A decorative graphic of three white, wavy, overlapping lines is positioned in the top-left corner of the slide.

Innovative Science Affordable Medicine



**Investor Presentation
July 2013**

Certain statements in this release concerning our future growth prospects are forward-looking statements, which are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated in such forward-looking statements. Important factors that could cause actual results to differ materially from our expectations include, amongst others general economic and business conditions in India, our ability to successfully implement our strategy, our research and development efforts, our growth and expansion plans and technological changes, changes in the value of the Rupee and other currencies, changes in the Indian and international interest rates, change in laws and regulations that apply to the Indian and global biotechnology and pharmaceuticals industries, increasing competition in and the conditions of the Indian biotechnology and pharmaceuticals industries, changes in political conditions in India and changes in the foreign exchange control regulations in India. Neither the company, nor its directors and any of the affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after this date or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

Biocon: Who are we?

Growth Segments

- **Small Molecules**
- **Biosimilars**
- **Branded Formulations**
- **Research Services**
- **Novel Molecules**

Financials

Outlook



Biocon: Who are We?

Mission: *“To be an integrated biotechnology enterprise of global distinction”*

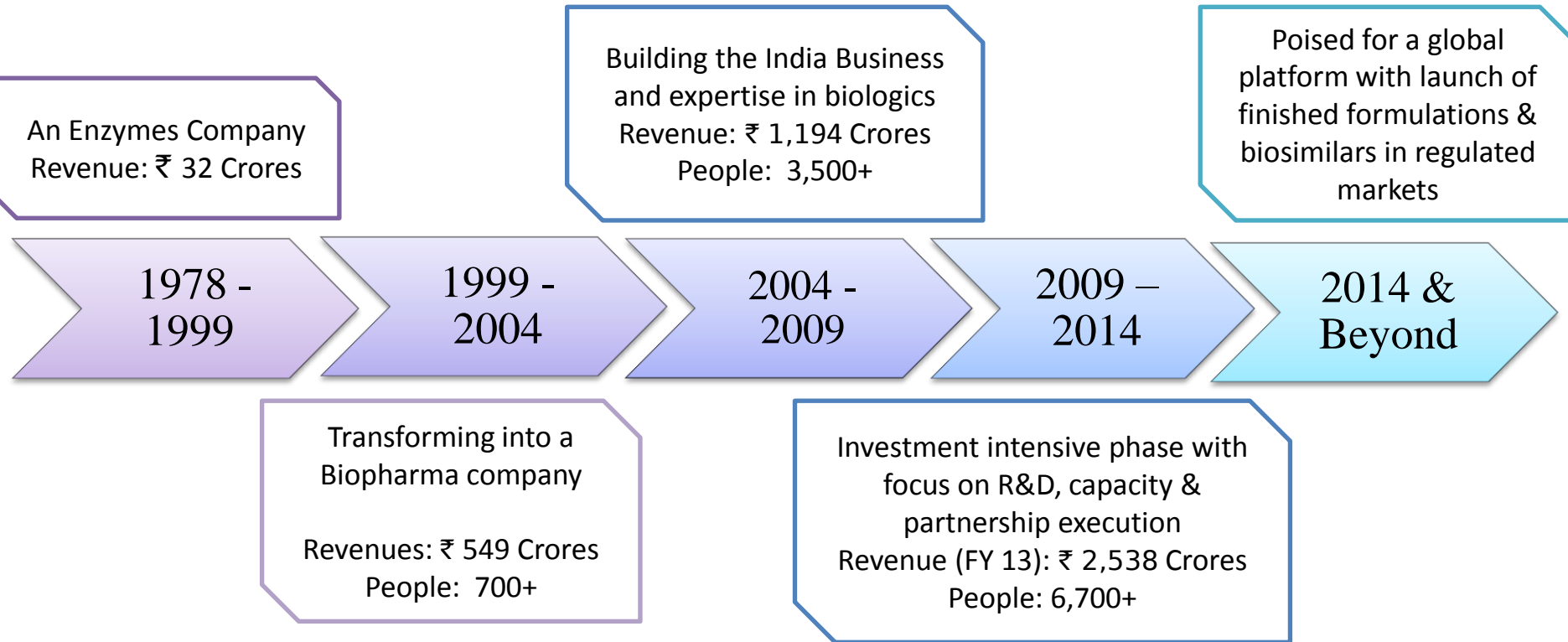
Value Creation along 3 axes:

Reducing therapy costs of **chronic diseases**. (*diabetes, cancer & auto-immune diseases*)

Strategic Research and marketing **partnerships** that provide global access

Leveraging the India advantage to deliver **high value, licensable R&D assets**

Evolving with the Times



Unwavering focus through the years on Innovation & Difficult to make, niche products to create tangible differentiators for sustainable growth

Q1 FY14 Highlights

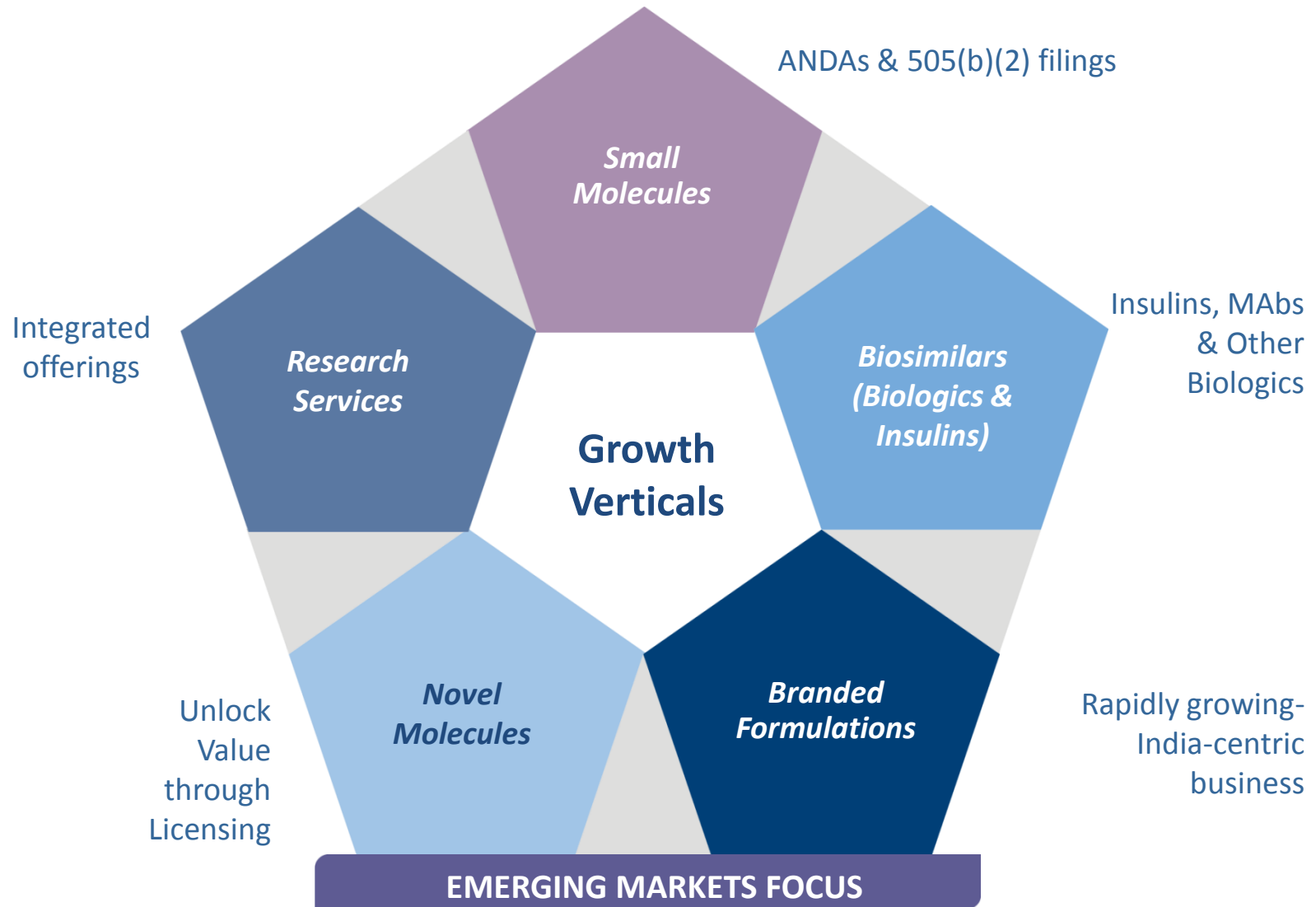
Financial Performance

- ⌘ Group Revenue at ₹ 723 Crores (22% YoY growth)
- ⌘ YoY Growth* across verticals:

