



## Initial Public Issue of Equity Shares

March 2004

Book Running Lead Managers



Co-Book Running Lead Manager



# Disclaimer

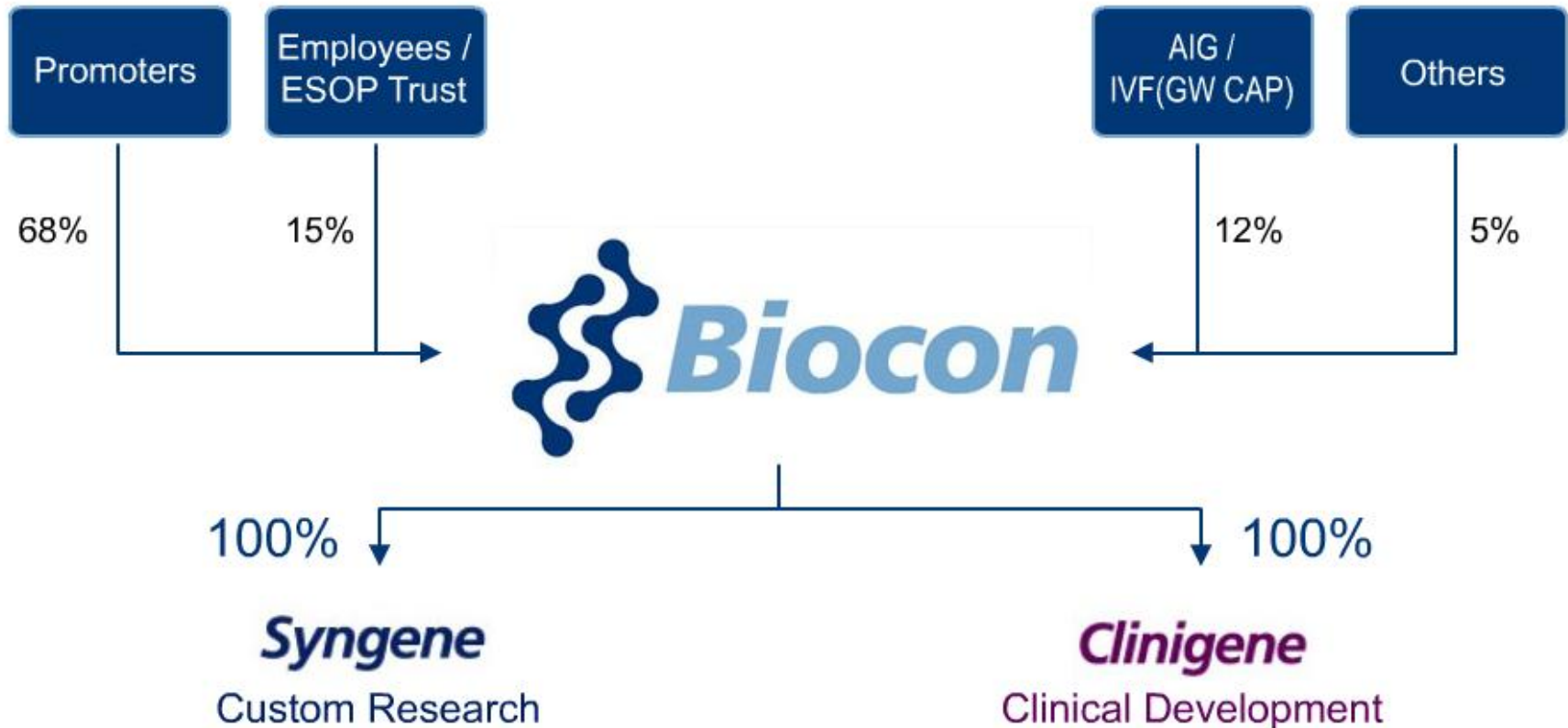
Certain statements in this release concerning our future growth prospects are forward-looking statements, which are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated in such forward-looking statements. Important factors 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 currency changes, 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 our company, our directors, any member of the syndicate nor any of their respective 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. For more details and risk factors, please refer to the Red Herring Prospectus.

## Issue Summary

<b>Securities</b>	Equity shares of face value of Rs. 5 each
<b>Issue Size</b>	10 million fresh equity shares (All cash into the company)
<b>Issue %</b>	10% of Post-Issue Capital
<b>Institutional (QIB) Portion</b>	60% of Issue Size – 6 million shares
<b>Non-Institutional / Retail</b>	15% / 25% of Issue Size
<b>Price Band</b>	Rs. 270 - Rs. 315 per share
<b>Issue Program</b>	Bid Opens : 11 <sup>th</sup> March, 2004 Bid Closes : 18 <sup>th</sup> March, 2004
<b>Listing</b>	National Stock Exchange, Mumbai and The Stock Exchange, Mumbai

# Biocon Group - Corporate Structure

Pre-Issue



# Table of Contents

- Introduction
- Management
- Market Focus
- Business Strategy
- Financial Highlights
- Summary: Milestones & Value Proposition

# Introduction

- 25 year old Biotechnology enterprise.
- Impressive track record of innovation and business success.
- Proprietary technology platforms based on fermentation processes.
- Systematic and strategic leveraging of technology base to expand from speciality enzymes to bio-pharmaceutical products.
- Established essential building blocks to become an integrated bio-pharmaceutical company, through Syngene (drug discovery) and Clinigene (clinical development).
- Accessed global market segments with high regulatory and technology barriers.



