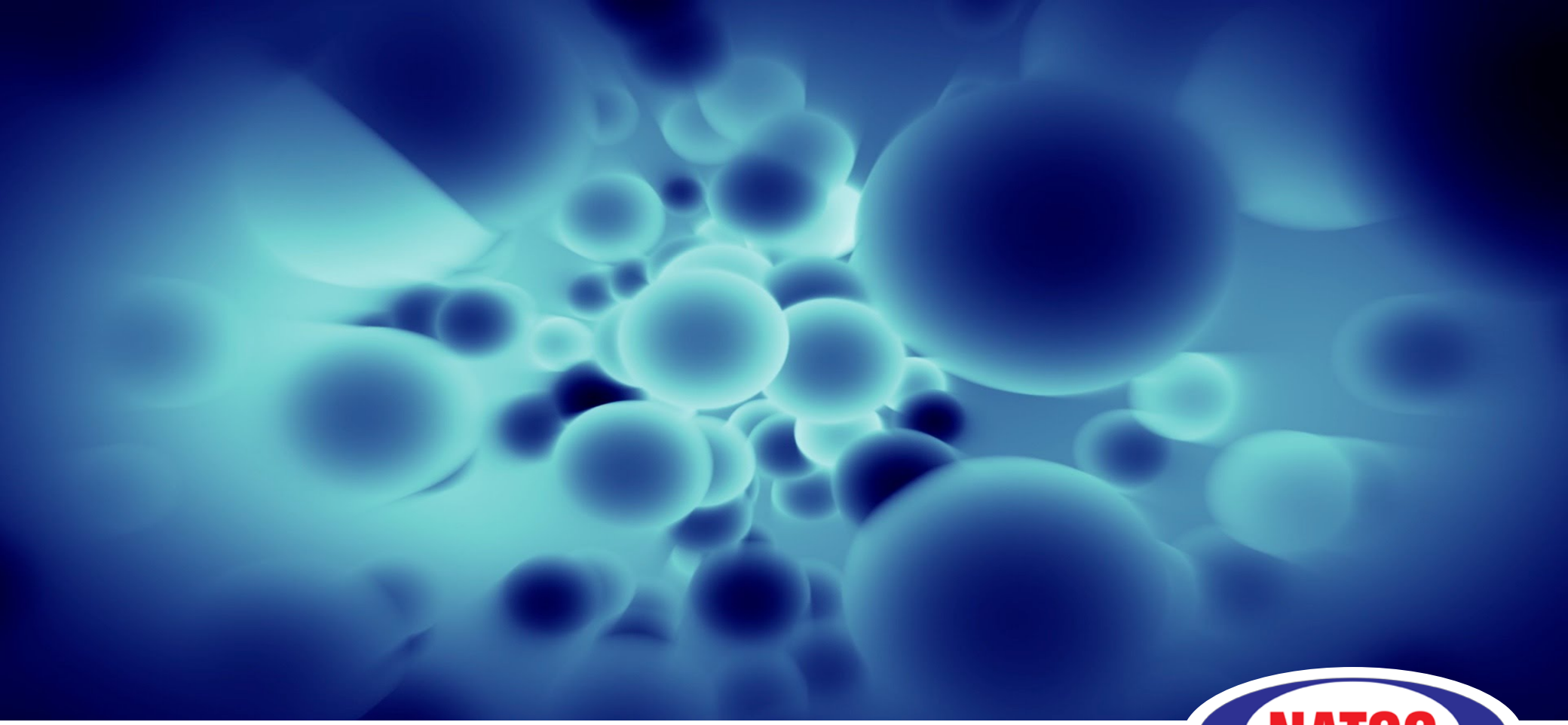

Natco Pharma Limited

[June 2015]

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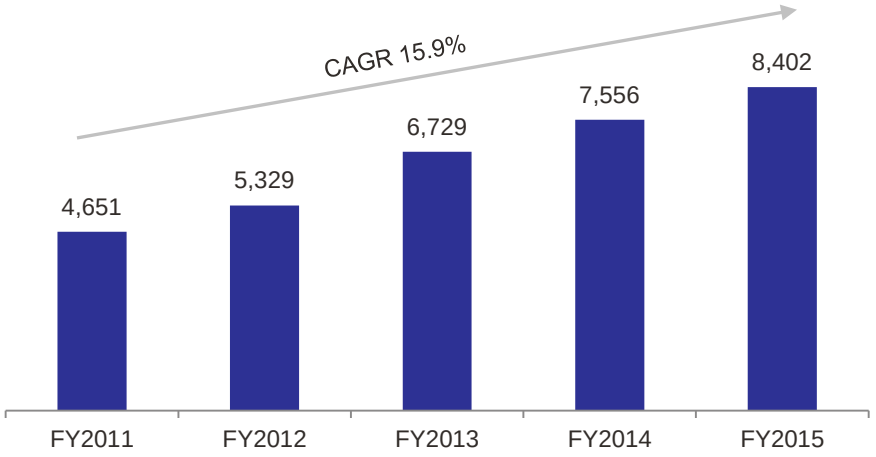
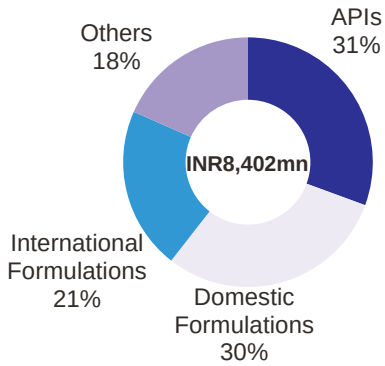
Natco Pharma at a Glance