Business Vertical	Absolute Growth	Growth at CER#
Biopharma	21%	19%
Branded Formulations	17%	N.A.
Total Biopharma	20%	19%
Research Services	26%	22%
Total Sales	22%	20%

- ⌘ EBITDA at ₹ 175 Crores (EBITDA Margin: 24%)
- ⌘ R&D Expense: ₹ 43 Crores (10 % of Biopharma Revenue)
- ⌘ PAT at ₹ 94 Crores (PAT Margin: 13%)

Growth Verticals: Aligned with Shifting Paradigms



Aligning For Growth: Reorganizing for greater synergy

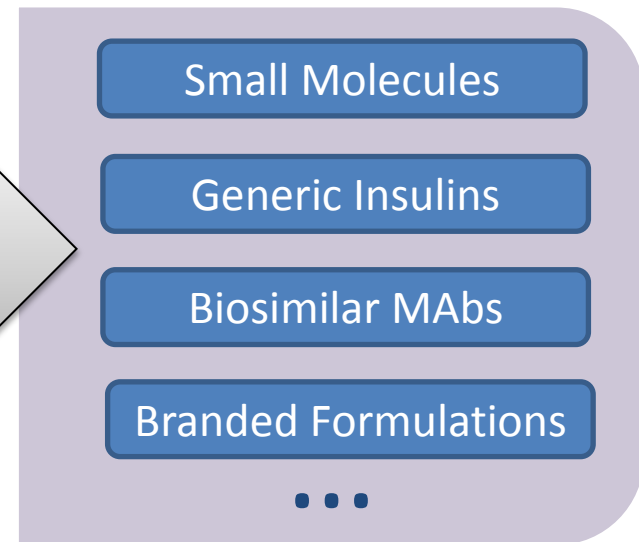
Function Based Organization -----> Business Units

- ⚡ Sustaining the Entrepreneurial Spirit: Agility in decision making
- ⚡ Responsibility with Accountability
- ⚡ Greater Synergy amongst functions: Aligning people to the greater goal

Earlier Organization Structure

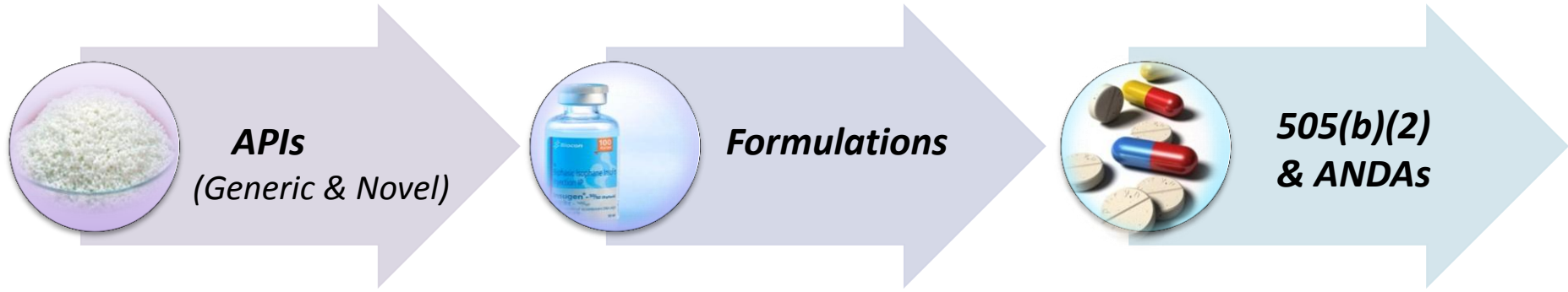


New Organization Structure





Growth Segments: Snapshot



- ❖ Product Portfolio which leverage our core fermentation capabilities and have a high degree of complexity
- ❖ Early mover in niche products coupled with economies of scale.
- ❖ Portfolio based Approach

Current Portfolio	Constituents
Statins	Simvastatin, Atorvastatin, Lovastatin, Rosuvastatin, Fluvastatin & Pravastatin
Immuno suppressants	Tacrolimus, MMF & MPA
Other Biopharma	Orlistat, Fidaxomicin, 50+ other molecules

Biosimilars: Demystifying

**A
biosimilar
is...**

*“a **biological product** that is **highly similar** to the reference product notwithstanding minor differences in clinically inactive components, and.. **no clinically meaningful differences against the reference product** in terms of the safety, purity and potency.”*

**Unlike a
small
molecule...**

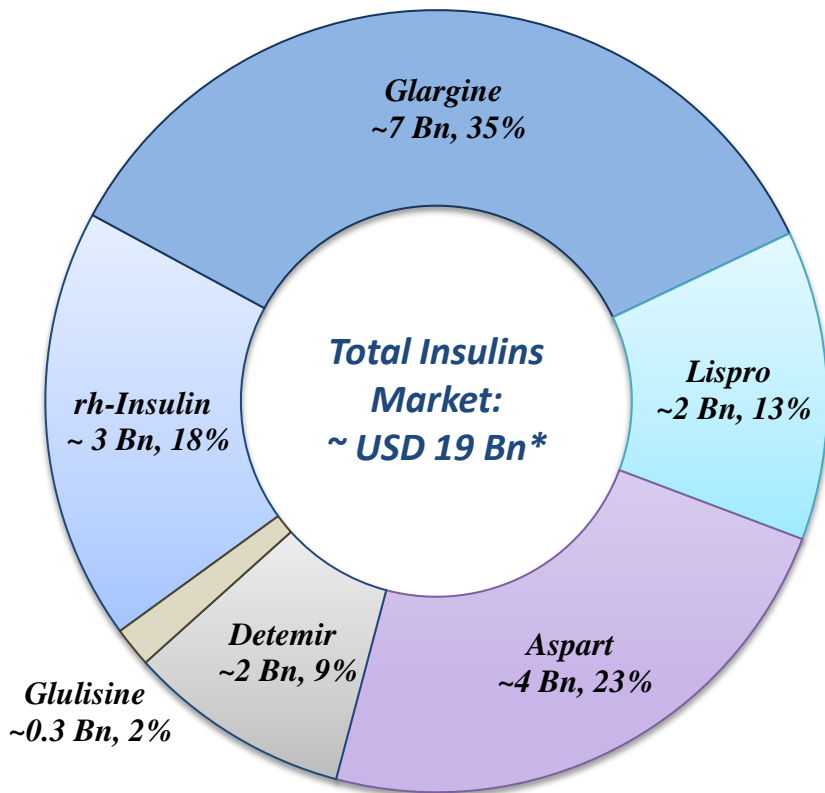
*Large Molecules (proteins): greater complexity
Very difficult to make and demonstrate bio-similarity; Extensive development process
Process development and Capacity constraints*

**Current
Portfolio**

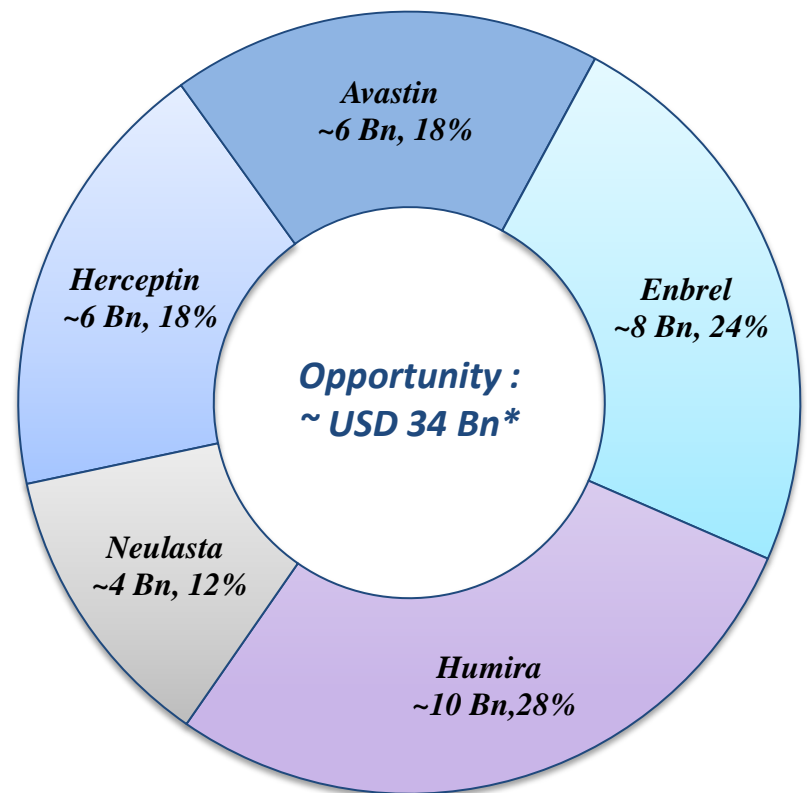
*Insulin & Insulin Analogs (4)
Monoclonal Antibodies (3)
Other Biologics (2)*

