

Enriching
Life

Zydu
Wellness



Investor Presentation December 2009

BSE Scrip Code : 531335
NSE Scrip Code : ZYDUSWELL

Our Vision



We bring Wellness to your Life...

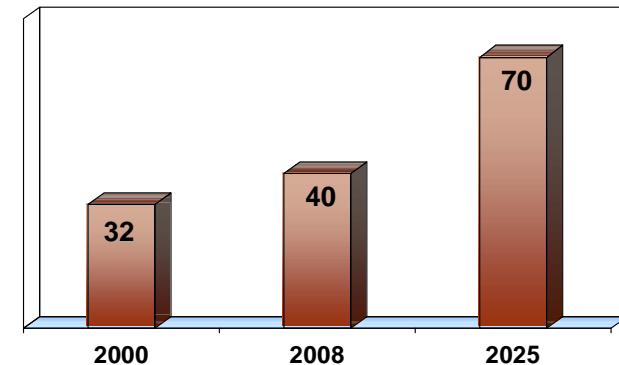
**We will create new experiences
by our products that will
nourish, nurture and energise your life**

**We shall lead the way through innovation
and be a Rs 500 crore company by 2013**

Consumer Healthcare – Promising Potential

- **Health and fitness** gaining more importance with mounting health problems attributed to changing lifestyle of the consumers
- **India** likely to have **world's largest cardiac and diabetic** population
- Increasing concerns of **personal hygiene** due to pollution and external environmental factors
- An **emerging market** for consumer health and wellness with
 - ✓ Growing **health consciousness** and wellness revolution among consumers
 - ✓ Increasing **awareness** to try better alternatives, and make informed choices
 - ✓ Rising **willingness to spend** more for fitness, skincare and overall well-being
- **Surging demand** for products which,
 - ✓ Work as preventive measures against lifestyle related health problems, and
 - ✓ Offer additional health and nutritional benefits
 - ✓ Provide skincare solutions with 'do good' benefits rather than 'feel good' factor

of Diabetic Patients in India
as per WHO Estimates (Millions)



Rich History of Strong Brand Building



- Serving the health and fitness conscious consumers of India **since 1988**
- Aims to promote '**healthy living**' by anticipating the emerging and day-to-day needs of dietetic / health foods
- Present in **niche segments** with strong brands



The healthier alternative to sugar - leading the market with **over 80% share** in the sugar substitutes market (*Source : AC Nielsen*)



Skincare range - **market leaders** in niche segments of scrubs and peel-off and second largest in face-wash category (*Source : AC Nielsen*)



India's largest selling table spread - a healthier alternative to butter

- **Direct reach** to all 50k+ population towns in India thru ~400 strong field force
- Constant endeavor to improve quality of life of the consumers thru **continuous innovation**

Sugar Free – Largest Selling Low Calorie Sweetener

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- India's largest selling low calorie sweetener with **over 80% share** in the market, which is growing at >30% (Source : AC Nielsen MAT Oct-09)
- Enjoys a **top of the mind recall** in the minds of calorie conscious consumers
- Leadership positions in variants of

Aspartame with *Sugar Free Gold*

Sucralose with *Sugar Free Natura*

- Forayed into the **low calorie beverage** market, with launch of soft drink *Sugar Free D'Lite*
- Strategic initiative of driving consumption of Sugar Free powder by projecting the culinary usage of the brand along with the fitness promise
- Growing at **CAGR of over 25%** for last 3 years, with sales in excess of Rs. 770 Mio. (FY 08-09)



EverYuth – A Specialty Skincare Range

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- Strong presence in niche skincare segments like face-wash, face masks and scrubs
- **No. 1 in peel-off and scrub** categories with *Orange Home Facial* and *Walnut Scrub*
- **98% share** in peel-off market, which is growing at >90% and 70% share in scrub market, which is growing at >50% (Source : AC Nielsen MAT Oct-09)
- **2nd largest** selling **face wash** brand in India
- Significant impact in the market thru
 - ✓ A focus on **niche** categories
 - ✓ **Innovations** in product offerings
 - ✓ Exploration on **newer concepts** such as *Ultra Mild Scrub* for everyday use
- Growing at **CAGR of ~ 25%** for last 3 years, crossed sales of Rs. 500 Mio. in FY 08-09.



Nutralite – India's Leading Table Spread

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- Widespread consumer acceptance amongst health conscious families as a **healthier alternative to butter**
- Cholesterol Free and has no trans fats or hydrogenated fats
- Largest brand in the category of butter substitutes with **over 75% market share** (Source : AC Nielsen MAT Mar-09)

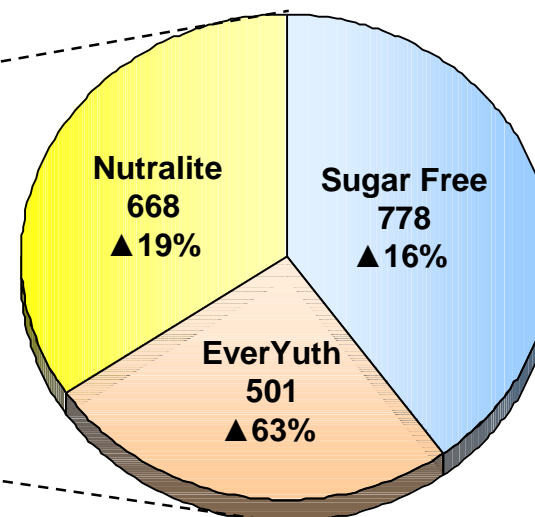
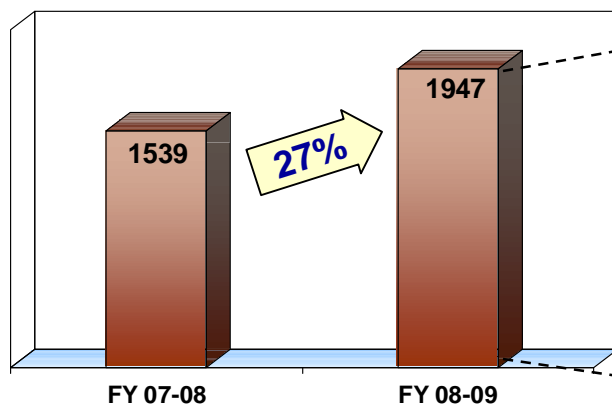
➤ **Revamped and repositioned** the brand in last three years with –