- **Vertically integrated** pharmaceutical company with focus on **niche therapeutic areas and complex products** in Finished Dosage Formulations ("FDF") and Active Pharmaceutical Ingredients ("APIs")
- Diversified business model with presence across segments including Domestic & International formulations, API manufacturing and drug discovery
  - Products marketed in over 40 countries
  - Portfolio of **35 niche ANDA filings** in the US **including 14 Para IV** filings and **31 USDMFs filings**
- Market **leading position in domestic oncology** segment with presence in **Gastroenterology** and Orthopaedics
  - Unique distinction of being the **first company in India to be granted a compulsory license** to launch Bayer's patent – protected anti-cancer drug Nexavar in India
  - **First Company in India to launch the generic version of Gilead's Sovaldi, under its brand HEPCINAT** for the treatment of Hepatitis C
- **Cutting-edge R&D capabilities** supported by seven approved manufacturing facilities (five formulations and two APIs) and state of art research centre
- Incorporated in 1981 and headquartered in Hyderabad currently employs over 3,500 employees across all locations

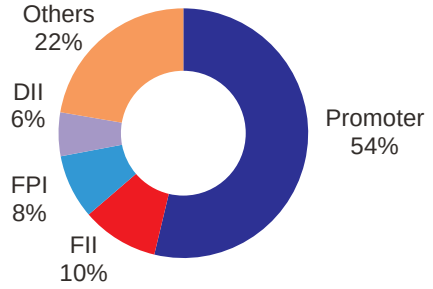
Net Revenue, Consolidated Basis (INRmn)



