

# Investor Presentation

August 2010

# Safe harbor

Certain statements in this presentation 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, among 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, nor our directors, 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. Statements on strategy or on direction of policy should not be construed as events which require prior notification to India's regulatory authorities. Such events will crystallize only once full regulatory steps have been taken in India.

**Introduction**

**Operations**

**Strategy and R&D Pipeline**

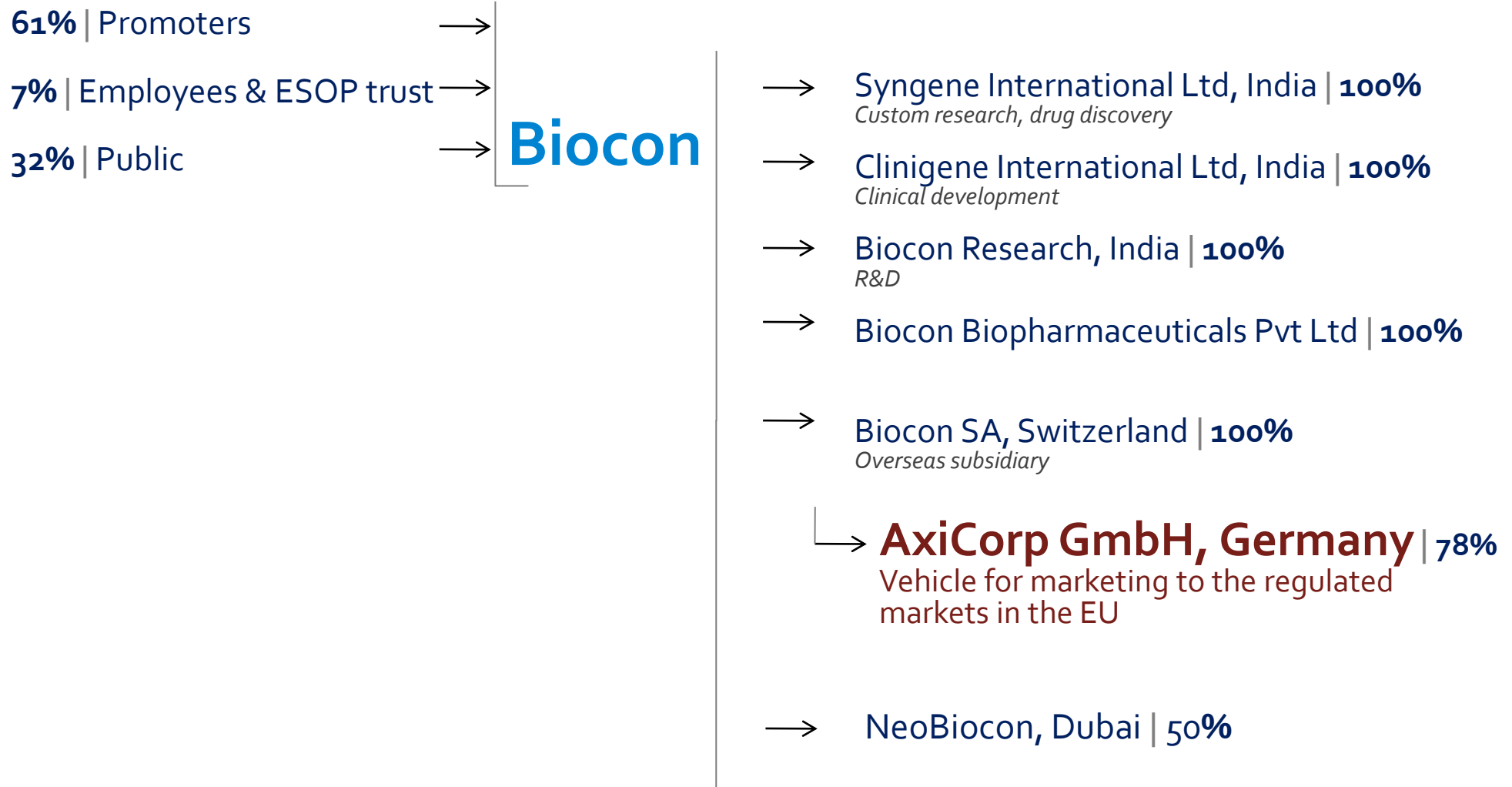
**Financials**

Biocon is an emerging global biopharmaceutical enterprise with products and research services that span the entire drug value chain:

**pre-clinical discovery** to  
**clinical development** through to  
**commercialization.**

Incorporation	1978
Initial public offering	2004 (BSE & NSE (India))
Patent portfolio	182 patents granted
Headquarters	Bangalore, India
Global reach	~ 75 countries
Workforce	4750 employees (10% PhDs)
Market capitalisation	INR 6000+ crore   USD 1.3 bn
<b>FY10 Earnings</b>	
Revenue	INR 2405 crore   USD 512 mn
Net profit	INR 293 crore   USD 62 mn

# Business structure, holdings



Introduction

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Strategy and R&D Pipeline

Financials

# Unique bio-pharma business model

## Products + Research Services

Global scale  
USFDA-compliant  
bio-manufacturing  
of statins,  
immuno-suppressants,  
insulins, MABs.

Therapeutic areas:  
Diabetes; Oncology;  
Immune-mediated  
diseases.

Focus on biosimilars:  
Insulins, MABs.

Self-financed  
risk-balanced R&D  
pipeline; spend at  
approx 8% of sales.

Research alliances  
with global companies:  
Mylan; Amylin; BMS.

Growing presence  
in emerging  
markets through  
alliances in LATAM  
MENA, ASIA & CIS.

