



Abbott India Limited

ANNUAL REPORT 2012



THE POWER OF EXECUTION



THE POTENTIAL FOR GROWTH



THE PROMISE OF SUCCESS

CORPORATE OVERVIEW

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Forward Looking Statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', 'promises' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



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We are here for the people we serve in their pursuit of healthy lives. This has been the way of Abbott for more than a century - passionately and thoughtfully translating science into lasting contributions to health.

A PROMISE FOR LIFE

Turning Science
into Caring

We are here for the people we serve in their pursuit of healthy lives. This has been the way of Abbott for more than a century - passionately and thoughtfully translating science into lasting contributions to health.

Our products encircle life, from newborns to aging adults, from nutrition and diagnostics through medical care and pharmaceutical therapy.

Caring is central to the work we do and defines our responsibility to those we serve:

- **We advance leading-edge science and technologies** that hold the potential for significant improvements to health and to the practice of health care.
- **We value our diversity** - that of our products, technologies, markets and people—and believe that diverse perspectives combined with shared goals inspire new ideas and better ways of addressing changing health needs.
- **We focus on exceptional performance** - a hallmark of Abbott people worldwide demanding of ourselves and each other because our work impacts people's lives.
- **We strive to earn the trust of those we serve** by committing to the highest standards of quality, excellence in personal relationships, and behavior characterised by honesty, fairness and integrity.
- We sustain success—for our business and the people we serve - by staying true to key tenets upon which our company was founded over a century ago: **innovative care and a desire to make a meaningful difference** in all that we do.

The promise of our company is in the promise that our work holds for health and life.

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A background image showing a business meeting with several people in professional attire. One person in the foreground is shaking hands with another. The image is overlaid with a semi-transparent blue filter.

**THE POWER
OF EXECUTION
THE POTENTIAL
FOR GROWTH
THE PROMISE
OF SUCCESS**



The pharmaceutical business is unlike any other business – it impacts and influences human life which is not only invaluable but also irreplaceable. This business requires an approach, orientation, thought and mindset that brings together science, research and commercial thoughtfulness in a unique balance. It requires turning the complex and complicated science of medicine and medication, formulae and formulations, into a considerate and compassionate caring for life and health.



At Abbott India, we have been advancing health for people of India for over a century. From Gastroenterology to Women's Health, from Pain Management to Antacids, from Neuroscience to Hospital Care, from Metabolics to Cardiology, our products and activities span the entire continuum of care.



Today, we are amongst the most successful pharmaceutical companies in India. Our **Success** is a combination of focussed **Execution**, delivered **Growth** and fulfilled **Promises**. As we head into 2013 it is this combination of on-ground execution, KOL engagement, science led demand generation and performance based culture which will drive our growth and position Abbott India at the forefront of the Indian Pharmaceutical Industry.

ABOUT ABBOTT GLOBAL



Abbott Worldwide A diversified healthcare company

Founded in 1888, by a young Chicago based physician, Dr, Wallace Calvin Abbott, the organisation has been devoted to discovering new medicines, new technologies and new ways to manage health.

- Abbott, a global broad- based healthcare giant, enjoys a diversified presence in the discovery, development, manufacturing and marketing of innovative pharmaceutical, diagnostic, nutritional and hospital products.
- Abbott has its presence in more than 150 countries and is recognised for its global reach and ability to serve customers around the world.
- Abbott focuses on Turning Science into Caring



Headquartered in Mumbai, Abbott India Limited, a publicly listed company and a subsidiary of Abbott Laboratories, enjoys strong brand equity in multiple therapeutic categories such as Women's Health, Gastroenterology, Neurology, Thyroid, Diabetes & Urology, Pain Management, Vitamins, Anti-Infectives & other therapy areas.

Abbott India is one of India's fastest growing pharmaceutical companies. Abbott India's success is driven by a combination of a highly competent and motivated commercial team, R&D backed products, aided by strong alliances and partnerships with our suppliers and vendors. Abbott India employs over 2,600 people and reaches customers through a network of 35 distribution points, catering to over 4,500 stockists and 150,000 retail outlets.

The Company has over 100 employees at a state-of-the-art formulation plant at Verna, Goa. The

manufacturing plant is designed to produce high volume and quality formulations using cost efficient processes and has well equipped laboratories and trained personnel to ensure compliance with international quality standards. The Company has in-house development and medical teams to undertake product and clinical development that cater to the needs of the Indian market. Abbott India believes in providing quality healthcare through a mix of global and local products which directly impact the life of the common man in India.



**ABOUT
ABBOTT
INDIA**



Women's Health

Arachitol
Clome
Duphaston
Duvadilan
Life
Solfe

Women's Health products are prescribed in Pregnancy, Ovulation and Nutritional Supplements for Women



Gastroenterology



Acuvert
Adiza
Cremaffin
Colospa
CremaGel
CremaHep
Cremalax
Digecaine
Digene
Duphalac
Eldicot
Ganaton
Heptral
Nausidome
Pankreoflat
Rowasa
Udiliv

Gastroenterology is a key therapy area with a broad portfolio of high quality and well accepted brands of Laxatives, Hepatoprotective, Pancreatic Enzymes, Proton Pump Inhibitors (PPIs), Antacids, Antispasmodics & Prokinetics



Neurology



Epilex
Levilex
Prothiaden
Revilife
Rex-XR
Uvox
Vertin
Zolfresh
Zonicare

Neurology products are part of Speciality Care portfolio and used for Epilepsy, Depression, Vertigo and Sleep Disorders



OUR

PRODUCTS & THERAPEUTIC CATEGORIES



Thyroid, Diabetes & Urology

Hytrin
Obimet
Thyrocab
Thyrocal D3
Thyronorm

Products in this portfolio offer Thyroid and Diabetes Management



Pain Management



Brufen
Brugel
Bruspaz

Pain Management products include Anti-Rheumatic and Muscle Relaxant brands



Vitamins

Betonin
Kinetone Advance
Surbex XT
Surbex Osteo
Surbex Gold
Thyrowel Capsules

Vitamin products include Multi-Vitamins combinations for diverse patient population



Anti-infectives



Celex OD
ICUpen
Klacid

This portfolio comprises of various Antibiotics



Anaesthesia

Sevorane

For induction and maintenance of general anaesthesia in adult and paediatric patients, for in-patient and outpatient surgery