Biosimilars: Opportunity

The Insulin Pie



Biosimilar MABs & Other Biologic



*Market Size of innovator products MAT March 2013, All figures rounded off to nearest USD Billion, %ages on absolute numbers

Biosimilars: Collaboration

Co-Development & Commercialization Partnership



Seeing
is believing

Combines Biocon's R&D and manufacturing prowess of biologics with Mylan's regulatory & commercialization capabilities in the US and Europe

	Generic Insulin Analogs	Biosimilar MABs & other Biologics
Global Market Size *	~ USD 14 Bn	~ USD 34 Bn
Portfolio Constituents	Glargine, Lispro & Aspart	Trastuzumab, Bevacizumab, Adalimumab, Eterncept, Peg-filgrastim
Mylan's <i>Exclusive Commercialization</i> Regions	US, Canada, Europe, Australia & New Zealand	All regulated markets
Upfront Received	\$ 20 Mn	\$ 18 Mn

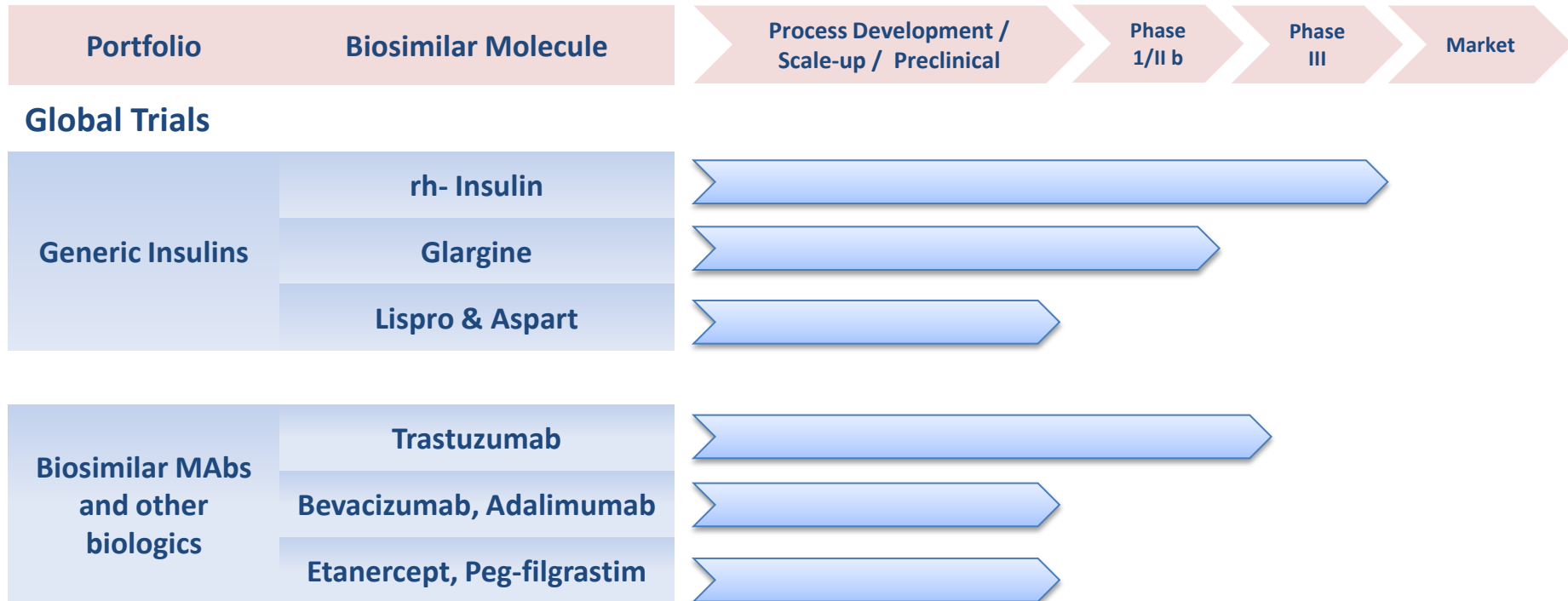
Structure: Upfront Payment + Cost Sharing + Supplies + Profit Sharing[#]

Mylan and Biocon to share development and capital costs

#Profit Sharing Arrangement in regions where Mylan has exclusive commercialization rights

*Biocon and Mylan have **co-exclusive commercialization** rights in other markets.*

Biosimilars: Pipeline



- ⚡ **Emerging Markets First strategy** coupled with a **regional partnership** commercialization approach
- ⚡ Biosimilar Trastuzumab: patient recruitment completed for India Phase III trial.
- ⚡ Generic rh Insulin registered in 45+ countries; generic insulin glargine registered in 10+ nations

Biosimilars: Malaysia Insulin Facility

Key Highlights

Biocon's First Manufacturing expansion overseas : Iskandar, Johor

Asia's largest integrated Insulins manufacturing facility

Investment to the tune of ~\$ 160 Mn in the first phase

Development on-going at full steam

1st Phase expected to be completed by 2014



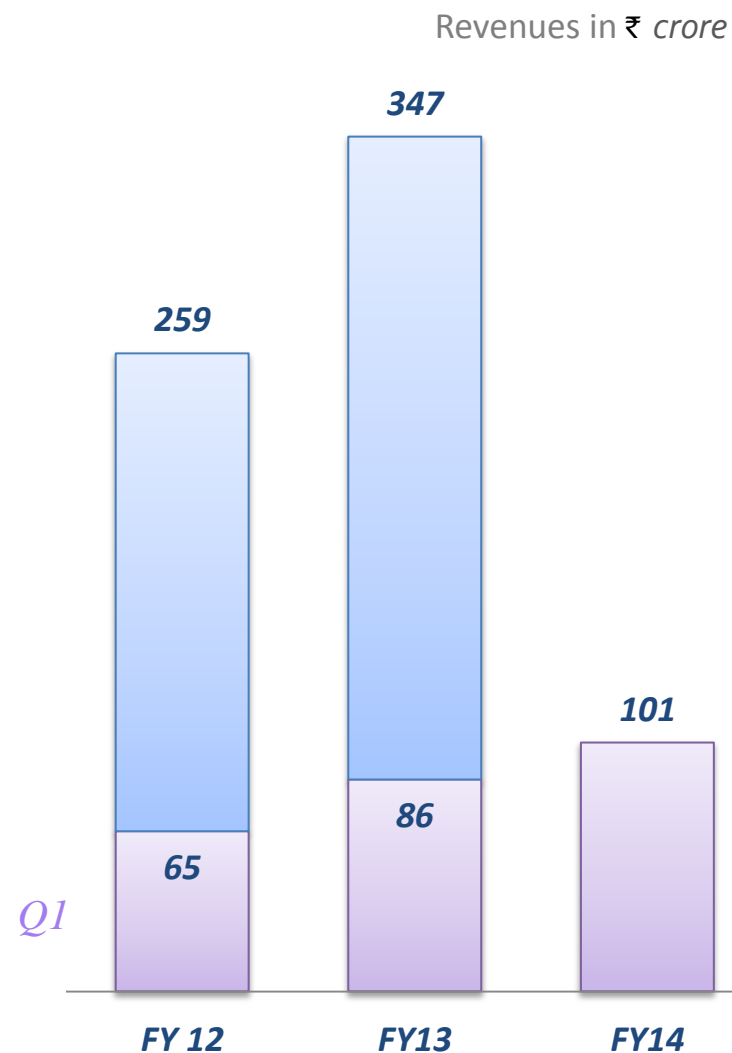
Branded Formulations: Snapshot

- An India Centric Business with Global Ambitions
- Front Ending of our vertically integrated API & Biologics pipeline
- Portfolio highlights:
 - Insugen & Basalog: India's largest selling generic insulin & analog
 - BioMAb EGFR: India's 1st indigenous novel MAb for head & neck cancer