**Asia's largest Insulin manufacturer.**

**Among the world's largest producers of Statins and Immuno-suppressants.**

**2 novel drugs in late-stage clinical trials: Oral Insulin; Anti-CD6 MAb.**



## Biocon

### Active ingredients

- Classic fermentation
- Microbial fermentation\*
- Mammalian fermentation
- Synthetic chemistry

### Aseptic – fill & finish

- Cartridges, Vials (Lyophilized), PFS

\* **Asia's largest manufacturer of *Pichia*-based products.**

\* **Commercialized the world's first *Pichia*-derived r-human insulin.**

**Asia's largest insulin plant.**

**The first plant of its kind in India for recombinant therapeutic proteins.**

**US FDA and EU GMP approved.**

## Biocon

## Novel Biologicals



**Generic APIs**  
Statins  
Immunosuppressants

**Biosimilar Proteins**  
Insulin  
Insulin Analogues

**Biosimilar MAbs**

Introduction

Operations

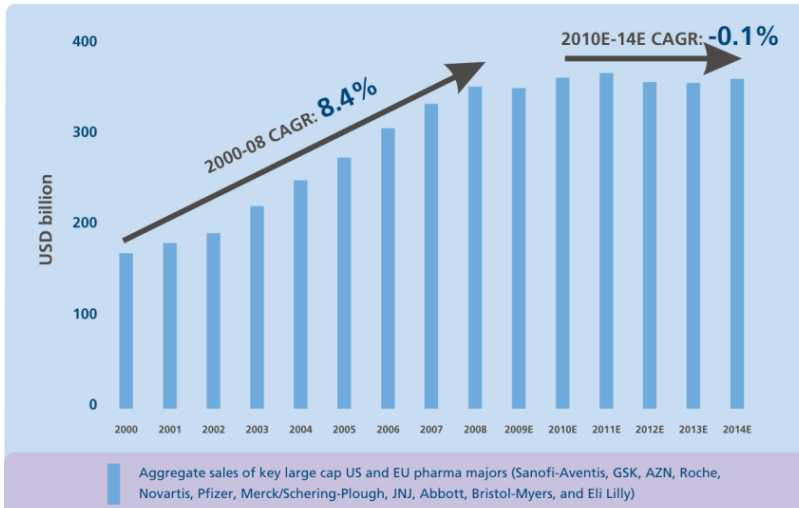
**Strategy and R&D Pipeline**

Financials

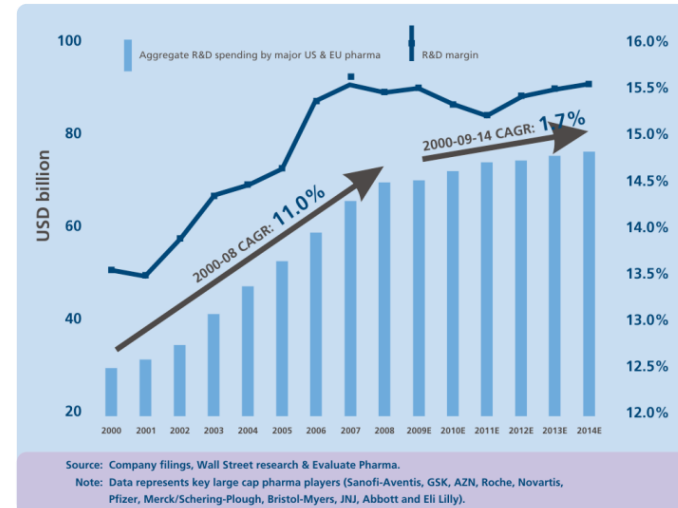
# Challenging times ahead for industry



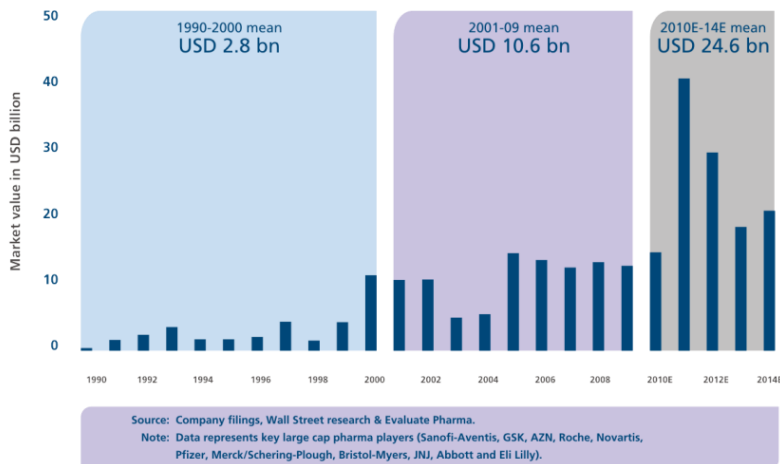
## Stagnating Sales



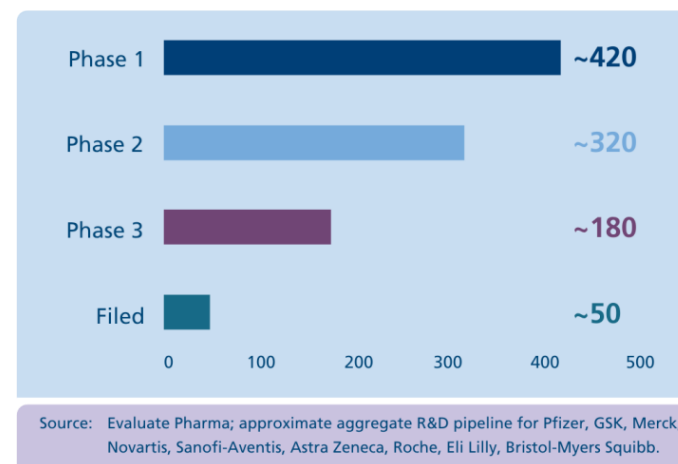
## Declining Research ROI



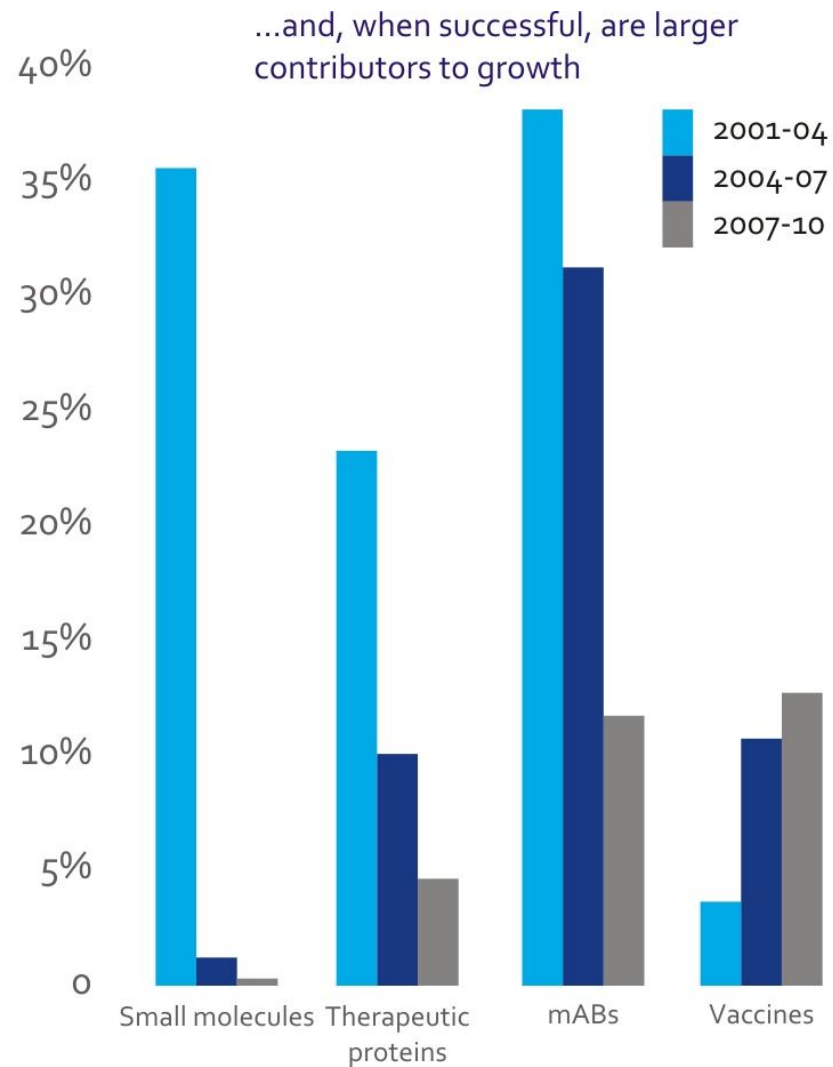
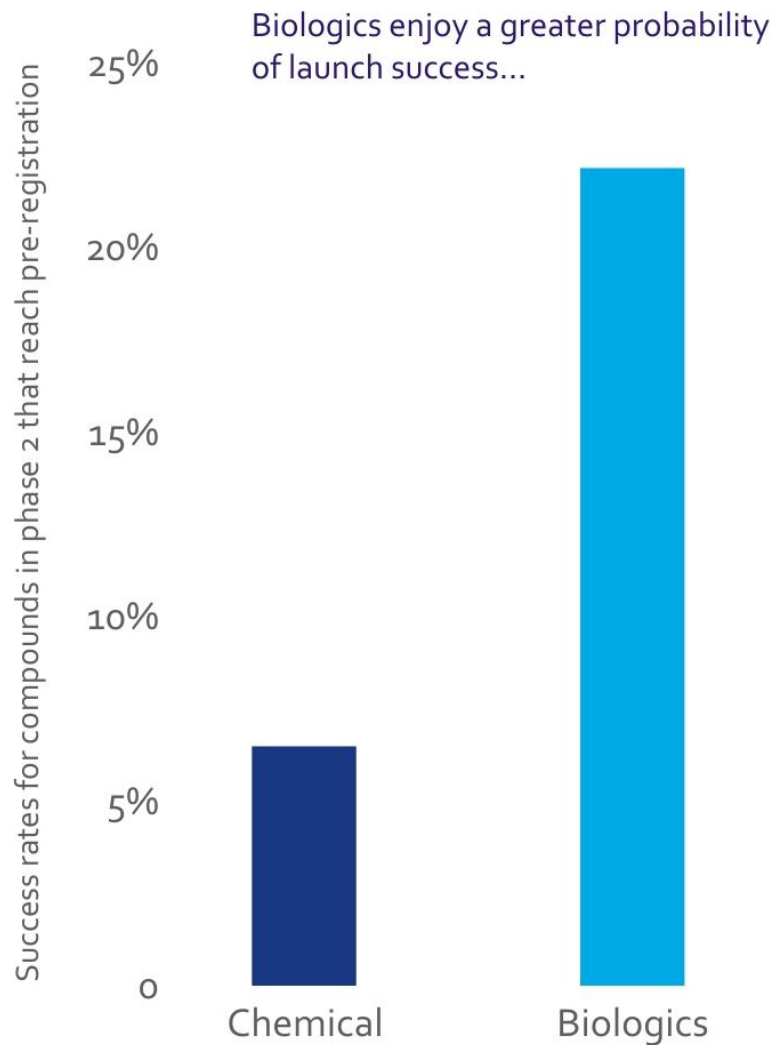
## Unprecedented Patent Cliff