# Management at Biocon

## Vision and Execution



**Kiran Mazumdar-Shaw**

Chairman & Managing Director  
Founder entrepreneur.  
1978



**John M. M. Shaw**

Vice Chairman International  
Business 27 years with  
Coats Viyella p.l.c.  
1999



**Murali Krishnan**

President: Finance  
1981



**Shrikumar S.**

President: R&D  
B Tech-IIT, M Tech-IIT  
1984



**Ajay Bhardwaj**

President: Marketing  
B Tech- IIT, M.S. Louisiana St. U.  
1986



**Arun Chandavarkar**

President: Operations  
B.Tech - IIT, M.Sc. / Ph.D.- MIT  
1990



**Goutam Das**

COO: Syngene  
Ph.D.-U. Calcutta, PDF- U.  
Rochester  
1994



**A.S. Arvind**

COO: Clinigene  
MBBS / MD / FRCP London /  
FRCP Glasgow / MBA (Birmingham)  
2000

# Board of Directors

Ensuring transparency through strong Corporate Governance



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**KIRAN MAZUMDAR- SHAW**

Chairman and Managing Director  
Biocon Group



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**JOHN M. M. SHAW**

Vice Chairman & Director of Intl. Business Dev.  
Biocon Group



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**DR. NEVILLE BAIN**

Director Scottish & Newcastle Breweries p.l.c.  
Recognized Authority in Corporate Governance



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**PROF. CHARLES COONEY**

Director  
Genzyme Inc. & Cuno Inc.



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**SURESH TALWAR**

Partner  
Crawford Bayley & Co. (Solicitors)



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**PROF. RAVI MAZUMDAR**

Professor of Electrical Engineering  
Purdue University, Purdue USA



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**ADA K.H. TSE**

Managing Director  
AIG Global Investment Corp. Ltd.



# World-class Scientific Advisory Board



**PROF. CHARLES COONEY**

Chairman  
Head of Chemical & Biochemical Engineering  
Massachusetts Institute of Technology



**PROF. C N R RAO**

Linus Pauling Research Professor  
Hon. President, Jawaharlal Nehru Centre for  
Advanced Scientific Research, Bangalore, India



**DR. SAM PASTERNAK**

Partner, Choate, Hall & Stewart  
Patent Attorneys, Boston, USA



**DR. BALA MANIAN**

Chairman,  
Co-Founder Quantum Dot Corporation and  
SurroMed Corporation, California, USA



**Dr. ASHOK GANGULY**

Director, ICICI Knowledge Park, Hyderabad  
Director, WIPRO, Bangalore, India  
Retired Worldwide Director of R&D,  
Unilever p.l.c.



**DR. ANTHONY ALLISON**

Distinguished Scientist at SurroMed Corp.  
Former Vice President, Research Syntex Corp  
Inventor of Mycophenolate Mofetil



**KIRAN MAZUMDAR-SHAW**

Member of the Board, Science Foundation Ireland  
Chairperson, Vision Group on Biotechnology, Govt. of Karnataka  
Chairperson, National Task Force on Biotechnology, CII

# Market Focus

## Global Pharmaceuticals

Global pharmaceuticals market : ~ \$ 400 Billion

Regulated Generic markets estimated at \$ 38 Billion

A spate of patent expiries are expected to significantly grow the generics markets

