



ScinoPharm Management Presentation

3Q 2011 Investor Conference

TWSE 1789



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Overview of ScinoPharm

Mission

- **Maintain dominant position in Specialty API for generic market**
- **Provide API custom synthesis services to new drug development & brand companies**
 - Process R&D and Clinical Supplies leading to future contract manufacturing opportunities of new chemical entities (“NCEs”)
 - Contract Manufacturing of Mature Products
- **Supplying small molecules, peptides, biopharmaceutical services**
 - High Potency
 - High Technological Barriers
 - Patent Non-infringing



Company Overview

- Developed ~50 generic APIs with 16 launched
- Diversified Technologies from small molecules to peptides & proteins
- State-of-the-Art Certified Facilities inspected by US FDA and authorities from Japan, Australia, Korea & EU
- 270+ clients, many with long-term supply agreements
- CRO/CMO business to serve 70+ NCE projects, out of 5 in phase III with the indication of antibiotics, Parkinson disease, opioid induced constipation, cancer and post-traumatic stress disorders respectively, expect to file NDA in in the next 2-3 years
- 3 having already been approved for launch



Competitive Advantages

- Heavy emphasis on R&D, with 84 patents granted worldwide to 16 inventions
- Combination of cost advantages from China & GMP/IP/EHS compliance in Taiwan
- Rich generic pipeline driven by a large & cost effective R&D infrastructure
- Familiarity with drug development & registration requirements
- Track record of timely and extensive client support
- Existence of a repeat broad & global client base



World Class Facilities

Taiwan

- 6.6 hectares of land, 330K sqft facilities with $>200M^3$ 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 $250M^3$ 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



ChangShu Site Progress



■ R&D Building

- 2011/08/15 Mechanical Completion
- 2011/09/15 Commissioning IQ/OQ
- 2011/09/16 Staff move-in



■ Production Building

- 2011/08/30 Mechanical Completion
- 2011/10/31 Commissioning IQ/OQ
- 2011/11/01 Operation