Neonatology

Survanta

Indicated for prevention and treatment (rescue) of Respiratory Distress Syndrome (RDS) in premature infants



Others

Allergy: Ebasil, Solspre

Anti Coagulant: Clivarine

Cardiology: Omacor

Immunology: Influvac

Virology: Aluvia

Disclaimer:

Products are displayed for illustration purpose only. Consult your doctor for professional medical advice

2012 HIGHLIGHTS

REWARDS AND RECOGNITION



Awarded Frost & Sullivan 'MNC Pharmaceutical Company of the Year' for the second consecutive year



Marketing Excellence Award (Resurgence of Thyroid Market in India) by Institute of Pharmaceuticals and Healthcare Management Research (CMARC)

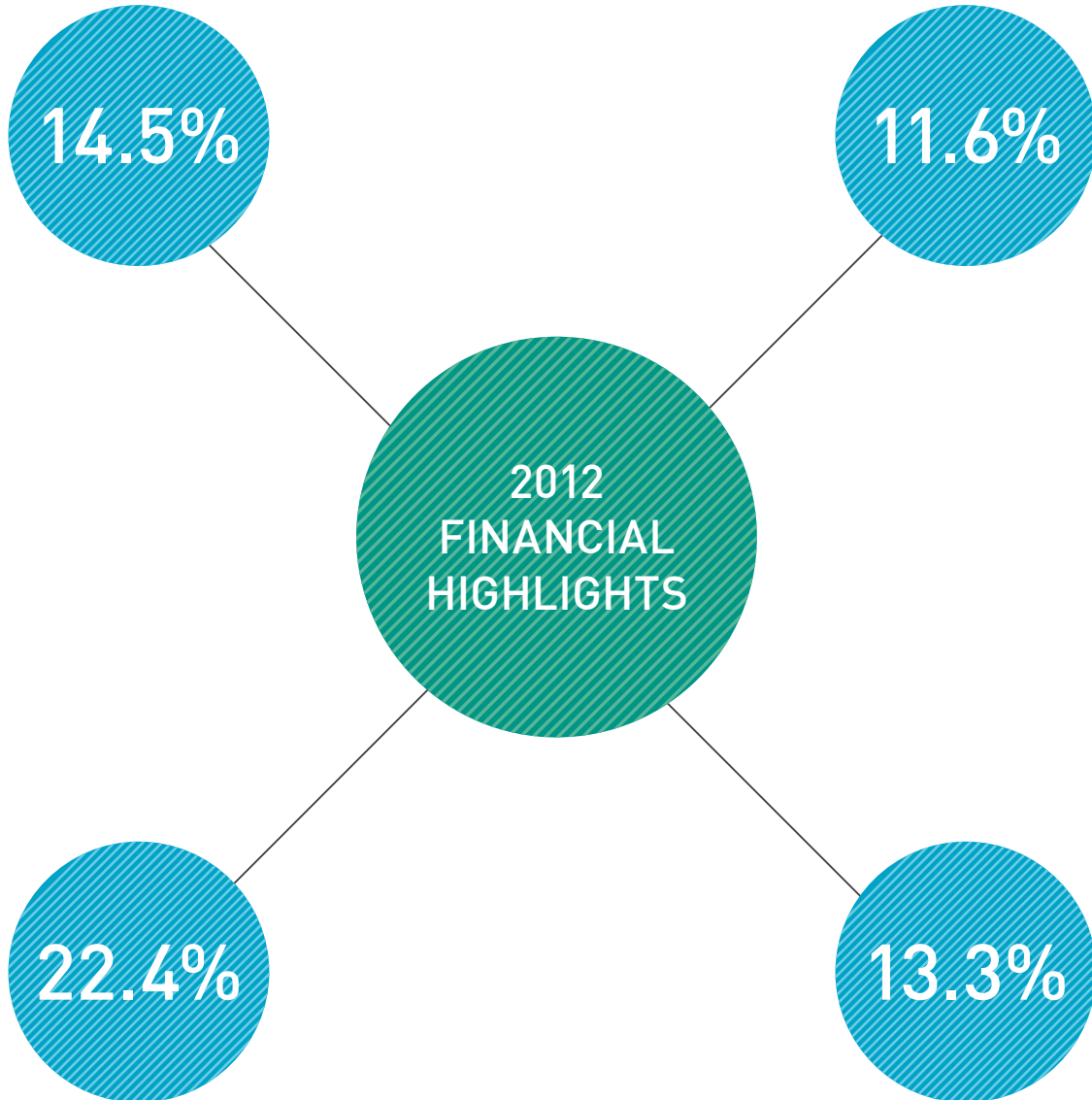


Rural Marketing Association of India (RMAI) Award for Epilepsy outreach initiative



EBIDTA
(% of net sales)

2012 Sales
growth over 2011









Return on
Equity

PBT (% of
net sales)



10 Abbott India products are among the Top 300 brands in Indian Pharmaceutical Market (IPM)

-  Digene continues to be # 1 prescribed Antacid with over 5.5 million prescriptions annually. Approximately 29,000 doctors prescribe Digene every month.
-  Duphaston maintained its # 1 position in its segment (Progestogen and similar combinations) and is a Top 50 brand in IPM
-  Thyronorm was ranked 8th in IPM in December 2012.
-  Vertin jumped 13 positions from 112 in January '12 to 99 in November 2012 and entered the Top 100 brands in IPM
-  Zolfresh moved to #2 in the Extended Sleep Market, jumping 234 positions in a span of 2 years
-  Digecaine has become the # 3 brand (Antacid + Local Anaesthetic) in a span of 2 years



* Source - IMS

- With the launch of Adiza (Esomeprazole), Abbott India entered the large PPI (Proton Pump Inhibitors) segment of the Indian Pharmaceutical Industry.
- Heptral, which was launched in September 2010, continued to build share in 2012 and achieved sales of ₹ 21 Crores.
- We continued to build our presence in key therapy areas with the launch of Omacor (Cardiology), Prothiaden- M (Depression) and Obimet GX Forte (Diabetes).

