

Investor Presentation

November 2010

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.

Snapshot



Incorporation	1978
Initial public offering	2004 (BSE & NSE (India))
Patent portfolio	182 patents granted
Headquarters	Bangalore, India
Global reach	~ 75 countries
Workforce	5200 employees (10% PhDs)
Market capitalisation	~INR 8500+ crore USD 1.8 bn

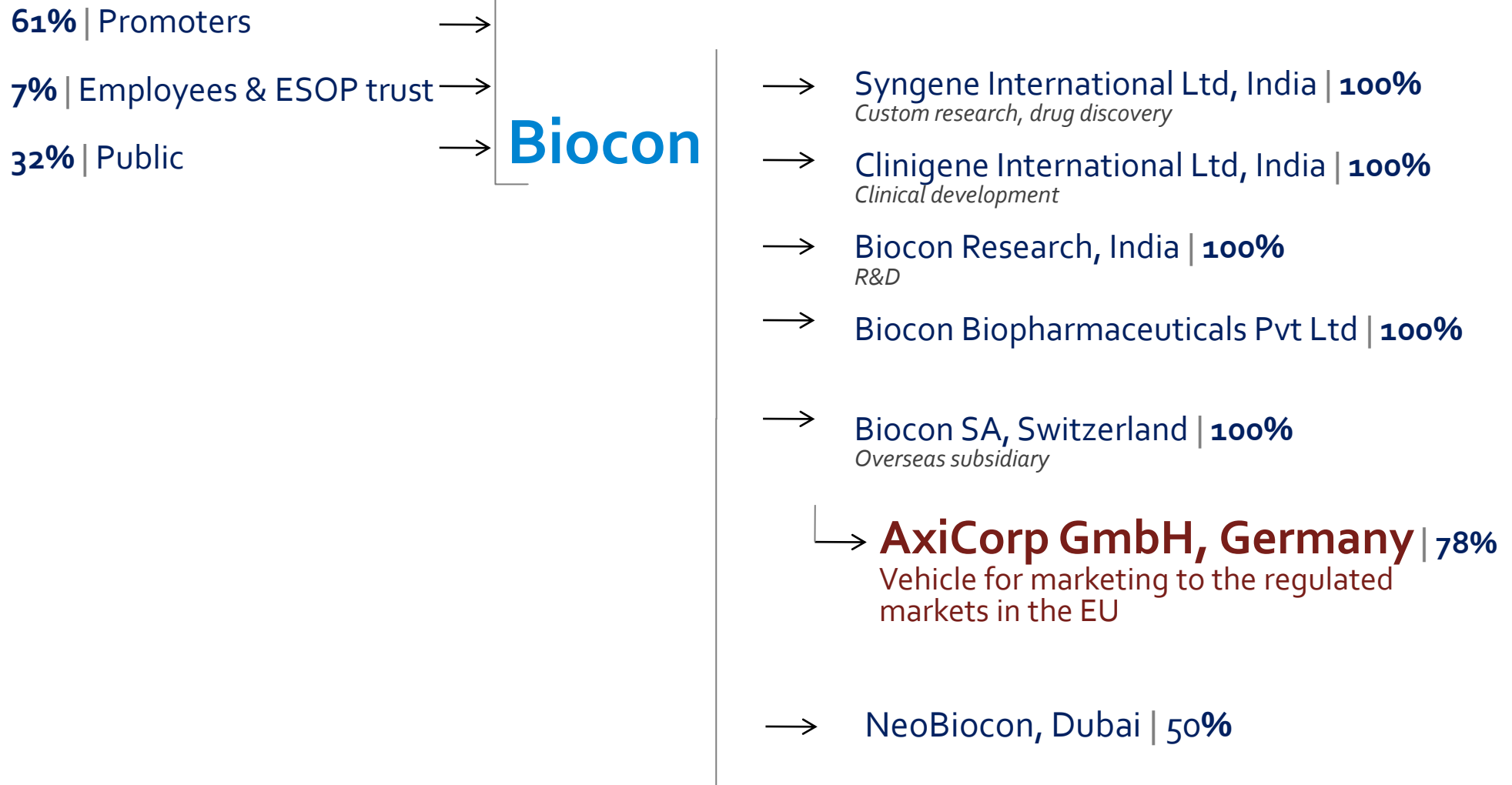
FY10 Earnings

Revenue	INR 2405 crore USD 512 mn
Net profit	INR 293 crore USD 62 mn

H1 FY11 Earnings

Revenue	INR 1360 crore USD 294 mn
Net profit	INR 166 crore USD 36 mn

Business structure, holdings



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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 Biologics



