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  
May 2015**

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 - Syngene
- Novel Molecules

## Financials

## Outlook



**Biocon: Who are We?**

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

**Value Creation along 3 axes:**

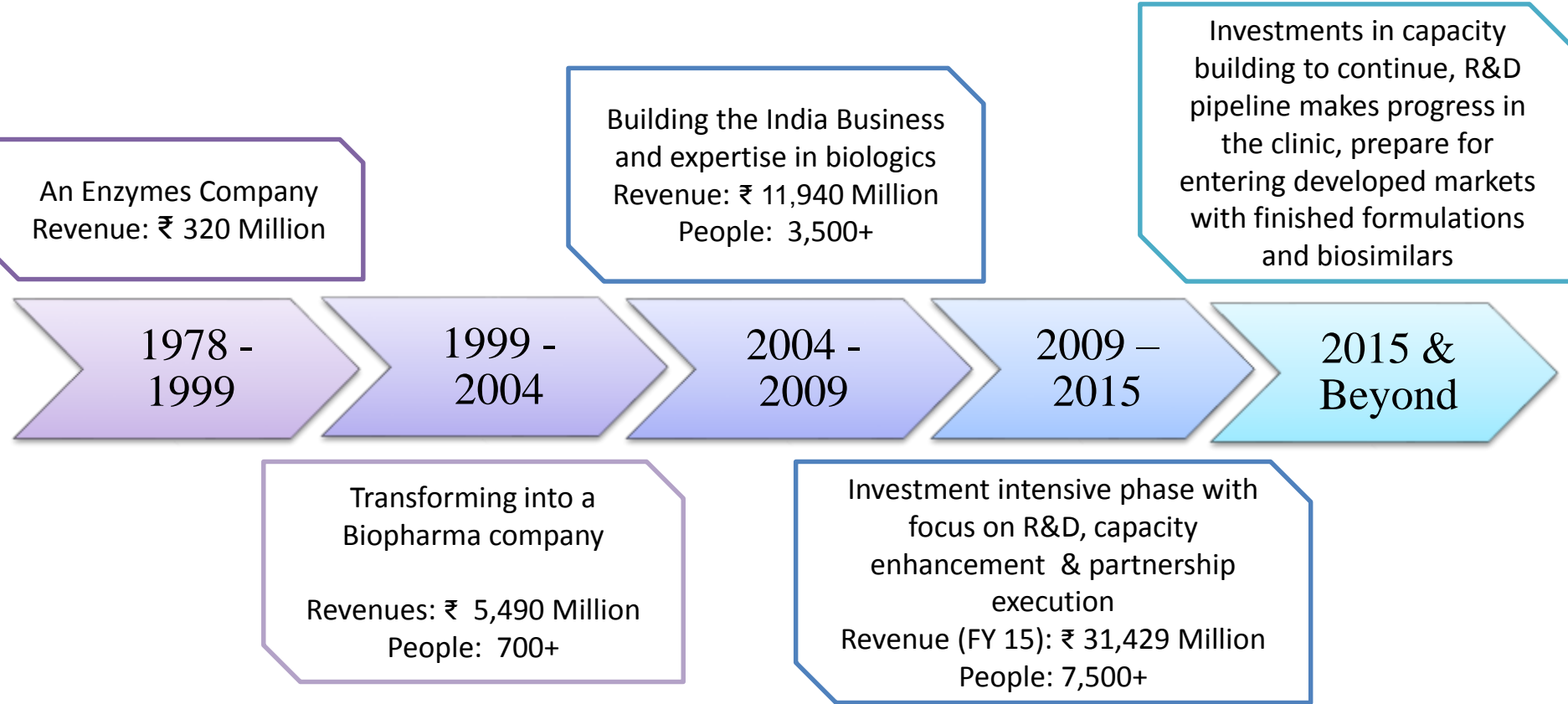


Reducing therapy costs of **chronic diseases**. (*diabetes, cancer & auto-immune diseases*)

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

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

# Preparing for the future



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

# FY15 Highlights (1)

## Financial Performance

- Group Revenue at ₹ 31, 429 Million (7% YoY growth)
- YoY Growth\* across verticals:

Business Vertical	Absolute Growth (%)
Biopharma	3%
Branded Formulations	10%
Biopharmaceuticals	5%
Research Services	15%
Total Sales	7%

- EBITDA at ₹ 7,489 Million (*EBITDA Margin: 24%*)
- R&D Expense: ₹ 1,688 Million (8% of Biopharmaceuticals Revenue)
- PAT\*\* at ₹ 4,022 Million (*PAT Margin: 13%*)