HMOs are augmenting the growth of generics in the regulated markets



**Biocon competes in the more profitable Regulated Markets**

# Market Focus: 1

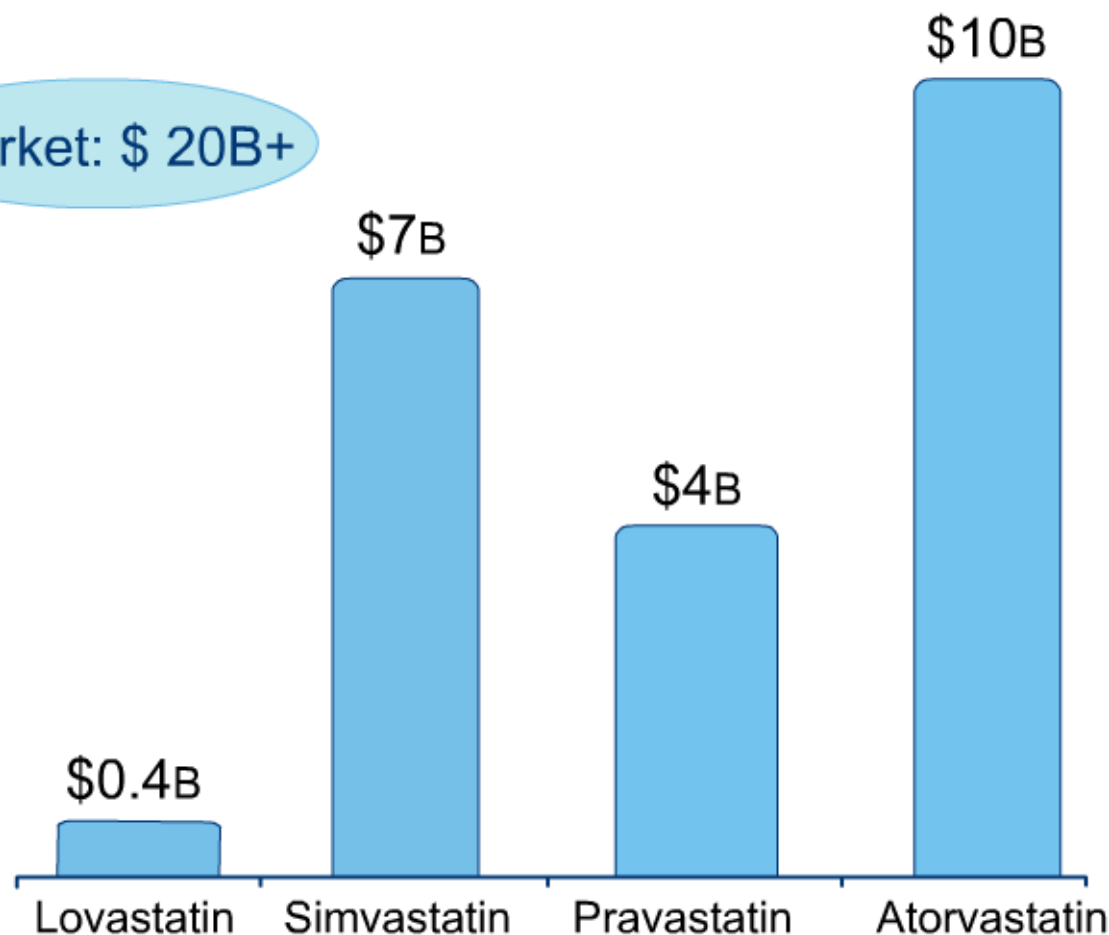
Statins

Market: \$ 20B+

## Statins

Cholesterol-lowering drugs used to treat cardiovascular disease

- » *Lovastatin*
- » *Simvastatin*
- » *Pravastatin*
- » *Atorvastatin*



Patent expiries, government policies and HMOs will drive global demand for generic statins

Source: IMS Health Incorporated

# Market Focus: 2

r-Insulin & Oral Anti-diabetics

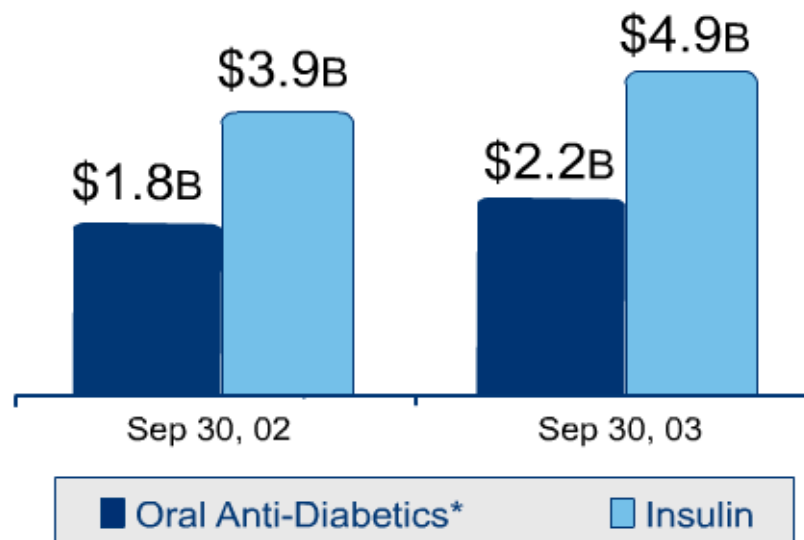
## Insulin & Oral anti-diabetics

A robust portfolio of products for a disease segment of 324 million people<sup>1</sup>

- » *R-Human Insulin*
- » *Pioglitazone*
- » *Nateglinide*
- » *Repaglinide*

Market: \$ 7B+

2002-2003 CAGR = 25%



Inhaled Insulin & analogs will create large demand for Insulin

Diabetes is assuming pandemic proportions, fueling global demand for Insulin and oral anti-diabetics