Biosimilar MAb

Generic APIs
Statins
Immunosuppressants

Biosimilar Proteins
Insulin
Insulin Analogues

Introduction

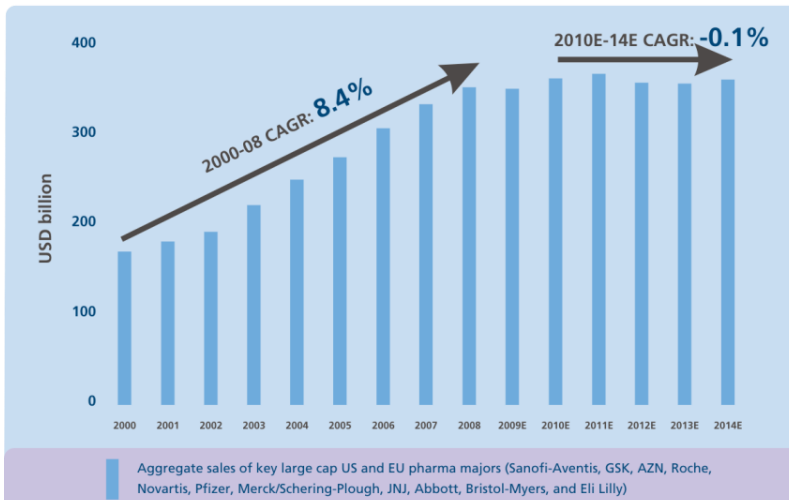
Operations

Strategy and R&D Pipeline

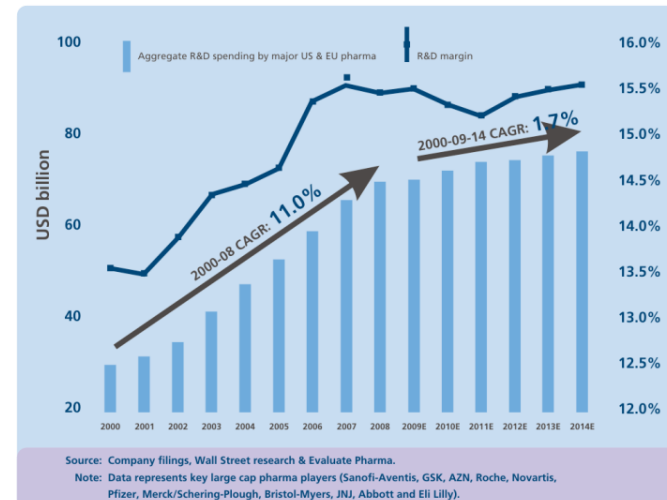
Financials