## Shrinking Late-stage R&D Assets



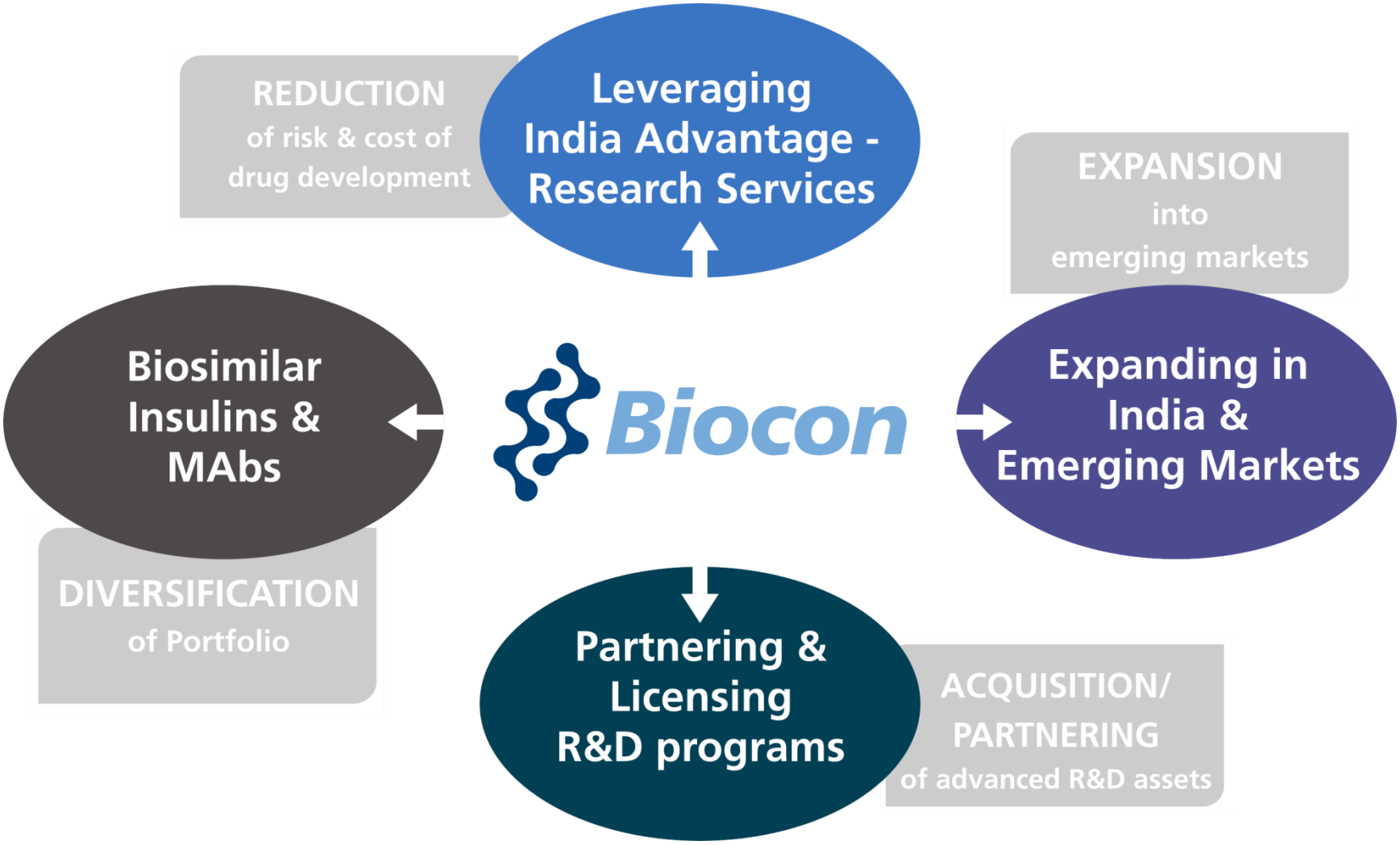
# Biologics expected to restore growth



Source: Booz Allen & Hamilton, In Vivo.

Source: Datamonitor.

# Our growth strategy aligns with emerging trends



## Syngene

## Preclinical, drug R&D

### Chemistry services

- Synthetic chemistry
- Medicinal chemistry
- Process R&D
- Polymer chemistry
- Analytical R&D
- Custom manufacturing

### Biology, biologics services

- Early biology
- Preclinical
- Biologics/custom manufacturing

### Pharmaceutical services

- Formulation development
- Regulatory consulting and support

**Long term contract with Bristol-Myers Squibb.**

**Ongoing collaborations with 60 companies worldwide.**

**Collaborations with 7 of global big pharma's top 10.**

## Clinigene

- Clinical trials management
- Clinical development
- Central lab
- Clinical data management
- Bio-analytical research lab
- Human pharmacology unit
- Regulatory services

Conducted studies involving up to 1500 subjects.

Vast experience in oncology, diabetes, osteoporosis segments.

100% approval from regulators with clinical trial applications.

Fixed fee, time + material contracts and full-time equivalent agreements.

## Clinical Research

**India's first CAP, NABL accredited clinical research labs.**

**ISO 15189:2003 accredited for quality and competence.**



# “Pharmerging” markets offer great potential

Rising GDP | Improving health care access | Stronger regulation



**Biocon is an early mover into many of these markets....**

## Diabetology

INSUGEN® | BLISTO™ | PIODART® | TriGPM™-1/2  
GMAB™ Plus | ZUKER-MF™ | BASALOG™  
GABIL™ | OLISAT™ | METADOZE-IPR®

## Oncology

BIOMAb EGFR® | Abraxane®  
ERYPROsafe™ | NUFILsafe™

## Nephrology

ERYPRO™ | CYCLOPHIL ME™ | TACROGRAF™  
RENODAPT™ | RAPACAN™ | CeRACaL™  
BIOSAVE | NARITA\*

## Cardiology

STATIX® | TELMISAT™ | ZIGPRIL®  
THINRIN™ | ZARGO® | CLASPRIN®  
CLOTIDE™ | DYNALIX® | ACTIBLOK™ - IPR  
MYOKINASE™ | BESTOR® | BRADIA™

**36** key brands across four therapeutic segments

**Marketing and Distribution by Biocon**

**Field force – 900**

<b>Mylan</b>	<b>Biosimilars</b>	Oncology, Auto-immune diseases
<b>Amylin</b>	<b>Novel peptide</b>	Diabetes
<b>Vaccinex</b>	<b>Bio-better MAbs</b>	Oncology
<b>IATRICa</b>	<b>Immunoconjugated MAbs</b>	Oncology
<b>Optimer</b>	<b>Supply of novel API</b>	First-in-class anti-infective (C-difficile)



## Biosimilars

Oncology, auto-immune diseases

Exclusive collaboration for development and commercialization of complex biogenerics/biosimilars, MABs in particular.

Biocon and Mylan to share development and capital costs.

Mylan will have exclusive commercialization rights in regulated markets through profit sharing.

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



**Mylan**

**Biosimilars**

Oncology, auto-immune diseases

**Amylin**

**Vaccinex**

**Bio-better MABs**

Oncology

**IATRICa**

**Immunoconjugated  
MABs**

Oncology

**Optimer**

**Supply of novel API**

First-in-class  
anti-infective (C-difficile)

## Novel peptide

Diabetes

Exclusive arrangement to jointly develop, commercialize, and manufacture a novel peptide therapeutic in diabetes segment.

Co-development with shared costs of development.

Commercialization territorial rights clearly marked out for each partner.





## Bio-better MAb

### Oncology

Combines Vaccinex's MAb discovery strengths with Biocon's expertise in clinical research and biologics manufacturing.