1) Source: World Health Organization. Estimated by 2025

2) Biocon's branded recombinant human insulin formulation

\* Oral Anti-Diabetics columns represent combined global sales of Nateglinide, Repaglinide and Pioglitazone

# Market Focus: 3

## Immunosuppressants

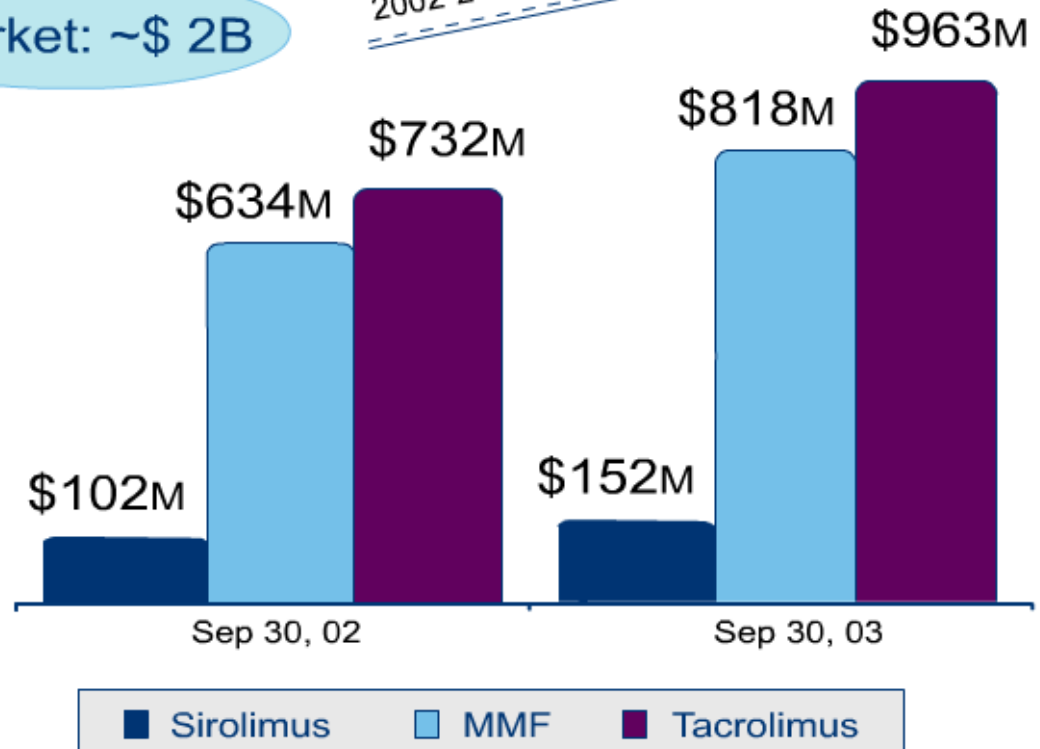
### Immuno- suppressants

Immuno-  
suppressants  
prevent organ and  
tissue rejection in  
transplants

- » *Mycophenolate mofetil (MMF)*
- » *Tacrolimus*
- » *Sirolimus\**

Market: ~\$ 2B

2002-2003 CAGR = 32%



Steep regulatory hurdles and requirements for dedicated facilities create very high entry barriers

Source: IMS Health Incorporated

\*Sirolimus is presently under development by Biocon

# Biocon's Competitive Edge

## Statins

Market FY03<sup>1)</sup>:  
\$21.5 B



- USFDA accepted facilities
- Patented processes for statins
- Significant market share in USA & Europe through key generic customers

## Insulin

Market FY03<sup>1)</sup>:  
\$4.9 B



- Launch of own brand (Insugen<sup>®</sup>) in the Indian market in CY04H1
- Filed DMF for r-Human Insulin with USFDA.



## Oral anti-diabetics<sup>2)</sup>

Market FY03<sup>1)</sup>:  
\$2.2 B

- Filed DMF<sup>3)</sup> for Pioglitazone

1) Source: IMS Health-Incorporated – FY ended September 2003. Considers sales of Lovastatin, Simvastatin, Pravastatin and Atorvastatin



# Biocon's Competitive Edge

## **MMF Tacrolimus Sirolimus**

Market FY03<sup>1)</sup>:  
\$2 B



- Patent grant for MMF using Plafractor™ technology
- Filed DMF for generic MMF
- Non-infringing process technologies for Tacrolimus & Sirolimus.