Challenging times ahead for industry

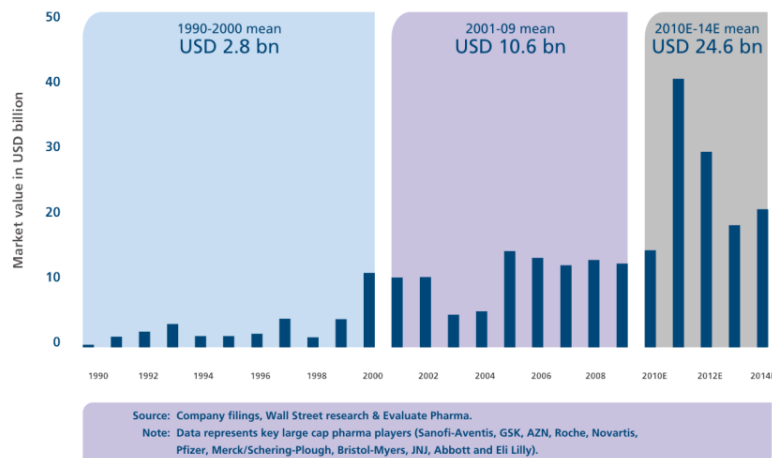
Stagnating Sales



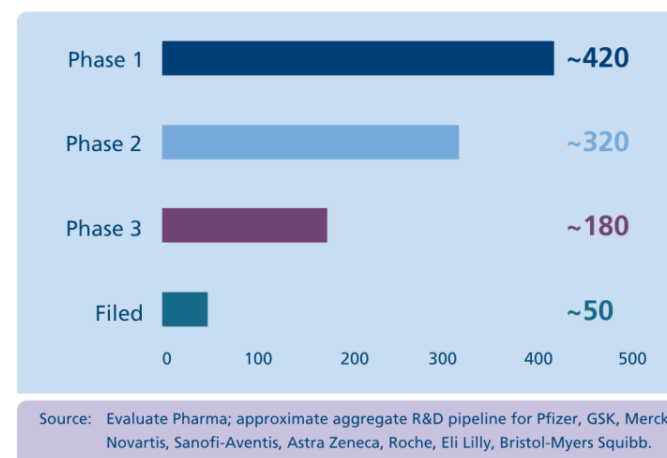
Declining Research ROI



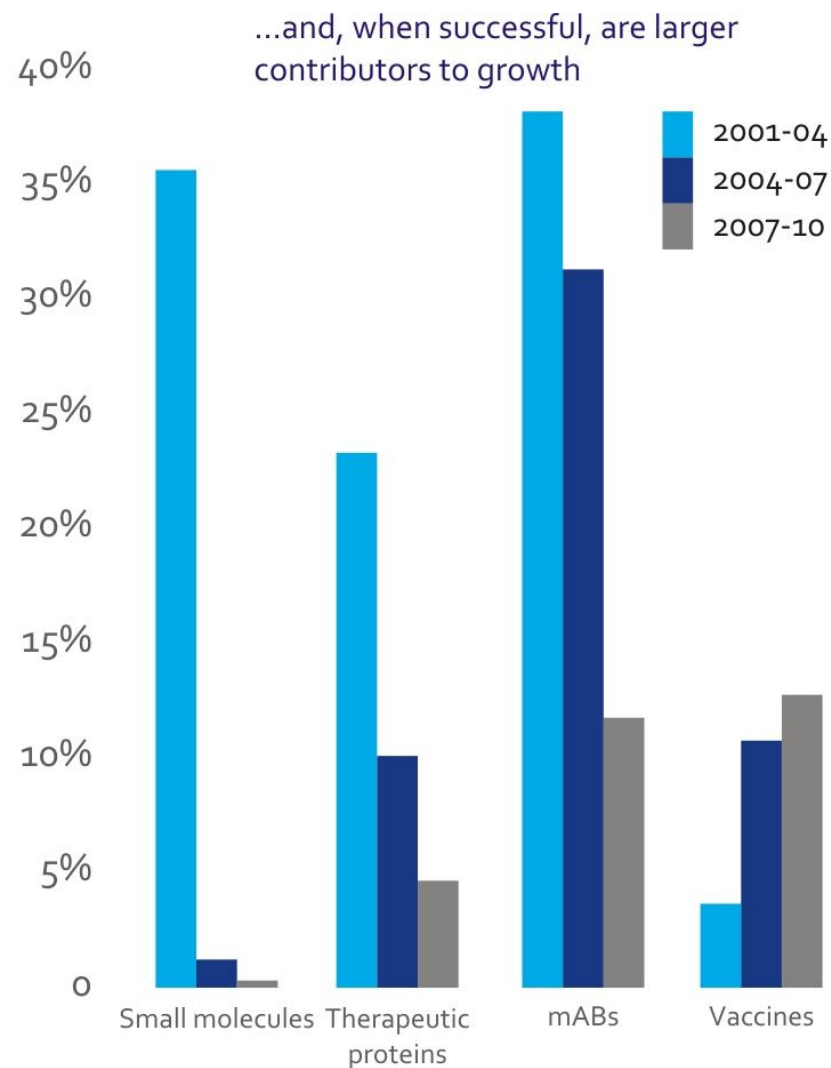
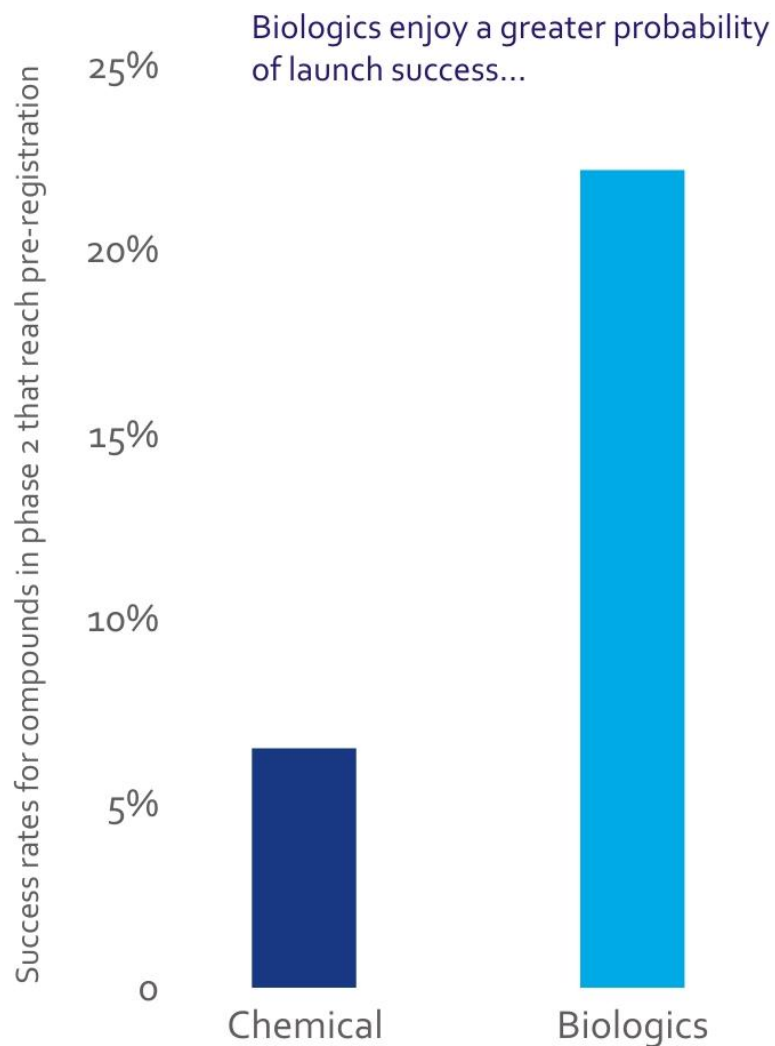
Unprecedented Patent Cliff