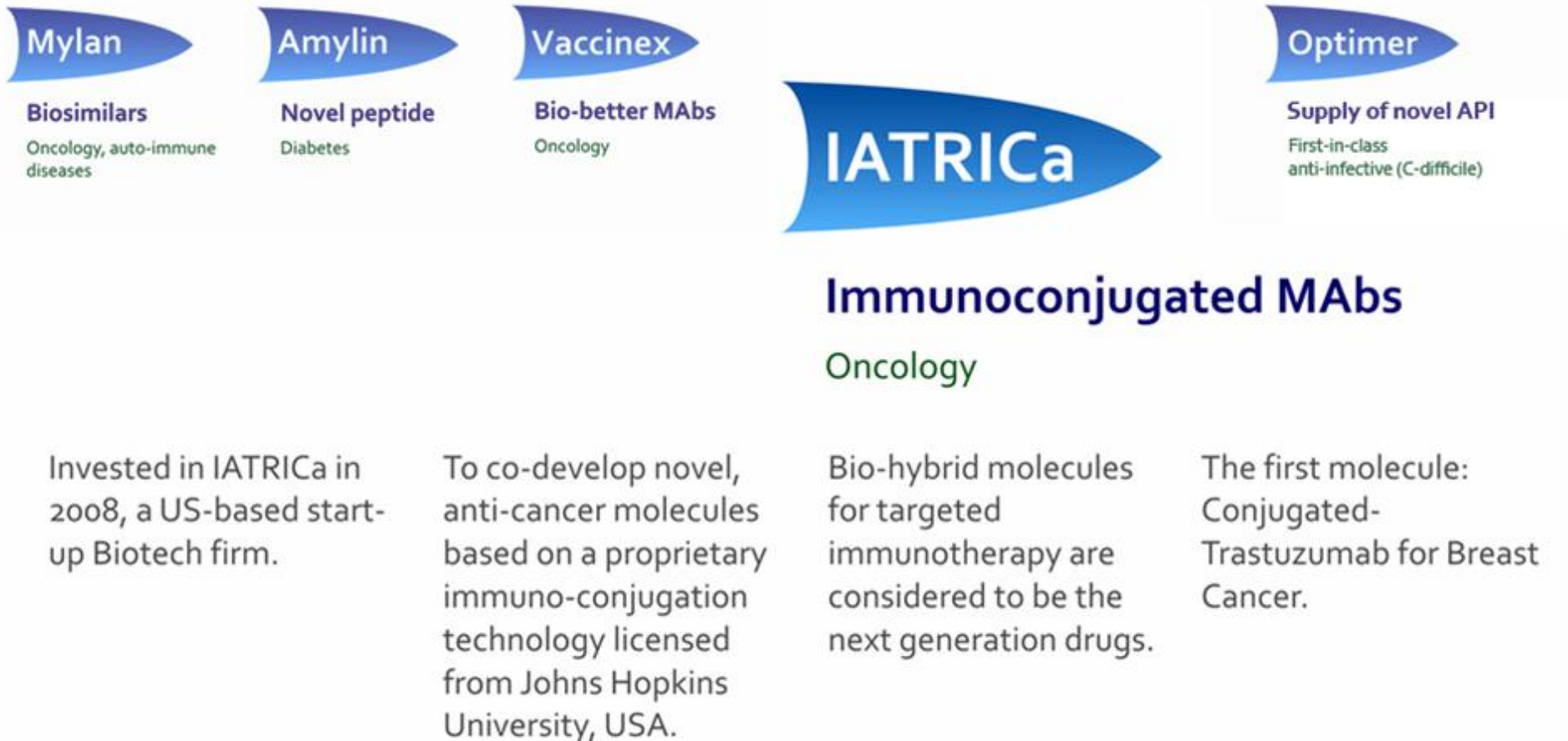
To identify promising antibody candidates and move them rapidly into clinical development.

Discovery and co-development of antibody products.

### First molecule – BVX20

Non-Hodgkin's Lymphoma (NHL) is the most common cancer of the lymphoid organs. BVX-20 is a novel humanized Monoclonal Antibody that binds to CD20, a protein located on both normal and malignant B-cells.

After binding, BVX -20 kills B-cells by recruiting the body's own immune system.