ScinoPharm Biotech

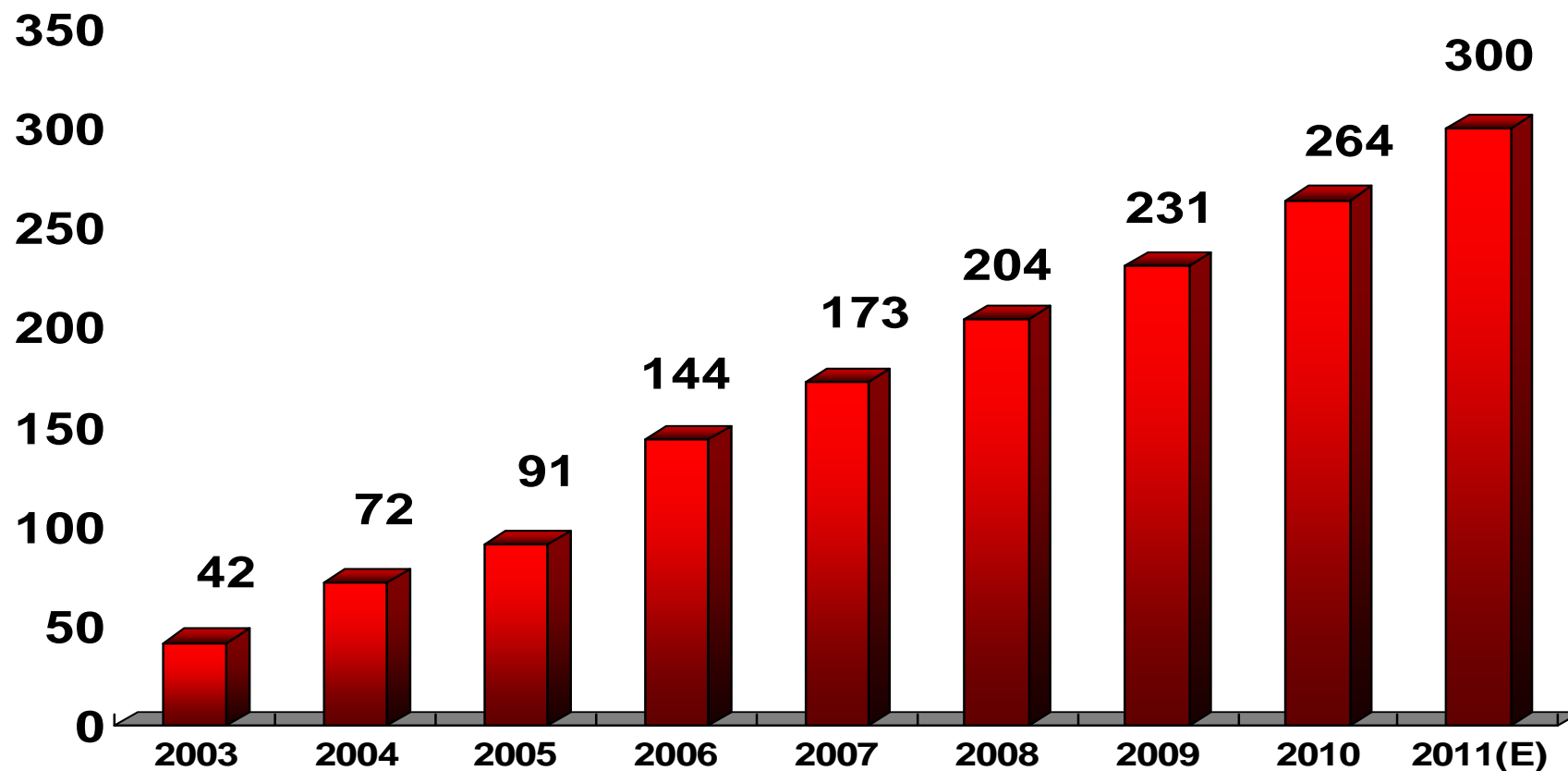


- Developed lab processes for biosimilars
- Host systems includes E. Coli, CHO, Yeast, Insect cells
- Full scope development capabilities
 - Cloning
 - Expression & amplification
 - Fermentation & cell culture
 - Recovery & purification
 - Product characterization
 - Bioassay
- Invest in Tanvex Biologics, Inc.
 - U.S. company registered in Delaware
 - Specializes in the development of biosimilars and the provision of CRAM services for biologics