## **MAB**



- Biological plant for MAb production
- Phase IIB clinical trials of MAb to be initiated in India by CY04

# Business Strategy

Biocon: A fully integrated bio-pharma company

## *Syngene*

### Drug Discovery

- Research & Development
- Molecular Biology
- Synthetic Chemistry

## *Clinigene*

### Development

- Clinical Research
- Clinical Development
- Clinical Trials



### Commercialization

- Microbial Technologies
- Pharmaceutical Manufacturing
- Sales & Marketing

Target  
Screening

Lead  
Molecule  
Optimization

Pre-clinical  
Studies

Human  
Clinical  
Trials

Process  
Scale-up

Regulatory  
Approvals

Marketing  
& Sales

Biocon is a global player within the bio-pharmaceuticals space

# Biocon Strategy

Delivering on a long term vision

New drug  
discovery &  
development

Generic  
Biopharmaceuticals

- Clinical data mining for novel bio-makers
  - Alliances for new molecules (e.g. MAb<sup>1)</sup>)
  - Development of Microbial Biodiversity
- Products with large global markets
  - Near term patent expiry
  - Fermentation derived molecules
  - High technology barriers
  - Few potential competitors

Funding growth opportunities through a generic development strategy

1) MAb - Monoclonal Antibodies

# Biocon Culture

What keeps everything together

## Culture

### Quality

- Compliance to International Regulatory norms

### Innovation

- Highly qualified team:
  - ~45% Postgraduates
  - ~55% Graduates, etc.
- Proprietary knowledge management systems

### Entrepreneurial ethos

- 'Boundary less' enterprise
- 15% Employees & ESOP Trust Ownership

## Core Competencies

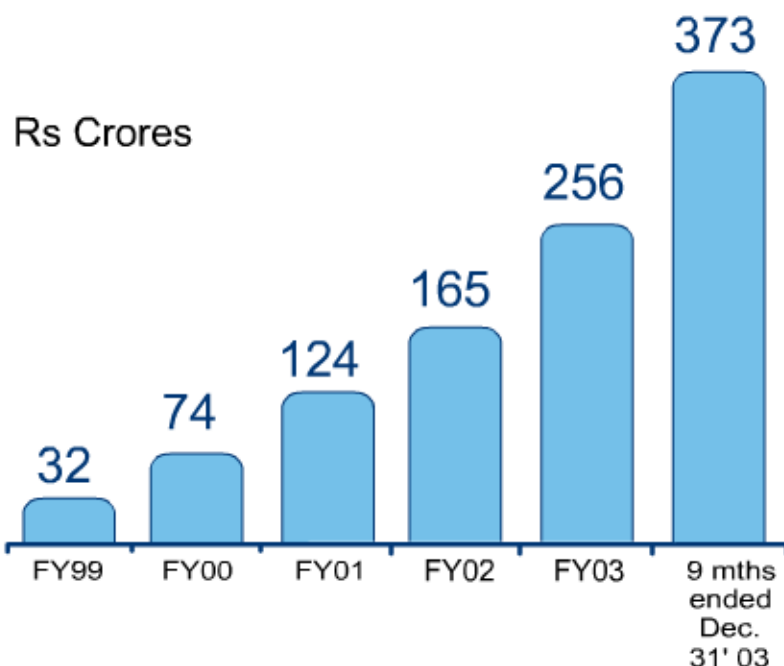
- Unique Fermentation base
- Research & Development excellence
- Manufacturing excellence:  
Continual yield improvement  
Flexibility in product mix and compliance to highest standards of quality and GMP
- Strong customer relationships
- Depth of management
- Ability to attract top talent