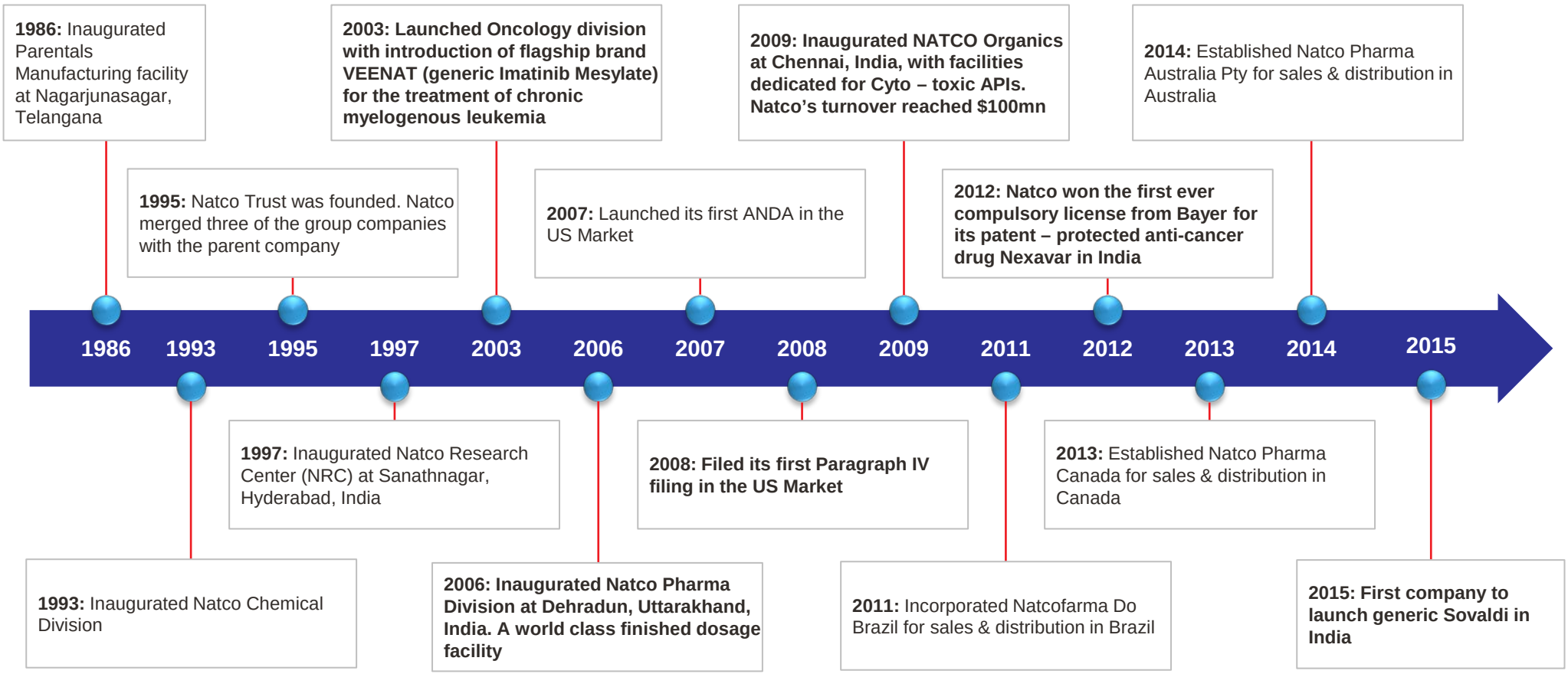
FY2015 Revenue Segmentation



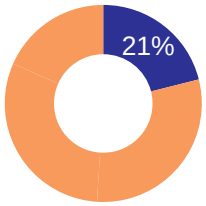
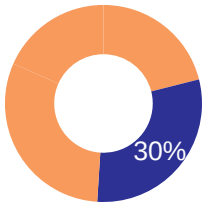
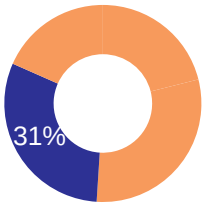
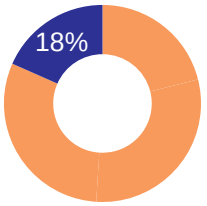
Shareholding Pattern (As of Mar-15)