2012 NEW PRODUCT INTRODUCTIONS



- Rolled out SAP successfully integrating 6 Abbott divisions, 1000+ users, 2 manufacturing sites, 19 loan licensees, 76 C&FAs and 18 warehouses
- Audited 8 new facilities, 15 existing TPM and 16 C&FAs
- As part of Project Triveni Abbott India derived operational synergies by transferring 3 brands and 8 SKUs to Abbott's own manufacturing plant in Goa.
- Began implementation of Sales Force Automation (SFA) system (Salesforce.com) to build a world class sales effectiveness framework

2012 OPERATIONAL EFFICIENCIES



CHAIRMAN'S MESSAGE



Dear Shareholders,

I am happy to report that your Company had another record year in 2012. Sales increased by 11.6% and Profit After Tax by 20.2% over prior year. This is a significant achievement considering the slower growth in the Indian Pharmaceutical Market at 11.1% vs. 14.9% in the previous year.

Your Company continued to strengthen its position in the key Therapeutic Areas in which it competes. During the year, several new products were launched Adiza, a Proton Pump Inhibitor (PPI), Prothiaden M for Depression and Obimet GXForte for Diabetes. We are getting closer to our customers by increasing product awareness and access. New product launches are being revamped and greater emphasis is being put on talent acquisition and training and development of our people. As we venture ahead into this exciting and promising phase of growth, we are striving to make Abbott India a leader in the therapeutic areas in which we operate.

Many transformation programs initiated helped improve productivity and profitability and cost containment initiatives successfully offset impact of high inflation and adverse exchange rates.

Training and development of our People, Performance Excellence, Ingenuity and Continuous Improvement are the key strategic initiatives that will help Abbott India harness the Potential for Growth.

Many transformation programs initiated helped improve productivity and profitability and cost containment initiatives successfully offset impact of high inflation and adverse exchange rates.

Your Board has recommended a dividend of ₹17 per share for the year 2012.

While the global economy faces many challenges, uncertainties continue in India. Prudence dictates caution in such an environment, particularly with the proposed inclusion of additional pharmaceutical compounds under the DPCO.

As you may be aware, the National Pharmaceutical Pricing Policy 2012 has expanded price control to 348 drugs specified in the National List of Essential Medicines. The new Drugs Price Control Order (DPCO), which may impact margins of some of the key products of your Company is likely to be notified soon.

However the longer term prospects for the Indian Pharmaceutical Market are excellent. According to McKinsey, a leading global consulting organisation, the pharmaceutical market has the potential to grow to ₹ 3,85,000 Crores by year 2020.

Training and development of our people, Performance Excellence, Ingenuity and Continuous Improvement are some of the key strategic initiatives that will help Abbott India harness the Potential for Growth. However, the key to this is effective execution at the grassroots level. At the heart of effective execution are our people, who, with their commitment and strong knowledge of the market, will drive Performance Excellence and keep growing our business through Continuous Improvement.

We are simplifying processes and reducing hierarchical complexities with IT to improve speed and productivity. One of the successful projects has been implementation of SAP during the year.

I thank all our loyal and committed employees, customers, suppliers, stockists, bankers and other business associates for their consistent support over the years.

I also wish to thank your Board of Directors for their counsel, support and advice.

My sincere gratitude to our valued shareholders for your trust in the

Company over the years and look forward to your continued support in 2013 and beyond. With the help of our employees and their consistent support, Abbott India will continue to grow and prosper.



Munir Shaikh
Chairman

Total Revenue

₹ 1,675 Crores

PAT

₹ 145 Crores


EPS

₹ 68.10 / Share

Dividend

₹ 17.00 / Share

At Abbott India, we are constantly improving our operational efficiencies and streamlining processes, both internally and externally. We continue to re-vitalise our product portfolio with line extensions and new packaging formats and designs.



MESSAGE FROM THE

MANAGING DIRECTOR

Dear Shareholders,

It is my pleasure to present Abbott India's financial performance for the year 2012. Having joined the Company in May 2012, it has been an exciting journey for the last 10 months and I am proud of our achievements and the transformation that our organisation has undergone.

In spite of 2012 being a difficult year for the Indian economy and the Indian Pharmaceutical Industry, your company delivered commendable results.

Net Sales for the year increased to ₹ 1613 Crores in 2012 as against ₹ 1446 Crores in 2011.

This performance is quite an achievement in light of the slow down in the Indian economy to below 6% GDP growth for the first time in the last 10 years. With inflation remaining unabated at 7.8% in 2012, interest rates remained high throughout the year, impacting both direct and indirect costs, and consequently, our margins.

The Indian Pharmaceutical Industry also went through a difficult year and grew at 11.1% in 2012 vs. 14.9% in 2011 - growth was sluggish at best. The therapeutic categories that Abbott India operates in were also adversely affected. Hence your Company's performance in 2012 represents an effort which overcame these external challenges to deliver growth.

Apart from Sales growth, Profit Before Tax (PBT) improved significantly to ₹ 215 Crores compared to ₹ 180 Crores for the previous year. In percentage terms, PBT increased for the year and stood at 13.3% of Sales for 2012 against 12.5% of Sales for 2011.

This improvement in margins is due to Abbott India becoming leaner on multiple fronts through:

- Cost savings from various transformation programs in the areas of Supply Chain, Technology and People Management
- Other Expenses as a percentage of Net Sales reduced to 16.9% (last year 19.8%)

- Promotional spends curtailed to 4.3% of Sales in 2012 vs. 5.8% in 2011
- Focus on increasing sales force productivity through efficiency metrics, frequent reporting, territory management and on-ground execution.

Segment-wise, Abbott India continued to dominate the therapy areas it operates in. All brands continued to gain significant segment-shares during 2012. Some of the notable achievements and milestones include:

- Digene continues to remain as the #1 Antacid with over 5.5 million prescriptions annually
- Brufen, another leading brand, has over 5 million prescriptions annually
- Thyronorm continues to outpace market growth and became the 8th ranked brand in IPM in Dec 2012
- In the Women's Health segment, Duphaston crossed ₹ 100 Crores in Sales and features among the Top-50 brands in IPM.
- Vertin improved its rank from 112 in January 2012 to 99 in November 2012 and entered the Top-100 brands in IPM.
- The most significant improvement in ranking was by Zolfresh leaping 234 ranks (over a period of 2 years) to become the # 2 brand in the extended Sleep segment.
- Heptral launched in September 2010 continued to grow with sales of ₹ 21 Crores in 2012.