Biocon's greatest competitive advantage is the culture developed over 25 years

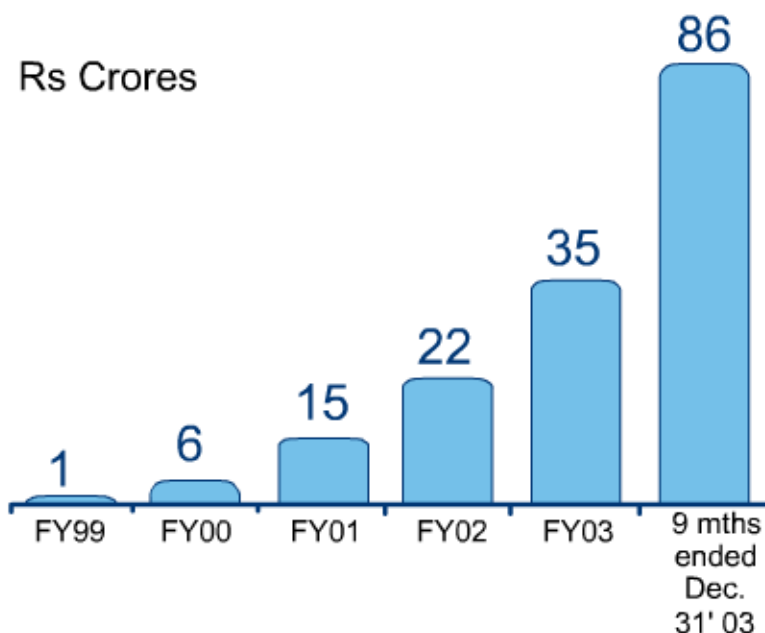
# Financial Highlights

Strong Historical Track Record - Biocon Limited

## Revenues<sup>(1)</sup>



## Profit After Tax<sup>(1)</sup>



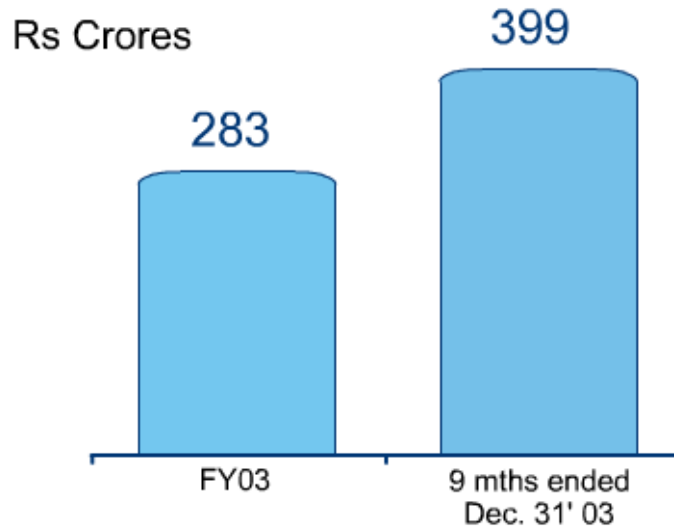
Track record of robust growth in revenues and profitability

(1) As per Indian GAAP financials; financials have been restated

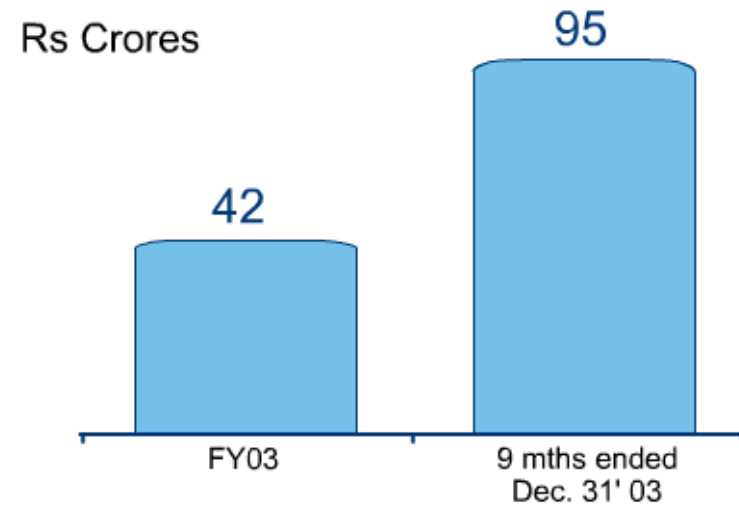
# Financial Highlights

Strong Historical Track Record - Biocon Group

## Revenues<sup>(1)</sup>



## Profit After Tax<sup>(1)</sup>



Track record of robust growth in revenues and profitability

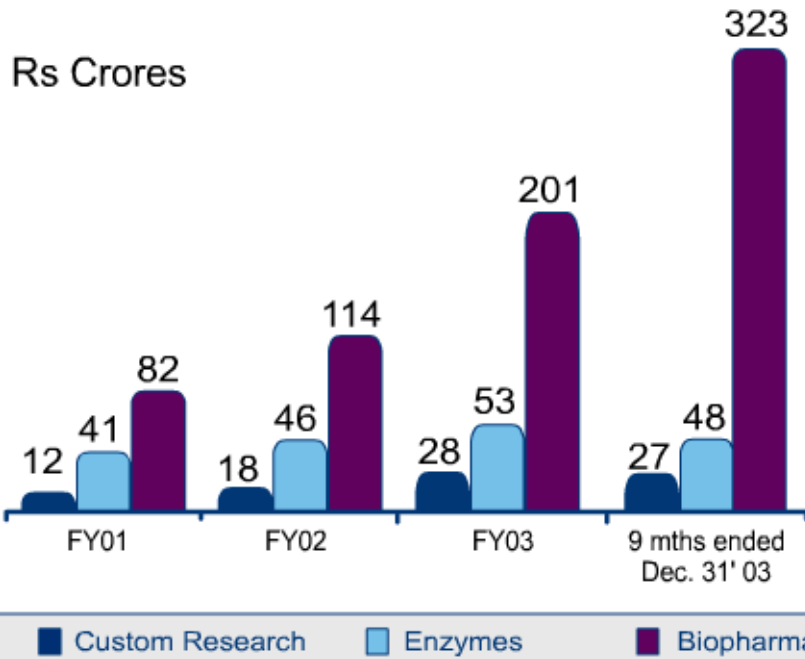
(1) As per Indian GAAP financials; financials have been restated