## FY15 Highlights (2)

### Key Events

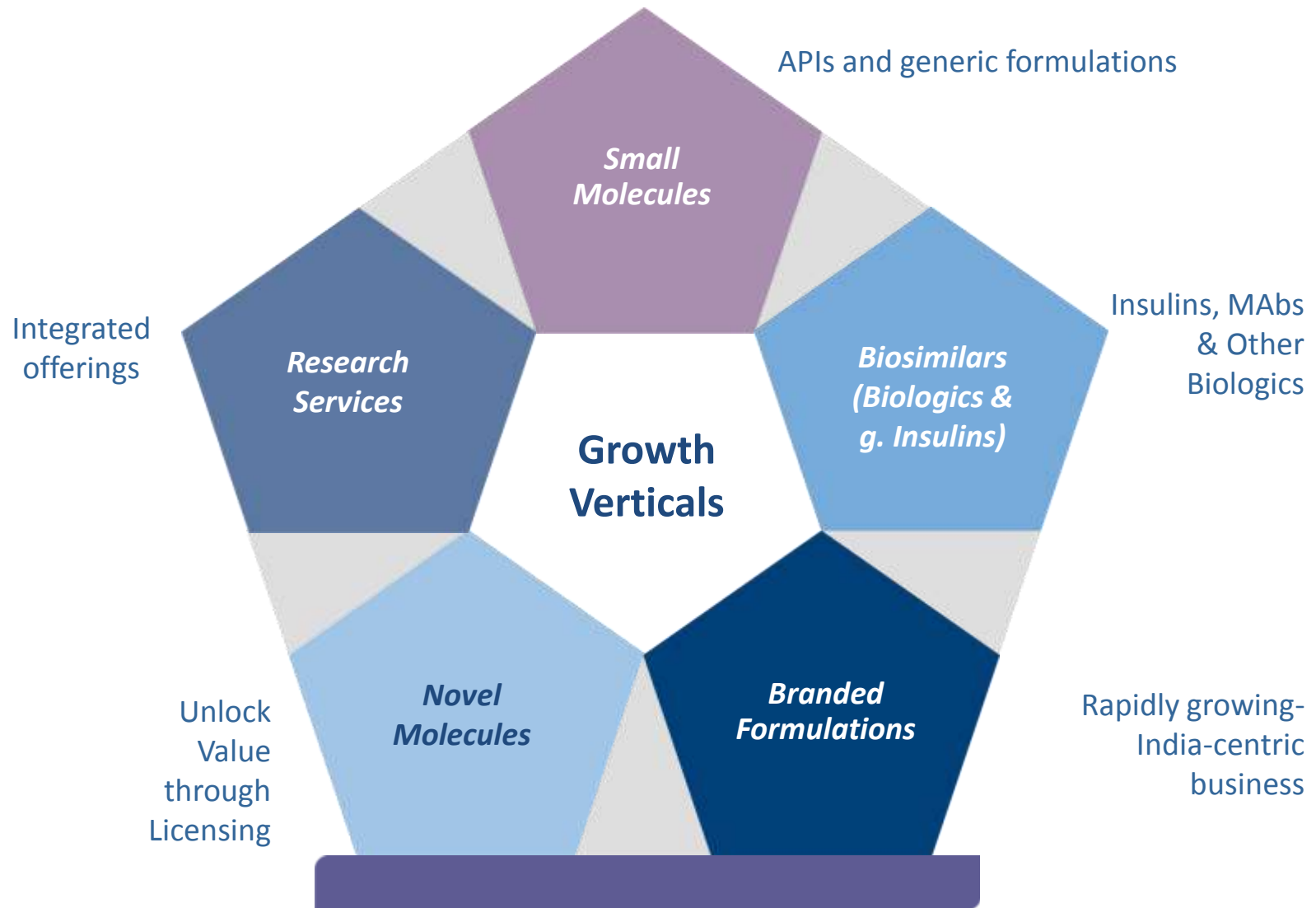
- ❖ Biocon files its first set of ANDAs, targets the US generics market
- ❖ Biocon receives Insulin Glargine approval in Mexico through partner PiSA Farmaceutica
- ❖ Malaysia insulin plant commissioned, to undergo qualification processes in FY16
- ❖ Syngene :
  - Syngene and Bristol Myers Squibb extend collaboration for its dedicated R&D centre till 2020
  - Acceptance of Syngene's API manufacturing facility by the Department of Health & Human Services, FDA
  - Biocon buys back GE Capital's 7.69% stake in Syngene
  - Silver Leaf Oak buys 10% stake in Syngene, valuing Syngene at ₹ 38,000 million
  - Syngene, files Draft Red Herring Prospectus (DRHP) with SEBI on April 22, 2015 seeking approval for its Initial Public Offering (IPO) through an offer for sale by Biocon Limited

### R&D Progress

- ❖ Insulin Glargine, Pegfilgrastim and Adalimumab have entered global phase 3 clinical trials\*\*
- ❖ Biocon commenced recruitment of patients for the India clinical trial of biosimilar bevacizumab
- ❖ Completed first set of studies for IN-105 (oral insulin program) in the U.S.



# Growth Verticals: Aligned with Shifting Paradigms





## Business 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.
- ❖ Making investments' to forward integrate from APIs to generic formulations, including ANDAs.

Current Portfolio	Constituents
Statins	Simvastatin, Atorvastatin, Lovastatin, Rosuvastatin, Fluvastatin & Pravastatin
Immuno suppressants	Tacrolimus, Sirolimus, 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...**

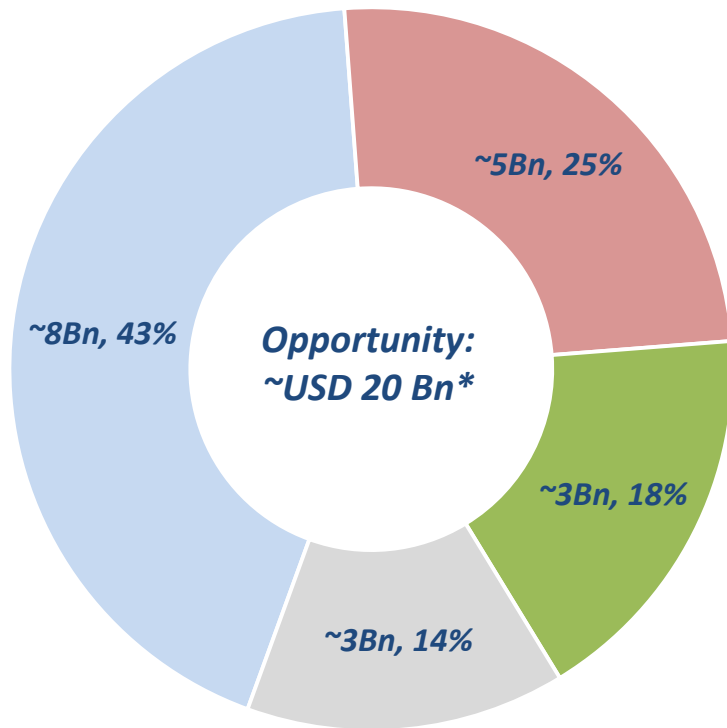
*Large Molecules (proteins): greater complexity  
Extensive development process  
Process development and Capacity constraints*

**Current  
Portfolio**

*g. rh-Insulin & g. Insulin Analogs (insulin glargine, insulin lispro & insulin aspart)  
Monoclonal Antibodies (Trastuzumab, Bevacizumab, Adalimumab)  
Other Biologics (Etanercept, Peg-filgrastim)*