Strong and Broad Customer Base

Total # of customers



Strong Generics Product Portfolio

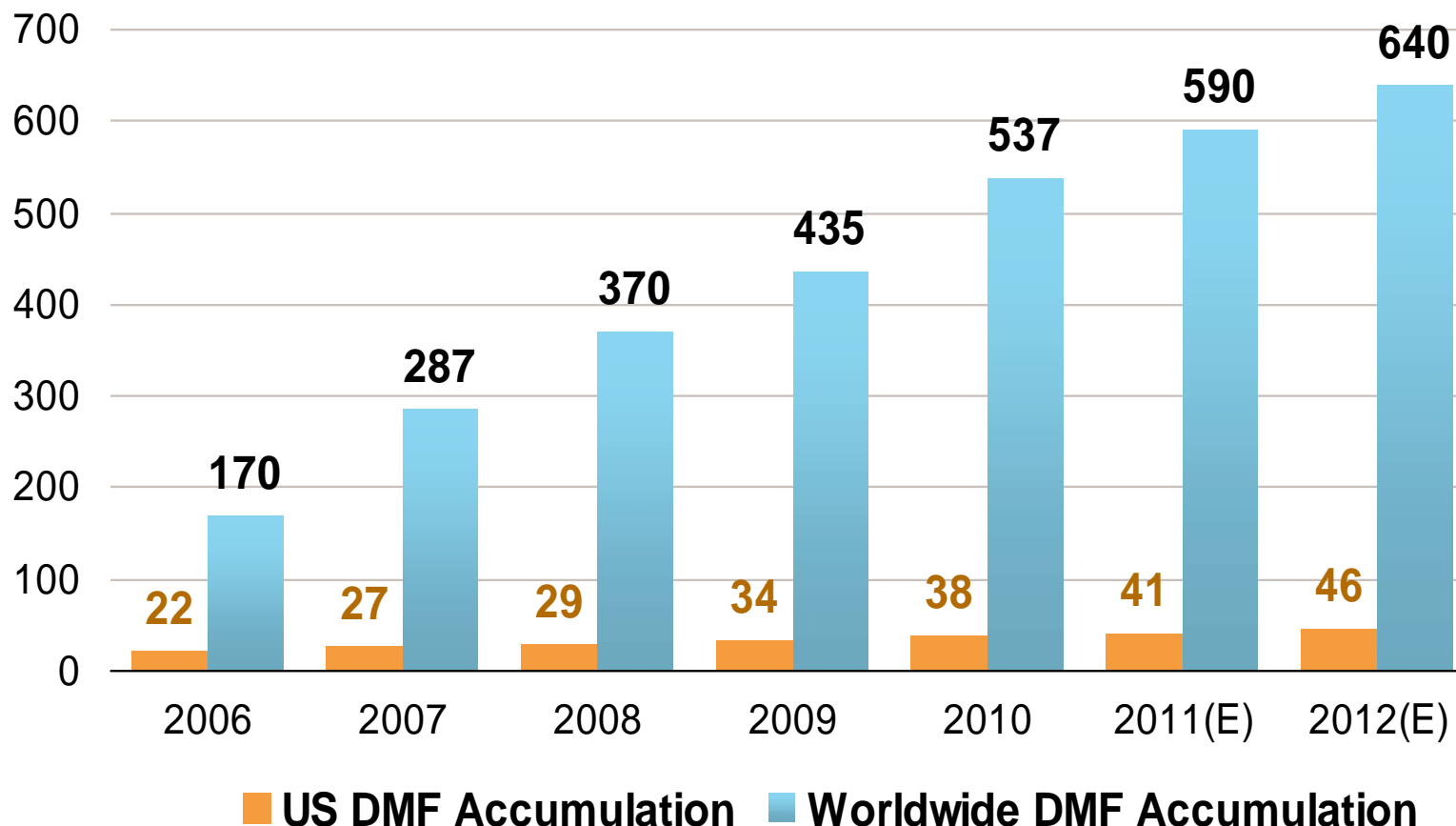
Focus on High Barrier and High Potency Generic API Products

Type	# of Product
Oncological	24
CNS	6
Cardiovascular	3
Hormonal	3
Gastrointestinal	1
Muscle	3
Antiviral	3
Respiratory	1
Peptides	5