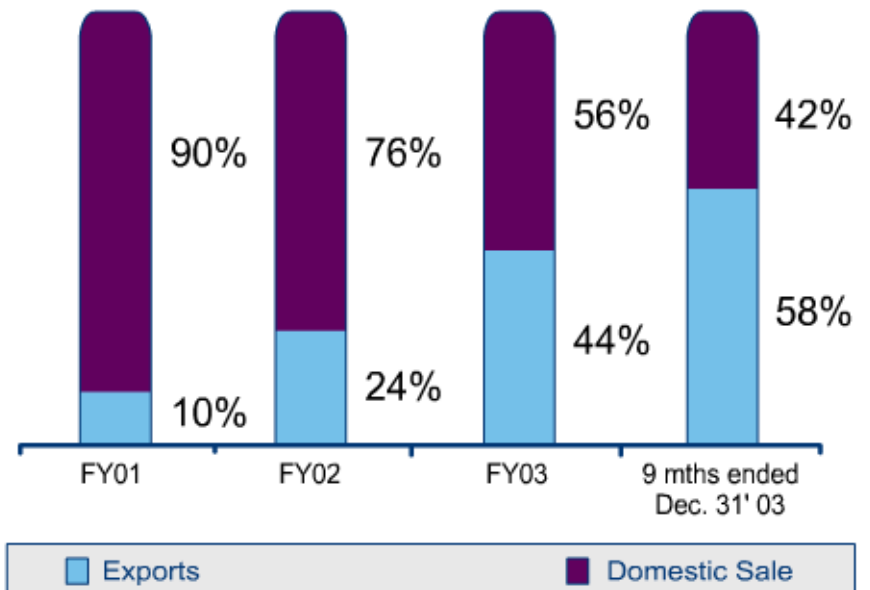
# Financial Highlights

## Financial and Operational Highlights

### Group Operating Revenues <sup>(1)</sup>



### Biopharma Markets <sup>(2)</sup>



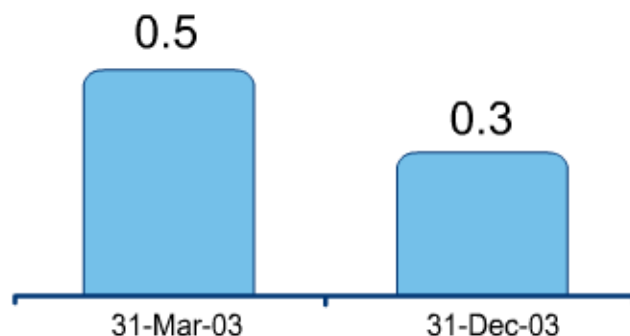
(1) Based on sum of operating income of Biocon, Syngene & Clinigene

(2) Financials as per Indian GAAP

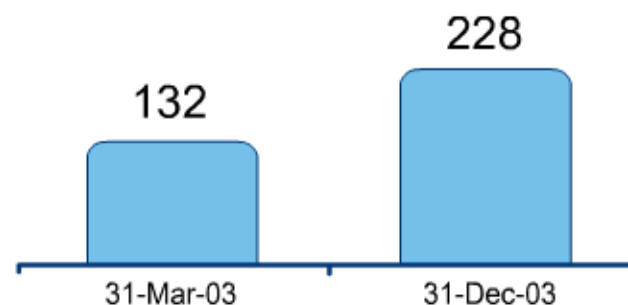
# Financial Highlights

## Strong Balance Sheet

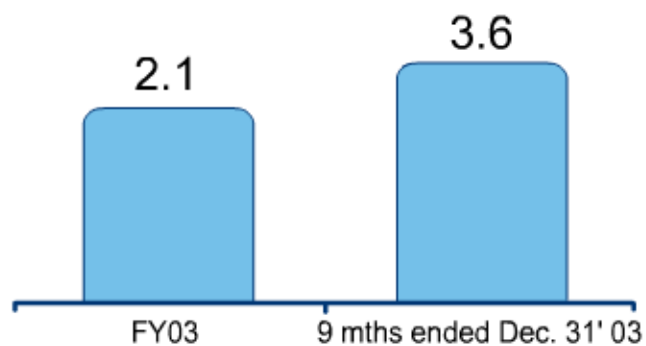
### Debt / Equity Ratio<sup>(1)(2)</sup>