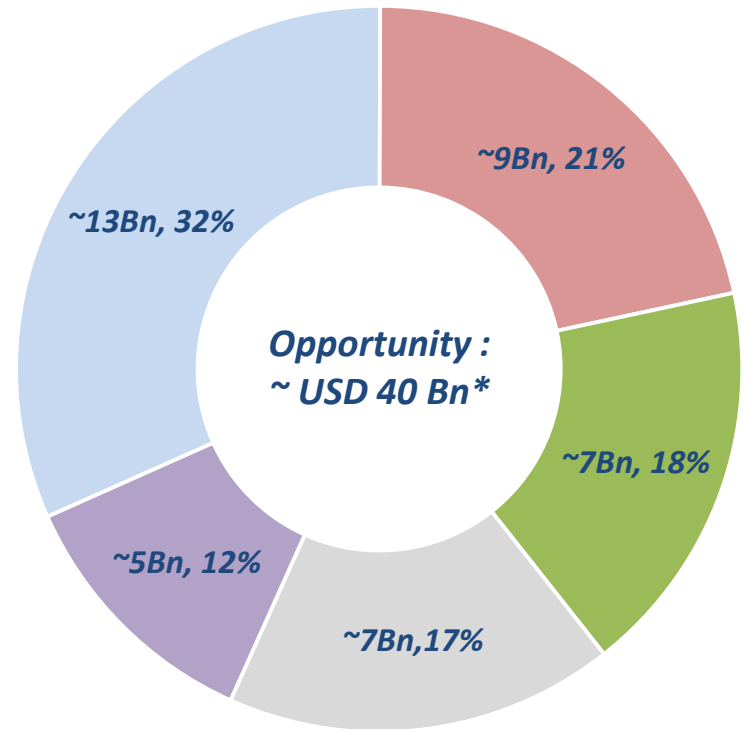
# Biosimilars: Opportunity

## The Insulin Pie



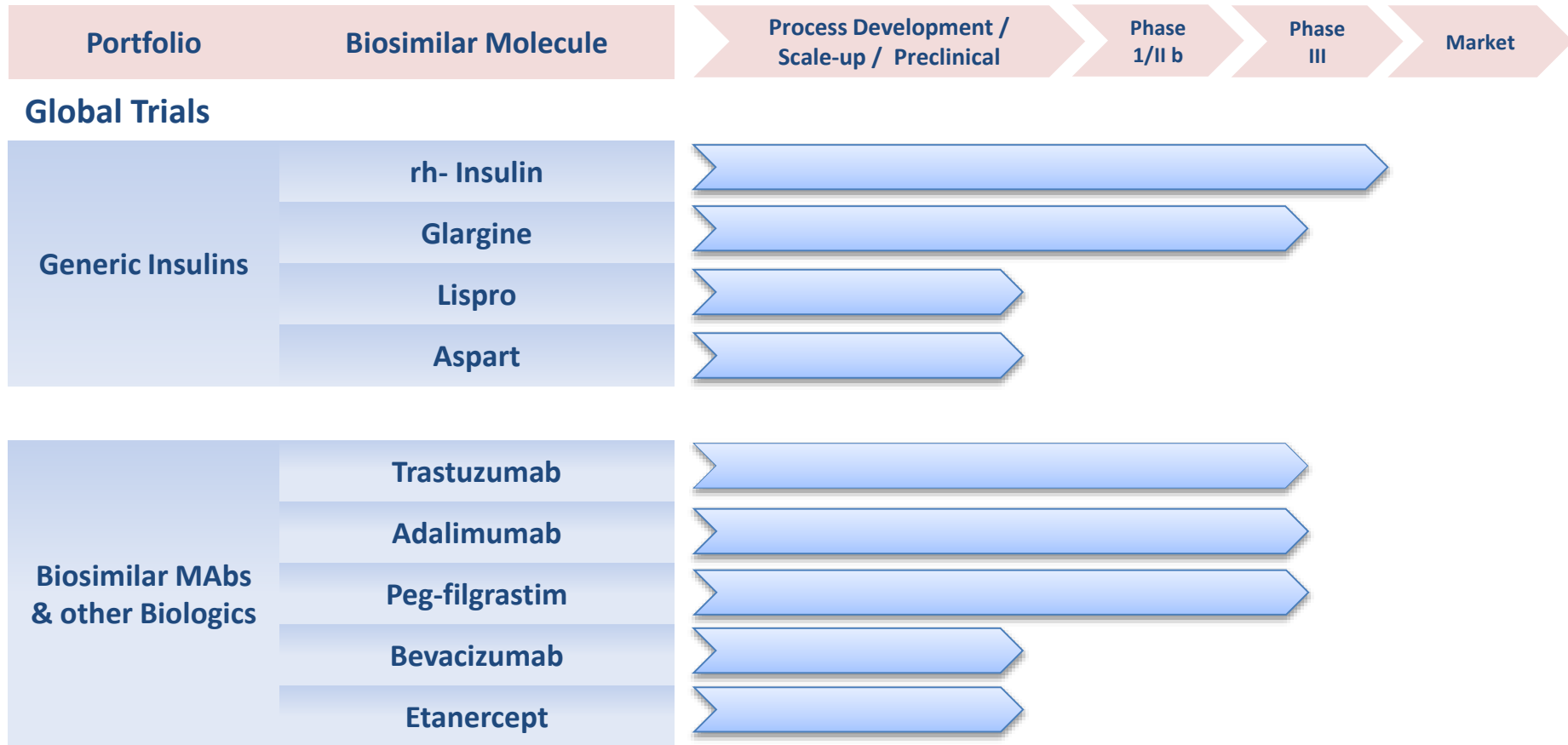
■ glargine ■ aspart ■ human insulin ■ lispro