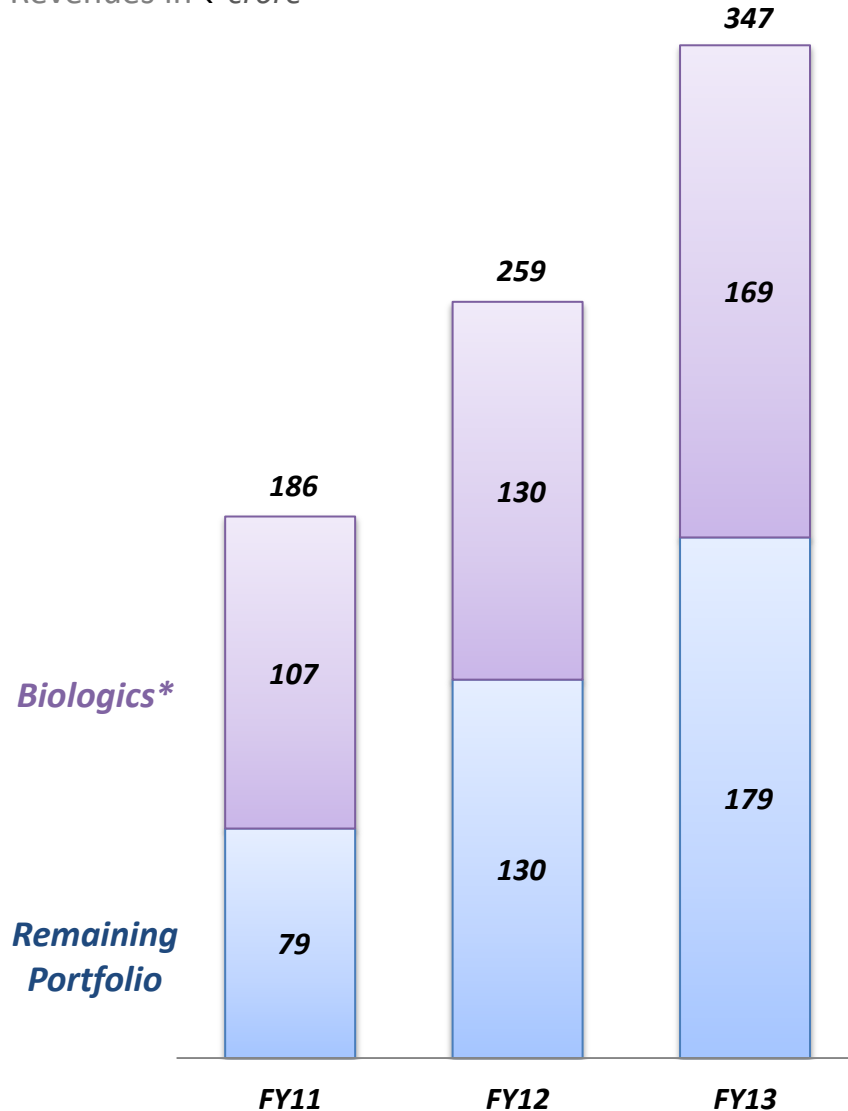
Branded Formulations: Sustained Growth

INDIA PRODUCT RANKINGS#		
Cardiology		
Clotide		1
Myokinase		2
Oncotherapeutics		
Evertor		1
BioMAb EGFR		2
Abraxane		3
Immunotherapy		
Calpsor C, Picon, Tbis		2
Nephrology		
Tacrograf		3
Bio-products		
Ivnex		2
Comprehensive Care		
Genpirome & Cegava TZ		2



Branded Formulations

Revenues in ₹ crore



India's Fastest growing Insulin company

- ❖ Biocon: 34% | Sanofi: 15% | Novo: 5%
- ❖ #4 in overall insulin market
- ❖ #3 in the 40 IU Insulin market
- ❖ #1 in the Glargine vial market

Biocon's Volume Market share[#]

- ❖ 100 IU Insulin: 21%
- ❖ Glargine vials: 84%

Market Share[#] of other flagship brands:

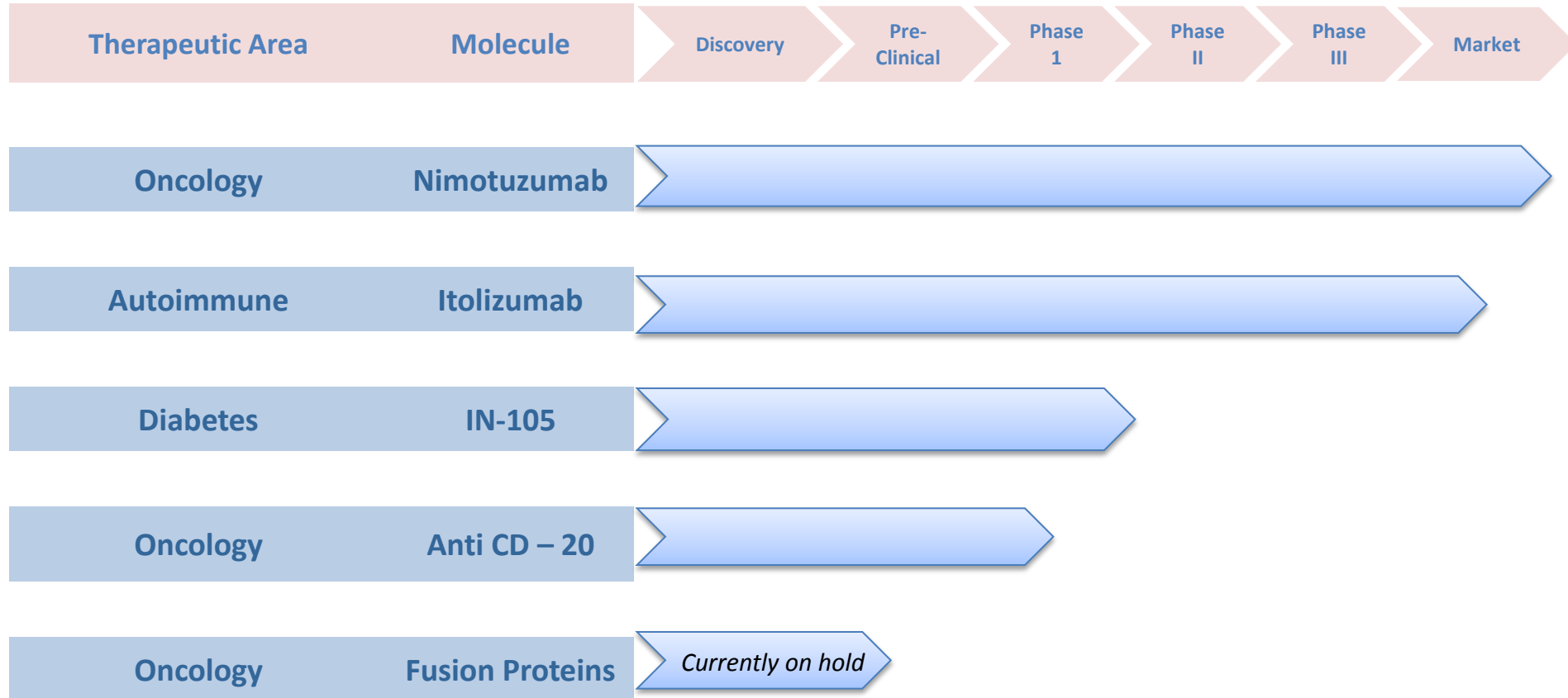
- ❖ BioMAb EGFR: 50%
- ❖ Evertor: 46%
- ❖ Picon: 33%
- ❖ Calpsor C: 34%

* Includes biosimilars

Market Share as per latest MAT reports, IPSOS, LASSCHN

Novel Molecules: Pipeline

India Trials



- ❖ **Itolizumab:** India Commercial Launch in Q2 FY14
- ❖ **Anti CD 20** (BVx 20) has entered the clinic in India
- ❖ Multiple Global Trials planned for **Oral Insulin** in collaboration with BMS

Novel Molecules: Collaboration

IN-105 Option Agreement: BMS (First-in-Class Oral Prandial Insulin)



Bristol-Myers Squibb
Together we can prevail.®

Combines Biocon's novel asset and development experience with BMS' novel drug development, regulatory & commercialization capabilities.