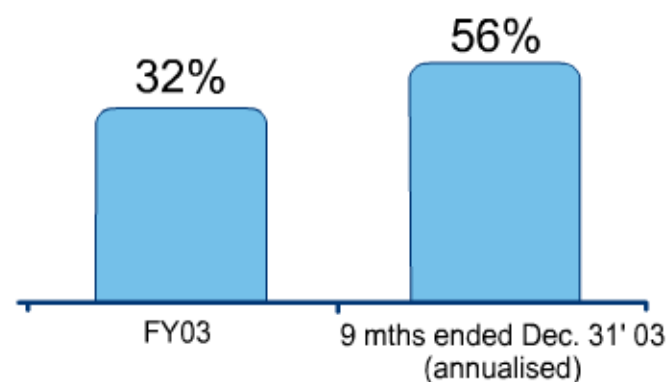
### Shareholder's Equity<sup>(1)</sup>



### Fixed Asset Turnover<sup>(1)</sup>



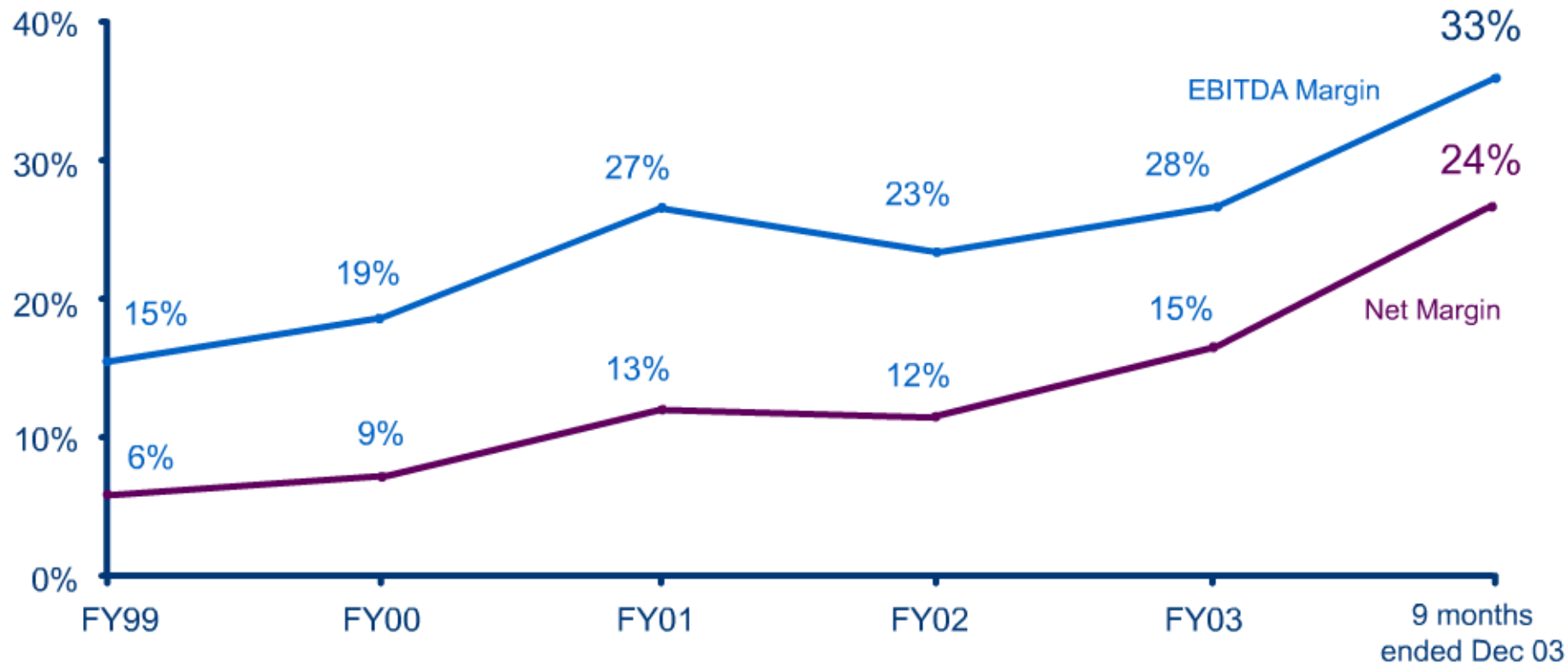
### Return on Net Worth<sup>(1)</sup>



(1) As per Consolidated Indian GAAP Financials  
 (2) Debt includes both secured and unsecured loans

# Financial Highlights

Growth in margins



**EBITDA and net margins have improved substantially due to**

- Increased sales to regulated markets
- Process improvements

# Summary

Milestones: FY 2004-05

- Insugen™ launch in Indian Market
- Branded formulations for Indian Cardio-diabetic Market
- New dedicated Immunosuppressants facility
- 2-fold expansion: Custom Research facilities
- 4-fold expansion: Statin facilities

# Summary

## Key Messages

- Global competitiveness through technology, scale of manufacture and regulatory compliance.
- Focus on Global API Generics markets for Statins, Immunosuppressants and Biologicals, segments with high entry barriers and large lucrative markets.
- Early mover advantage in terms of generic Recombinant Human Insulin. DMF filed with USFDA.
- Integrated model gives speedy development and commercialization. Provides co-development and co-marketing opportunities for new molecules post 2005.

# Biocon: A Value Proposition

- Focused on global market segments with high Regulatory and Technology barriers
- Multi product and multi business strategy - an attractive de-risked model
- Strong pipeline of products provides short (Statins) medium (Insulin & Immunosuppressants) and long term (MAbs) prospects for sustainable growth
- Impressive bandwidth of professional management provides the confidence for achieving these business goals
- Focus on IP and technology is a strong differentiator
- Robust financial performance





# Thank You