



## ScinoPharm Management Presentation

TWSE 1789

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# Overview of ScinoPharm



# Company Overview

- Maintain dominant position in Specialty API for generic market
- Developed more than 50 generic APIs with 16 launched, provided to around 300 customers
- Filed 41 DMF in US FDA (587 DMF worldwide), kept leading position in oncology injectable APIs with 19 US DMF, far exceeding other API companies
- CRO/CMO business served 70+ NCE projects, out of which 3 already approved and launched, 5 in phase III, which NDA are expected to be filed in the next 2-3 years



# Company Overview – cont'd

- Heavy emphasis on R&D, with 88 patents granted worldwide to 18 inventions
- Established a strong presence in US/EU generic market, part of which was channeled through Indian generic companies, began to develop Japanese and Chinese markets
- Expanding both Taiwan and China facilities. Phase I of China plant has been completed and will start GMP registration batch production in Q1
- Emphasizing on small molecules and peptides with high technological barriers. Invested in Tanvex Biologics to explore the opportunities in biosimilars



# World Class Facilities

## Taiwan

- 6.6 hectares of land, 330K sqft facilities with  $>200\text{M}^3$  reactor volume after 2 large product lines expansion
- Six of our production lines are equipped with the special capability to produce APIs used in high-potency sterile injections
- US FDA approved &  $>200$  GMP audits by customers
- Provides comprehensive contract research services for brand drug companies
- Global Market