Global DMF Filings

Number of DMF filed



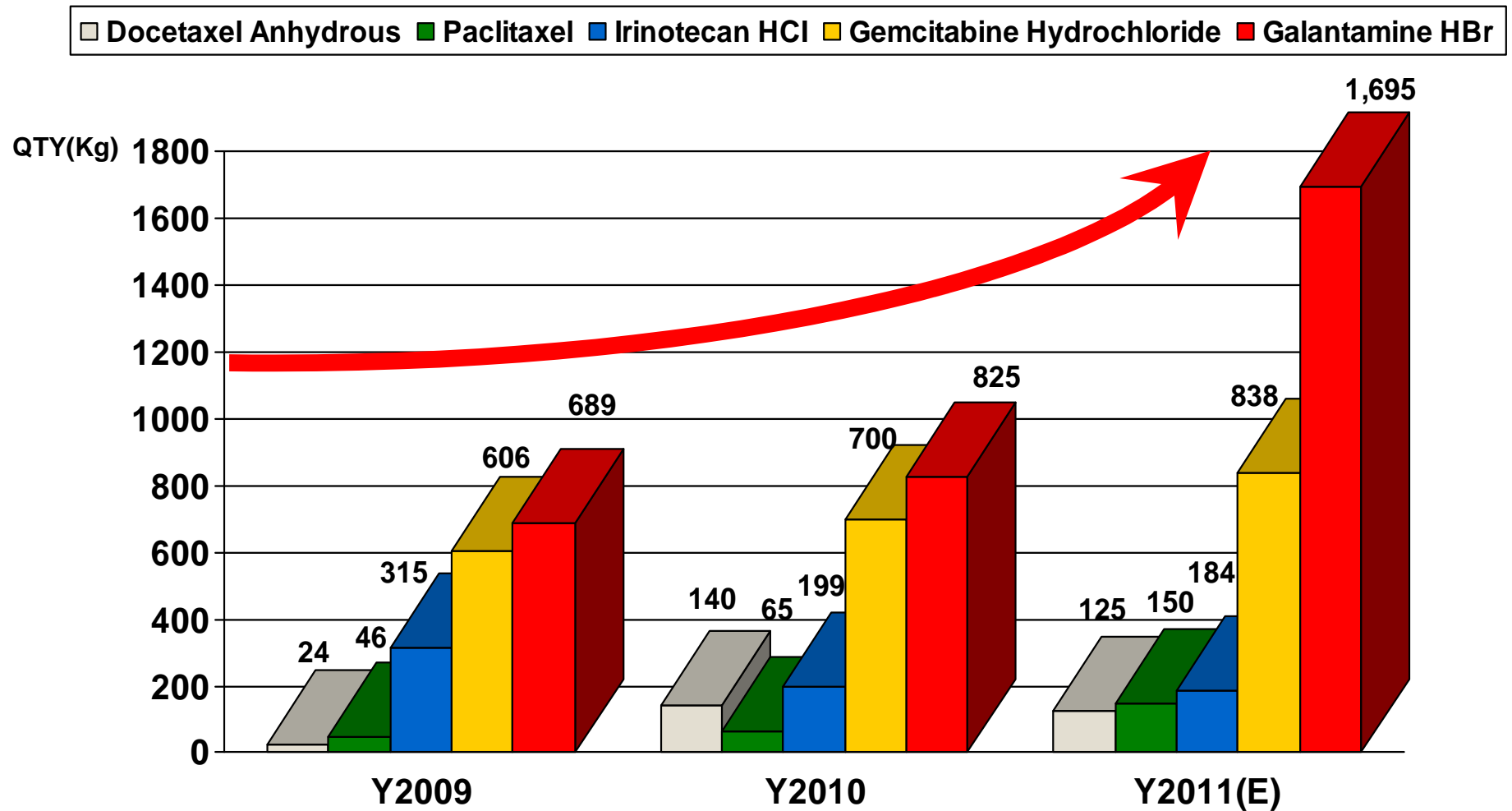
ScinoPharm's Strengths in R&D and Product Pipeline Well-Demonstrated by the Annual and Cumulative Number of DMF Filings Globally

Major Products-Top 5 account for 65% of total sales

API	Indications	2011 projected MKT Share*	# of US DMF/EDMF & other Filings
Docetaxel Anhydrous	Antineoplastic	36% (WW)	53
Irinotecan HCl	Antineoplastic	42% (WW)	47
Paclitaxel	Antineoplastic	20% (WW)	47
Galantamine HBr	Antipsychotic	50% (WW)	36
Gemcitabine Hydrochloride	Antineoplastic	20% (EU)	51

* Source: Newport Global Sales Data

Significant Growth of Main Products



Note: 1. Docetaxel's launch for customer was in Q2, 2011

2. Irinotecan HCl, over 3 years after launch, is setting at around 180-200Kg/Yr



3Q 2011 Financial & Operation Results

P&L (consolidated)

Amounts in millions of New Taiwan dollars, except EPS

	3Q11	2Q11	3Q10	QoQ	YoY
Net Sales	1,064	964	1,100	10%	-3%
COGS	(560)	(452)	(506)	24%	10%
Gross Profit	504	512	594	-2%	-15%
SG&A Expense	(209)	(210)	(208)	0%	0%
Operating Income	295	302	386	-3%	-24%
Non-Operating Income	33	4	10	697%	244%
Non-Operating Exp.	(39)	(13)	(24)	196%	63%
Profit before Tax	289	294	371	-2%	-22%
Tax	(47)	(38)	(48)	25%	-2%
Profit after Tax	242	256	323	-5%	-25%
EPS (NT\$)	0.40	0.41	0.55	-2%	-27%

Balance Sheet (consolidated)

Amounts in millions of New Taiwan dollars

	3Q11		2Q11		3Q10	
Cash and Cash Equivalents	3,195	36%	2,009	26%	1,586	23%
Accounts Receivable	669	7%	684	9%	734	11%
Inventory	1,403	16%	1,404	19%	1,314	19%
Long-Term Investment	195	2%	206	3%	158	2%
Fixed Assets	3,099	35%	2,942	38%	2,764	40%
Total Assets	8,965	100%	7,624	100%	6,929	100%
Current Liabilities	651	7%	581	8%	487	7%
L-T Liabilities and Others	27	1%	26	0%	26	0%
Total Liabilities	678	8%	607	8%	513	7%
Stockholders' Equity	8,287	92%	7,017	92%	6,416	93%