**Mylan**

**Biosimilars**

Oncology, auto-immune diseases

**Amylin**

**Novel peptide**

Diabetes

**Vaccinex**

**Bio-better MABs**

Oncology

**IATRICa**

**Immunoconjugated MABs**

Oncology

**Optimer**

**Supply of novel API**

**First-in-class anti-infective (C-difficile)**

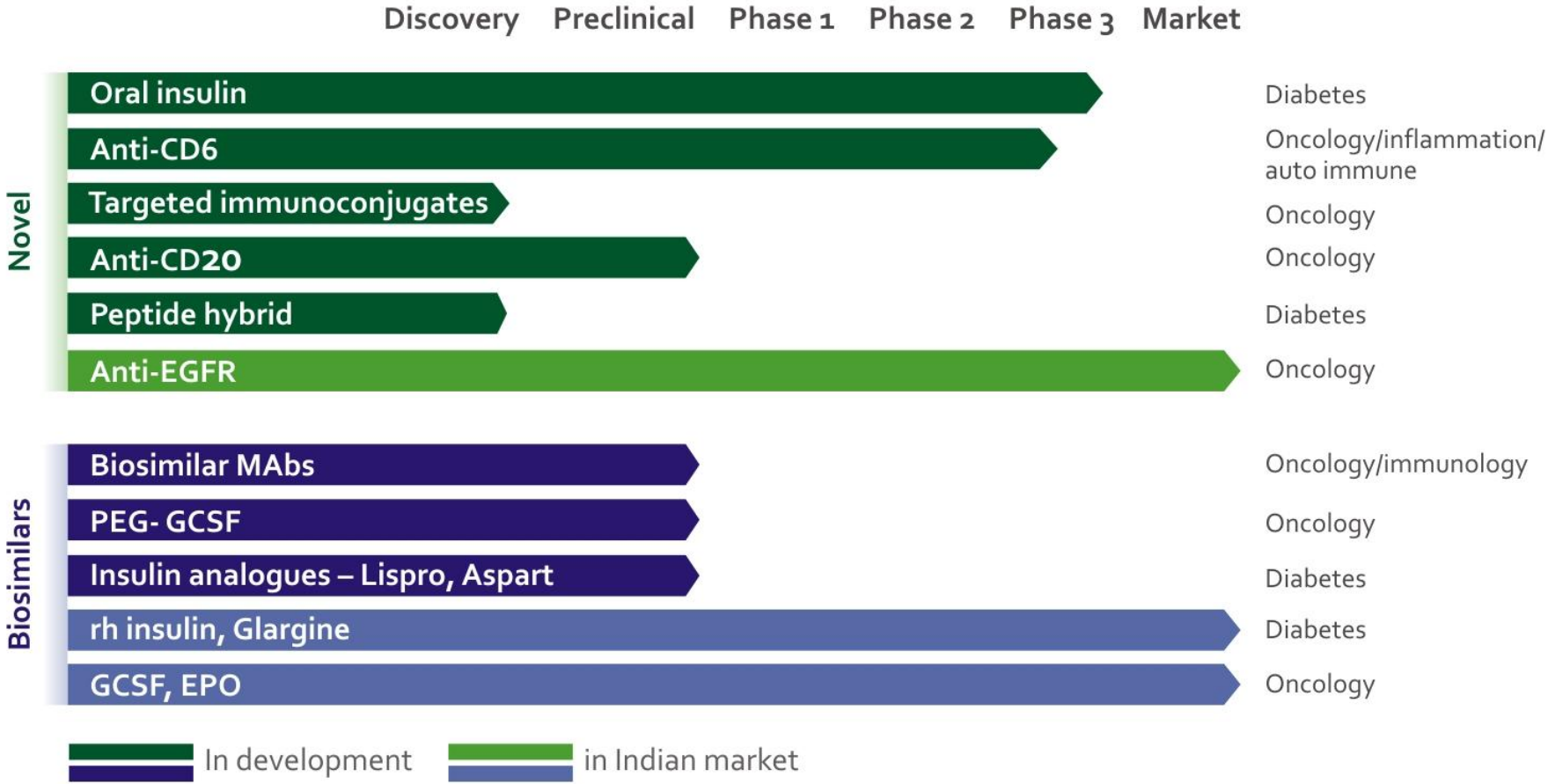
Optimer expects to submit an NDA in the second half of the year.

A long-term supply agreement for the commercial manufacturing of the API Fidaxomicin, Optimer's lead product candidate for the treatment of Clostridium difficile infection (CDI).

For the past five years, Biocon has been an important partner in Optimer's Fidaxomicin development program and will continue this relationship with the manufacture and supply of this product once approved.



# R&D pipeline – Biosimilars and Novels



## 2 novel drugs in late stage clinical trials

**Oral insulin:** Potentially addressing 300 million diabetes patients worldwide

**Anti-CD6:** Initiated Phase 3 human clinical trial for Psoriasis which affects 3% of the global population.

# Lead program: Oral insulin IN-105

## Conjugated peptide

Lower immunogenicity and mitogenicity.  
Comparable safety and good clearance profile.  
Metabolically equivalent.

Monotherapy.

Combination therapy with metformin, sulfonylurea, PPAR agonists, DPP4i.

Pre-meal insulin in combination with basal insulins.

## Established oral delivery

Stable tablet formulation.  
4 phase 1 studies completed.



A phase 2 study shows IN-105 absorption is proportional to dose administered.

## Currently undergoing Phase III trials in India as an add-on therapy to metformin

6 month double blind placebo controlled trials in type 2 diabetes patients who are poorly controlled on metformin and primary endpoint as HbA1c control.

## Initiated Phase 1 studies for Type I Diabetics under US IND

# Anti-CD6 MAb : T1h

## Target CD6

is a type 1 cell membrane glycoprotein belonging to the scavenger receptor cysteine-rich (SRCR) superfamily group B.

**CD6 is predominantly expressed by T cells & a B cell subset.**

**CD6 binds ALCAM** (activated leukocyte cell adhesion molecule) which is expressed on:

- Activated T, cells, B cells & monocytes.
- Skin fibroblasts, keratinocytes, rheumatoid arthritis synovium.

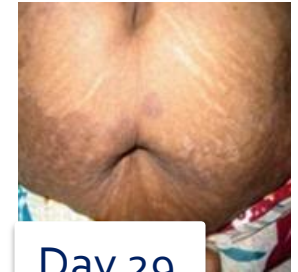
**Phase 3 clinical trial for Psoriasis has been initiated.**

**Planned**

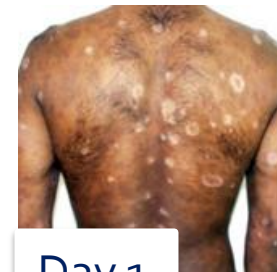
Phase 2/3 double blind trial in RA.

Phase 1/2 double blind trial in MS.