Shrinking Late-stage R&D Assets



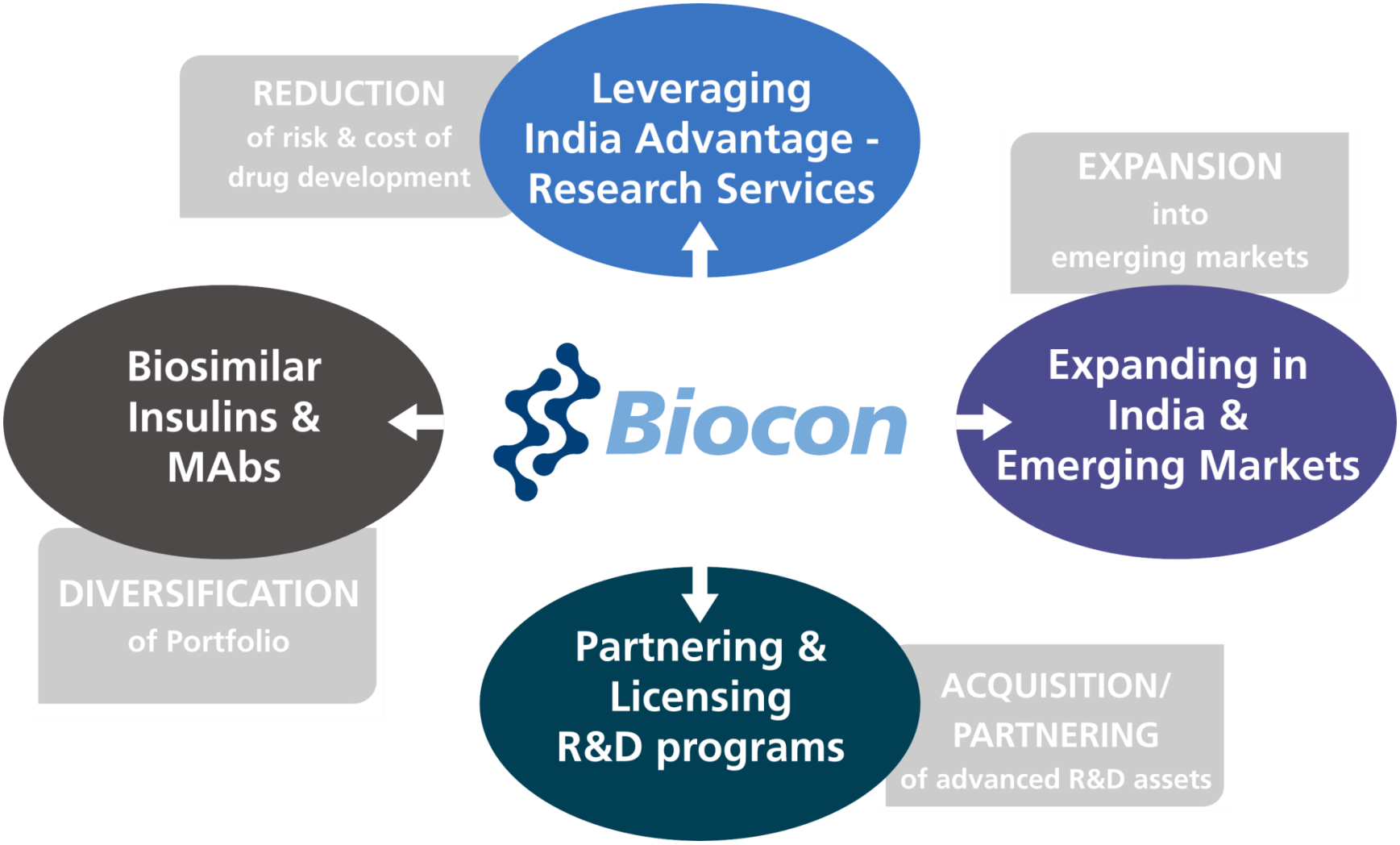
Biologics expected to restore growth



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.