Cash Flow (consolidated)

Amounts in millions of New Taiwan dollars

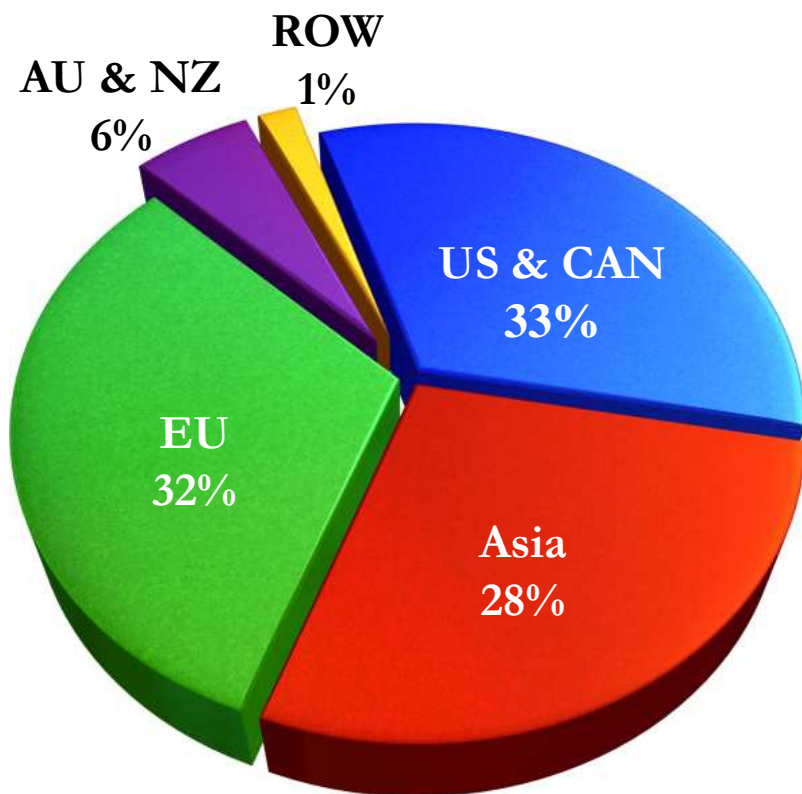
	3Q11	2Q11	3Q10
Cash and cash equivalents at beginning of year	2,009	1,989	441
Cash flows from operating activities	515	188	233
CAPEX	(220)	(152)	(97)
Long-term investment	-	-	(158)
Issuance of common stock	959	-	1,173
Others	(68)	(16)	(6)
Cash and cash equivalents at end of year	3,195	2,009	1,586