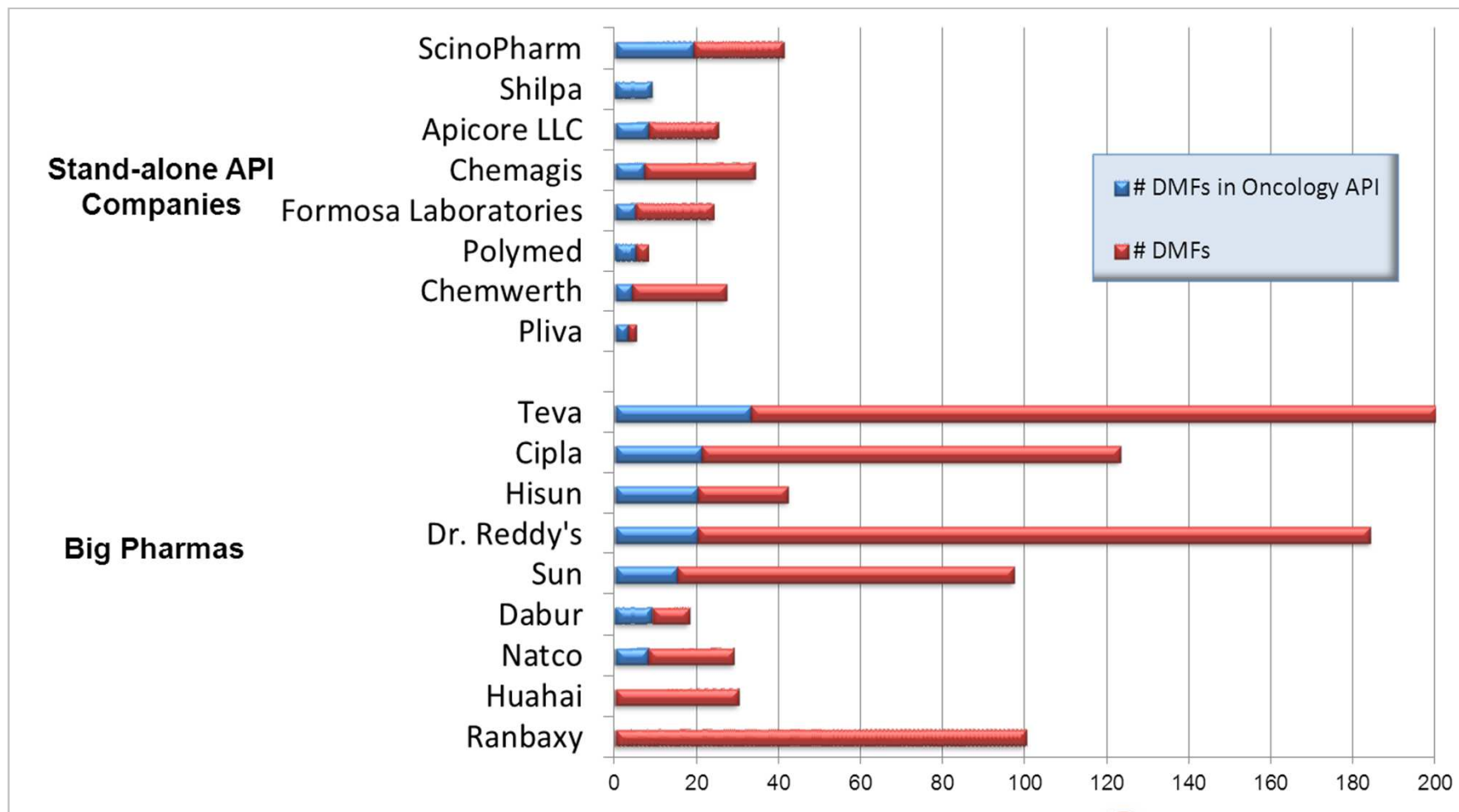


## China

- With nearly  $250\text{M}^3$  reactor volume
- The first phase completed by the end of 2011. The second phase completed by the end of the 2012
- cGMP designed facility for intermediates & high potent API
- Complete capabilities in API development, and manufacturing from small to large scale to aim for global and China generic as well as CRAM (Contract Research And Mfg) markets
- Global market including China



# ScinoPharm – Top Ranking in Oncology DMF among API companies





## Top 5 Generic APIs Account for 66% of 2011 sales

API	Indications	2011 projected MKT Share*	# of US DMF/EDMF & other Filings
Docetaxel Anhydrous	Anti-Cancer	38% (WW)	53
Irinotecan HCl	Anti-Cancer	44% (WW)	47
Galantamine HBr	Alzheimer's disease	49% (WW)	36
Paclitaxel	Anti-Cancer	21% (WW)	47
Gemcitabine Hydrochloride	Anti-Cancer	30% (EU)	51

\* Source: Newport Global Sales Data





# **Financial & Operation Results**

# P&L – 4Q 2011

NT\$MM, except EPS	4Q,'11 (unaudited)	3Q,'11 (reviewed)	4Q,'10 (audited)	QoQ	YoY
Net Sales	1,127	1,062	1,115	6%	1%
Gross Profit	559	483	508	16%	10%
<i>Gross margin</i>	<i>50%</i>	<i>46%</i>	<i>46%</i>		
SG&A	(207)	(186)	(198)	11%	5%
Operating Income	352	297	311	19%	13%
<i>Operating Margin</i>	<i>31%</i>	<i>28%</i>	<i>28%</i>		
Other Rev.(Exp.)	14	(15)	(6)	193%	333%
Net Income before Tax	366	282	305	30%	20%
<i>Net margin before tax</i>	<i>33%</i>	<i>27%</i>	<i>27%</i>		
EPS (before tax)	0.58	0.46	0.50	26%	16%

EPS are calculated based on weighted average number of outstanding shares



# P&L - FY2011

NT\$MM, except EPS	FY 2011 (unaudited)	FY 2010 (audited)	YoY
Net Sales	3,948	3,887	2%
Gross Profit	1,885	1,940	-3%
<i>Gross margin</i>	<i>48%</i>	<i>50%</i>	
SG&A	(742)	(744)	-0%
Operating Income	1,144	1,196	-4%
<i>Operating margin</i>	<i>29%</i>	<i>31%</i>	
Other Rev.(Exp.)	(20)	(11)	81%
Net Income before Tax	1,124	1,185	-5%
<i>Net margin before tax</i>	<i>29%</i>	<i>31%</i>	
EPS (before tax)	1.82	2.06	-12%

EPS are calculated based on weighted average number of outstanding shares



# Balance Sheet

NT\$MM	2011/12/31 (unaudited)		2010/12/31 (audited)	
Cash and Cash Equivalents	3,080	33%	1,741	24%
Accounts Receivable	844	9%	731	10%
Inventories	1,450	15%	1,244	17%
Long-Term Investments	1,133	12%	671	9%
Fixed Assets	2,592	28%	2,592	36%
Total Assets	9,415	100%	7,287	100%
Current Liabilities	763	8%	584	8%
L-T Liabilities and Others	48	1%	26	0%
Stockholders' Equities	8,604	91%	6,677	92%