Brand folio

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™ | TACROGRAFT™
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

Launched two divisions Q2 FY11 – Immunotherapy and Comprehensive Care

Field force – 900

“Pharmerging” markets offer great potential

Rising GDP | Improving health care access | Stronger regulation



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



Insulin and Insulin analogs



Monoclonal anti-bodies

Insulin and Insulin analogs



Combines Biocon's research and manufacturing capabilities with Pfizer's global marketing prowess

Global agreement for the commercialization of Biocon's biosimilar versions of Insulin and Insulin Analog products: Recombinant Human Insulin, Glargine, Aspart, and Lispro.

Pfizer will have exclusive rights, with some exceptions, to commercialize these products globally.

Biocon will be responsible for clinical development, manufacture, supply, and regulatory approvals.

Upfront from Pfizer **USD 200 mn**

- + Development, regulatory milestone payments **150 USD mn**
- + Payments linked to global sales

Monoclonal Antibodies (MAb)



Combines Biocon's R&D and manufacturing of novel biologics/bio-generics with Mylan's regulatory and commercialization capabilities in the US and Europe

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

Mylan and Biocon to share development and capital costs.

Mylan will have exclusive commercialization rights in the regulated markets; profits to be shared.

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

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)



Novel peptide

Diabetes

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



Bio-better MABs
Oncology

Co-development with shared costs of development.



Immunoconjugated MABs
Oncology

Commercialization territorial rights clearly marked out for each partner.



Supply of novel API
First-in-class anti-infective (C-difficile)

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)

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 anti-body 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.



Invested in IATRICa in 2008, a US-based start-up Biotech firm.

To co-develop novel, anti-cancer molecules based on a proprietary immuno-conjugation technology licensed from Johns Hopkins University, USA.

Bio-hybrid molecules for targeted immunotherapy are considered to be the next generation drugs.

The first molecule: Conjugated-Trastuzumab for Breast Cancer.

Amylin

Novel peptide

Diabetes

Vaccinex

Bio-better MAbs

Oncology

IATRICa

Immunoconjugated MAbs

Oncology

Optimer

Supply of novel API

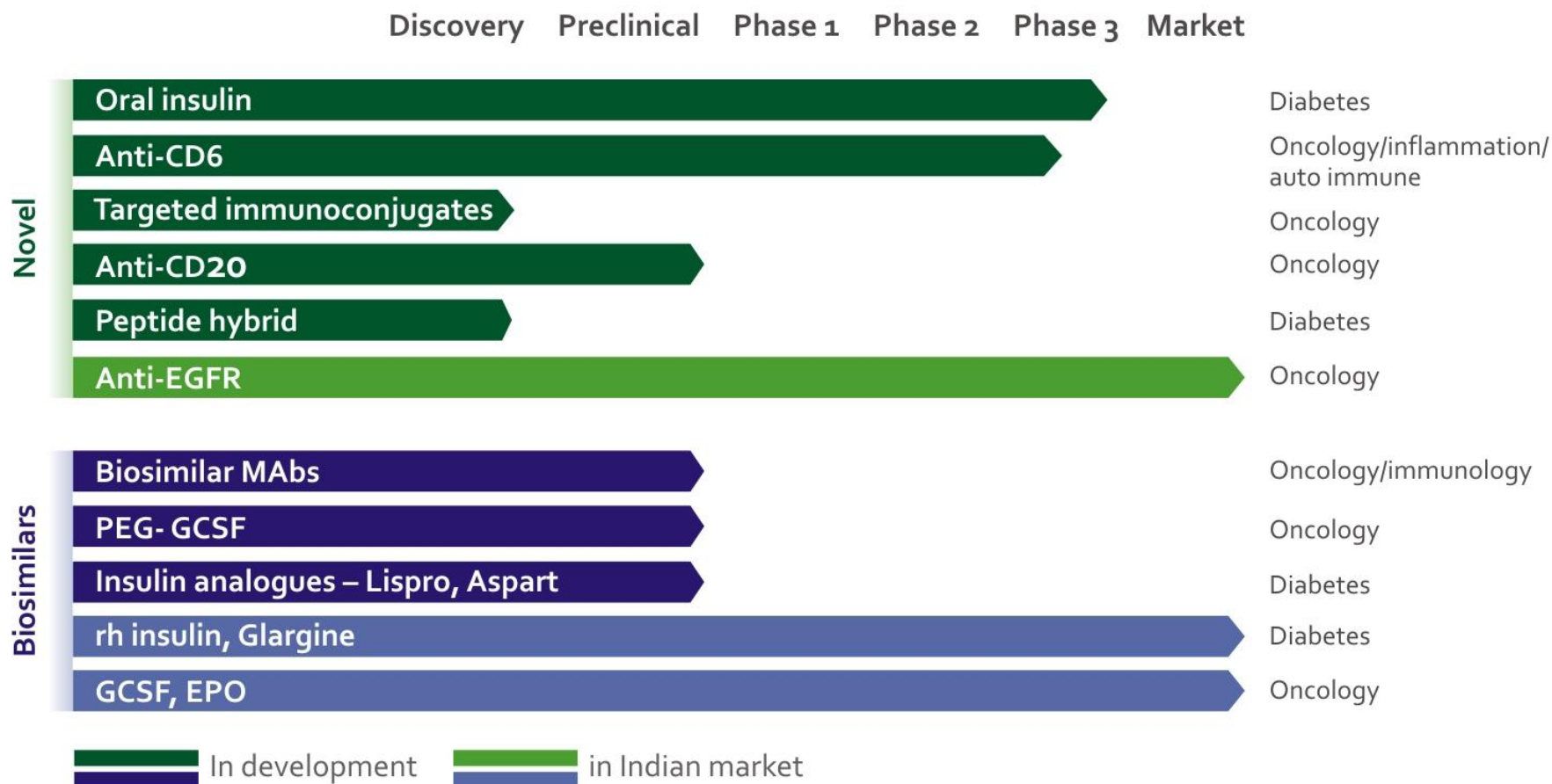
First-in-class
anti-infective (C-difficile)