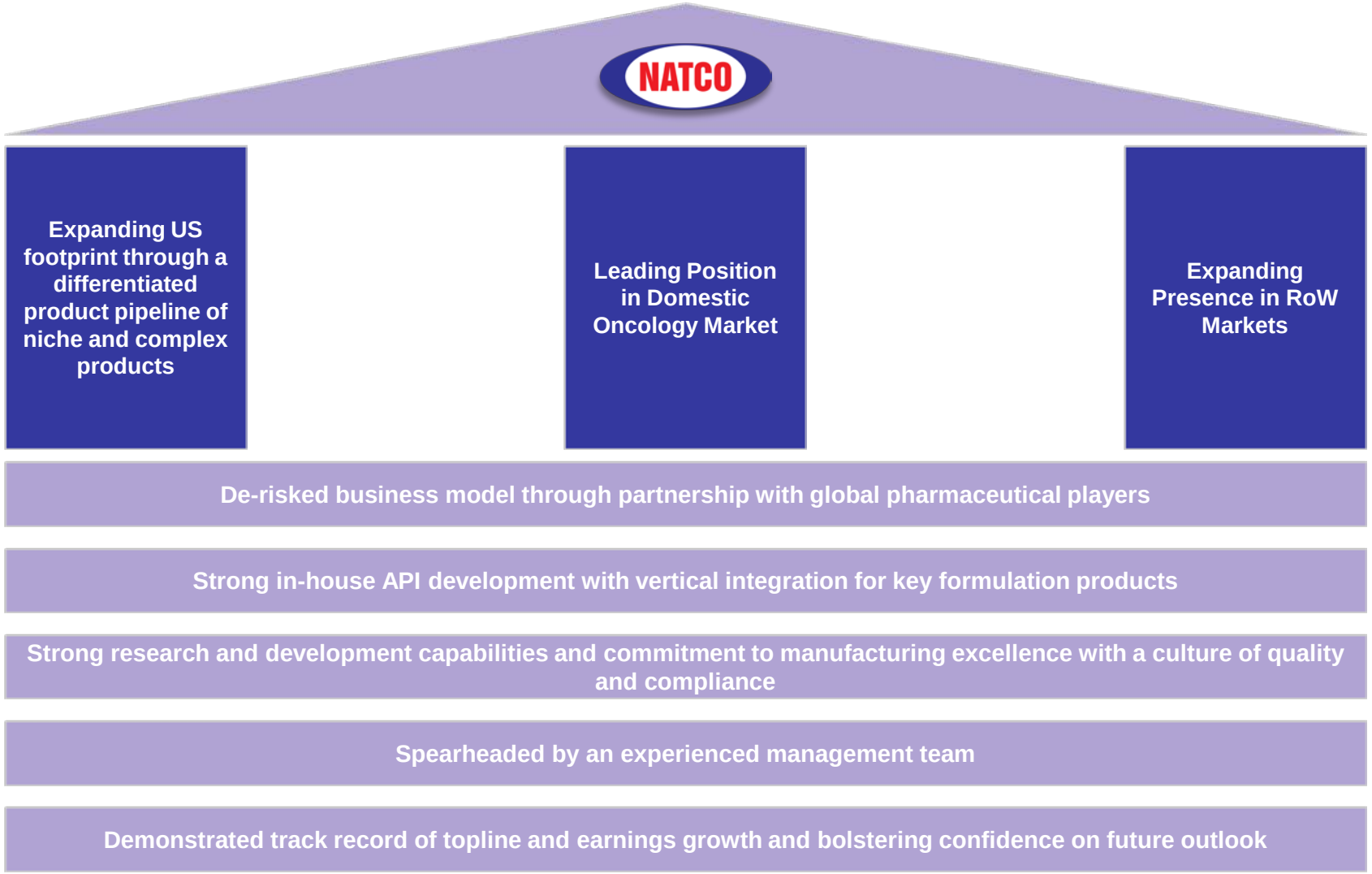
Company Evolution



Key Business Segments

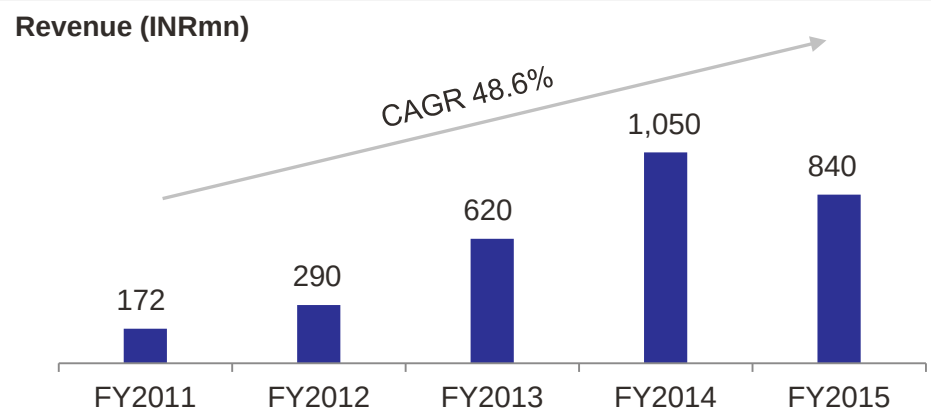
	Formulations		API	Others
	International	Domestic		
Overview	▪ Portfolio of niche and complex product pipeline for US ▪ Presence in the US is marked by 14 product approvals (including 2 tentative approvals) ▪ 35 niche ANDA filings in the US ▪ Recurring tender based business in Latam ▪ Emerging presence in Canada, Brazil, Europe, Asia and Australia	▪ Market leader in India's generic oncology space led by flagship brands like Geftinat, Erlonat, Veenat and Sorafenat – Widened its product range from 6 in FY2004 to 24 in FY2015 ▪ Specialist sales force of 150 marketing personnel and around 400 distributors ▪ Holds compulsory license from Bayer for its patent – protected anti-cancer drug Nexavar in India	▪ Filed 31 DMFs in US with over 15 DMFs under development ▪ Vertically integrated for key FDF products ▪ Exports focused on the US, EU, Canada, Latin America, the Middle East and South-East Asia ▪ Historically over 80% of API revenues are derived from exports	▪ Operates one pharmacy store in US ▪ Operates in Brazil, Canada, Singapore and Australia through following subsidiaries: – Natcofarma do Brazil – NATCO Pharma (Canada) – NATCO Asia – NATCO Pharma Australia ▪ Selective contract manufacturing and job works for domestic clients
FY15 Revenue (INRmn)	**INR 1,770mn**	**INR 2,516mn**	**INR 2,571mn**	**INR 1,545mn**
FY15 Revenue Contribution				

Key Growth Pillars in Place Supported by a Strong Foundation to Continue the Track Record of Value Creation



Expanding US Footprint Through a Differentiated Product Pipeline of Niche and Complex Products

- Pipeline of **niche and complex generics** products in US
- **35 ANDAs filings including 14 Para IV** filings under USFDA review targeting a combined market of **US$14.8bn**
- **14 approved** ANDAs (including 2 tentative approvals)
- Adopts **partnering strategy to develop and market products** for the US with globally renowned pharmaceutical companies
- Presence in EU, Canada, Brazil, Singapore and Australia



Overview of US Portfolio

ANDAs Filed	ANDAs Under Review	Approved ANDAs
35	20	14*

Addressable Market

Portfolio of 35 ANDAs including 14 Para IV and FTF Filings with a cumulative addressable market of USD14.8bn

* Includes 2 tentative approvals

Expanding US Footprint Through a Differentiated Product Pipeline of Niche and Complex Products (Cont'd)