## Biosimilar MABs & Other Biologics



■ adalimumab ■ etanercept ■ bevacizumab  
 ■ trastuzumab ■ peg-filgrastim

# Biosimilars: Pipeline



- ❖ **Emerging Markets First strategy** coupled with a **regional partnership** commercialization approach
- ❖ Launched the world's most affordable trastuzumab, CANMAb™ in India, in Q4 of fiscal 2014. Licensed the product in one key EM in fiscal 2015, finalizing agreements for more EMs
- ❖ Commenced recruitment of patients for the India clinical trial of biosimilar bevacizumab

# Biosimilars: Collaboration

## Co-Development & Commercialization Partnership



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

	<b>Generic Insulin Analogs</b>	<b>Biosimilar MABs &amp; other Biologics</b>
<b>Global Market Size *</b>	<b>~ USD 16 Bn</b>	<b>~ USD 40 Bn</b>
<b>Portfolio Constituents</b>	Glargine, Lispro & Aspart	Trastuzumab, Bevacizumab, Adalimumab, Eterncept, Peg-filgrastim
<b>Mylan's <i>Exclusive Commercialization</i> Regions</b>	US, Canada, Europe, Australia & New Zealand	Developed markets
<b>Upfront Received</b>	\$ 20 Mn	\$ 18 Mn

**Structure: Upfront Payment + Cost Sharing + Supplies + Profit Sharing<sup>#</sup>**

*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.*

# Malaysia Insulin Facility

## Key Highlights

- ❖ Biocon's First Manufacturing expansion overseas : Iskandar, Johor
- ❖ Asia's largest integrated Insulins manufacturing facility
- ❖ Capital Investment of ~\$ 200 Mn in the first phase
- ❖ Commissioned in FY15
- ❖ FY16: Plant to undergo series of qualification processes required for regulatory inspections





# Branded Formulations: Introduction

- An India Centric Business with Global Ambitions
- Organized into 5 verticals around key therapy areas
- **Portfolio highlights:**
  - ❖ **Insugen® & Basalog®**: India's largest selling generic insulin & long acting analog
  - ❖ **CANMab™**: World's most affordable trastuzumab to be commercialized
  - ❖ **BioMab EGFR®**: India's 1<sup>st</sup> indigenous novel MAb for head & neck cancer
  - ❖ **Alzumab™**: India's 2<sup>nd</sup> indigenous novel MAb for Psoriasis
  - ❖ **Cytosorb®**: First-in-class Cytokine Filter