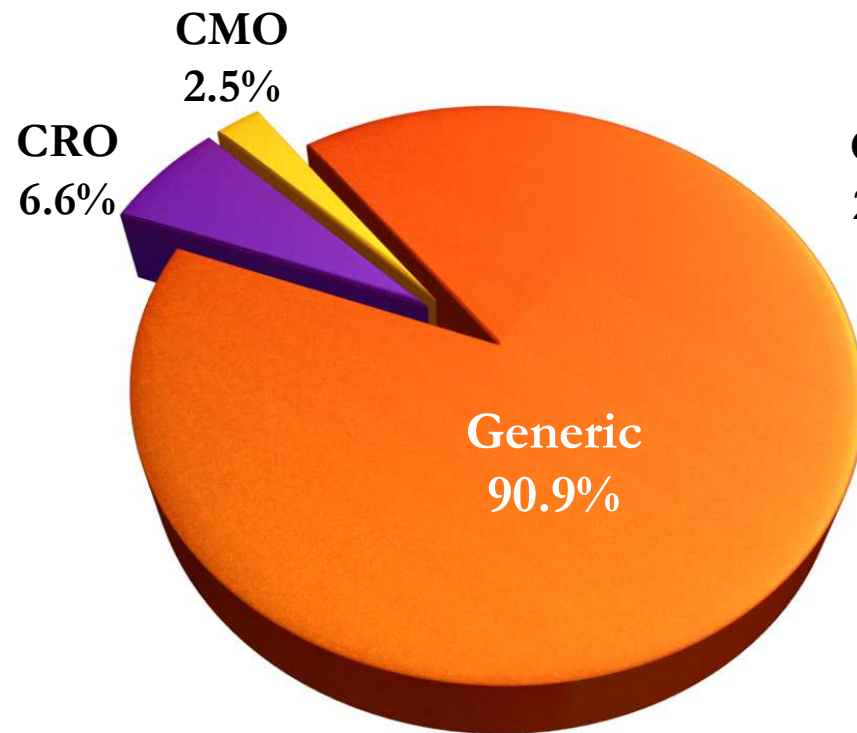
# Cash Flows

NT\$MM	FY 2011 (unaudited)	FY 2010 (audited)
Cash and cash equivalents at beginning of year	1,742	489
Cash flows from operating activities	1,269	1,556
CAPEX	(344)	(172)
Long-Term Investment	(450)	(370)
Issuance of common stock	957	1,173
Repayment of Long-Term Loans	-	(937)
Others	(94)	3
Cash and cash equivalents at end of year	3,080	1,742