Overview of Key Filings

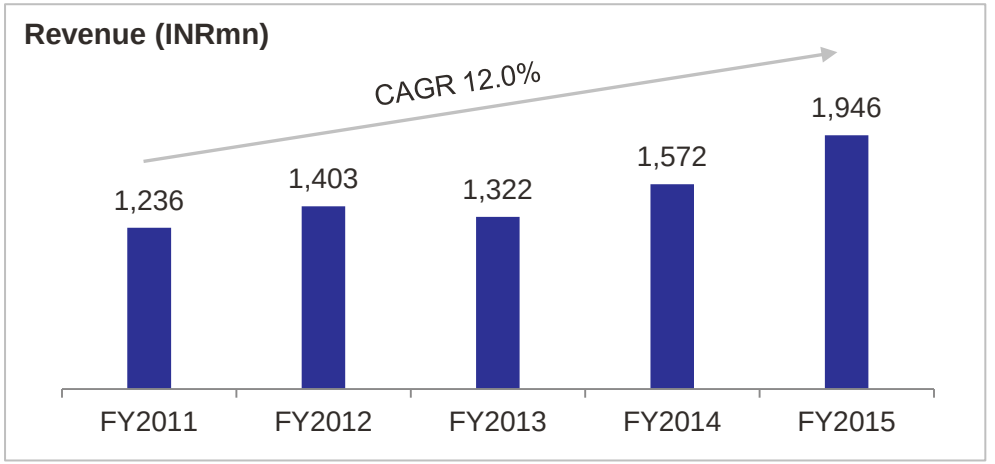
Key Brand	Molecule	Indication	Dosage Form	Para IV/FTF	Para III	Market Opportunity (US$mn)
Copaxone 20mg	Glatiramer 20mg	Multiple Sclerosis	PFS	✓		2,410
Copaxone 40mg	Glatiramer 40mg	Multiple Sclerosis	PFS	✓		1,342
Gilenya	Fingolimod	Multiple Sclerosis	Capsules	✓		1,247
Tamiflu	Oseltamivir Capsules	Influenza Infection	Capsules	✓		821
Treanda	Bendamustine	Leukemia	Injection	✓		681
Revlimid*	Lenalidomide	Multiple Myloma	Capsules	✓		577
Entocort	Budesonide	Crohn Disease	Capsules		✓	493
Nuvugil	Armodafinil	Antidepressants	Tablets	✓		448
Vidaza	Azacitidine	Myelodysplastic syndrome	Injection		✓	282
Jevtana	Cabazitaxel	Prostate cancer	Injection	✓		119
Fosrenol	Lanthanum Carbonate	End stage renal disease	Tablets	✓		115
Tykerb	Lapatinib Ditosylate	Anti cancer	Tablets	✓		88
Tracleer*	Bosentan	Hypertension	Tablets		✓	47
Nexavar*	Sorafenib	Anti cancer	Tablets	✓		47

- **14 Para IV filings with combined market size of US$11.1bn and 4 big ticket Para III filings**
- **Well positioned to unlock its pipeline value in the near term with expected approvals of 4-5 ANDA in 18-24 months including gCopaxone 20mg in US**

* Represents REMS product with higher actual addressable market size

Leading Position in Domestic Oncology Segment

- **Pioneer in domestic oncology segment** and holds leading market share in their operated portfolio of product
- Entered the segment with launch of **Veenat (Imatinib generic version**)
- Progressively widened its oncology product range from **6** in 2003-04 to **19** in 2008-09 to **24** in 2014-15
  - Portfolio catering to Breast, Brain, Bone, Lung, and Ovarian Cancers
- Sales and marketing of the product is supported by strategically located **logistics network of 150 marketing personnel & around 400 distributors**



Oncology Portfolio	No. of Brands	INR100mn Brands
Hematology	10	(Veenat) (Lenalid)
Solid Tumors	14	(Erlonat) (Geftinat) (Sorafenat)





- ✓ Pioneered the **treatment cost of Chronic Myeloid Leukaemia** via launch of generic Imatinib and **continuous process improvements to improve affordability and access to life saving Oncology drugs in India**
- ✓ Unique distinction of being the first company in India to be granted a compulsory license to launch Bayer's patent – protected anti-cancer drug Nexavar in India

Leading Position In Domestic Oncology Segment (Cont'd)

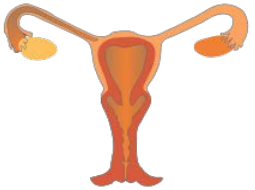
Glioma
Temonat
(Temozolomide)

Lymphoma
Bendit
(Bendamustine)

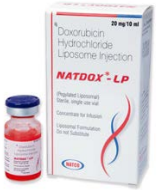
Lung Cancer
Geftinat (Geftinib)

HCC/RCC/DTC
Sorafenat
(Sorafenib)

Myeloma
Bortenat (Bortezomib)



Ovarian Cancer
Natdox-LP



Leukemia
Veenat (Imatinib)

Breast Cancer
Fulvenat (Fulvestrant)

Xtane (Exemestane)

Letronet (Letrozole)

Supportive Care
Zoldonat
(Zoledronic Acid)

Colorectal Cancer
Capnat (Capecitabine)

Expanding Presence in Domestic Specialty Pharma Segment

Domestic Specialty Pharma

- Portfolio of products catering primarily to Gastroenterology, Orthopaedics and Critical Care
- Currently has 10 products in oral and injectables dosage forms
- Select contract manufacturing assignments for domestic player