During the year, your Company launched Adiza (Esomeprazole) and entered the large PPI (Proton Pump Inhibitors) segment. It is interesting to note that 40% of the base business sales growth in 2012 came from products launched during the last 3 years demonstrating the success of our new product initiatives.

At Abbott India, we are constantly improving our operational efficiencies

and streamlining processes, both internally and externally. We continue to re-vitalise our product portfolio with line extensions and new packaging formats and designs.

I am confident that your Company will continue to grow and keep building on the success it has achieved.

I take this opportunity to thank all our employees, partners, suppliers, stockists, retailers and customers. I appreciate the trust our shareholders and investors have placed in the management and on behalf of Abbott India thank them sincerely.

With warm regards



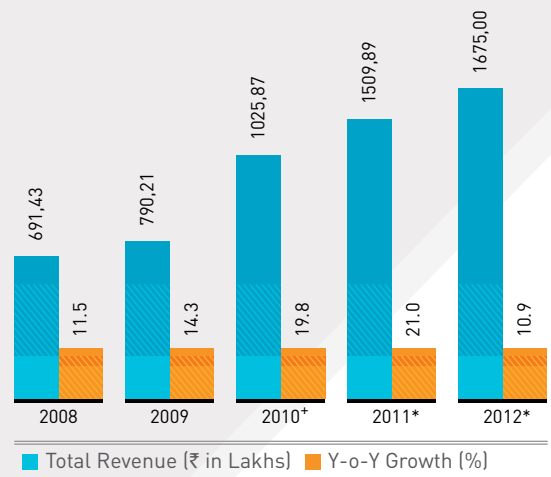
Rehan A. Khan
Managing Director

Your Company delivered a strong performance in 2012 inspite of adverse economic conditions registering Sales growth of 11.6% and PAT growth of 20.2%

FINANCIAL RATIOS

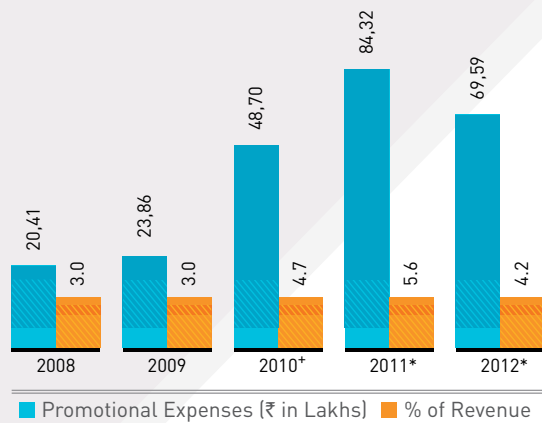
TOTAL REVENUE
Y-o-Y Growth

10.9%

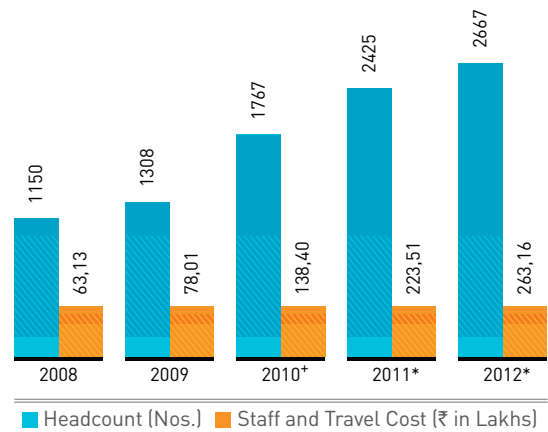


PROMOTIONAL EXPENSE
% to Total Revenue

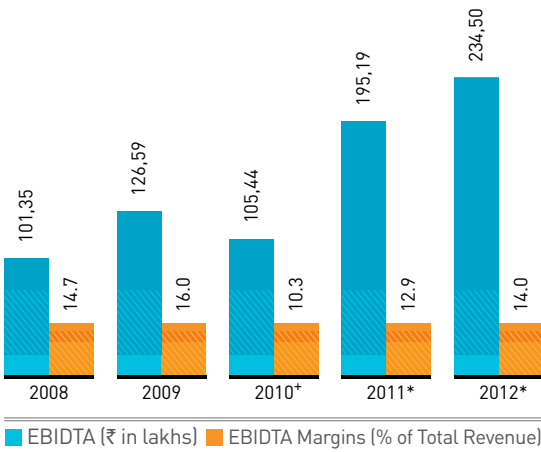
4.2%



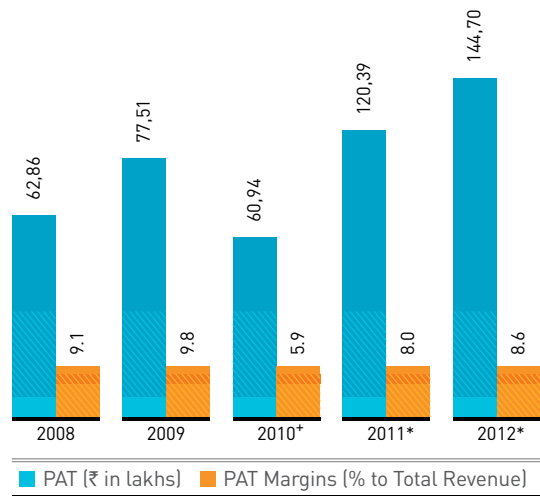
HEADCOUNT
Staff & Travel Cost



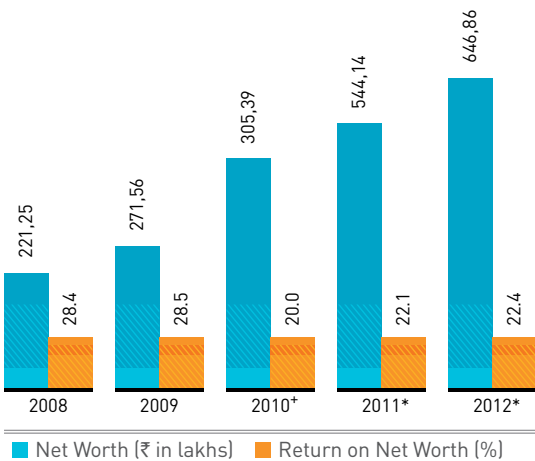
EBIDTA MARGINS
% to Total Revenue **14.0%**