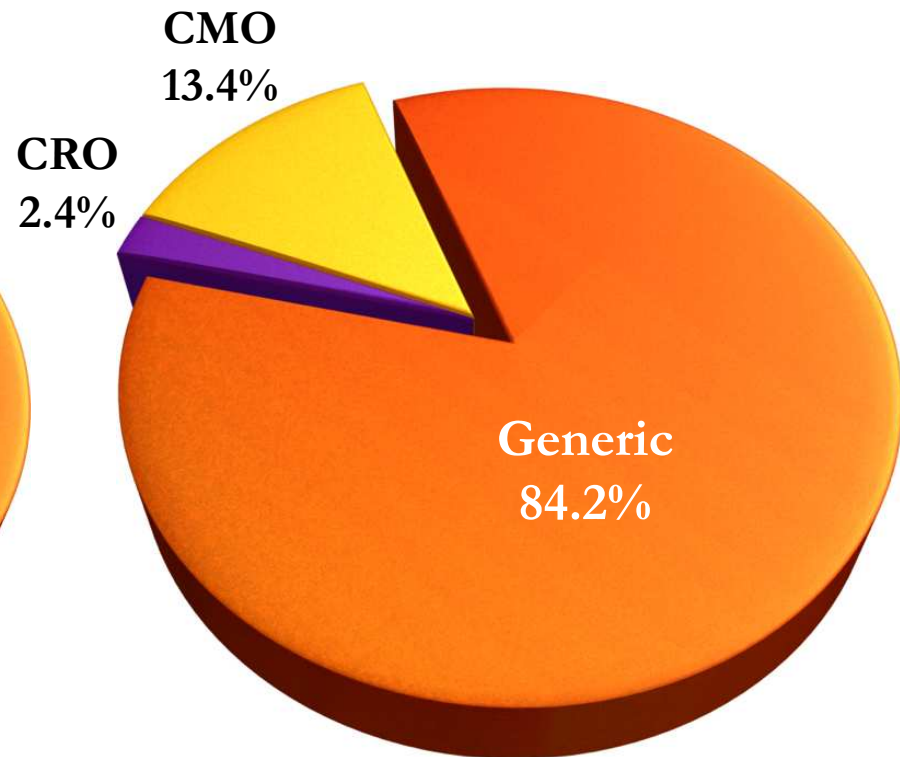


# Sales by Business

2010

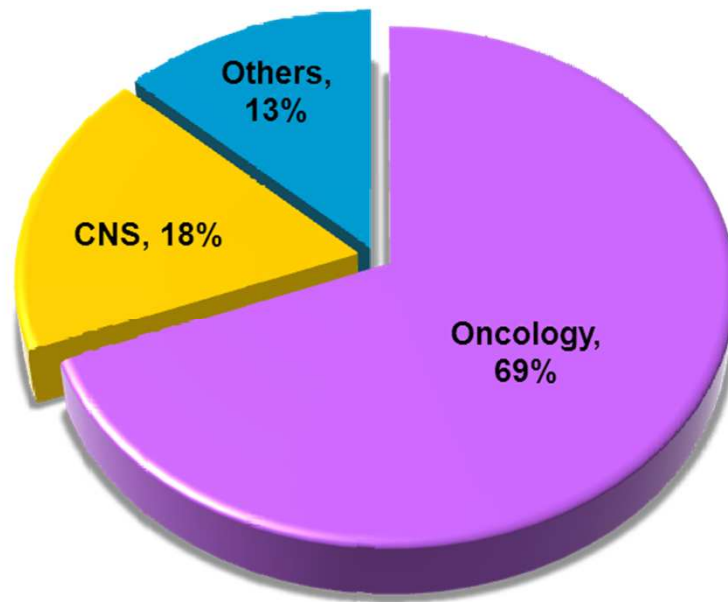


2011

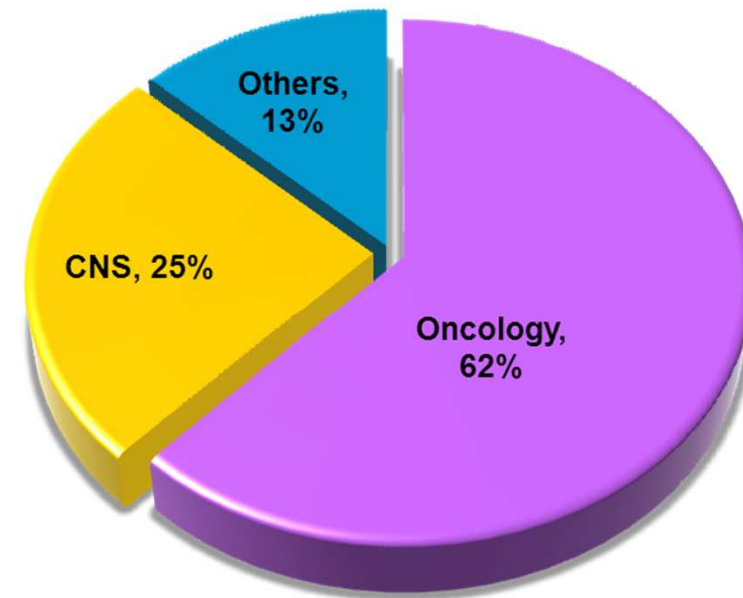


# Sales by Indications

2010

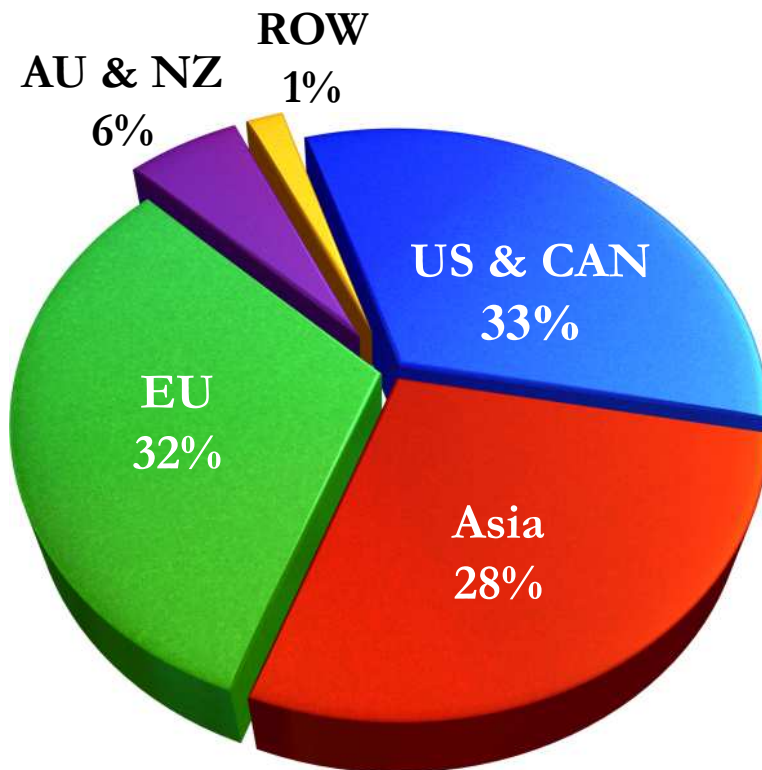


2011

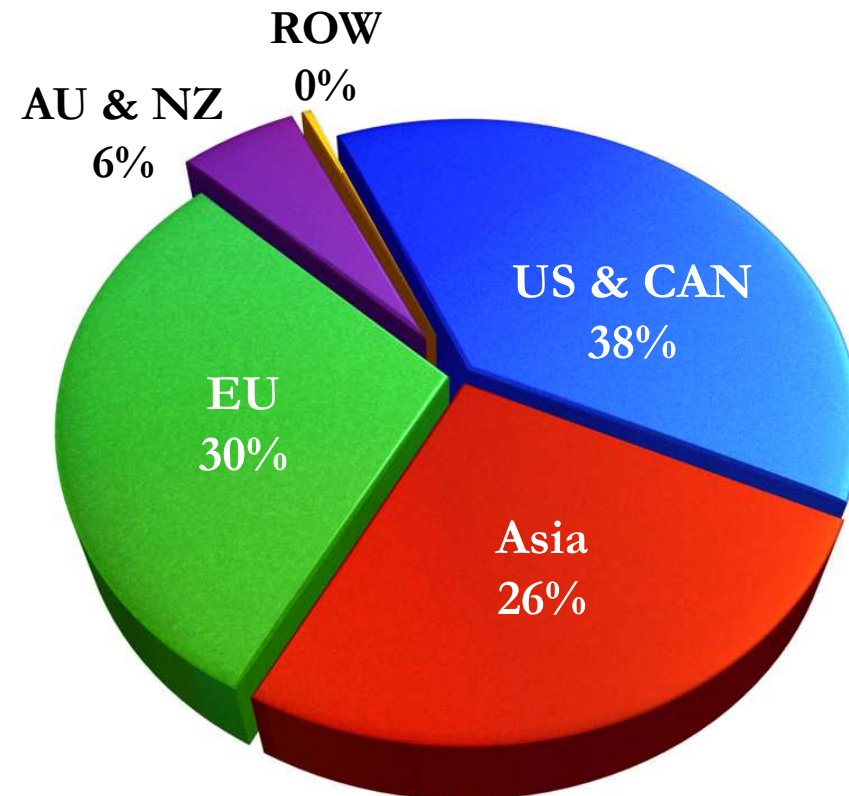


# Sales by Region

2010



2011



Out of the 26% Asia sales in 2011, India was 17%, rest of Asia was 9%





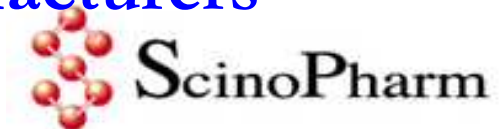
# **India – A Passage to US/EU markets**



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# India – A Passage to US/EU markets

- More and more US/EU pharma outsourced formulations to India because of India's mature pharma industry, low-cost production, comparable quality, and language skill
- 175 Indian pharma companies have been qualified for US FDA standards. Indian ownership of approved US ANDA increased from 25% in 2007 to 33% in 2010. In 2011, 25% of ANDAs was filed by Indian companies
- 22% of global generic drugs are supplied from India, expected to increase to 30%
- India has become the most competitive pathway to access US/EU markets for API manufacturers



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# Top 10 Indian Pharma Companies