*Biocon will **continue global development** of the molecule through Phase II via redesigned trials.*

*Partnership encompasses **Financial, Strategic and Clinical Support** throughout the development phase*

*BMS will have an **exclusive option post phase II** to further develop & commercialise the asset worldwide (excl. India)*

*Biocon will receive **licensing fee in addition to potential regulatory & commercialization milestones**, when BMS exercises its option*

Novel Molecules: Itolizumab Profile

Key Differentiators

First-in-Class Therapy :Novel MOA with an excellent safety profile

Very low Infection rates vis-à-vis other approved therapies

Modulates TH17 Pathway: Frontrunner in the hot bed of research in auto immune space

Marketing Approval received in India post a successful Phase III trial in Psoriasis (200+ patients); Commercial launch in Q2 FY14

Excellent clinical remission & safety data in phase III for Psoriasis

Promising preclinical and clinical efficacy data in **other auto immune diseases** (Rheumatoid Arthritis, Psoriatic Arthritis etc)

Baseline



12 Weeks



28 Weeks





An investment of ~\$20 Mn supported by 100+ scientists focused on building a world class CRO

2000

Today

India's largest CRO with 1,500 + scientists, working with 16 of the Top 20 pharma companies in the world.
Capital Investment of ~\$120 Mn

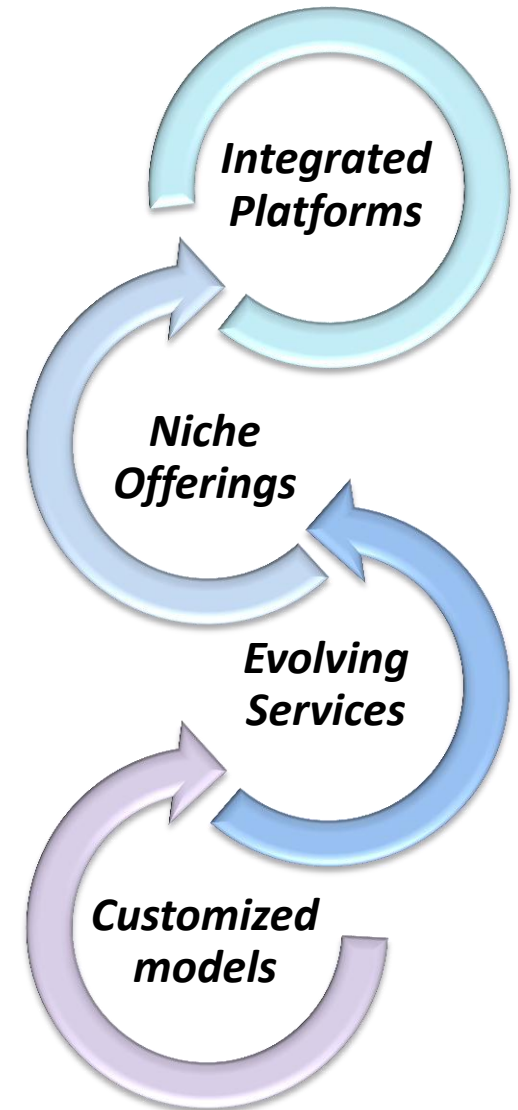
Research Services: Capabilities & Collaboration Models

- Integrated Drug Discovery and Development
- Biologics Discovery and Development
- ***Syngene- Clinigene axis***

- Bioanalytical testing of small and large molecules
- Antibody Drug Conjugate (ADC) development
- Unique *In-Vivo* Models- Human tumour tissue Xenograft
- Early and rapid toxicology evaluation (Cardiomyocytes)

- Commercial scale production of NCEs
- High potency (cytotoxic) API manufacturing
- Formulation development

- Dedicated/customized infrastructure
- End-to-end services
- Risk sharing: Milestone based
- Incubation: IP sharing



Research Services: Key Customers



Bristol-Myers Squibb

Together we can prevail.®

- Dedicated Infrastructure:
BMS Biocon Research Centre
- BMS' largest research facility outside the US
- **7 years contract**, currently in its 4th year of operations
- **450+ FTEs** committed to integrated (end-to-end) research in a variety of therapeutic areas



Abbott Nutrition

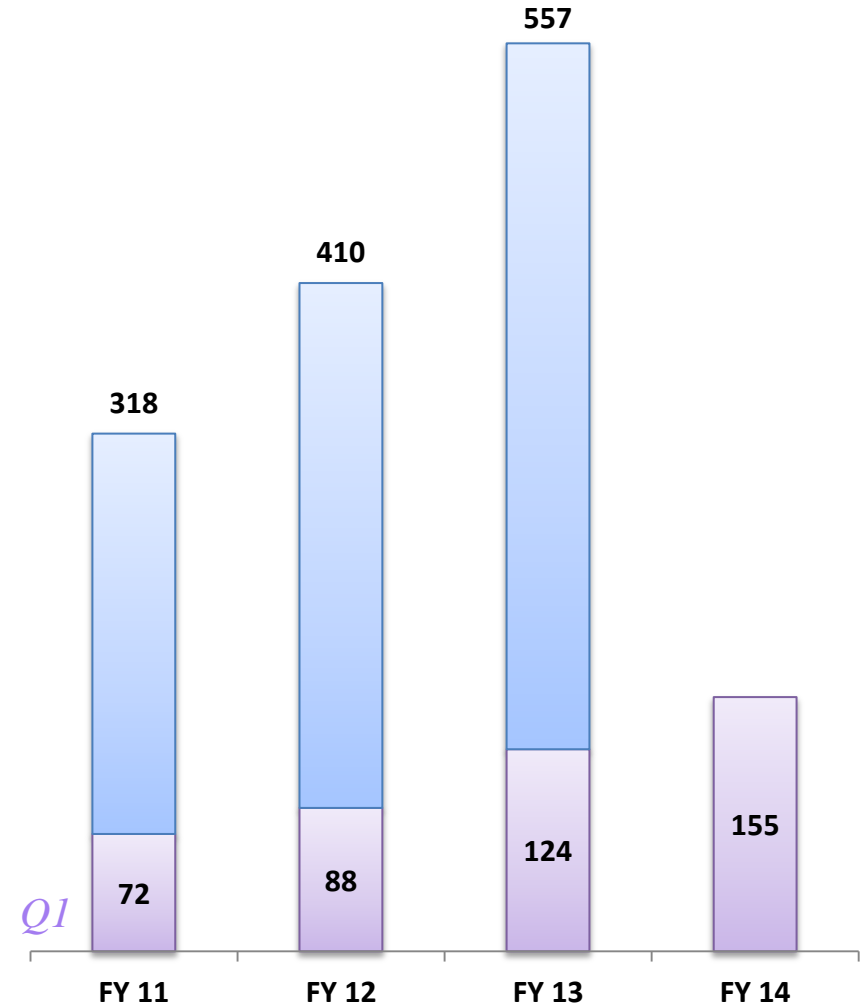
- Dedicated Infrastructure:
Abbott Nutrition and R&D Centre
- ***India focused product development*** addressing local needs with customized offerings tailored to local taste & texture preferences
- **Long term contract for 50+ FTEs** focused on:
 - Maternal & Child Nutrition
 - Diabetes Care



GE Capital

- PE Investment of ₹ 125 Crores for a 7.69% stake, assigning Syngene a **post money valuation of ₹1,625 Crores**
- Investment earmarked for enhancing Syngene's service offerings, capacities & fund future growth
- GE brings in corporate best practices along with avenues for capability enhancement and new offerings

Revenues in ₹ crore





Financials

Financial Performance



All Figures in ₹ Crore / USD Mn except EPS

	FY09		FY10		FY11		FY12		FY13	
Revenue	1,194	260	1,493	318	1,858	407	2,148	445	2,538	467
R&D Spend	60	13	79	17	118	26	137	28	164	137
EBITDA	372	81	455	97	573	125	579	120	596	110
Net profit	238	52	273	58	340	74	338	70	509	94
EPS (FV: ₹5)	11.9		13.6		17.0		16.9		25.4	