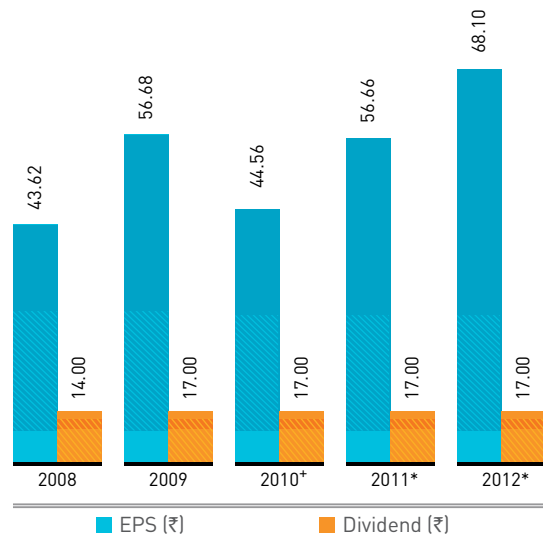
PAT MARGINS
% to Total Revenue **8.6%**



NET WORTH
Return on Net Worth **22.4%**



DIVIDEND
Per Share **₹17.00**



* Post Merger with Solvay Pharma India Limited
+ Figures for 2010 are for 13 months of standalone Abbott India Limited

10 YEAR**FINANCIAL
HIGHLIGHTS**

	2003	2004	2005
OPERATING RESULTS			
TOTAL REVENUE	390,56	462,61	459,53
MATERIALS	221,83	249,01	295,75
EMPLOYEE BENEFITS EXPENSE	22,81	24,39	25,02
OTHER EXPENSES	46,37	47,42	47,65
DEPRECIATION/ AMORTISATION	4,39	4,17	3,98
FINANCE COST	11	17	2
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	95,05	137,45	87,11
EXCEPTIONAL ITEMS	-	-	-
PROVISION FOR TAXATION	27,08	35,20	27,95
PROFIT AFTER TAX	67,97	102,25	59,16
RETAINED EARNINGS	5,29	41,79	28,16
EARNINGS PER SHARE - BASIC & DILUTED (₹)	43.39	66.92	38.72
DIVIDEND PER SHARE (₹)	35.00	35.00	17.50
FINANCIAL SUMMARY			
ASSETS EMPLOYED			
FIXED ASSETS (Net)	33,46	32,52	31,17
CURRENT ASSETS (Net)	115,23	157,95	187,08
TOTAL ASSETS	148,69	190,47	218,25
FINANCED BY			
SHARE CAPITAL	15,28	15,28	15,28
RESERVES AND SURPLUS	131,21	173,00	201,16
TOTAL SHAREHOLDERS' FUNDS	146,49	188,28	216,44
BORROWINGS	2,20	2,19	1,81
NUMBER OF SHAREHOLDERS			
HEADCOUNT	13,747	14,792	14,029
	897	862	858

*Post merger with Solvay Pharma India Limited

₹ in lakhs

	2006	2007	2008	2009	2010 (13m)	2011*	2012*
	530,78	620,29	691,43	790,21	1025,87	1509,89	1675,00
	353,33	408,46	454,62	504,17	647,30	861,21	971,65
	28,19	35,35	48,92	62,37	111,20	167,35	206,10
	57,27	68,93	86,54	97,08	161,93	286,14	273,14
	4,44	5,66	6,98	9,01	11,25	15,00	19,49
	12	2	2	20	4	3	2
	87,43	101,87	94,35	117,38	94,15	180,16	204,60
	-	-	-	-	-	-	10,39
	27,57	33,44	31,49	39,87	33,21	59,77	70,29
	59,86	68,43	62,86	77,51	60,94	120,39	144,70
	29,37	39,66	40,47	50,31	33,83	78,55	102,72
	39,18	46,01	43,62	56,68	44,56	56,66	68,10
	17,50	17,50	14,00	17,00	17,00	17,00	17,00
	31,53	36,31	50,63	49,15	50,57	80,02	109,18
	215,69	195,74	171,38	222,41	254,82	464,12	537,68
	247,22	232,05	222,01	271,56	305,39	544,14	646,86
	15,28	14,47	13,68	13,68	13,68	21,25	21,25
	230,53	216,55	207,57	257,88	291,71	522,89	625,61
	245,81	231,02	221,25	271,56	305,39	544,14	646,86
	1,41	1,03	76	-	-	-	-
	14,905	14,152	13,689	13,422	14,461	19,354	20,826
	894	1042	1150	1308	1767	2425	2667

ABBOTT INDIA

BOARD OF DIRECTORS

Mr. Munir Shaikh
Chairman



Mr. Rehan A. Khan
Managing Director



Mr. Rajendra Shah
Independent Director





Mr. Ashok Dayal
Independent Director



Mr. Thomas Dee
Non- Executive Director

Mr. Ranjan Kapur
Independent Director



Mr. Kaiyomarz Marfatia
Whole - time Director



Mr. Bhasker Iyer
Non- Executive Director

Mr. Sachin Dharap
Non - Executive Director





1 Rehan A. Khan
Managing Director

Rehan joined Abbott India in May 2012 as Managing Director. Prior to this he was the General Manager & Country Head of Abbott Nutrition, India (ANI) from March 2009. Rehan has 17 years of commercial experience in India, US, UK and Continental Europe (Switzerland, Germany, Holland, Sweden) in General Management, Marketing & Sales, Strategic Planning and PE/Operations. Prior to joining ANI, Rehan was with AstraZeneca India as VP Sales & Marketing (Hospital & Oncology business units). Rehan has a SM in Biomedical Sciences from Harvard/MIT (Harvard MIT Division of Health Sciences), an MBA from Drexel University and BS from University of Wisconsin – Madison.

MEET THE
LEADERSHIP
TEAM

2 Rajiv Sonalker
Director Finance

Rajiv joined Abbott India as Director Finance in 2006 with nearly 26 years of experience in various organisations in the Pharmaceutical, FMCG and Engineering sectors. Before joining Abbott, he worked with Bristol-Myers Squibb as Director- Finance. He has also worked with Voltas Ltd, Johnson & Johnson, Sanofi - Aventis in India and Germany. Rajiv holds a Bachelors Degree in Science from the University of Bombay, and is a Chartered Accountant from the Institute of Chartered Accountants in India.