# Branded Formulations: Key Brands

## CV-Met



## Cancer Therapies



## Autoimmune



## Renal Therapies



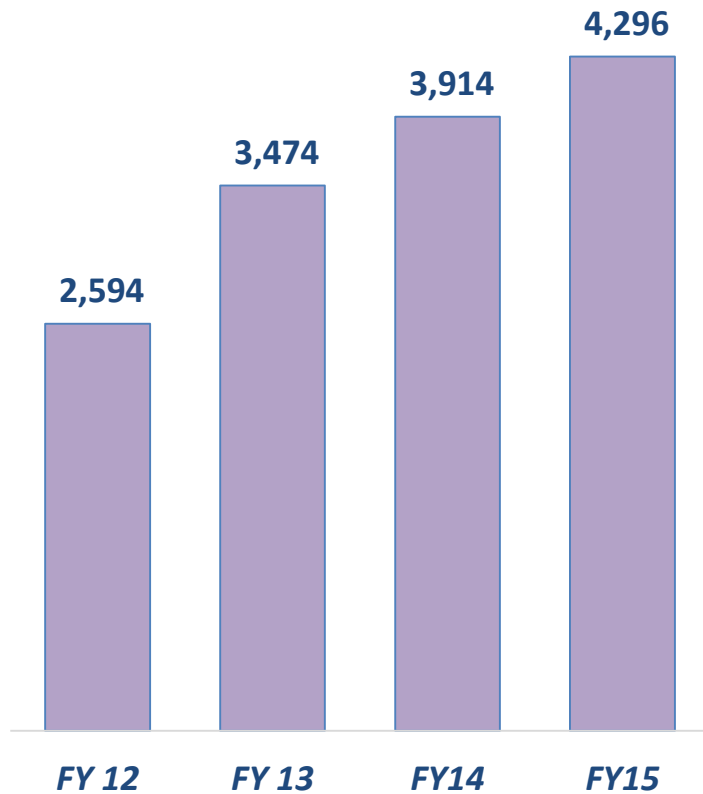
## Hospital: Critical Care



# Branded Formulations: Performance

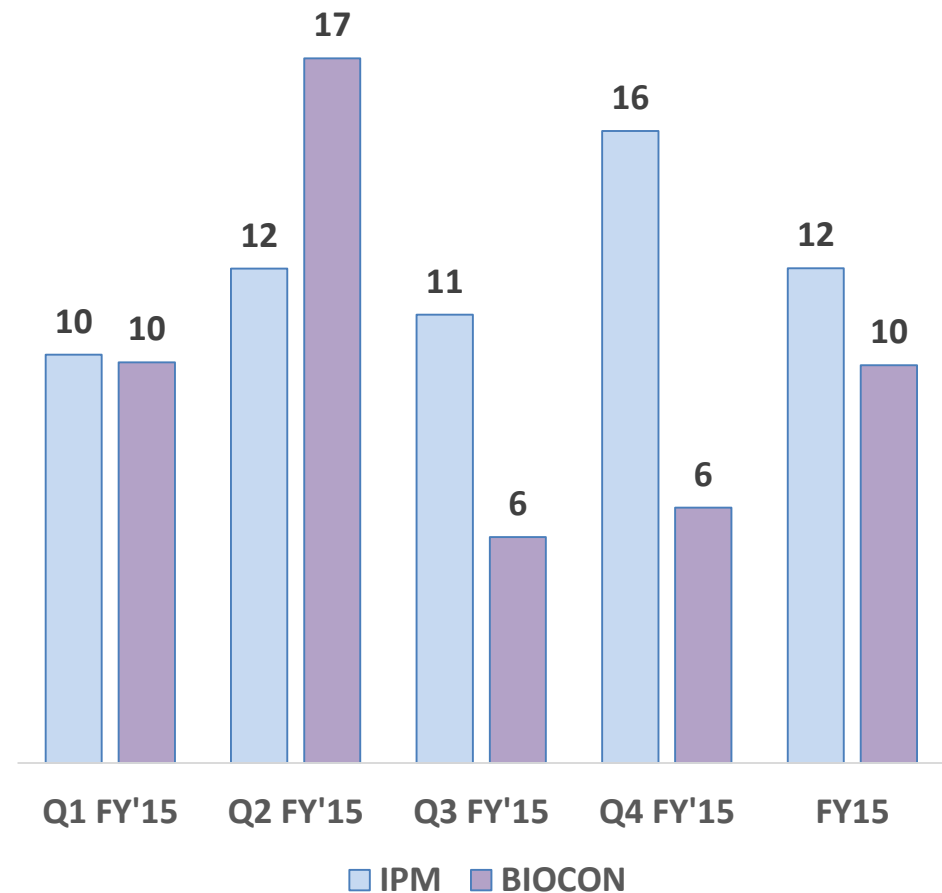
## Financial Performance

Revenues in ₹ Million



IPM Source: IMS

## Revenue Growth Benchmarking



# Branded Formulations: Alzumab™

## Key Differentiators

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

**Excellent clinical remission & safety data** in phase III for Psoriasis

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

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

**Commercialised in India** post a successful Phase III trial in Psoriasis (200+ patients);

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



# Branded Formulations: CANMAB™

## Key Differentiators

**Approved after** a Phase 3 (130 + patient) trial in India

Available in India from February 2014

**C: Convenience** -- Available in unique combination of multi-dose vial of 150 mg & 440 mg

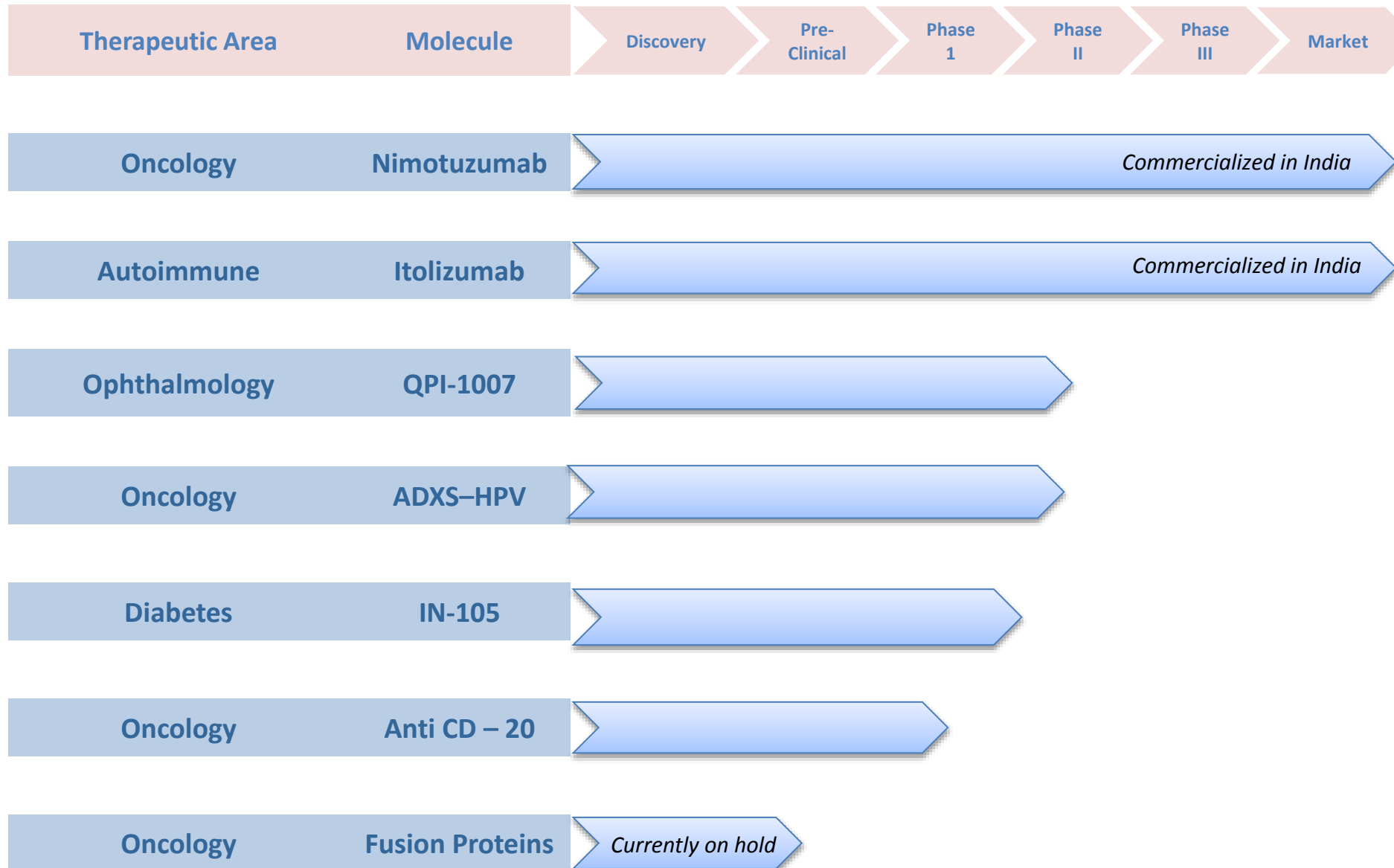
**A: Affordability**

- MRP – Rs 57,500 for 440mg vial, Rs 19,500 for 150mg vial
- Availability of 150 mg multi-dose vial allows patients to save money by buying smaller quantities, and storing unused product for their next dose rather than wasting it

**N: New from India-- World's most affordable trastuzumab to be commercialized**



# Novel Molecules: Pipeline



# Novel Molecules: Collaboration



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



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

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*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)*