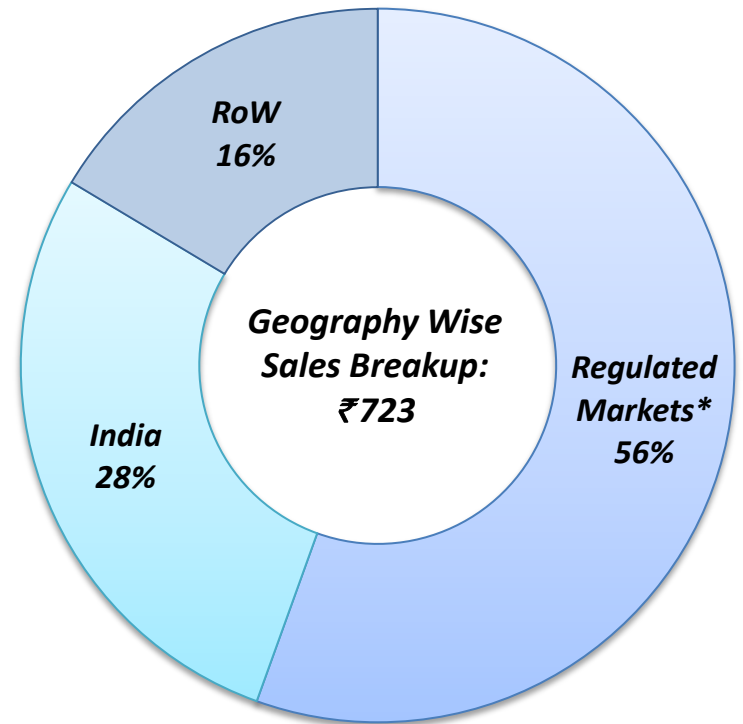
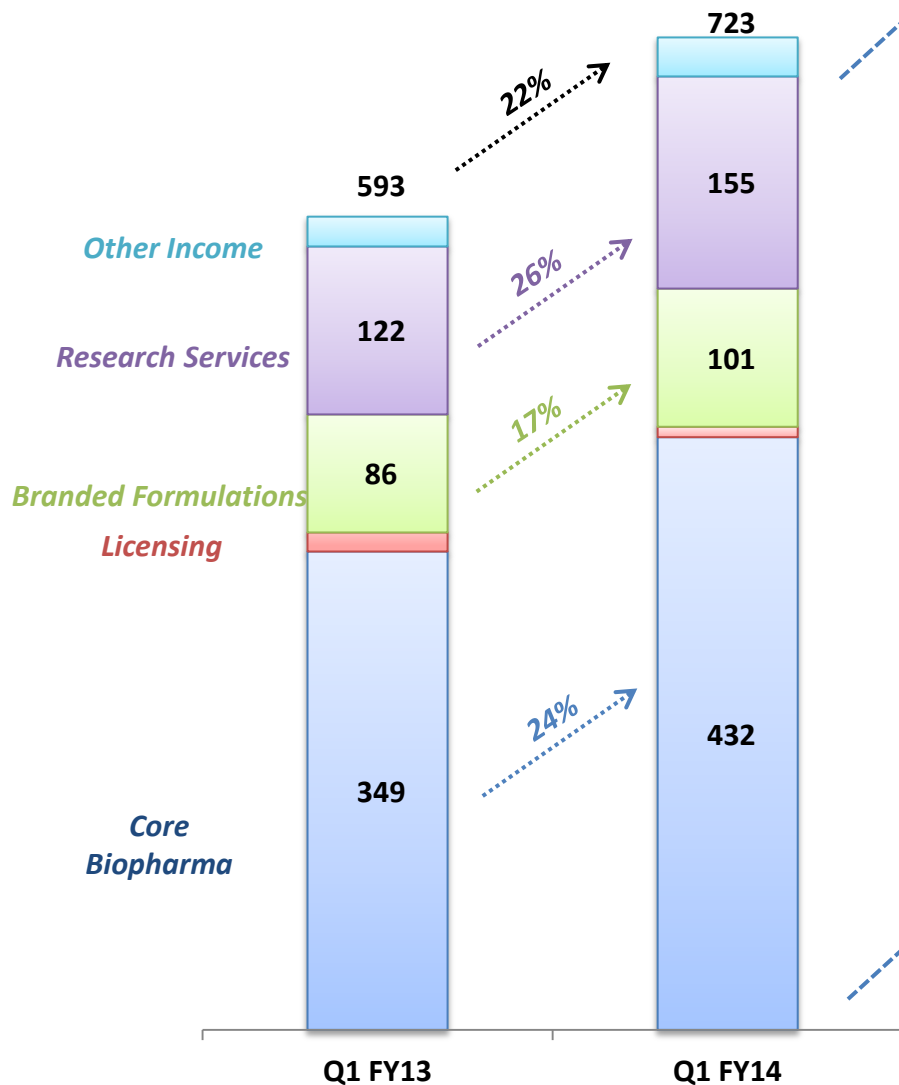
	Q1 FY14	Q1 FY13
Revenue	723 129	593 108
R&D Spends	43 8	36 6
% of Biopharma Sales #	10%	10%
EBITDA	175 31	139 25
EBITDA Margin	24%	23%
Net Profit	94 17	79 14
PAT Margin	13%	13%
EPS	4.7	3.9

FY08-12: Avg.exch.rate in that fiscal : 1Q FY13: USD 1 = ₹ 55.86; 1Q FY14: USD 1= ₹ 54.64

Biopharma Sales excluding branded Formulations

Revenue: Detailed

All Figures in ₹ crore unless otherwise specified



*: Including Deemed Exports

Core Business Margins: Detailed



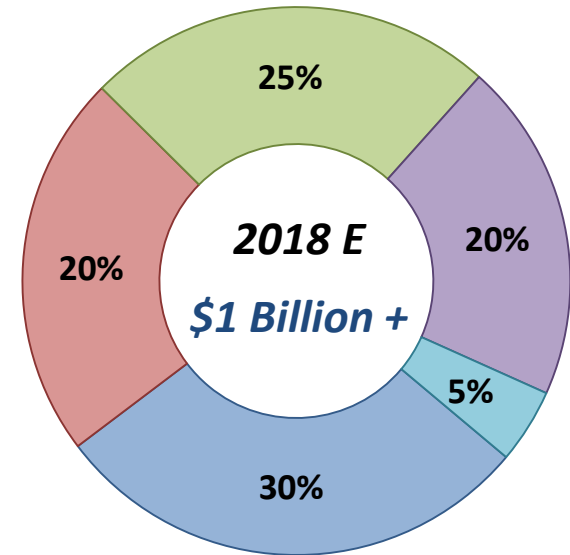
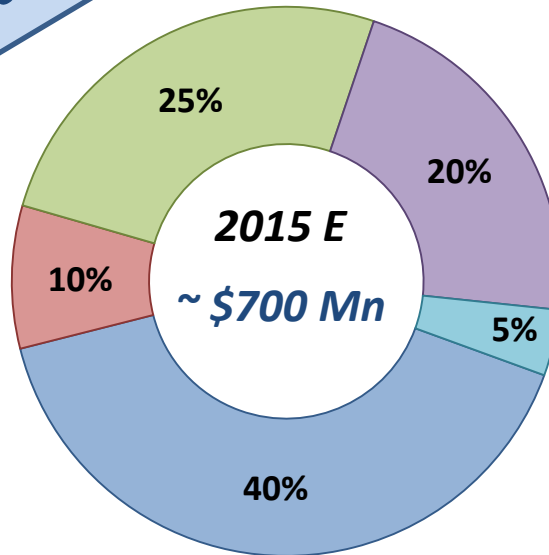
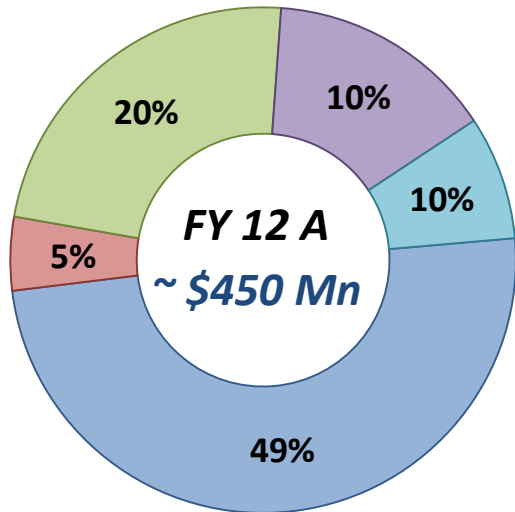
	FY 09	FY 10	FY 11	FY 12	FY 13	Q1 FY14
Revenue	1,194	1,493	1,858	2,148	2,538	723
Less: Other Income	54	32	52	99	110	28
Less: Licensing Income	12	51	153	127	25	8
Core Revenues	1,127	1,410	1,654	1,922	2,403	687
EBITDA	372	455	573	579	596	175
Add: R&D Expense	60	79	118	137	164	43
Less: Other Income	54	32	52	99	110	28
Less: Licensing Income	12	51	153	127	25	8
Net EBITDA	365	450	487	490	625	182
EBITDA Margin	32%	32%	29%	25%	26%	26%