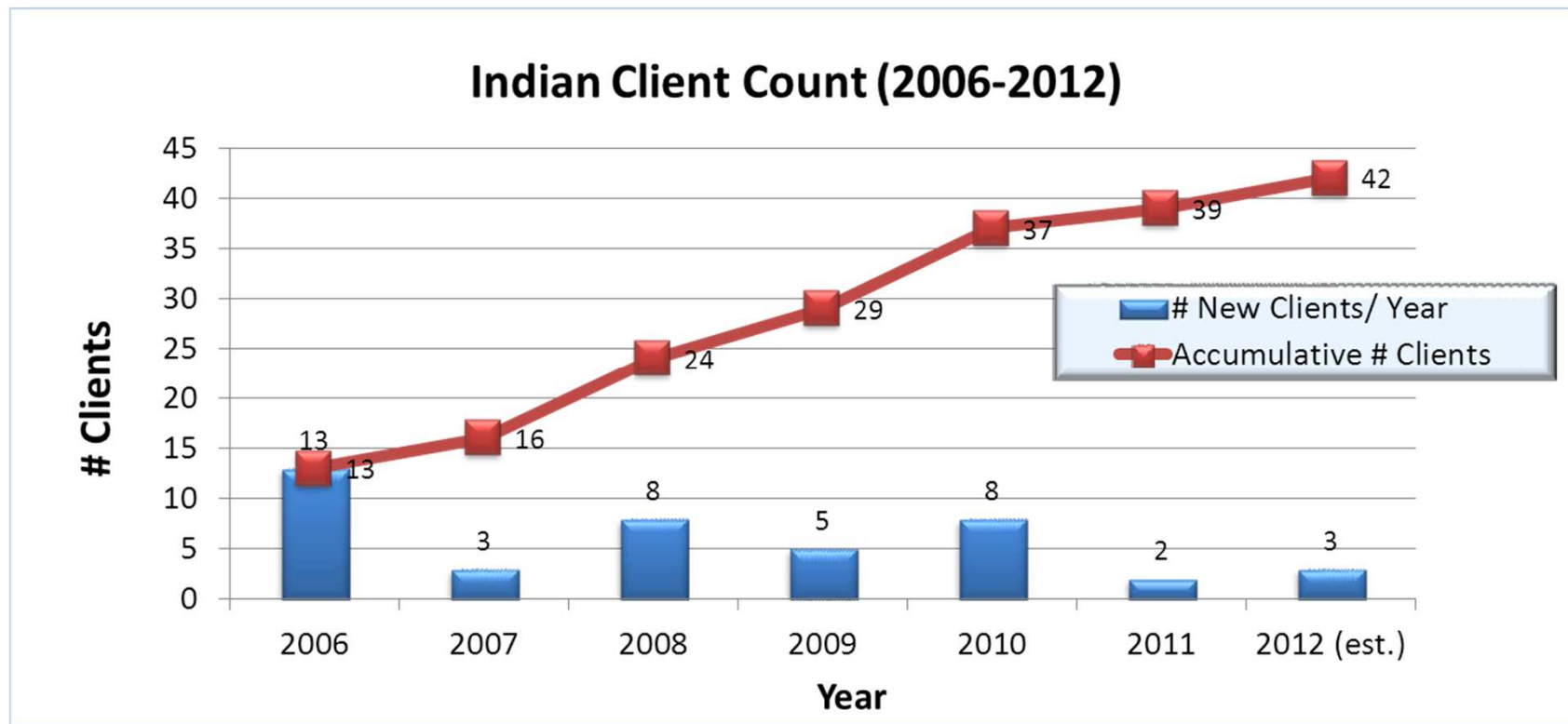
Rank	Pharma Co.	Revenue 2010 (USD \$MM)
1	<b>Cipla</b>	1,348.5
2	<b>Ranbaxy</b>	1,327.6
3	<b>Dr. Reddy's Lab</b>	1,178.0
4	<b>Lupin Ltd</b>	929.8
5	<b>Aurobindo</b>	865.2
6	<b>Dabur</b>	700.3
7	<b>Sun Pharmac</b>	674.0
8	<b>Cadila</b>	629.5
9	<b>Jubilant</b>	561.0
10	<b>Piramal</b>	480.3