Sovaldi Opportunity

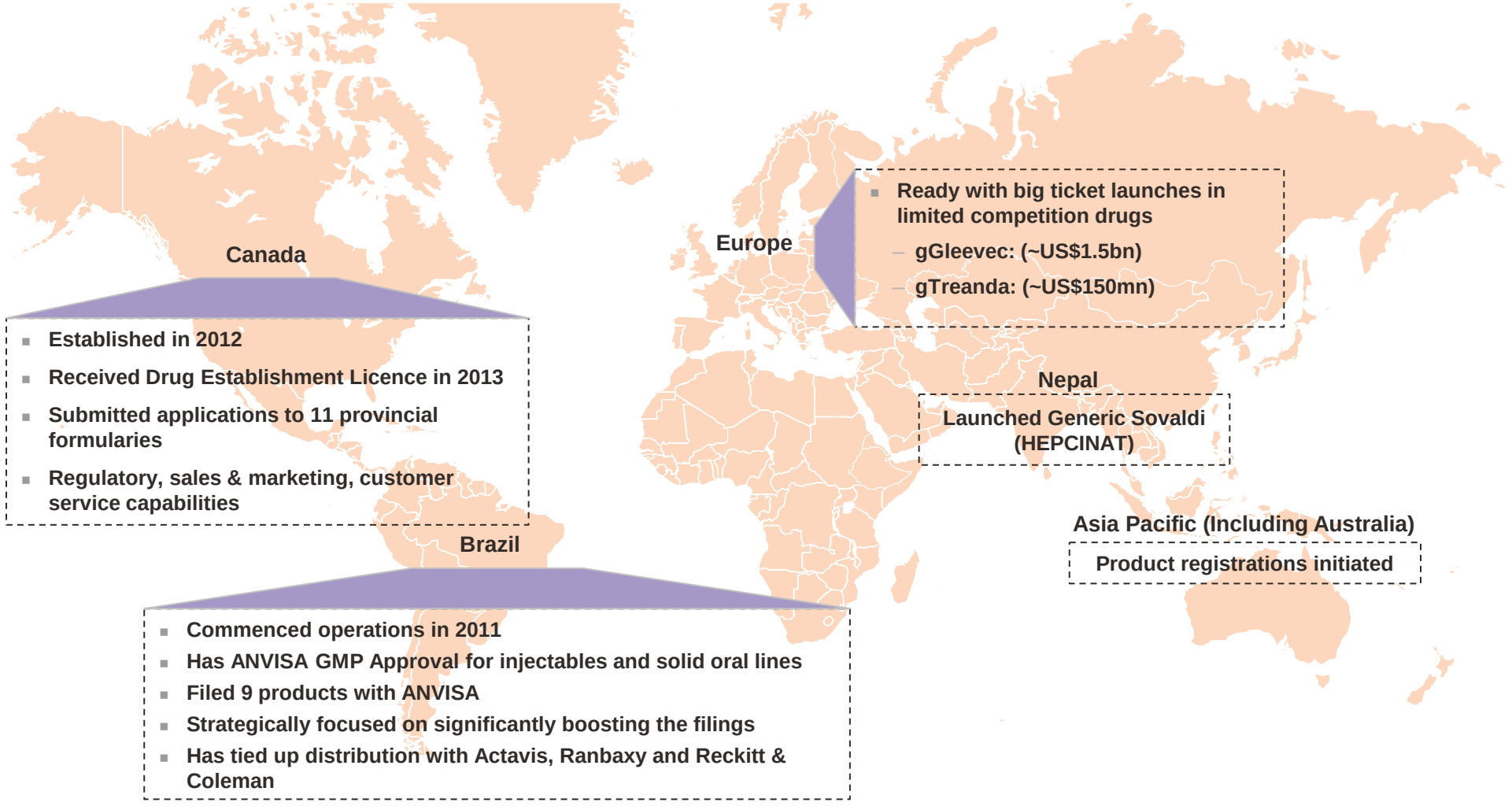
- **First Company in India to launch generic Sovaldi** for the treatment of **Hepatitis C**
  - Medicine used for chronic hepatitis C infection and sold globally by Gilead Sciences, Inc., under its brand Sovaldi
- Launched generic Sovaldi in India and Nepal under **its brand HEPCINAT**
- Non-exclusive **licensing agreement with Gilead Sciences for 91 countries including India**

Overview of Key Products

Products	Active Ingredient	Dosage Form	Therapeutic Area
 Natzold	Zoledronic Acid	Infusion Solution	Orthopaedics
 Glatimer	Glatiramer Acetate	Solution in Vials	CNS
 Teravir	Tenofovir	Tablets	Chronic Hep-B

Expanding RoW Presence

RoW formulation growth to be driven by big-ticket launches in EU, scale up in Latin America and Sovaldi Launch



Canada

- Established in 2012
- Received Drug Establishment Licence in 2013
- Submitted applications to 11 provincial formularies
- Regulatory, sales & marketing, customer service capabilities