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.

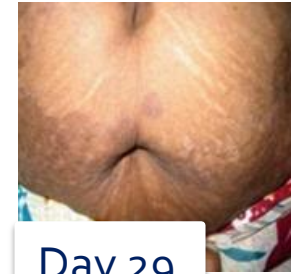
Phase 3 clinical trial for Psoriasis ongoing.

Planned

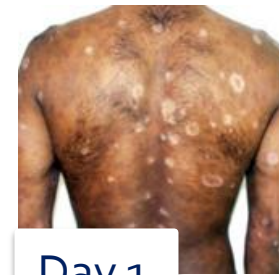
Phase 2/3 double blind trial in RA.

Phase 1/2 double blind trial in MS.

0.4mg/kg once in 4 weeks



0.8mg/kg once in 4 weeks



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Revenue, profit

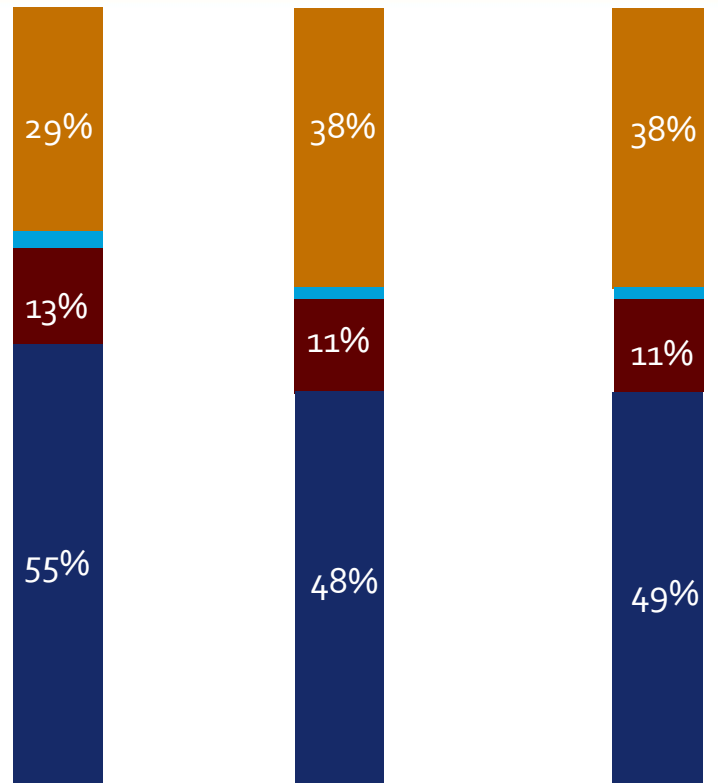


<i>INR crore / USD mn</i>	FY07		FY08		FY09		FY10	
Revenue	990	220	1090	273	1673	364	2405	512
EBITDA	287	63	335	83	388	84	509	108
Net profit*	200	44	225	56	240	52	293	62

	<i>INR Crore/USD mn</i>	
	Q2 FY11	H1 FY11
Revenue	688 150	1360 294
Rev growth	16%	
EBITDA	153 33	293 63
EBITDA Margin	22%	22%
Net Profit	89 20	166 36
Net margin	13%	12%
EPS	Rs 4.5/share	Rs 8.5 /share