Outlook

Targeting \$1 Bn Revenues in 5 Years

Estimated Growth CAGR: 18%



-  Small Molecules
-  Biosimilars (Insulins + MAbs)
-  Research Services
-  Branded Formulation
-  Licensing & Other Income

Key Milestones: 2015 E

Biosimilars: Global Development & Commercialization

- Commercialization of generic rh-Insulin in regulated markets
- Launch of generic insulin glargine in large semi-regulated markets
- Commercialization of biosimilar trastuzumab in India & other emerging markets
- Clinical development of generic rh-Insulin for US

Capacity Enhancement

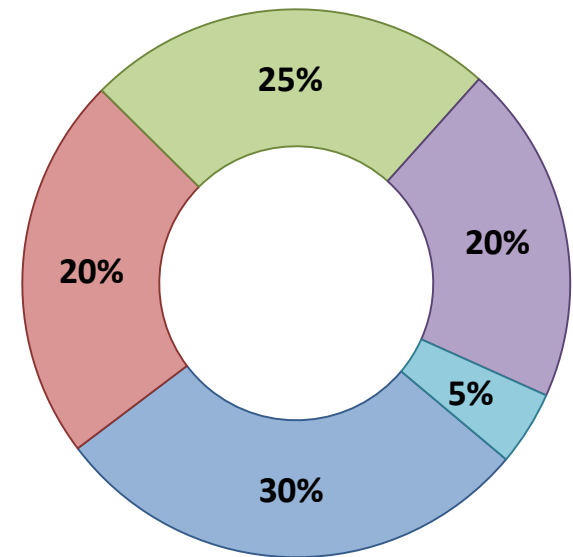
- Generic insulin plant in Malaysia comes on stream: augmenting capacity and cost advantage
- Research Services add further facilities & capabilities to catalyze the next growth wave

Partnerships

- Development/Commercialization partnership in developed markets: generic rh-insulin, Itolizumab
- Emerging Market partnerships for small molecules & biosimilars

Reaching \$1 Bn by 2018

- **Small Molecules** - Improved product Mix
- **Research Services** - Sustained Growth Momentum
- **Branded Formulations** - Differentiated Value offerings
- **Biosimilars** - Geographical Expansion in regulated markets
- **Novel Molecules** - Out-licensing and Global Development



Growth drivers supplemented by addition of new offerings (products, services & partnerships)


Biosimilars & Novel Molecules: Regulatory Clarity

- Continuous evolution of the biosimilar & therapeutic regulatory landscape in major regulated markets
- Regulatory approvals, Patient enrollment, R&D development, process refinement etc. determine the pace and quantum of the R&D activities

R&D Outsourcing: Research Services

- Relationship management: New Contracts, Contract Renewal & Scope Expansion

Partnership Management

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Innovative Science Affordable Medicine



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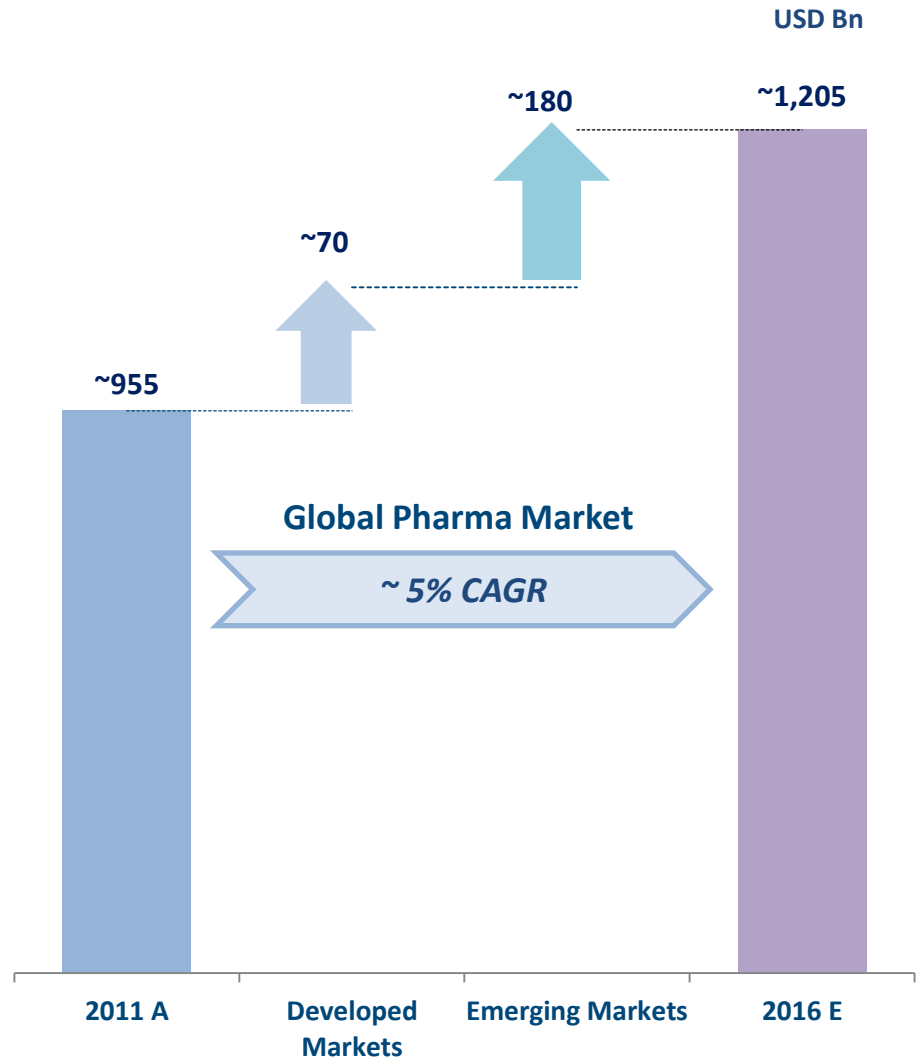
Sweta Pachlangiya
sweta.pachlangiya@biocon.com



Global Pharma Growth Catalyst: Emerging Markets

Emerging Markets to contribute ~ 75% of the Total Pharma Growth by 2016

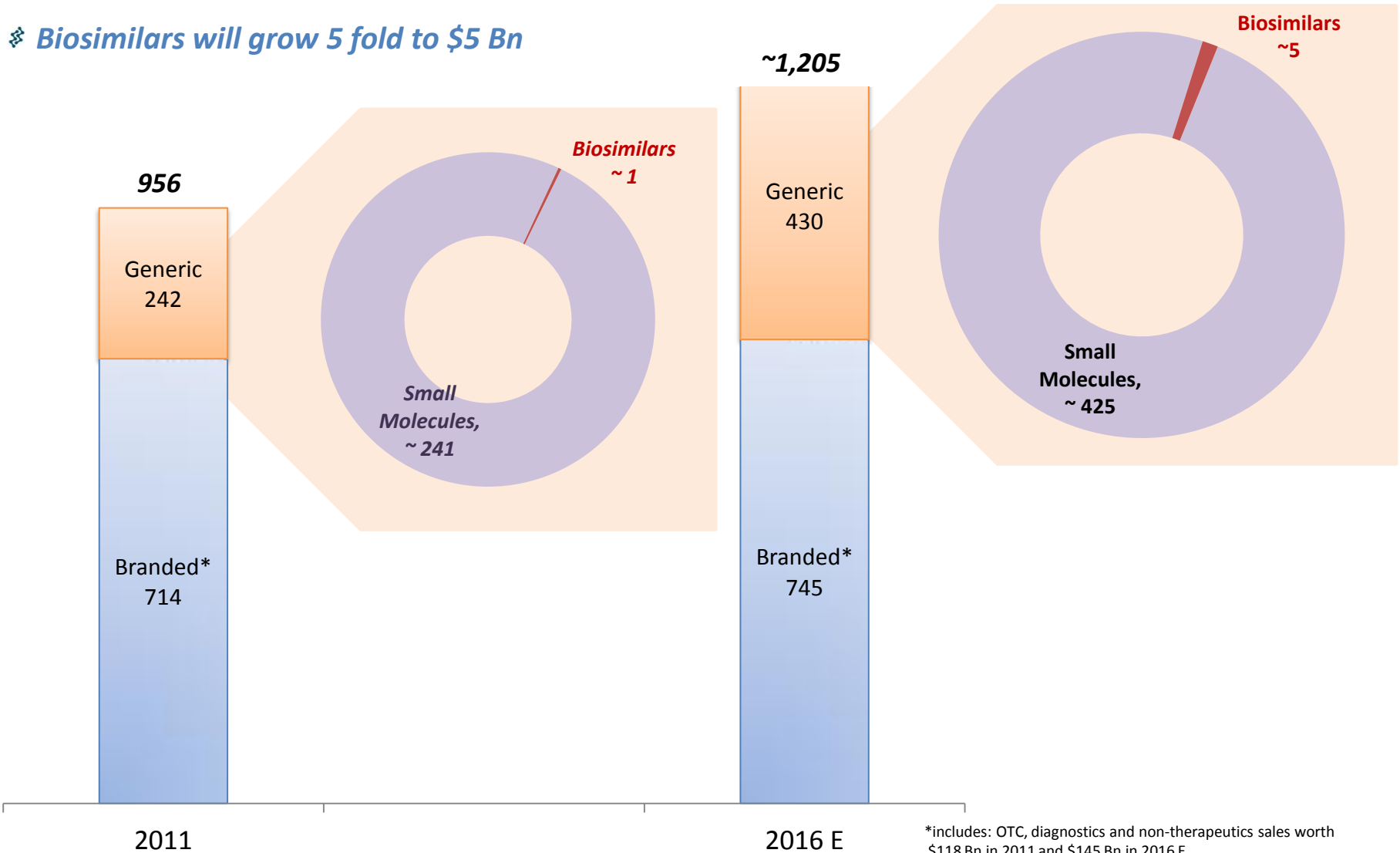
- ❖ Global Pharma Spending expected to cross **\$1.2 Trillion by 2016**
- ❖ Emerging Markets projected growth CAGR: **~10%**
- ❖ Developed Markets expected growth CAGR: **~2%**
- ❖ Emerging Markets growth driven by:
 - ❖ Increased Government Healthcare Spending
 - ❖ Growing Affluence