3 Nagina Singh
HR Director

Nagina joined Abbott India as HR Director in July 2012. Prior to this she was heading HR and Safety for the Adelaide operations of PepsiCo Australia and New Zealand and was appointed Director- Talent Acquisition for PepsiCo India Region. Nagina has a Bachelors degree in English Honors, a Masters in Industrial Psychology and a Masters in International Business with a specialisation in International HR.

4 Vidyadhar Natu

Commercial Director - Women's Health & Gastroenterology

Natu joined Abbott India in December 2005 as a Marketing Manager for the Metabolics division. He then took over as Head- Metabolics before being appointed as Commercial Director for Women's Health & Gastroenterology in January 2013. He has also worked in Abbott Global in Basel as part of his tenure. Natu has a B.Pharm degree from Birla Institute of Technology and a Post Graduate Diploma in Business Management from the Indian Institute of Planning and Management

5 Rajaram Sankaran

Commercial Director – Speciality Care

Rajaram joined Abbott India in February 2013 as Commercial Director – Speciality Care. He started his career as a medical representative and over a period of 14 years, he has worked with organisations such as Frost & Sullivan, Torrent, Ranbaxy, AstraZeneca and Abbott Nutrition. Prior to joining Abbott India, Rajaram was with Abbott Nutrition, India as BU Head for Medical Nutrition. Rajaram has a Post Graduate in Management from IIFM, Bhopal and a Bachelors degree in Science from Nagarjuna University.

6 Ashok Nair

Commercial Director – General Care

Ashok Nair joined Abbott India in January 2012 as the Business Unit head for General Care division. Subsequently, he was appointed as the Commercial Director for General Care in Jan 2013. Ashok brings with him over 25 years of pharmaceutical marketing and sales experience. He started his career as a medical representative in Cipla and then assumed senior management roles in companies such as Sun and Torrent. Ashok graduated in Science from Bhopal University.

7 Kaiyomarz Marfatia

Director - Legal & Secretarial

Kaiyomarz joined Abbott India as Manager - Legal in 1996 and assumed responsibility for the Legal & Secretarial function in 2002. In 2011, he was appointed to the Board of Abbott India Limited. Prior to joining Abbott India, he was associated with Siemens Limited for 16 years in various Legal and Secretarial roles. Kaiyomarz is a Commerce graduate and holds a Law degree from Government Law College Mumbai.

8 Dr. Rashmi Hegde

Director Medical & Regulatory Affairs

Dr. Rashmi joined Solvay in January 2001 as General Manager, Medical. She assumed responsibility as Medical Director for SE Asia in 2002 and as

Pharmacovigilance Director for Asia, Middle East, Australia and Canada in 2007. She assumed her current position of Medical Director for Abbott India in August 2012. Dr. Rashmi has an MBBS and Masters degree in Pediatrics from Mumbai University

9 Nagesh Voleti

Director QA/QC

Nagesh joined Abbott India in September 2008 as the Head of Quality with a focus on collaborating with Operations, R&D, Regulatory, Marketing, NPI and Global Abbott as well as with external regulatory bodies to ensure compliance in products, systems & practices. Prior to Abbott India, Nagesh was with Dr. Reddys Laboratories for 6 years and with GlaxoSmithKline for 13 years in various Quality related roles. Nagesh completed his Masters in Organic Chemistry from Mumbai University and Masters in Business Management from NMIMS.

10 TR Prasad

Associate Director Operations

Prasad joined Solvay in August 2004 as the Planning and Distribution Head. In 2007, he was appointed as the Head for Supply Chain and subsequently assumed his current position of Associate Director from 2011. Prior to Abbott, Prasad was employed with Dow Corning and Elf lubricants for over 4 years. Prasad has a chemical engineering degree from Shivaji University and an MBA in operations from Mumbai University. He also has a diploma in Excise and Service Tax.

11 Sambit Sathapathy

Director Commercial Operations

Sambit joined Abbott India in January 2013. He brings with him a diverse set of FMCG execution skills and strategic thinking experience with about 12 years as a Divisional Manager for Sales & Marketing at ITC and 5 years at McKinsey & Company. Sambit in his role is responsible for leading NPI, Ex-India Markets, strategy and project management for Abbott India. He has completed his B.Tech (Manufacturing Science and Technology) from IIT Kharagpur and Post Graduate Diploma with Specialisation in Marketing and Finance from ISB Hyderabad.

12 Sandeep Khandelwal

Director Commercial Excellence

Sandeep joined Abbott India in February 2013 as Director- Commercial Excellence where he is accountable for SFE, SFA, Training, OTC and IT. He comes with 13 years of diverse experience geographically & functionally in Sales & Distribution. Prior to joining Abbott India, he was with Marico as Head Sales for Nature & Personal Care for 12 plus years. Sandeep has completed his B.E (Electronics) from Mumbai University and MMS from NMIMS.

Patient Awareness
(Mega Wellness Camp)



Friday Thyroid Clinic



Thyroid Screening in an Indian Village



Government Partnerships for
Thyroid Management

WIDENING THE CIRCLE OF WELLNESS IN 2012

Abbott India has been one of the leaders in Thyroid Management in India. Our teams engage with doctors to educate patients and spread awareness about Thyroid conditions. Some of our initiatives include:

- **Friday Thyroid Clinics:** Abbott has tied-up with select laboratories of national repute for conducting Thyroid tests at discounted rates. Laboratories offer these services to doctors who express an interest in bringing in low cost thyroid testing at their clinics. These camps are done periodically and test results are sent by the laboratories directly to the doctors.
- **Mega Wellness Camps:** Abbott continued its alliance with Rotary for improving lives of the underprivileged by conducting Mega Wellness Camps which provide access to testing for Thyroid and other disorders.
- **Government Partnerships:** Abbott has partnered with select government bodies to improve awareness of and screening for Thyroid. Two notable examples are: Greater Visakhapatnam Municipal Corporation and Bruhat Bangalore Mahanagar Palike. In these partnerships, Abbott arranges for trainings of Government Doctors, and assists them in spreading awareness and diagnosis of thyroid disorders, while the Government body provides infrastructure and logistics support.