Europe

- Ready with big ticket launches in limited competition drugs
  - gGleevec: (~US$1.5bn)
  - gTreanda: (~US$150mn)

Nepal

Launched Generic Sovaldi (HEPCINAT)

Asia Pacific (Including Australia)

Product registrations initiated

Brazil

- Commenced operations in 2011
- Has ANVISA GMP Approval for injectables and solid oral lines
- Filed 9 products with ANVISA
- Strategically focused on significantly boosting the filings
- Has tied up distribution with Actavis, Ranbaxy and Reckitt & Coleman

De-risked Business Model through Partnership with Global Pharmaceutical Players

Mitigation Strategy

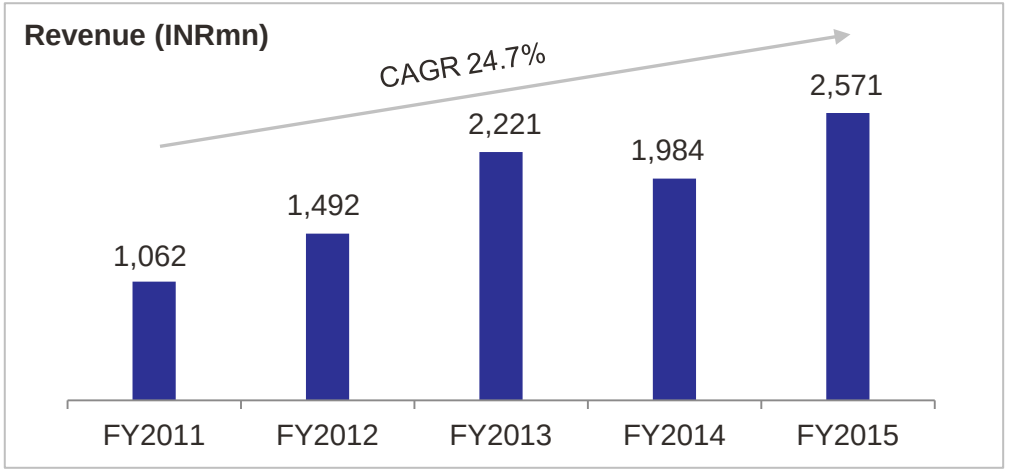
US Litigation Concerns on Para IV Portfolio

- Adopted and **successfully implemented partnership strategy** for international formulations product
  - Has product **specific partnerships with global generic players at different stages of a potential Para IV ANDA** filing
  - Entered into de-risked arrangements with marketing partner assuming the responsibility of lengthy and complex litigation and regulatory issues and securing the ANDA approval
- Structured its product pipeline around the understanding that the upside generated from favourable orders would far outweigh the downsides arising out of unfavourable decisions
- Partnering strategy has **enabled cash conservation** for Natco Pharma for potential use in **incremental R&D activity**

Product	Marketing Partner
Copaxone 20mg	Mylan
Copaxone 40mg	Mylan
Gilenya	NA
Tamiflu	Alvogen
Treanda	BRECKENRIDGE
Revlimid	Actavis
Entocort	Alvogen
Nuvugil	BRECKENRIDGE
Vidaza	BRECKENRIDGE
Jevtana	BRECKENRIDGE
Fosrenol	LUPIN
Tykerb	LUPIN
Tracleer	LUPIN
Nexavar	Mylan

Strong In-House API Development with Vertical Integration for Key Formulation Products

- Strategically important business – develops APIs for **captive consumption** of its FDF portfolio as well as third party sales
- Portfolio of **31 USDMFs** with over **15 DMFs** under development
- Focuses on **complex molecules** and c.65% of the DMFs are in **oncology** and CNS segments
  - Other therapeutic areas of focus includes Anti-asthmatic, Anti-depressant, Anti-migraine, Anti-osteoporosis and G I Disorders
- Exports are focused on the US, EU, Canada, Latin America, the Middle East and South-East Asia
- **Vertical integration for key APIs** a key competitive advantage

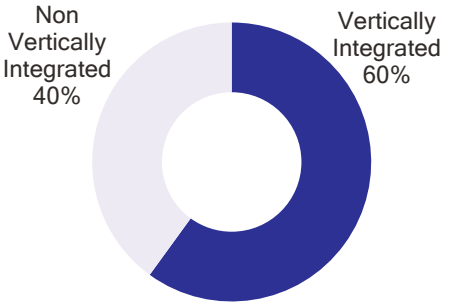


Strategic Advantage with Backward Integration in Critical APIs

API Strengths

- ✓ Complex **multi-step synthesis & scale-up** (50 steps for one speciality gm-scale API)
- ✓ Semi-synthetic fusion technologies (**Fermentation** / Biotech / Synthetic / Separation technologies)
- ✓ **Containment / High potency APIs**
- ✓ **Peptide** (Solid phase) pharmaceuticals

