



Abbott Acquisition of Piramal's Healthcare Solutions Business

Emerging Markets Strategy

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Advancing Abbott

The Pharmaceutical Market in India

India Overview

- 1.1BN people; 2nd largest workforce in the world
- 2nd fastest-growing emerging market; mid-teens growth
 - \$8BN pharmaceutical market in 2010
 - Market expected to more than double by 2015
- Growth driven by evolving demographics, expanding middle class and modernization of health system
- India pharmaceutical sector dominated by branded generics



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Acquisition of Piramal's Healthcare Solutions Business

Piramal Overview

- A leader in the Indian branded generics market
- Strong brand equity and presence in key areas: antibiotics, respiratory, cardiovascular, pain and neuroscience
- ~350 branded generic products
- Significant local footprint – largest sales force in India
- One of the largest formulation plants in India



Deal Terms

- \$2.12BN upfront payment; \$400MM a year for 4 years
- Transaction does not impact Abbott's ongoing EPS guidance in 2010
- Expected to close 2H2010

Advancing Abbott Emerging Markets Pharmaceutical Strategy

Established Products Division

- Provides focus, structure and resources to optimize emerging markets opportunity
- Builds on Solvay, which gave Abbott ~\$850MM in emerging market sales, significant presence in Russia and other key markets
- Expect 2010 annualized sales of ~\$5BN; ~half in emerging markets
- Expect to deliver double-digit growth in key emerging markets

Zydus Cadila Licensing Agreement

- Strengthens position in key emerging markets
- Complements established products strategy and augments business with broad portfolio of branded generics
- 24 products in 15 high-growth emerging markets; option for more than 40 additional products
- Product launches to begin early 2012

Acquisition of Piramal's Healthcare Solutions Business

- Propels Abbott into #1 position in India, the second-fastest growing pharma market
- Gives Abbott infrastructure and critical mass in India; includes manufacturing facility and product development
- Includes portfolio of ~350 leading branded generics
- Combined sales force to become industry's largest in India at >7,000

Strategic actions provide the right structure and give Abbott critical mass to become one of the largest pharmaceutical companies in key emerging markets

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Acquisition of Piramal's Healthcare Solutions Business

Abbott Strategy

Further diversify sources of pharmaceutical growth

- Abbott will become #1 in India, with ~20% annual growth over next several years
- Piramal to add >\$500MM in 2011 sales in India; total Abbott pharma sales expected to exceed \$2.5BN by 2020 in India
- Builds on Solvay acquisition and Zydus collaboration

Expand presence in high-growth emerging markets

- India is one of the world's fastest-growing markets; expected to more than double by 2015
- Piramal has the largest sales force in India; unique model with dedicated people in high-growth rural areas

Establish a leading presence in branded generics

- Piramal portfolio has ~350 leading branded generics in multiple therapeutic areas
- Solvay, Zydus and Piramal give Abbott critical mass and a comprehensive leading portfolio of branded generics

Deliver sustained double-digit EPS growth

- Expect ~20% Piramal sales growth over the next five years
- Expect transaction to be neutral to EPS over the next several years, accretive thereafter

Advancing Abbott Pharmaceutical Market Leadership in India



Projected Market Share Leadership

1. **ABBOTT**
2. CIPLA
3. RANBAXY
4. GSK
5. SUN
6. ZYDUS CADILA
7. ALKEM
8. LUPIN
9. MANKIND
10. ARISTO

Source: AIOCD data, March 2010

A Leading Presence in Emerging Markets

Abbott's Total Emerging Market Sales

