>
</tr>
</thead>
<tbody>
<tr>
<td>DFN-11: Migraine</td>
<td></td>
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</tr>
<tr>
<td>DFN-02: Migraine</td>
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<tr>
<td>DFN-15: Migraine</td>
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<tr>
<td>DFN-10: Migraine</td>
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<tr>
<td>DFN-14: Migraine</td>
<td></td>
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<tr>
<td>DFN-19: Migraine</td>
<td></td>
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<tr>
<td>Epilepsy: 4 preclinical programs</td>
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<tr>
<td>Parkinson’s: 4 preclinical programs</td>
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</table>
Our near-term filings are intended to solve specific problems in Psoriasis, Rosacea and Migraine ....

**DFD-01**
- Next generation topical steroid with efficacy equivalent to a high potent steroid
- Combines all of the key benefits of creams, lotions, foams and sprays into a superior, emollient vehicle
- Strong phase 3 data, both placebo controlled and versus high potency steroid RLD in mild/moderate psoriasis
- Suitable for a broad range of psoriasis presentations and BSA types

**DFD-09**
- Modified release doxycycline indicated for rosacea
- Label similar to Oracea but pursuing claims for dosage without regard to meals
- Intent to supplement NDA with additional clinical trials to drive differentiation

**DFN-11**
- Oral triptans have poor 2 hour efficacy pain freedom rates (~25-35%)
- Patients with rapidly escalating pain have insufficient drug levels from oral meds
- DFN-11 is a drug-device combination of an approved triptan
- DFN-11 attempts to optimize receptor occupancy in the first 15 minutes while minimizing adverse events observed in currently approved injectable triptans

Potential sales of $50-75MM per opportunity in the near term
… while in the mid term, we are pursuing opportunities that have the potential to be transformative for business

**Mid-stage dermatology assets**
- DFD-03: zero contact time retinoid facewash
- DFD-04: novel repurposed topical API for treatment of rosacea
- DFD-05: novel combination therapy for treatment of non-genital warts
- DFD-07: novel repurposed non-cytotoxic topical API for treatment of AK

**Mid stage migraine assets**
- DFN-02: intranasal triptan spray with injection kinetics (Tmax < 15 minutes)
- DFN-15: novel repurposed rapid acting non-triptan oral API for treatment of migraine (for triptan intolerant or non-responsive patients)
- DFN-14: novel device-based injectable triptan play
- DFN-19: novel DHE-based formulation (with similar efficacy to Levadex, more convenient dosage form)

Potential sales of $100-300MM per opportunity if target label is achieved, with first set of filings in FY18
Our intent is to deliver an average of 2 NDA filings every 12 months …. 
... which can collectively yield a business footprint potentially exceeding $500 millions by FY-2022

Net Sales: likely ranges

- Indicative sales ranges from organic pipeline activities, risk adjusted for potential failures
- Assumes approval of NDAs within 12-18 months of filing
- EBITDA contribution at 40% level towards the end of the period
SUMMARY
Summary: market opportunity and commercialization philosophy [1/2]

• All of our products are geared toward disease areas whose health and cost burden on patients and the US healthcare system is substantial.

• We believe our products represent assets with clear medical benefit for a subset of patients within neurology and dermatology.

• All of our products are novel in either their clinical attributes, delivery device, or combination. While the products are deploying a variety of regulatory approaches for approval, spanning the spectrum of BE studies to full phase 3 clinical studies, our commercialization approach relies on the availability of clinical study data highlighting the differentiation of our products against currently available therapies.

• We expect our products to be categorized similar to other branded products. However, our pricing strategy will be more attractive to patients and payers across both franchises, thereby resulting in better market penetration.
• We will complement our products with a variety of new, novel patient support and engagement models that are intended to address other friction points in the system that prevent these patients from achieving the optimal care for their conditions.

• While there will be some common elements to these models that cut across all products, we will tailor the offerings based on the challenges patients in each disease area face.