8 out of the top 10  
are ScinoPharm's  
customers



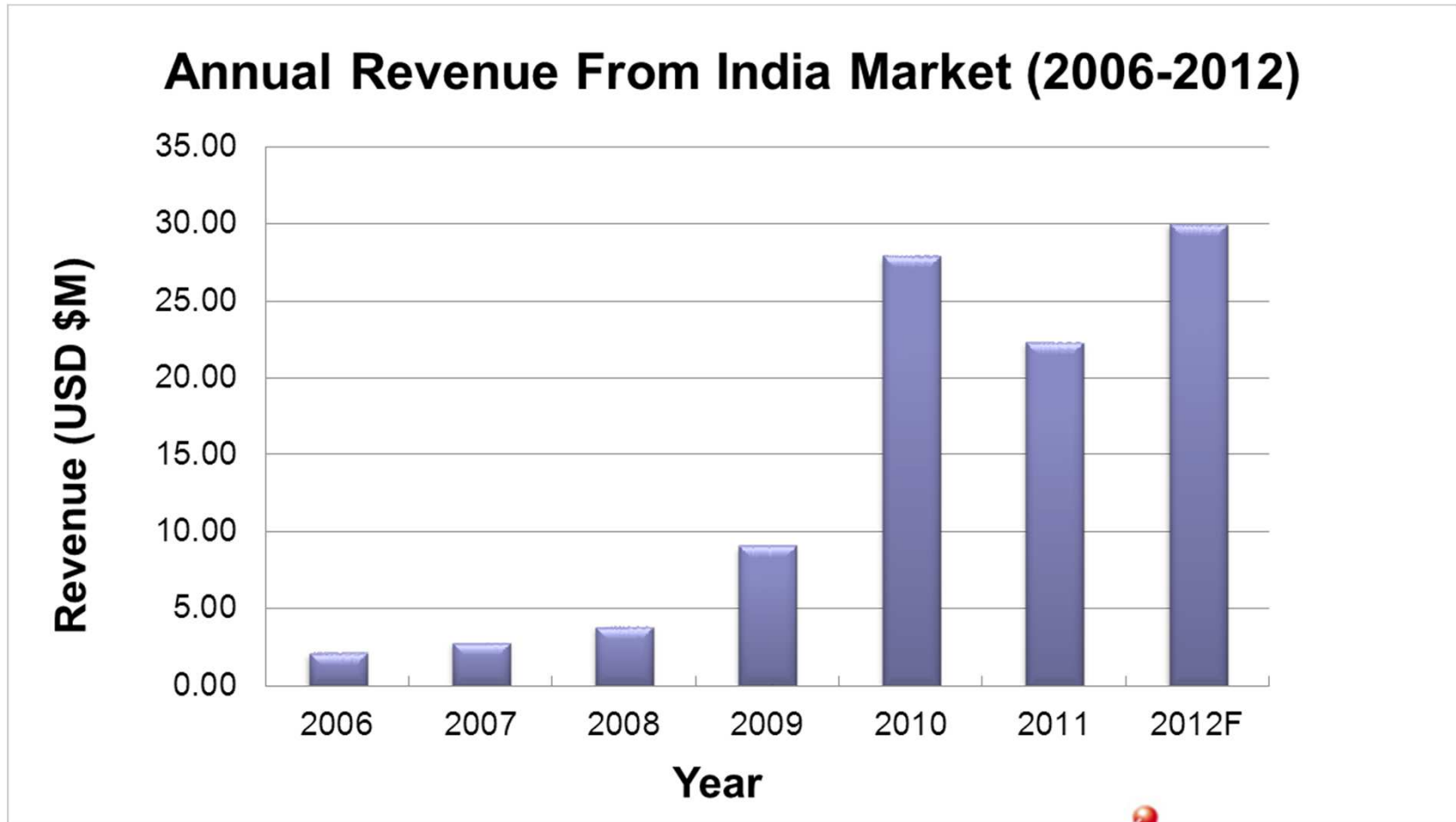
# ScinoPharm - Broad Customer Base in India

Customers	2006	2007	2008	2009	2010	2011	2012 (est.)
# of New additions	13	3	8	5	8	2	3
# of accumulated customers	13	16	24	29	37	39	42