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

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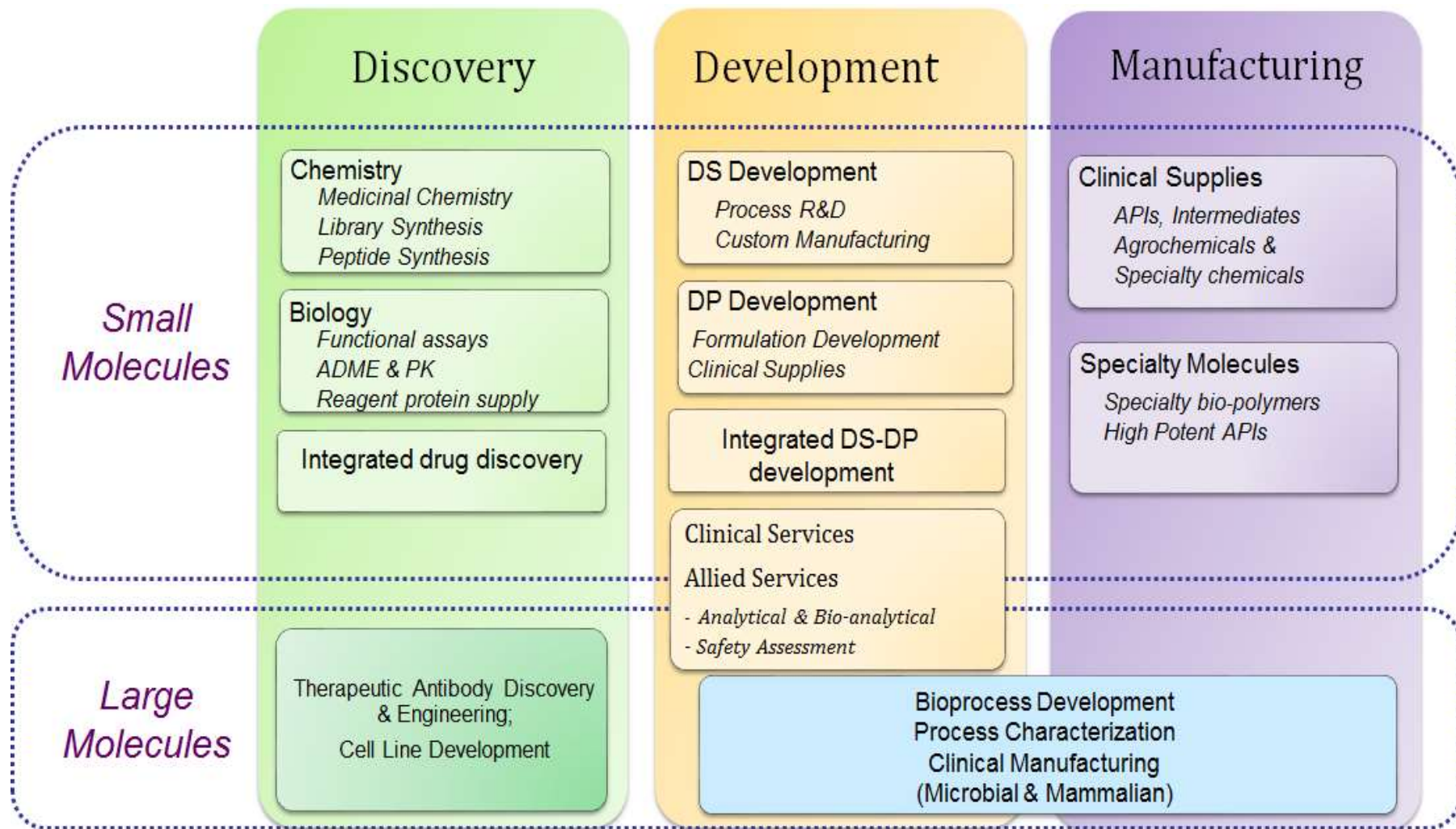
## Syngene (Research Services Business)



- One of the leading India-based contract research organizations (CRO)
- Provides integrated service offerings supported by world class infrastructure and quality systems (*spread over 900,000 sq. ft. of laboratory and manufacturing facilities*)
- Flexible business models: Full-time equivalent(FTE) to fee-for-service(FFS), or a combination thereof
- IP protection & data confidentiality
- Diversified client base, including seven of top 10 global pharmaceutical companies by sales in 2014\*
- Pool of ~2,100 talented & qualified scientists
- Experienced management



# Syngene: Service Platforms



# Syngene: Three Long-duration multi-disciplinary partnerships



*Largest R&D Centre of BMIS in Asia  
(started in 2009, contract extended  
to 2020)*

*Dedicated centre with modern  
facilities supporting over 400  
scientists*

*Has produced 9 drug candidates for  
further studies since 2009*

*Integrated drug discovery &  
development across various  
therapeutic areas*

*Initiated in 2014*

*State of the art facility supporting  
R&D of medical products and devices*

*Engages a multidisciplinary team of  
~150 scientists*

*R&D activities centred on product  
and analytical development,  
preclinical evaluation in parenteral  
nutrition and renal therapy*