• For all products that we bring to market, we anticipate a multi-layered approach to ring fencing that is intended to provide 5+ years of market exclusivity on the lower end, and 10+ years of exclusivity for the most innovative products in our portfolio.
CSN MURTHY

Chief Executive Officer, Aurigene
AGENDA

1. About US
2. Key Milestones
3. Summary
ABOUT US
Our objective …

To be the most respected and valued biotech company in India

By delivering a high quality pipeline of clinical candidates addressing unmet needs in Oncology and Inflammation
Aurigene is a fully integrated Discovery Biotech company

**BUSINESS MODEL**

- Focused on Oncology & inflammation disorders
- Complementing infrastructure for small molecule & peptide drug discovery
- Client value proposition characterized by collaboration & licensing
- Multi-year collaborations with 6 of top-10 pharmaceutical companies

**OUTCOMES**

- 60+ integrated discovery programs resulting in over 135 patents in the last 10 years
- Out-licensed multiple early-stage & three late stage programs
- 9 INDs filed under the collaboration programs with multiple assets in Phase I/II
- Pipeline of programs in Immuno-oncology, Epigenetics & Th17 pathway
Business Model [1/3]:
Choices of targets and platforms

Core TAs of focus for internal pipeline development
• Immuno-Oncology
• Other oncology targets
• Anti-infectives with an immunological approach

Ensure substantial differentiation
• First-in-class peptide & small-molecule approaches for immuno-oncology targets, offering higher potential for safety & flexibility for combination treatments

Target difficult problems through unique hypotheses
• Malt1, KRas – type targets

Flexible with multiple options
• Early to late stage licensing and co-development. Also, retaining assets through Ph 3 – to be exercised based on business requirements and extant opportunities
Business Model [2/3]

Generating revenues through partnerships, creating value through licensing

Collaborations

- Discovery Services: Medicinal chemistry, Crystallography, PK/Tox: FTE/FFS
- Integrated discovery partnerships: R&D funding + milestones

Licensing

- Early-stage licensing of Lead programs
- Late-stage (IND) programs – typical licensing model
## Business Model [3/3]

### Collaborations [key success factors]

- Ability to achieve scale. Retain key team members and develop competencies.

- Strong reputation in the global research community as a “Discovery services company”

- Networking and exposure to different areas of biology.

- Stability in operational cash flows – now, Aurigene pipeline is funded entirely through internal cash flows.

### Licensing

- Provides significant value.

- Gives exposure to translational biology, regulatory & clinical practices and commercial issues
KEY MILESTONES
## Aurigene: Key milestones [1/2]

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>Aurigene set up</td>
</tr>
<tr>
<td>2005</td>
<td>1st full discovery partnership with Novo&lt;br&gt;Addition of key scientific team members</td>
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<tr>
<td>2006</td>
<td>First early stage licensing + discovery partnership</td>
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<tr>
<td>2007</td>
<td>Two Multi-year, multi-target strategic partnerships signed with Merck Serono &amp; Orion Pharma</td>
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<tr>
<td>2009</td>
<td>Integration of Dr. Reddy’s Discovery unit&lt;br&gt;Multi-year, multi-target strategic partnership signed with Endo Pharma</td>
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</table>
Aurigene: Key milestones [2/2]

2010
Full discovery & peptides partnership with US & EU large pharma

Initiation of Aurigene’s internal programs – 1st program - peptide antagonist for PD-1

2012
Aurigene Program with EU large pharma enters Ph I
First biotech shared risk partnership signed

2013
Multiple partner programs enter IND/Phase I
Two more biotech collaborations signed with H3 and Partners

2014
PD-1 licensing deal with Pierre Fabre
BET option-licensing deal with Orion

2015
IRAK4 and PD-1 small molecule Option licensing – strategic partnership with Curis
Revenue recognition under IFRS requires to apportion the up-front money received from customers over the time there is continuing Managerial involvement; hence, the revenues booked in financials will not match with above numbers.
Internal Pipeline [1/2]