FY07-10: *Avg. exch. rate in that fiscal*
H1 FY11: *USD 1 = INR 46.2*
* Net profit is pre-exceptionals

Revenue mix: group



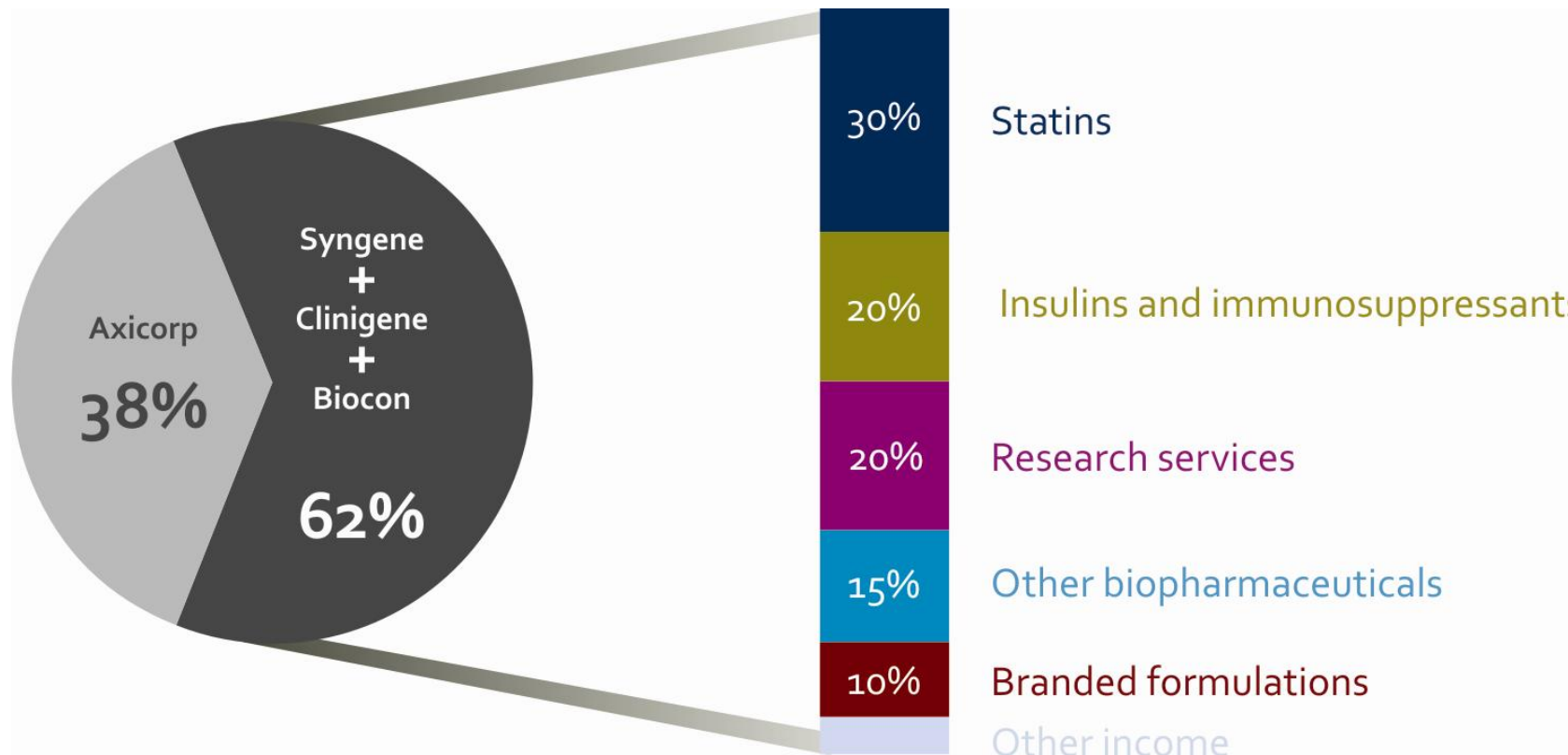
INR crore / USD million

FY09 FY10 H1 FY11

Biopharma products*	915	199	1175	250	673	146
Research services	225	49	281	60	150	32
Others	54	12	37	8	18	4
Sub Total	1194	260	1493	317	841	182
Axicorp	479	104	911	193	519	112
Grand Total	1673	364	2405	512	1360	294

FY09 and FY10: Avg. exch. rate in that fiscal
 H1FY11: USD 1 = 46.2 INR
 *Biopharma includes Licensing Income