**0.4mg/kg once in 4 weeks**



**0.8mg/kg once in 4 weeks**



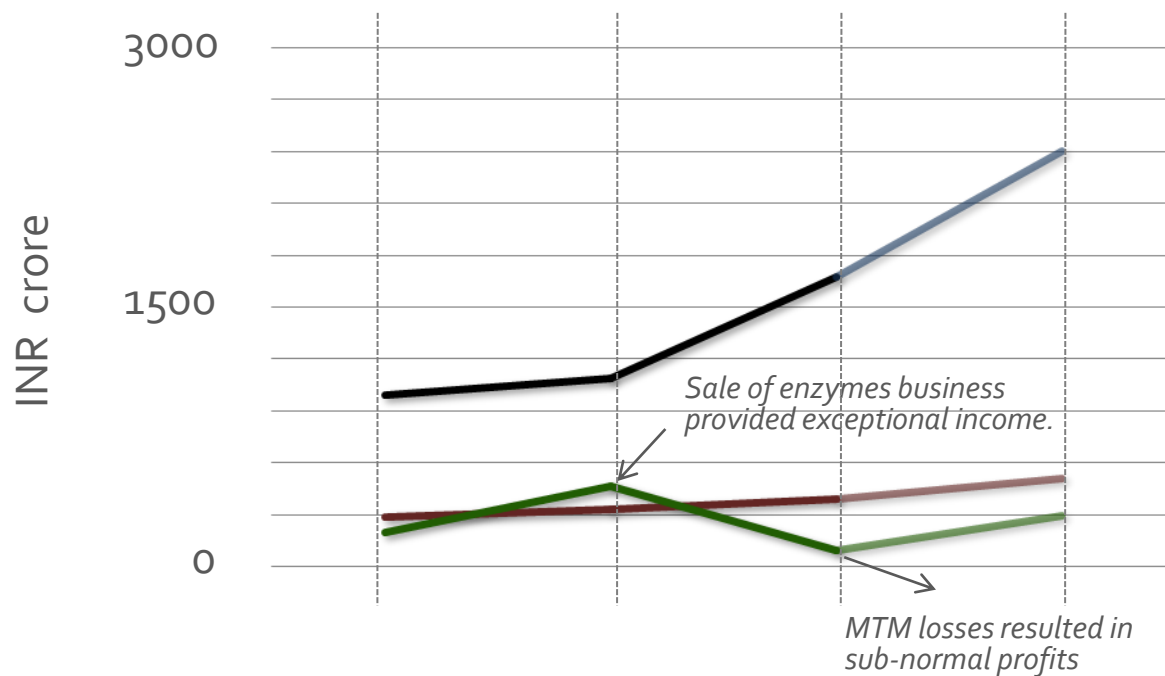
Introduction

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**Financials**

# Revenue, profit

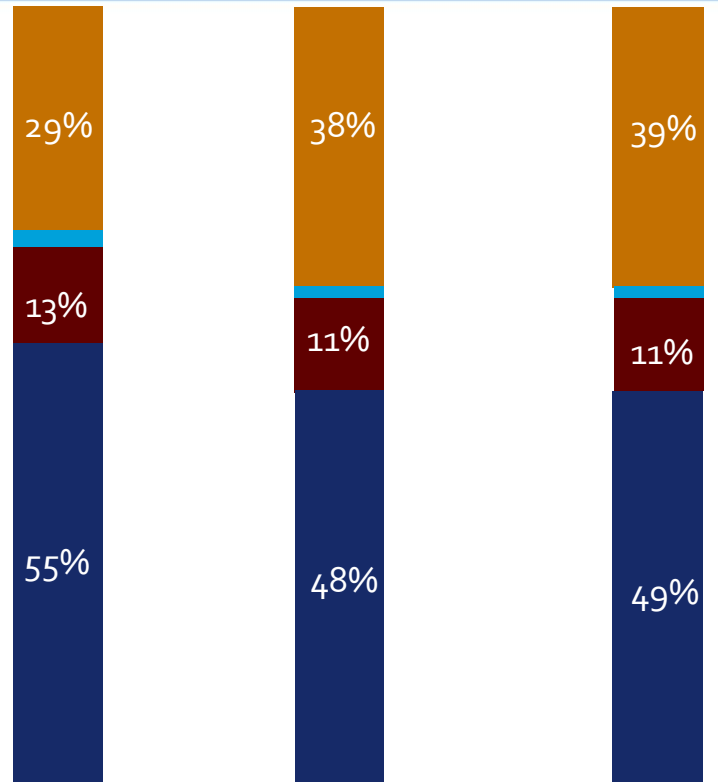


Q1 FY11	INR Crore/USD mn
<b>Revenue</b>	<b>672</b>   147
Rev growth	33%
<b>EBITDA</b>	<b>141</b>   31
EBITDA Margin	21%
<b>Net Profit</b>	<b>77</b>   17
Net margin	11%
<b>EPS</b>	Rs 3.84/share

INR crore / USD million	FY07		FY08		FY09		FY10	
Revenue	990	220	1090	273	1673	364	2405	512
EBITDA	287	63	335	83	388	84	509	108
Net profit	200	44	464	116	93	20	293	62