Epilepsy Camp in an Indian Village



Over the last 12 months Abbott India has continued its efforts in screening patients with Epilepsy in rural areas. These initiatives are run in partnerships with doctors from surrounding areas

- **Epilepsy Camps:** Abbott has taken up the initiative of bridging the gap in Neurological care in many small towns/villages of India. In 2012, Abbott partnered with multiple NGOs to conduct camps where Neurologists travelled from nearby cities to diagnose patients for Epilepsy.
- **Lifeline Express:** The Lifeline Express or 'Jeevan Rekha Express' is a mobile hospital train run by Impact India Foundation, which travels the length and breadth of the country, providing medical support in the remote parts of rural India. Abbott India provided support in this initiative and around 3000 Epilepsy patients have benefited across the remotest parts of rural India.

Epilepsy camp in progress



Jeevan Rekha Express



2013 & BEYOND –

EXECUTING THE ABBOTT INDIA TRILOGY

As we continue to build on the foundation laid down through the transformation programs over the last several years, Abbott India has developed an operational plan which hinges on 3 key elements – People and Culture, Performance Excellence and Continuous Improvement. These 3 elements combined together will ensure that Abbott India remains on an upward growth trajectory, improves profitability and most importantly impacts the lives of millions of Indians through the science of medicine.





People and Culture



Performance Excellence



Continuous Improvement



The uninterrupted growth and proven success of Abbott India over 100+ years in advancing health for people in India is propelled by the **POWER OF EXECUTION**. It is this power of execution that is responsible for keeping Abbott India at the forefront of the Pharmaceutical Industry in India as a leading healthcare organisation.

THE POWER OF EXECUTION GENERATED BY

PEOPLE & CULTURE

The world of pharmaceuticals goes through fast paced changes brought about by research, development and innovation. Every change brings about a new set of challenges as well as opportunities. Approaches need to be re-thought, business models need to be revamped and strategies need to be re-formulated. And then comes the most crucial part – translating strategy into action – EXECUTION.

At Abbott India, the power of meticulous and methodical execution is generated by our most important resource – our People. We understand the immense value and the indispensable role people play in our endeavour to realise our potential for growth and deliver our promise of success. People form a key part of our growth strategy and to keep them motivated and empowered, we have set our focus on the following areas:



Building Skills & Capability

In 2013 Abbott India has developed a comprehensive plan to upgrade critical skills, improve knowledge and build capabilities across the organisation. This will be achieved through on-going training programs and launch of a proprietary Sales Training Academy. The on-boarding program for new hires has also been strengthened to ensure that new employees are effective from day one.



Improving Talent Mix

Talent sourcing is being strengthened via new strategies that will focus on bringing in experienced professionals (primarily at the sales representative level) and also bring in talent from outside the pharmaceutical industry so that best practices from other industries can be incorporated into how Abbott India does business.



Defining Career Programs

To reduce attrition and develop internal talent, Abbott India launched an integrated Career Pathing and Development framework across various levels and positions in the organisation. This framework will facilitate accelerated growth for consistent performers through a well defined evaluation mechanism. Promotion will be linked to training and certification programs to maintain an edge in the industry.



Engaging With The Field

There is a renewed and strong focus on field engagement. We launched an internal initiative branded as "Connexion" which aims to create a platform for field staff to engage with Abbott India leadership. It represents an open platform which facilitates exchange of ideas across all levels within the organisation. 2013 is likely to see 30 Connexion meetings being held across the country with attendance from various leaders in the organisation .



THE POTENTIAL FOR GROWTH ACHIEVED THROUGH PERFORMANCE EXCELLENCE

To keep excelling in our performance and continue to maintain an edge over competition, we have made performance excellence a key part of our growth strategy for 2013. We have focussed on the following areas to drive performance excellence in 2013:



Building a Culture of Performance Excellence

Organisation performance is closely tracked on a week by week, month by month basis through a series of management level dashboards, sales and marketing KPIs. Performance is tracked centrally through a single system and data shared at various levels in the organisation



Establishing Leadership in Key Therapy Areas

Following are some of the initiatives to establish science based leadership in 2013

- Enter new and adjacent therapeutic segments
- Build leadership in 4 key areas of CNS: Depression, Sleep, Epilepsy and Vertigo



Engaging in Upfront Goal Setting

For the first time in the history of the company, Abbott India launched a national goal setting exercise – Lakshya 2013 in January over a period of 3 days. This created a forum where all employees came together to align on the goals and targets for 2013

