

The Promise of
FUTURE
Therapeutics



28th Annual General Meeting
19th July, 2006

New medicines – Biotechnology shows the way

- **>50% of new molecules in the research pipelines of the Pharma sector emanate from Biotechnology.**
- **20% of new molecules in the approval pipeline at USFDA are Monoclonal antibodies**
- **Big Pharma licensed >50% of their research molecules from small and medium Biotech companies**
- **Big pharma spent \$17 billion in licensing new molecules from Biotech companies in 2005**
- **~50% of global pharmaceutical research is being focused on Diabetes, Oncology and Cardiovascular disease**

Biocon's R&D initiatives are aligned with global efforts, with focus on Diabetes, Oncology and Cardiovascular disease

Diabetes – The 21st century pandemic

The World Health Organisation estimates that there are 170 million diabetics worldwide, a number that is expected to swell past 300 million by 2025

Diabetes - Global health problem

- Estimations and projections all concur that the number of people with Diabetes in the next 25 years would qualify as the largest epidemic humanity has ever reached
- **A drug market of \$35 billion by 2012 up from \$17 billion in 2005**
- The Asian Diabetic population is already in excess of 70 million and is said to rise to over 90 million by 2025
- **Diabetes likely to become one of the fastest-growing categories in the pharmaceuticals market during the period 2007-12**

Source: Morgan Stanley Report June 2006

Oral insulin: drug to watch

- **Non-invasive Insulins (Inhaled & oral) are emerging as potential growth drivers of the Insulin segment.**
- **Oral insulin is reckoned to be the most acceptable of all insulin delivery routes both in terms of patient convenience as well as therapeutic benefit.**
- **Oral Insulin has the potential to enhance patient acceptance, patient compliance and thereby improved diabetes management.**
(Morgan Stanley)
- **Oral Insulin has an estimated market potential of \$ 1-3 billion**

Biotech battles **cancer**

The World Health Organisation estimates that there are 10 million new cancer cases and 6 million deaths due to cancer annually

Biotech battles cancer

Global revenues from biotech-enabled cancer therapies are expected to rise at an AAGR of 14.5% from **\$15 billion** in 2003 to more than **\$29 billion in 2008**

Out of the **400** new cancer therapeutics developed in 2003, **~200** were biotech drugs

Approximately **40** of them were monoclonal antibodies

Targeted Therapies take center stage

The monoclonal antibodies market is expected to almost triple in value over the next six years from \$10.3 billion in 2004 to \$30.3 billion

A wave of fully humanized antibodies is expected to be launched from 2007 onwards, accounting for 12 of the 20 launches between 2007 and 2010

Combination of new molecular diagnostic technologies and targeted therapies are predicted to revolutionize cancer treatment

Cancer the Top killer

TAKING A TOLL

TOP CANCER KILLERS, THOUSANDS

LUNG	1,178
Stomach	700
Liver	598
Colon/rectum	528
Breast (female)	411
Esophagus	386
Cervix	274

SURVIVAL CHANCES

PERCENTAGE OF PATIENTS LIVING FIVE YEARS AFTER INITIAL CANCER DIAGNOSIS

Pancreas	4%
Liver	8
Esophagus	14
LUNG	15
Stomach	23
Ovary	44
Oral cavity	59
Colon/rectum	63

Larynx	65%
Uterine cervix	73
Urinary bladder	82
Breast (female)	88
Melanoma	91
Testicle	96
Thyroid	97
Prostate	99

Key Areas of R&D focus

Cardio –Diabetes

ORAL INSULIN
INTRA NASAL INSULIN
BASAL INSULIN
ORAL BNP



Oncology

ANTI EGFR MAB
ANTI CD6 MAB
ANTI TNF α MAB
ANTI CD20 MAB
CANCER VACCINES





Investing in New Therapies

■ Novel ■ Generic

Drug	Pre-Clinical	Phase 1	Phase 2	Phase 3	Launch
IN-105					→ DIABETES
BVX 10					→ INFLAMMATION
BVX 20					→ ONCOLOGY
BIOMAb EGFR™					→ ONCOLOGY
CD-6					→ ONCOLOGY INFLAMMATION
Oral BNP					→ CARDIOVASCULAR
Streptokinase					→ CARDIOVASCULAR
GCSF					→ ONCOLOGY
Insulin					→ DIABETES