Vertically Integrated ANDAs

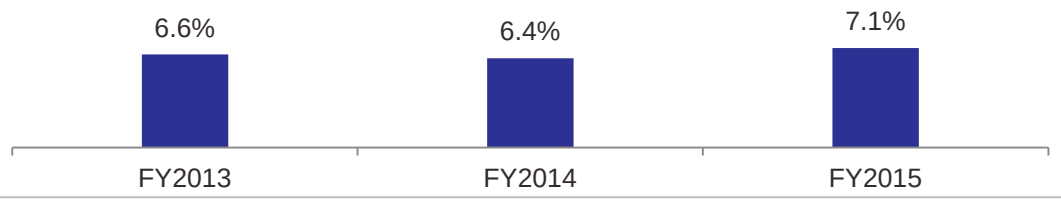


Total Addressable Market (US$mn)

Strong Research & Development Capabilities

- Cutting edge R&D capabilities demonstrated by its complex and niche product filings in formulations and API segments
- 70,000 sq ft of state of the art research facility fully equipped with capabilities across synthetic chemistry, biotech & fermentation, nano pharmaceuticals, new drug discovery, animal house & cell biology
  - Currently engaged in discovery and development of drugs NRC-019 (Chronic Myeloid Leukemia) and NRC-2694 (Breast Cancer); NRC-019 has received orphan drug status in USA
- Company has targeted 8 -10 ANDA filings per year going forward

R&D as % of Standalone Revenue



Function	No. of Labs	No. of Scientists
Process Research	12	80
Discovery - NCEs (Anti-cancer segment)	4	15
Analytical Development	5	45
Therapeutic Peptides	3	15
New formulation / Cell Biology / Animal house Toxicology / Molecular modeling & RDD	4	30
Biotechnology & Fermentation	3	20
Containment labs for high potency products	2	10
Bio-Analytical lab	1	10
NDDS & nano-pharmaceuticals	2	10

14 ANDAs Approved

14 Para IV Filings

31 US DMFs Filed

Over 15 US DMFs Under Development

20 APIs across 7 Therapeutic Areas

298 International Patents Filed

77 International Patents Granted

161 Indian Patents Filed

80 Indian Patents Granted

Commitment to Manufacturing Excellence with a Culture of Quality and Compliance

Formulations Manufacturing Facilities

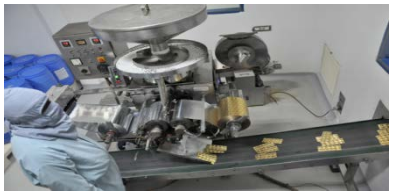
Kothur Facility

- Capability: Tabets, Capsules, Pellets
- Key Regulatory Approvals: WHO GMP, USFDA, German Health Authority, TPD Canada, Infarmed, ANVISA
- Last USFDA Inspection: July 2014

Nagarjuna Sagar Facility

- Capability: Ampoules, Vials, Lyophilized vials, Parenterals, Sterile Dry Powders
- Key Regulatory Approvals: WHO GMP

Dehradun Unit 6 Facility



- Capability: Tablets, Capsules, Injectables
- Key Regulatory Approvals: WHO GMP, Public Health Service of the Netherlands (EU GMP)

Dehradun Unit 7 Facility

- Capability: Tablets, Capsules
- Key Regulatory Approvals: WHO GMP, Public Health Service of the Netherlands (EU GMP)

Guwahati Facility

- Recently Commissioned GMP Compliant Facility
- Capability: Tablets, Capsules

API Manufacturing Facilities

Mekaguda Facility

- Key Regulatory Approvals: WHO GMP, USFDA, TGA, German Health Authority, Korean Health Authority, PMDA, Cofepris
- Last USFDA Inspection: January 2015

Chennai Facility

- Key Regulatory Approvals: WHO GMP

Experienced Management

Mr. V.C Nannapaneni
Chairman and Director

- Holds Masters degree in Pharmaceutical Administration from the Brooklyn College of Pharmacy, US
- Over 42 years of experience in the Pharmaceutical Industry

Mr. Rajeev Nannapaneni
Vice Chairman & CEO

- Holds B.A. in Quantitative Economics and B.A. In History from Tufts University, Boston, USA
- Holds wide experience and exposure in General Management and Product Development

Dr. A.K.S Bhujanga Rao
President (R&D and Technical)

- Awarded Ph.D.in Synthetic Organic Chemistry from the Indian Institute of Science (IISc), Bangalore
- Wide expertise in technology transfer to commercial scale, quality control regulatory affairs and Patents

Dr. Linga Rao
President (Technical Affairs)

- Holds M.Sc. In Applied Chemistry (Organic Chemistry) & Ph.D in Chemistry from JNTU, Hyderabad
- Over 39 years of experience in the pharmaceutical industry and has been working with Natco for over 21 years

Mr. P.S.R.K Prasad
Executive Vice President

- Holds B.E. Mech. Engg. from Andhra University, Visakhapatnam
- Responsible for looking after the general administration, engineering, regulatory, training, environmental matters, safety, health, production and maintenance activities of the Company

Demonstrated Track Record of Topline and Earnings Growth