*Initiated in 2012*

*Dedicated centre supporting  
development of nutrition products*

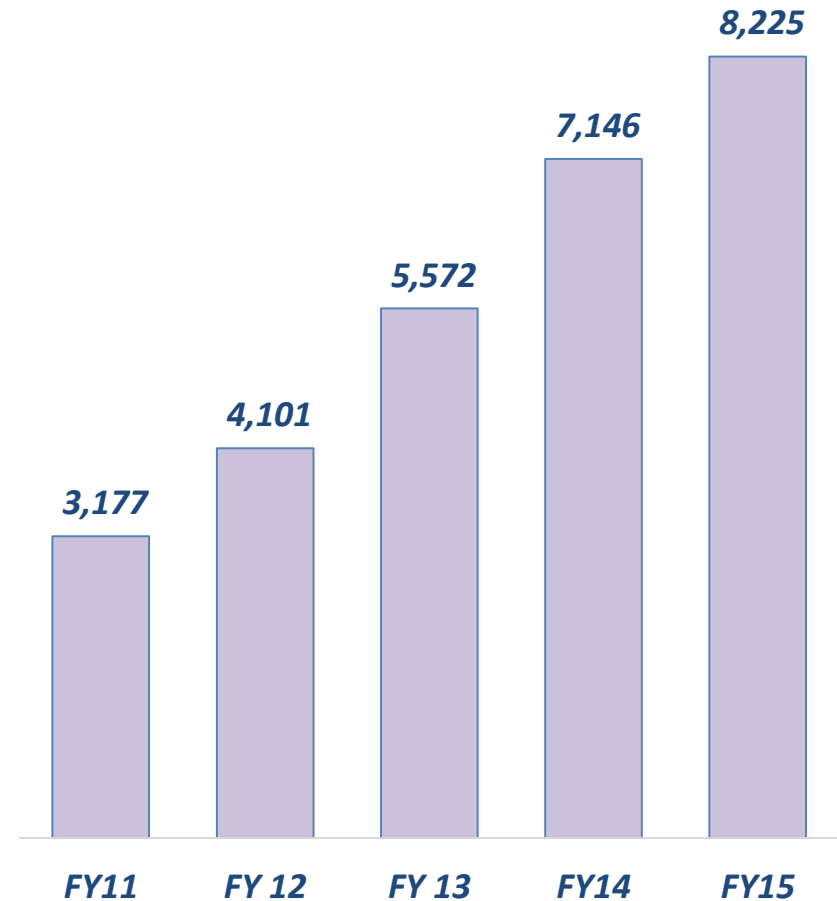
*~30 multi-disciplinary scientists  
engaged in product development  
lifecycle*

*Focus on maternal, paediatric, neo-  
natal nutrition and diabetes care in  
line with emerging market needs*

# Research Services: Financial Performance

Revenues in ₹ Million

- Syngene has filed a Draft Red Herring Prospectus with Securities and Exchange Board of India (“SEBI”) on April 22, 2015, seeking approval for an initial public offering (“IPO”).
- The offer comprises as Offer for Sale (OFS) by Biocon of a part of its shareholding in Syngene.
- OFS will constitute 11.0% of post-offer paid-up equity share capital of Syngene.





**Financials**

# Financial Performance

All Figures in ₹ Million / USD Mn except EPS

	FY10		FY11		FY12		FY13		FY14	
Revenue	14,930	318	18,579	407	21,483	445	25,380	467	29,332	485
R&D Spend	785	17	1,183	26	1,366	28	1,640	30	1,310	22
EBITDA	4,551	97	5,733	125	5,791	120	5,957	110	7,429	123
Net profit*	2,729	58	3,399	74	3,384	70	3,241	60	4,137	68
EPS (FV: ₹ 5)	13.6		17.0		16.9		25.4		20.7	

	FY15	FY14
Revenue	31,429   514	29,332   485
R&D Spends	1,688   28	1,310   22
<i>% of Biopharmaceutical Sales #</i>	8%	6%
EBITDA	7,489   122	7,429   123
<i>EBITDA Margin</i>	24%	25%
Net Profit*	4,022   66	4,137   68
<i>PAT Margin</i>	13%	14%
EPS	24.8	20.7

FY11-FY13: Avg. exchange rate in that fiscal ; FY14: USD 1 = ₹ 60.50; FY15: USD 1 = ₹ 61.15

# Biopharmaceutical Sales including Branded Formulations | \* Net Profit Pre exceptional items

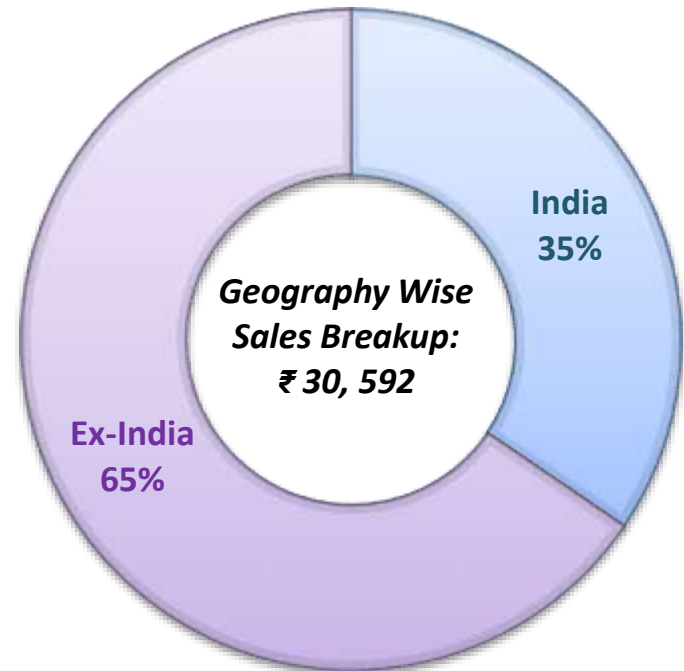
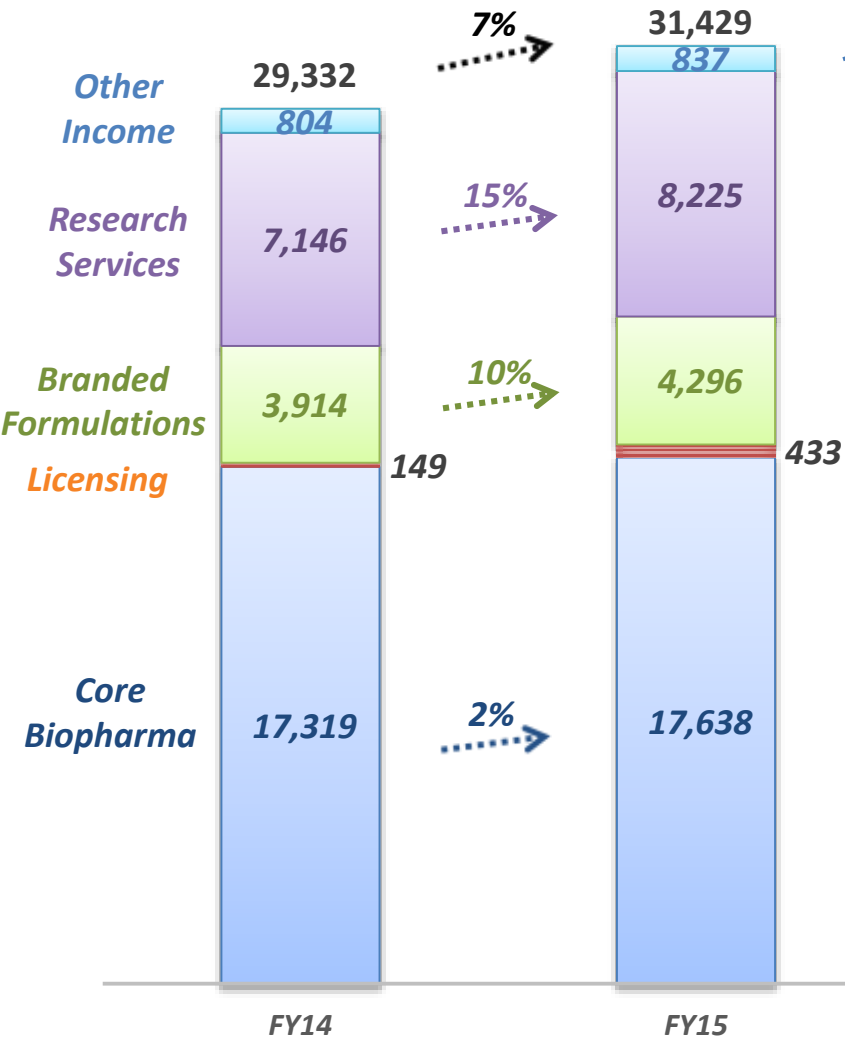
# Core Business Margins: Detailed