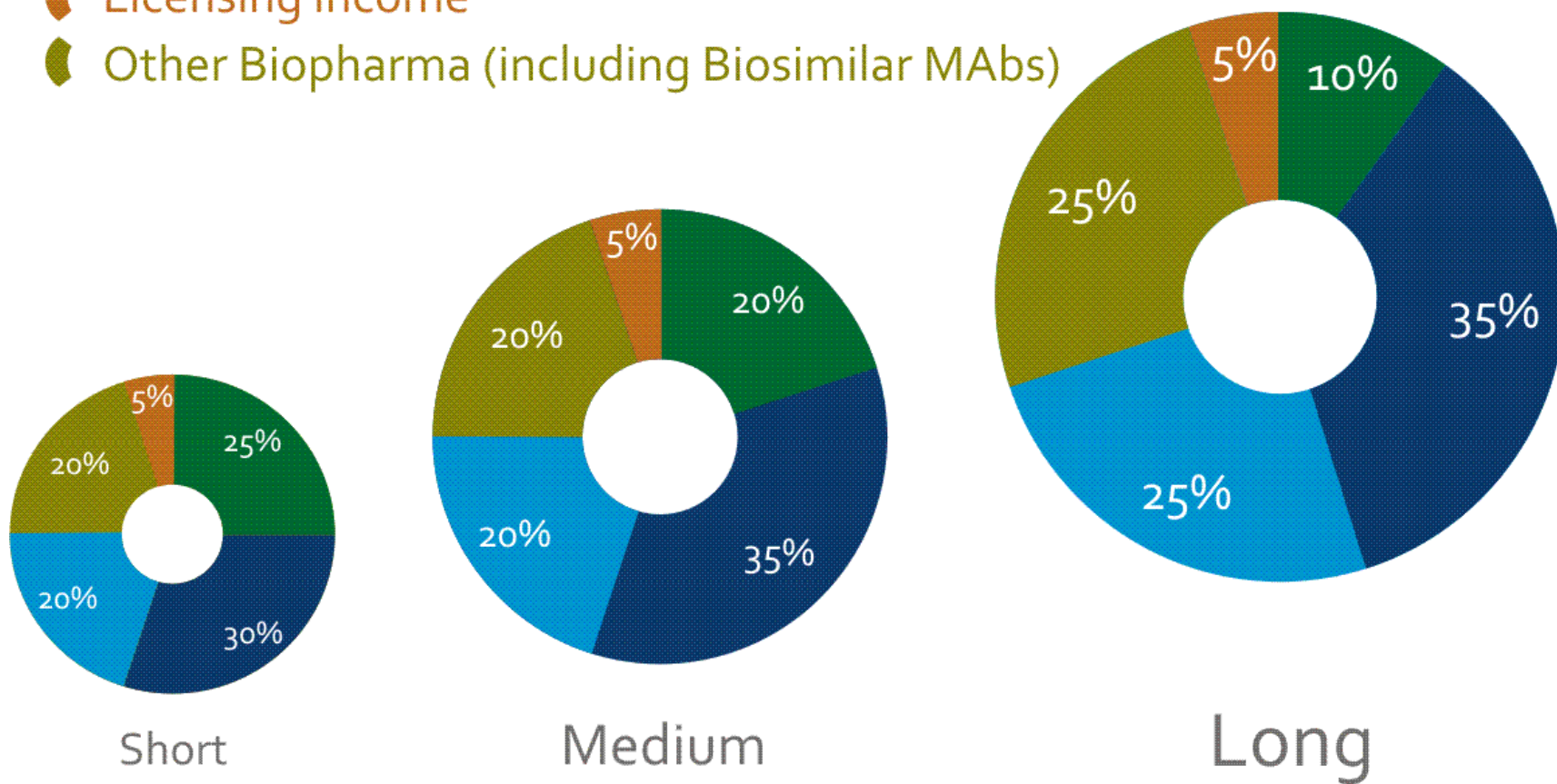
Revenue mix: segmental



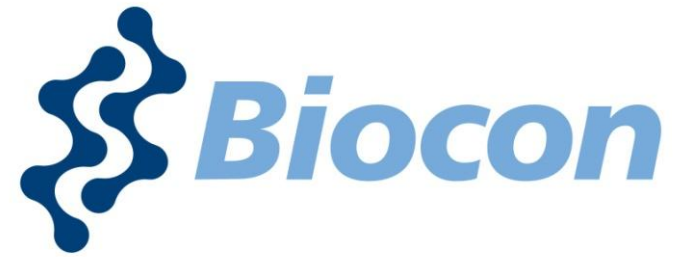
Approximate percentages ; as of 30 September 2010

Biopharma mix: Segmental roadmap

- APIs (Statins + Immunosuppressants)
- Insulins
- Branded formulations
- Licensing income
- Other Biopharma (including Biosimilar MAbs)



Approximate percentages



Thank you