FY07-10: Avg. exch. rate in that fiscal  
 Q1 FY11: USD 1 = INR 45.7

# Revenue mix: group



INR crore / USD million

FY09

FY10

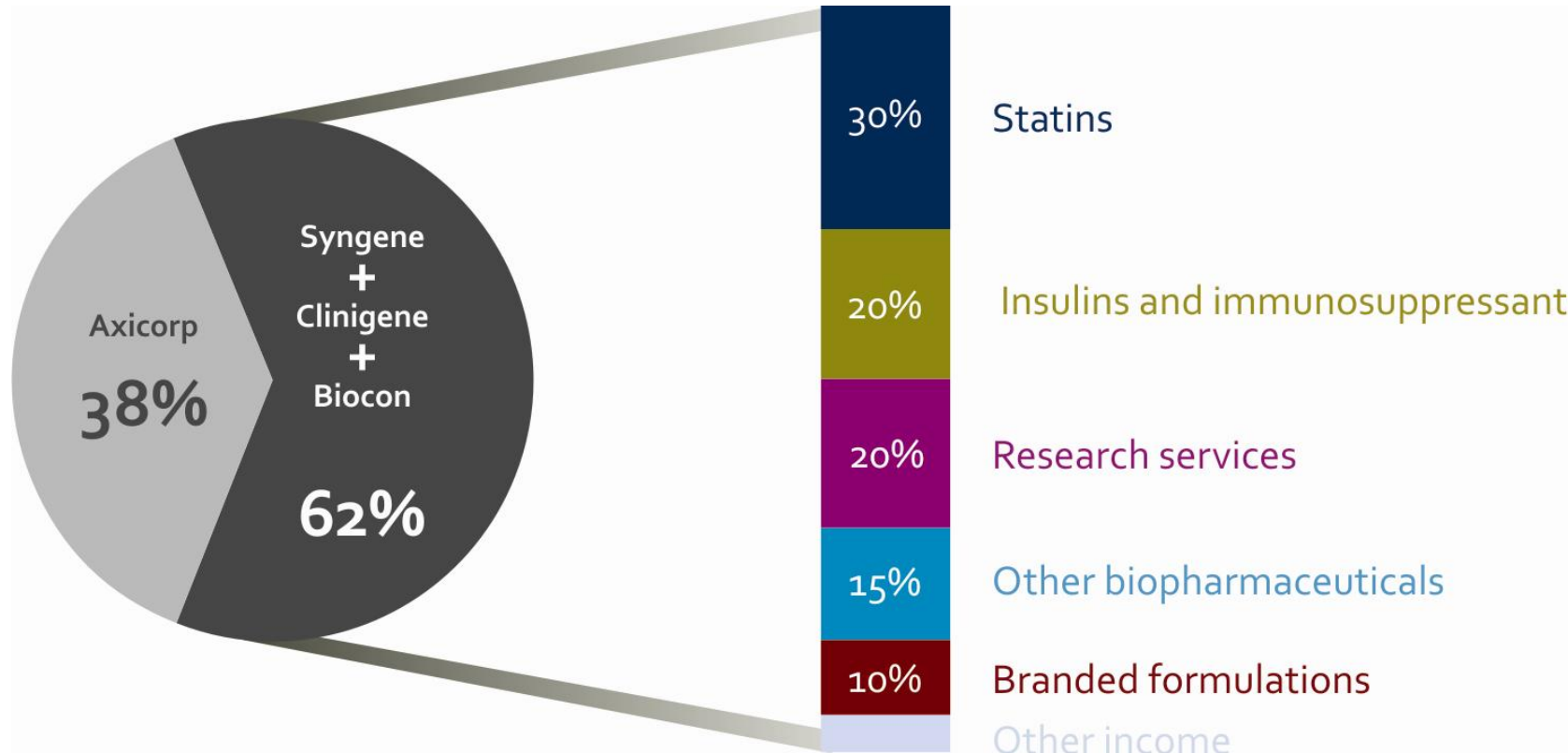
1Q FY11

Biopharma products*	915	199	1175	250	328	72
Research services	225	49	281	60	72	16
Others	54	12	37	8	9	2
<b>Sub Total</b>	<b>1194</b>	<b>260</b>	<b>1493</b>	<b>317</b>	<b>410</b>	<b>90</b>
Axicorp	479	104	911	193	262	57
<b>Grand Total</b>	<b>1673</b>	<b>364</b>	<b>2405</b>	<b>512</b>	<b>672</b>	<b>147</b>

FY09 and FY10: Avg. exch. rate in that fiscal  
Q1 FY11: USD 1 = INR 45.7

\*Biopharma includes Licensing Income

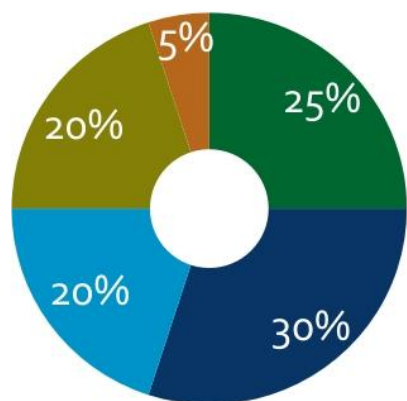
# Revenue mix: segmental



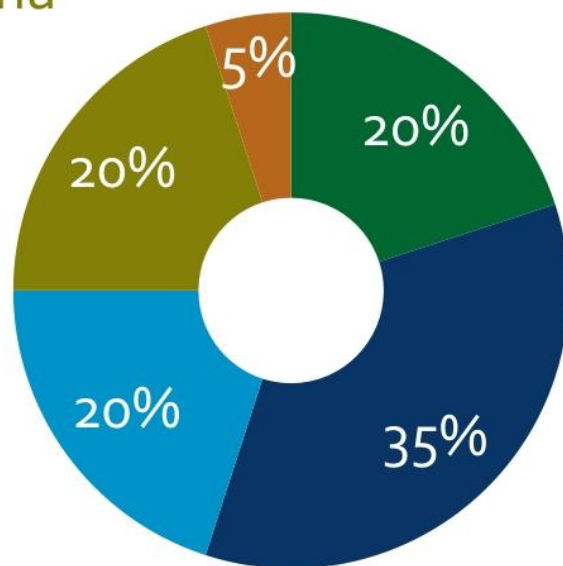
*Approximate percentages ; as of 30 June 2010*

# Biopharma mix: Segmental roadmap

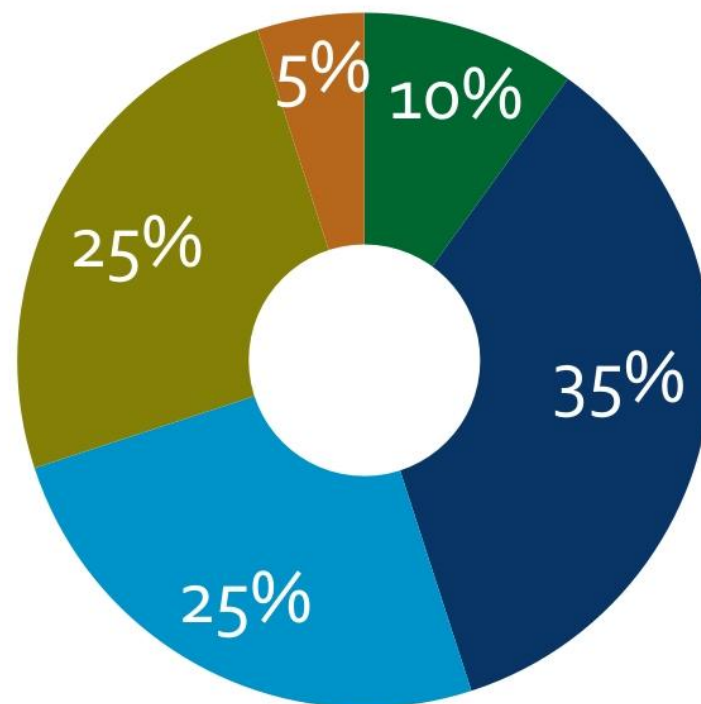
- APIs (Statins + Immunosuppressants)
- Insulins
- Branded formulations
- Licensing income
- Other biopharma



Short

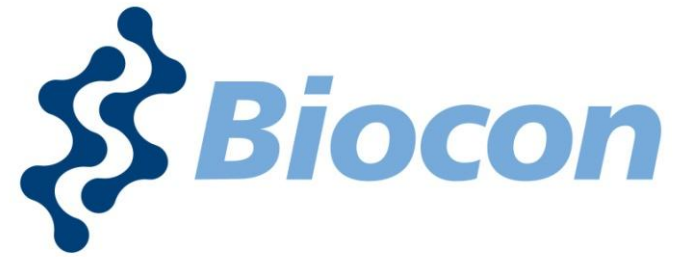


Medium



Long





**Thank you**