Global Pharma Growth Catalyst: Generics & Biosimilars

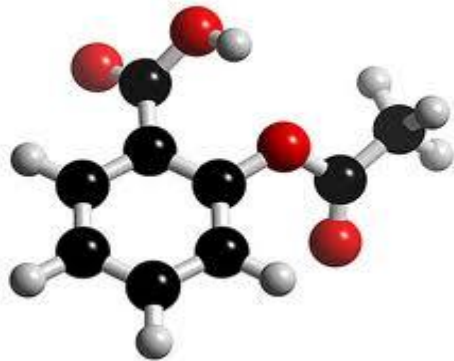
⚡ *Generic Spending to Increase by ~75% in the next 5 years vs. Branded drugs' growth of 9%* **USD Bn**

⚡ *Biosimilars will grow 5 fold to \$5 Bn*



*includes: OTC, diagnostics and non-therapeutics sales worth \$118 Bn in 2011 and \$145 Bn in 2016 E

Small Molecules & Biosimilars: Comparison (1)



Small Molecules

Molecular Weight: Less than 700 Daltons
Synthetic, Organic compounds
[Chemistry based products]
Well defined structure & relatively stable

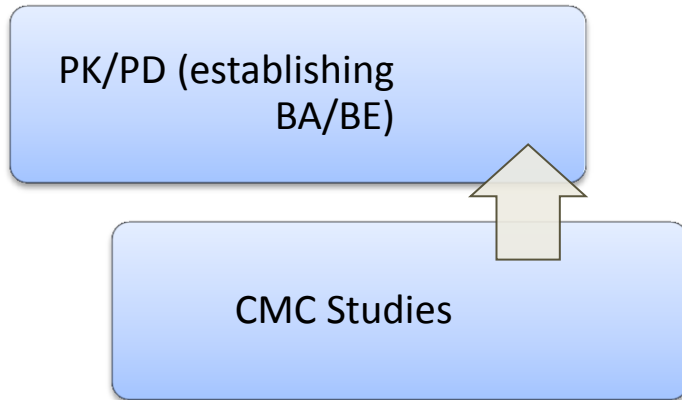


Monoclonal Antibody

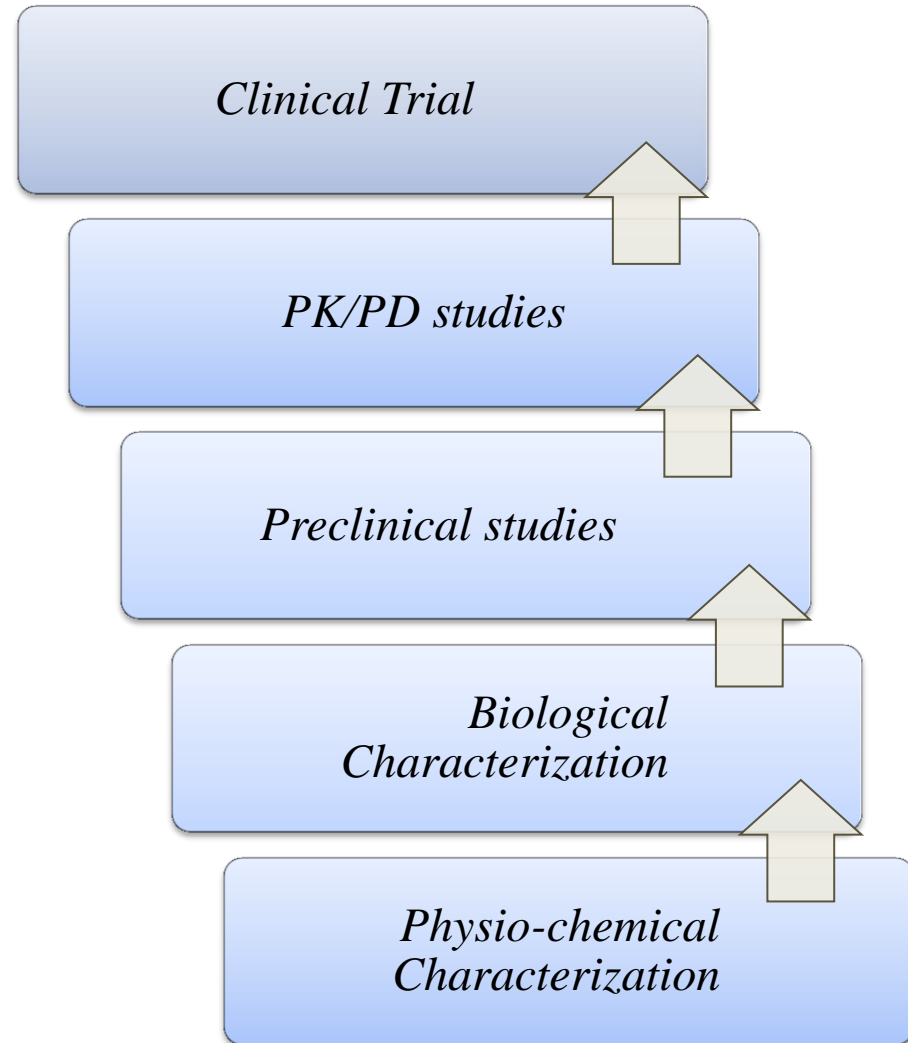
Molecular Weight: ~150,000 Daltons (~250x in size)
Biologics- prepared in living organisms
[Proteins]
Complex physiochemical characteristics & heat sensitive

Small Molecules & Biosimilars: Comparison (2)

Regulatory Requirements



Generics: Small Molecules



Biosimilars

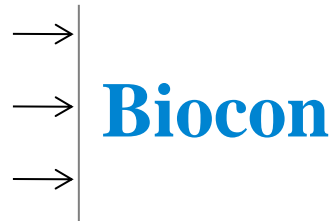
Biosimilars: Regulatory Landscape



~61% | Promoters

~ 8 % | Employees & ESOP trust

~31 % | Public



BIOPHARMA SUBSIDIARIES

Biocon Research , India | **100%**
R&D- Novel Molecules

Biocon Biopharmaceuticals | **100%**
MAbs and Biosimilars

Biocon Sdn. Bhd, Malaysia | **100%**
Overseas subsidiary

Biocon SA, Switzerland | **100%**
Overseas subsidiary

NeoBiocon, UAE | **50%**
Overseas subsidiary

RESEARCH SERVICES

Syngene International, India | ~**88%**
Custom research, drug discovery



Clinigene International, India | **100%**
Clinical development

**Spanning the entire Value Chain with capabilities ranging from
discovery to manufacturing**