Syngene

*Biocon
Biopharmaceuticals*

**BIOCON
PARK**

AN INTEGRATED BIOPHARMACEUTICAL HUB



Biocon Park
Building Global
scale

The President of India, Dr APJ Abdul Kalam inaugurates Biocon Park

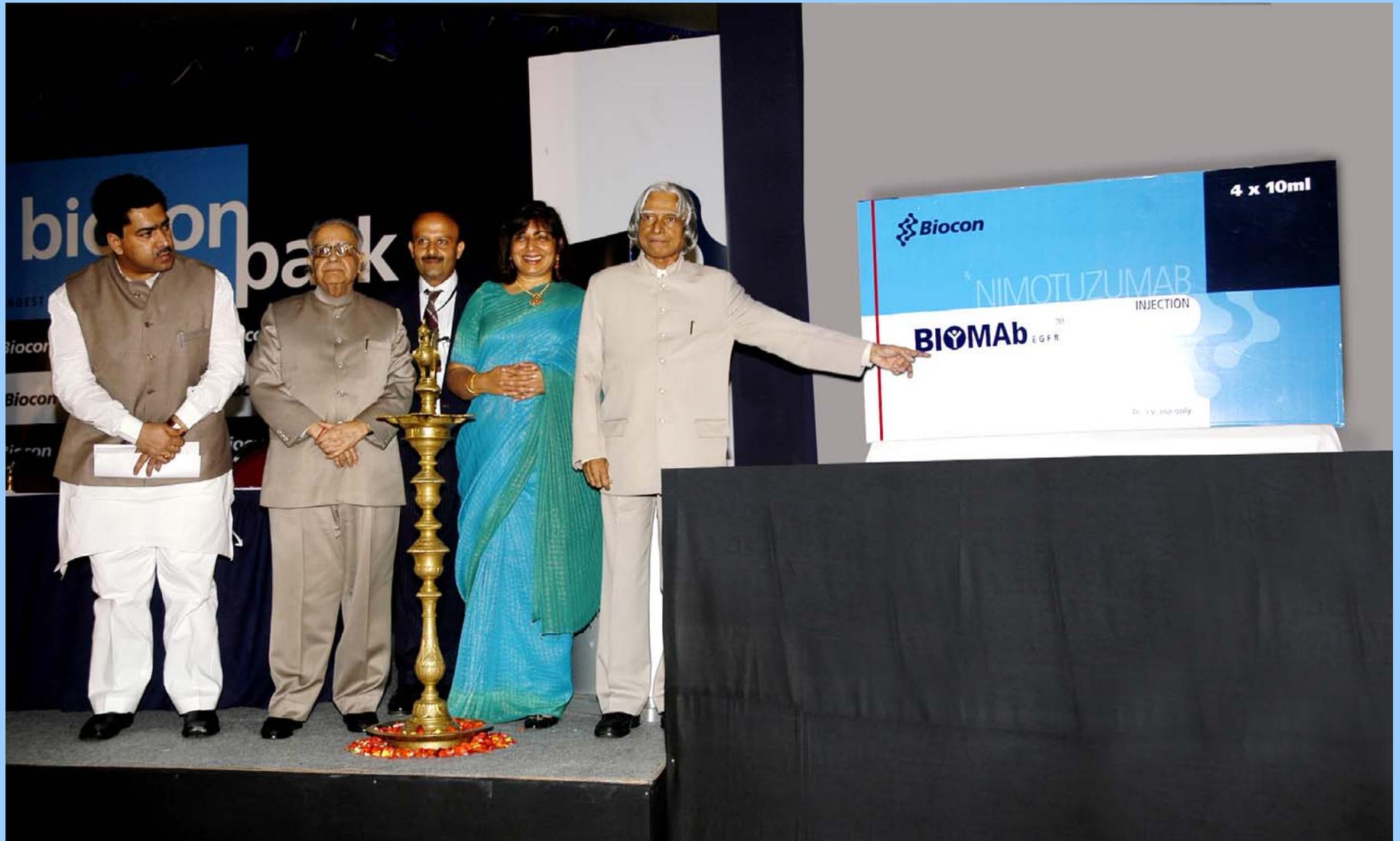


Biocon park

The Finance Minister Shri P Chidambaram at Biocon Biopharmaceuticals



The President of India, Dr APJ Abdul Kalam dedicates India's first cancer drug to the nation