# ScinoPharm Successfully Penetrated US/EU Markets Through India

- **ScinoPharm's Business via India (2006 - 2012)**



# Business Outlook



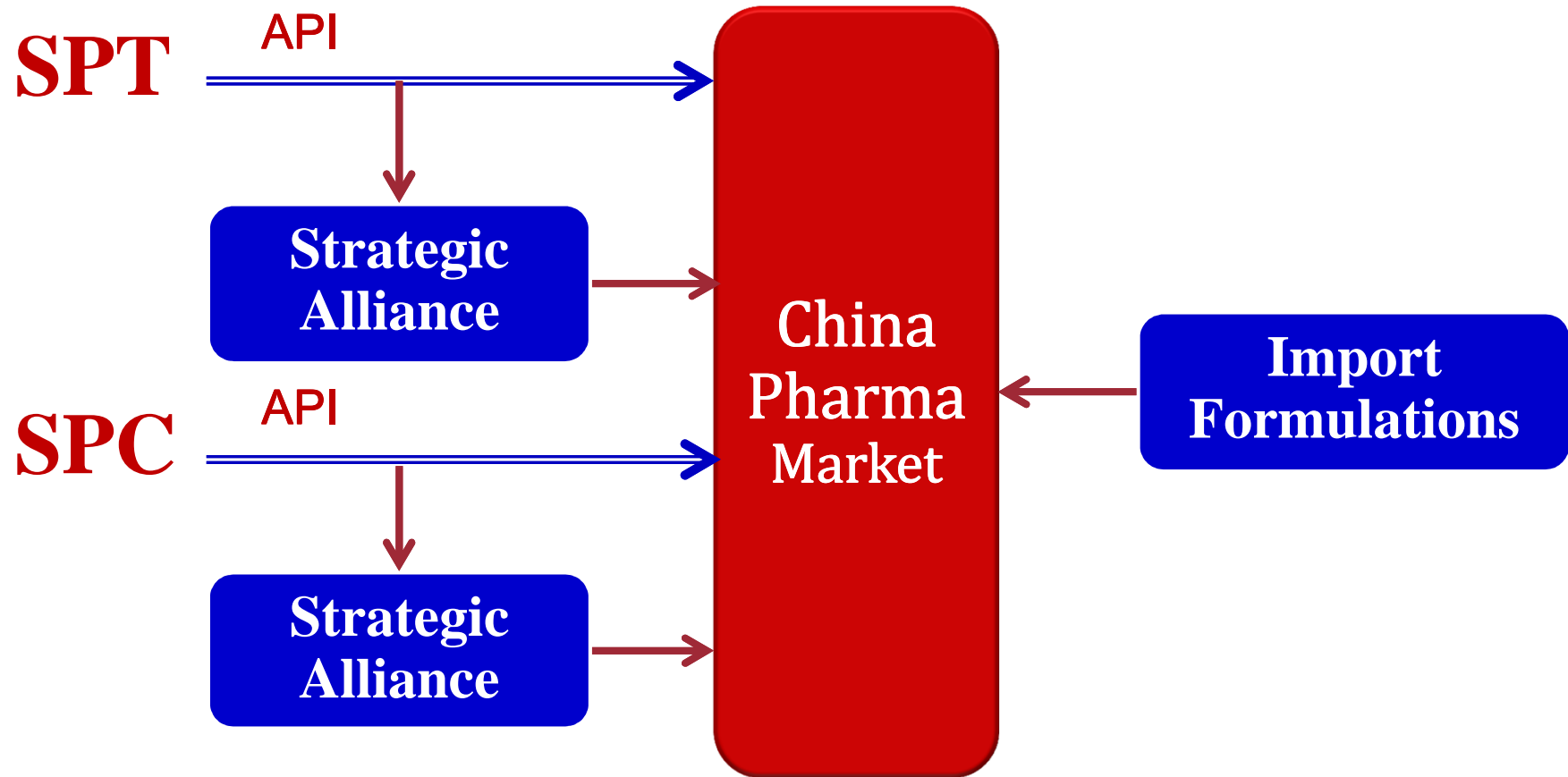
# 2012 Product Launch Plan

API	Region	Indications	Brand Marketer	Regional Sales	WW Sales
Argatroban	US	Antithrombotic, Anticoagulant	GSK	\$US 139MM*	\$US 205MM*
Galantamine HBr	EU	Alzheimer's disease	Janssen	\$US 314MM*	\$US 527MM*
Modafinil	US	Antinarcolepsy	Cephalon	\$US 1,078MM*	\$US 1,182MM*
Riluzole	EU	ALS	Sanofi Aventis	\$US 100MM*	\$US 224MM*
Anastrozole	JP	Breast Cancer	Astra Zeneca	\$US 270MM*	\$US 1,109MM*
Levonorgestrel	JP	Oral Contraceptive	Bayer AG	\$US 85MM*	\$US 2,326MM*
SPT 1024	US + EU	Obesity	Confidential	\$US 633MM**	NDA

Source: \* Newport & IMS Data

\*\* Thomson Reuter

# Entering Chinese Market



# Outlook

- Sustain Our Current Leadership Position

Continue developing small molecule oncological injectable APIs and expand into other areas with high technology barriers including Peptides and Biopharmaceutical

- Expand Presences in China

Expansion of API business to timely capture the Chinese market facing increasingly stringent GMP requirement

- Japanese Market Penetration

Establishing strategic partnerships with major pharma companies in Japan and expect to market total 6 products next year

- Vertical Integration

With synergy of our API business, expand into high-entry-barrier formulation business to maximize ROI





## **Brand Quality with Asian Advantages**

[www.scinopharm.com](http://www.scinopharm.com)