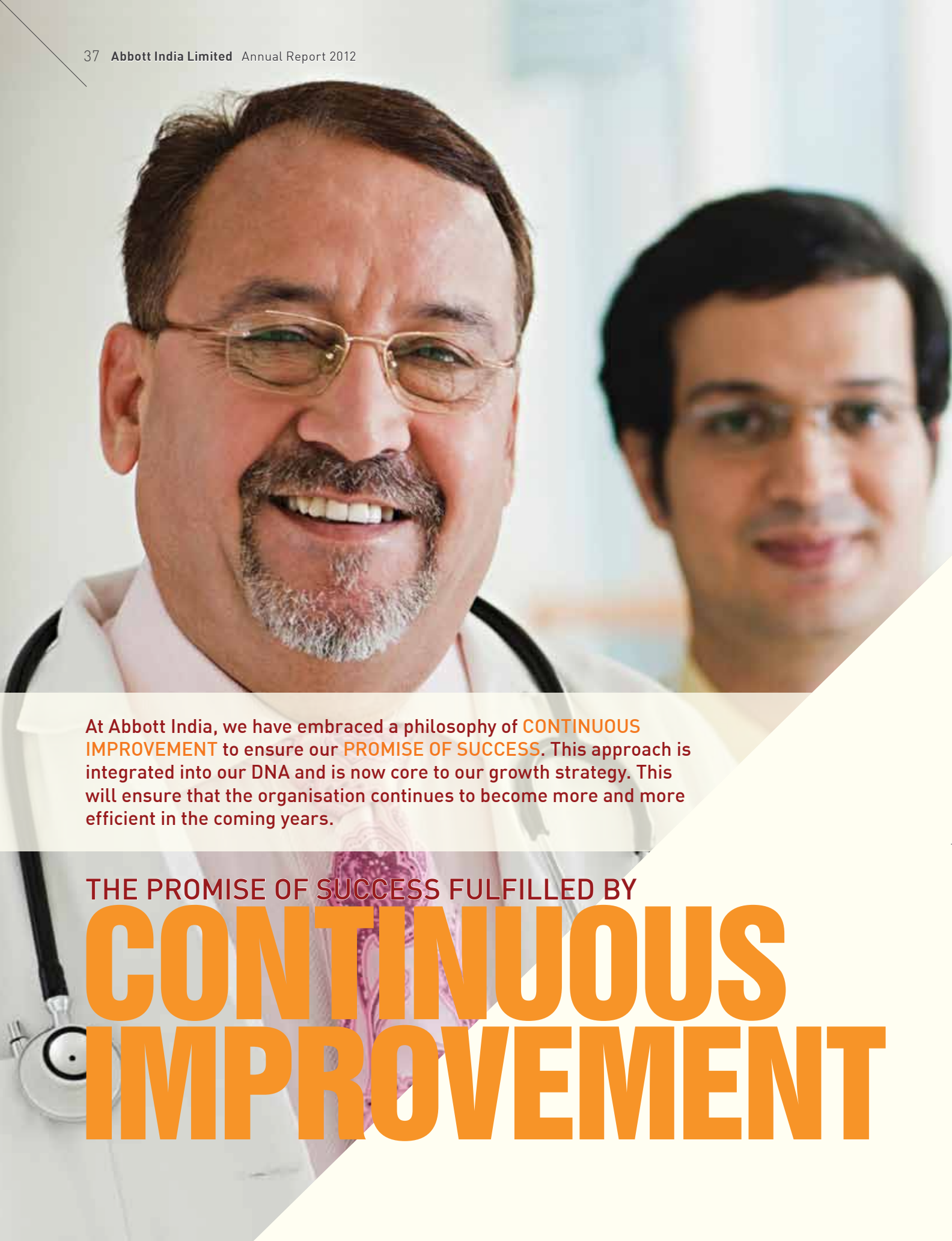


Building Stronger Doctor Engagement and Demand Generation Strategies

We are currently exploring various options to engage with KOLs in scientific discussions. Traditional methods of detailing products are being revamped and innovation being brought in to create dialogues with KOLs and improve in clinic effectiveness. We are pursuing the creation of a strategic marketing team which will focus solely on this area.



The Indian Pharmaceutical Industry holds tremendous potential for growth. While this immense growth potential provides an exciting opportunity to all players in the industry, few players will be able to fully capitalise on this and realise the true potential. Abbott India is one of the front-runners to ride on top of this growth wave and poised to achieve formidable growth. At Abbott, we are confident of **POTENTIAL FOR GROWTH** – achieved through **PERFORMANCE EXCELLENCE**.



At Abbott India, we have embraced a philosophy of **CONTINUOUS IMPROVEMENT** to ensure our **PROMISE OF SUCCESS**. This approach is integrated into our DNA and is now core to our growth strategy. This will ensure that the organisation continues to become more and more efficient in the coming years.

THE PROMISE OF SUCCESS FULFILLED BY

CONTINUOUS IMPROVEMENT

We are living in a world that is changing at a faster pace than it has ever before. New ideas and innovations, superior processes and methods, better products and services are constantly re-shaping our world, forcing us to re-think and re-align our plans. At Abbott India we have identified a number of areas to improve our processes and systems. Some of these include:



Establishing a New Brand Launch Framework

We are currently in the process of completely overhauling our new product launch processes to double the number of new launches per year.

These are being developed with a view to be early to launch new products and increase the success of new launches.



Revamp Distribution for Faster Demand Fulfilment

We will open 4 new distribution points to reduce service turnaround time in markets where our speed to serve is constrained by the geographic spread.

We will revamp the infrastructure and service levels at 12 of our C&FA locations and adopt consistent and stringent Service Level Agreements.



Simplify Processes

We plan to leverage IT significantly more than we have done in the past for automating various backend processes to improve speed (As an example we plan to reduce field activity reimbursement from 75 days to 30 days through IT automation).

Another project will reduce complexity on internal approvals by defining clear responsibility matrices and organising regular trainings and thereby reducing turnaround time for key approvals.



Improve Sales Force Systems

We expect our SFA system - Salesforce.com to be ready by mid year, which will help bring many of the sales support processes under a single system. Not only will this improve reporting and tracking of field activities but will also help our sales force manage their day to day field work.

CORPORATE INFORMATION

Board of Directors

Munir Shaikh, Chairman
Rehan A. Khan, Managing Director
Rajendra Shah, Independent Director
Ashok Dayal, Independent Director
Ranjan Kapur, Independent Director
Thomas Dee, Non-Executive Director
Kaiyomarz Marfatia, Whole-time Director
Bhasker Iyer, Non-Executive Director
Sachin Dharap, Non-Executive Director

Audit Committee

Ashok Dayal, Chairman
Rajendra Shah, Member
Ranjan Kapur, Member
Munir Shaikh, Member

Corporate Management

Rehan A. Khan, Managing Director
Rajiv Sonalker, Director-Finance
Nagina Singh, HR Director
Vidyadhar Natu, Commercial Director
Rajaram Sankaran, Commercial Director
Ashok Nair, Commercial Director
Kaiyomarz Marfatia, Director - Legal & Secretarial
Dr. Rashmi Hegde, Director-Medical
Nagesh Voleti, Director-Quality
TR Prasad, Associate Director-Operations
Sambit Sathapathy, Director Commercial Operations
Sandeep Khandelwal, Director Commercial Excellence

Company Secretary

Ms Krupa Anandpara

Bankers

Standard Chartered Bank
BNP Paribas
HSBC Bank
HDFC BANK

Auditors

Deloitte Haskins & Sells

Solicitors

Wadia Ghandy & Co.
Crawford Bayley & Co.

Registered Office

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Sion-Trombay Road
Mumbai - 400 071.

Factory

L-18/19, Verna Industrial Estate, Goa.

Registrars & Share Transfer Agents

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Behind Sakinaka Telephone Exchange,
Andheri Kurla Road, Sakinaka, Andheri (East)
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