**Biocon Park
Multi-faceted
Bio-manufacturing**

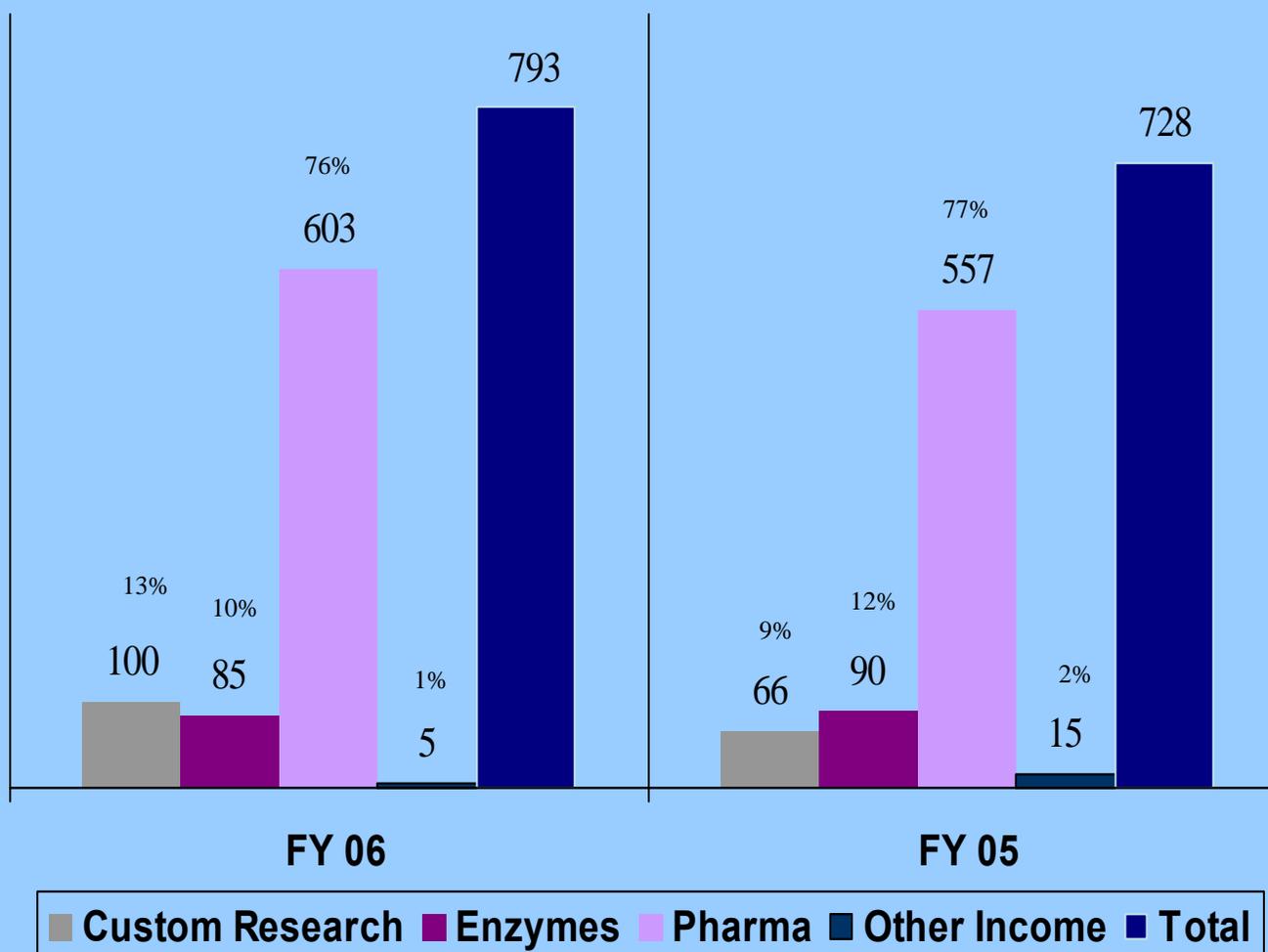
Financial **Highlights**

FY 2005-06

Performance Highlights : FY 06

- **Total Income higher by 9% over previous year.**
- **Operating margins at a healthy 30%**
- **PAT margins at 22%.**
- **Research services grew 52%.**
- **R&D investments increased 75% to Rs:76 crores.**
- **Dividend @ 50% (Rs. 2.50 per share).**

Revenue Break-up: Apr - Mar



Profits : Apr - Mar

Revenue up by 9%

(Rs. Cr)

	FY 06	% to Revenues	FY 05	% to Revenues
Revenues	793		728	
EBDITA	234	30	239	33
PBT*	205	26	216	30
TAX	31	4	18	2
PAT	174	22	198	27

* Adjusted for Minority Interest (BBPL)



Bayer



BIOCON, BAYER HEALTHCARE SIGN EXCLUSIVE MARKETING AGREEMENT FOR INSUGEN™ FOR THE CHINESE MARKET