- ✓ Contemporary packaging
 - ✓ Special promotional campaigns
 - ✓ Shift of focus from bulk to retail segment
 - ✓ First in India to launch **international style tub pack**
 - ✓ Introduction of single-serve mini-tub packs
- Wide distribution reach across all states of India
- **Sales more than doubled in last three years** - from ~ Rs. 280 Mio. in FY 05-06, to Rs. 668 Mio. in FY 08-09

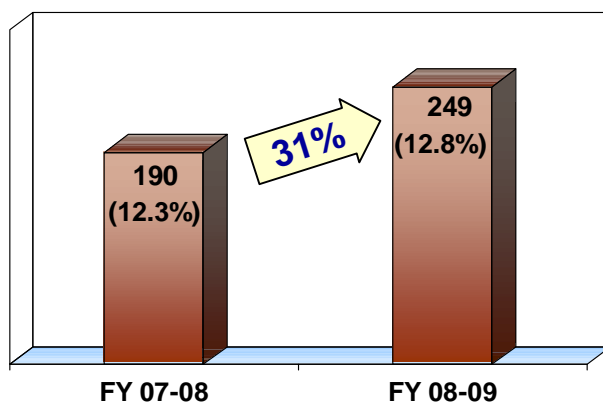


Strong Financial Performance

Sales (Rs. Mio.)



Net Profit # (Rs. Mio.)



Financial Position as at 31st Mar 09

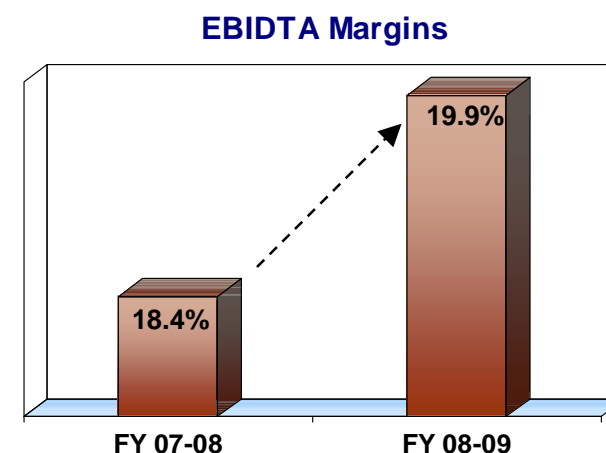
	<u>Rs. Mio.</u>
✓ Net Worth	: 690
✓ Net Fixed Assets	: 396
✓ Net Current Assets	: 301
✓ Cash Balance	: 507
✓ # of Equity Shares	: 39.07 Mio.
✓ Promoters' holding	: 72.25%

Excludes Exceptional Items

For better comparison, numbers of consumer business of Cadila Healthcare Ltd. for FY 2007-08 have been included in above numbers

Robust Business Health & Infrastructure

- **Healthy EBIDTA** margins, which have been improving steadily
- Almost entire business on advance collection terms, implying **minimal working capital blockage** and zero bad debt risk
- **Secondary driven** primary sales
- Strong, creative and **innovative marketing** and brand management teams - backbone of the consumer business



➤ Efficient Supply Chain

- ✓ Reliable vendors and manufacturers, with proven track record of consistency in quality for *Sugar Free* and *EverYuth*
- ✓ Own state-of-the-art manufacturing facility for *Nutralite*
- ✓ Distribution Network - cold chain and regular

Strategies For Growth Momentum

- **New Products:** Look at long term growth opportunities with new products in niche categories wherein we have first mover advantage
- Introduce / acquire related or innovative products / businesses to enhance top-line for the business to be funded through improved margins on existing products
- **Infrastructure:** Planning to set-up own state-of-the-art manufacturing facility for Sugar Free and EverYuth in Sikkim
- **Continuous category education** through unconventional mediums along with mainline activity
- **Distribution:** Increase in sales force with dedicated manpower to cater to institutions and Modern Retail Formats

All these initiatives would ensure

- ✓ Maintaining present 20%+ growth rate
- ✓ Growing bottom-line, rising profitability and healthier business

H1 09-10 Performance Highlights

➤ Financial Performance

Rs. Mio.	H1 09-10	H1 08-09	% Gr y-y
Income from Operations	1,290	972	32.7%
EBIDT	211	152	39.1%
EBIDT Margin (% to total opr. income)	16.4%	15.6%	0.8%
PBT	205	149	37.7%
PBT Margin (% to total opr. income)	15.9%	15.3%	0.6%
Net Profit	135	99	37.2%
NP Margin (% to total opr. income)	10.5%	10.1%	0.2%
EPS Rs. (not annualised)	3.46	2.52	37.2%

Note : H1 08-09 numbers include numbers of Consumer business of Cadila Healthcare Ltd. to make like-to-like comparison.



- **Launched *EverYuth Menz*** – an exclusive skincare range for men, and carried out *Golden Glow Peel Off* brand substance activities
- Initiated promotion of ***Sugar Free Gold* for summer usage**, which got excellent response and had positive effect on *Sugar Free Natura*

Thank You.

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