<table>
<thead>
<tr>
<th>Oncology</th>
<th>Discovery</th>
<th>Preclinical</th>
<th>IND</th>
<th>Phase 1</th>
</tr>
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<tbody>
<tr>
<td>Immuno-Oncology (PD-1 peptide)</td>
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<tr>
<td>Cancer Metabolism (NAMPT)</td>
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<tr>
<td>IRAK4</td>
<td></td>
<td></td>
<td></td>
<td>Jan, 2015</td>
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<tr>
<td>Epigenetics (BET Bromodomain)</td>
<td></td>
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<td></td>
<td>Jun, 2014</td>
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<tr>
<td>Immune-Oncology Platform</td>
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<td></td>
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<tr>
<td>Immune-Oncology PD-L1 Small molecule</td>
<td></td>
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<td></td>
<td>Jan, 2015</td>
</tr>
</tbody>
</table>

Completed: Dark Grey
On-going: Light Grey

Feb, 2014
Jan, 2015
Jun, 2014
## Internal pipeline [2/2]

<table>
<thead>
<tr>
<th>Category</th>
<th>Oncology</th>
<th>Discovery</th>
<th>Preclinical</th>
<th>IND</th>
<th>Phase 1</th>
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<tr>
<td>K-Ras</td>
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<tr>
<td>MALT1</td>
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</tr>
<tr>
<td>CDK7/9</td>
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<tr>
<td><strong>INFLAMMATION</strong></td>
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<tr>
<td>Th-17 Pathway (ROR gamma)</td>
<td>Completed</td>
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<td></td>
<td>On-going</td>
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<tr>
<td>Th-17 Pathway (MALT1)</td>
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<tr>
<td><strong>Anti-bacterial</strong></td>
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<tr>
<td>PD-1 antibacterial</td>
<td>Completed</td>
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<tr>
<td>Fab-I (MRSA)</td>
<td>Completed</td>
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**Completed** | **On-going**

Dr. Reddy’s 2015 Investor Day
SUMMARY OF RECENT DEALS
Summary of Immuno-oncology deals: Pierre Fabre deal terms

• License, Development, and Commercialization Agreement
  – Two patent series of PD-1 peptide antagonists
  – India rights retained with Aurigene

• Deal terms include
  – Upfront
  – Research, clinical development, regulatory and sales milestone payments
  – Royalty rate on net sales by Pierre Fabre: double digit

• Sublicensing revenue sharing
Summary of Immuno-oncology deals: Curis partnership structure [1/2]

• Strategic partnership in oncology drug discovery, development and commercialization

• Aligned interests and complimentary expertise
  - Aurigene discovery engine: research, discovery, chemistry and preclinical development expertise. State-of the art and cost effective.
  - Curis: translational medicine, regulatory, clinical development and commercialization Experienced, focused and well networked

• Multi-year, exclusive partnership
  - Up to 5 years of broad exclusivity in collaboration scope
  - Immuno-oncology: immune-modulating molecular targets
  - Precision oncology: selected targets that are genetically altered in human cancers

• Option and license agreement structure
  - Curis has option to license programs at development candidate stage
  - Royalty-bearing, world-wide exclusive license (ex. India/ Russia) to compounds in programs

• Other important terms
  - Territory Rights: India and Russia for Aurigene
  - DS & DP supply rights: Primary supplier rights for DS/ DP across all territories
Curis partnership structure [2/2]

- **Upfront equity grant**
  - 17.1M shares (19.9% of outstanding CURIS stock prior to the transaction)
  - Lock-up arrangement with 25% release every 6 months: 2-year total period
  - Current value of above stock-holding at $48 mn

- **Research, option exercise and milestone payments**
  - Initial four programs: up to $52.5M for first two, and up to $50M for next two programs
  - All programs thereafter: up to $140 million

  ▪ **Royalty rate on net sales by Curis: tiered from high single digit to 10%**

- **Sublicensing revenue sharing**
  - US/EU non-royalty and royalty payment sharing: declining percentage based on stage of development at sublicensing
  - Asia: 50% sharing of all revenues

- **Exclusivity option payments to Aurigene**
  - Annual payments after first two years of collaboration
Medium to long-term plans

Take some of our assets into clinic. Selectively, seek to retain strategic assets (e.g., anti-infectives) all the way through Phase III.

Evolve a mid-to late-stage portfolio of assets (own, co-development with specific geographical rights) over the next 4-5 years.

Aim at a mixture of later-stage licensing deals and co-development deals. Partners being mid-sized companies having clinical development capabilities.
THANK YOU