All Figures in ₹ Million

	<b>FY 10</b>	<b>FY 11</b>	<b>FY 12</b>	<b>FY 13</b>	<b>FY 14</b>	<b>FY15</b>
Revenue	14,930	18,579	21,483	25,380	29,332	31,429
Less: Other Income	324	516	993	1,103	804	837
Less: Licensing Income	507	1,525	1,266	246	149	433
<b>Core Revenues</b>	<b>14,099</b>	<b>16,538</b>	<b>19,224</b>	<b>24,031</b>	<b>28,379</b>	<b>30,159</b>
EBITDA	4,551	5,733	5,791	5,957	7,429	7,489
Add: R&D Expense	785	1,183	1,366	1,640	1,310	1,688
Less: Other Income	324	516	993	1,103	804	837
Less: Licensing Income	507	1,525	1,266	246	149	433
<b>Core EBITDA</b>	<b>4,505</b>	<b>4,875</b>	<b>4,898</b>	<b>6,248</b>	<b>7,786</b>	<b>7,907</b>
<b>Core EBITDA Margin</b>	<b>32%</b>	<b>29%</b>	<b>25%</b>	<b>26%</b>	<b>27%</b>	<b>26%</b>

# Group Revenue: Detailed

All Figures in ₹ Million unless otherwise specified



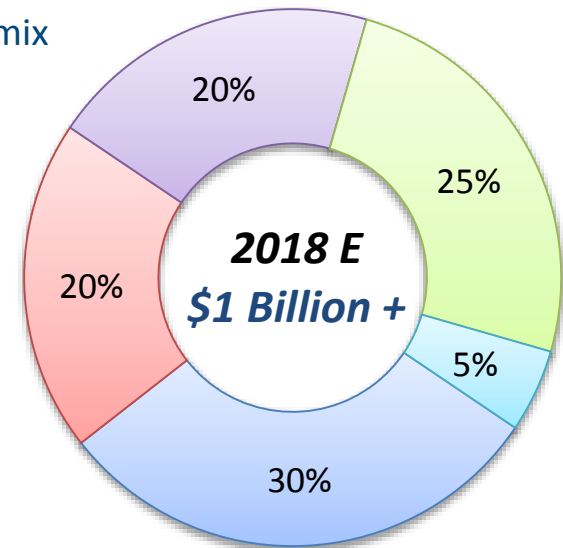


Outlook



## Key Focus Areas

- **Small Molecules & Generic Formulations**- Improved product mix incl. ANDAs
- **Biosimilars** - Geographical Expansion in semi regulated and regulated markets
- **Branded Formulations** – Specialist focus, differentiated value offerings
- **Research Services** - Sustained Growth Momentum
- **Novel Molecules** - Out-licensing and Global Development

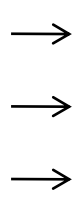


*Growth drivers supplemented by addition of new offerings (products, services & partnerships)*

~61% | Promoters

~ 4% | Employees & ESOP trust

~35% | Public



**Biocon**

## BIOPHARMA SUBSIDIARIES

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

**Biocon Pharma, India | 100%**  
*Manufacturing - Generic Formulations*

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

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

**NeoBiocon, UAE | 51%**  
*Overseas subsidiary*

## RESEARCH SERVICES

**Syngene International, India | ~85%**  
*Custom research, drug discovery, clinical development*

# Disclaimer

Syngene International Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offering of its Equity Shares and has filed a Draft Red Herring Prospectus with the Securities and Exchange Board of India (“SEBI”). The Draft Red Herring Prospectus is available on the website of the SEBI and the websites of Axis Capital Limited, Credit Suisse Securities (India) Private Limited and Jefferies India Private Limited. Investors should note that investment in Equity Shares involves a high degree of risk and for details should refer to the Red Herring Prospectus/Prospectus which may be filed with the Registrar of Companies, Bangalore in the future, including the section titled “Risk Factors”.

This presentation is not an offer of the Equity Shares for sale in the United States. Any public offering of the Equity Shares to be made in the United States will be made by means of a prospectus that may be obtained from the Company or the selling shareholder and that will contain detailed information about the company and management, as well as financial statements.

The Equity Shares have not been, and will not be, registered under the Securities Act or any other applicable law of the United States and, unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in the Draft Red Herring Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) outside the United States in reliance on Regulation S under the Securities Act.

**Thank You**