Financial Ratio

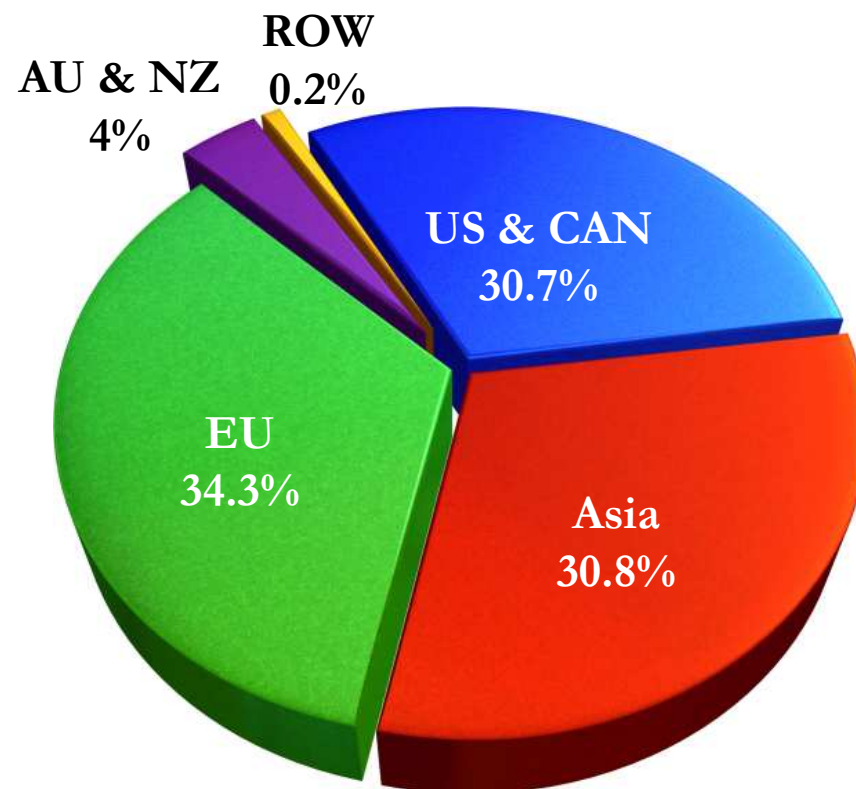
Item		Q311	Q211	Q310
Debt ratio	Debt ratio (%)	7.56	7.97	7.40
	Long-term capital to fixed assets (%)	267.40	238.50	232.20
Liquidity ratio	Current ratio (%)	836.71	736.17	778.67
	Quick ratio (%)	599.38	471.03	481.29
Efficiency ratio	Receivable turnover (days)	63.24	65.42	66.98
	Stock turnover (times)	1.41	1.34	1.34
Profitability ratio	Return on investment (%)	9.54	10.48	14.68
	Return on equity (%)	10.32	11.39	15.86
	Profit margin (%)	22.74	26.54	29.38
	EPS (NT\$)	0.40	0.41	0.55

Sales by Region

2010



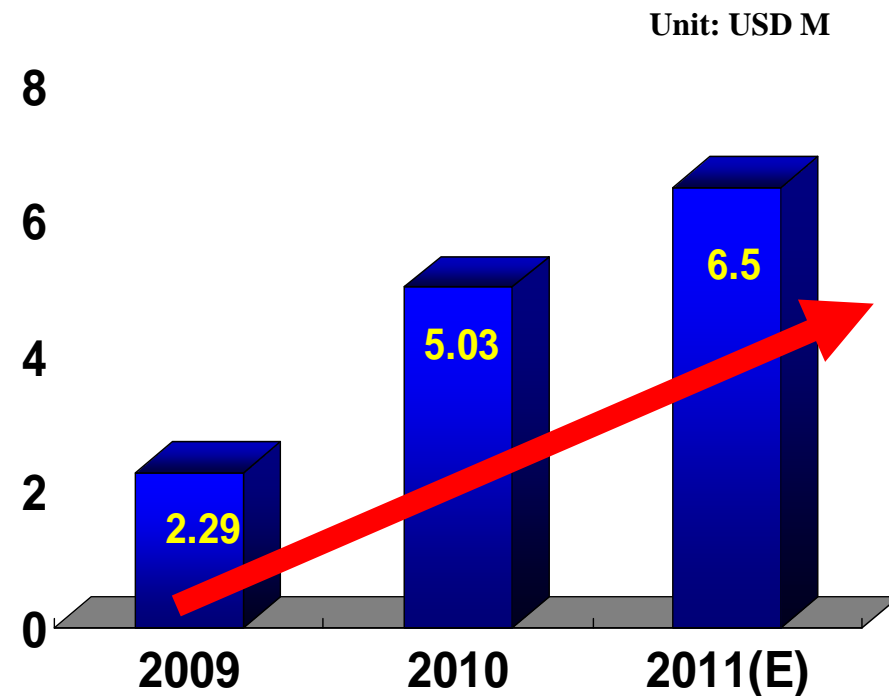
3H2011 (YTD)



Booming Market in Japan

- The second largest individual market with sales of \$60 billion. Japanese government set a goal for the generic penetration rate to 30% in volume by 2012.
- As the first Taiwanese API company be qualified by PMDA, ScinoPharm aims to capitalize on with its qualified APIs and expand into CRAMBbusiness.
- With Gemcitabine HCl and Irinotecan HCl marketed in JP (one has post more than 90% market share), we are looking to a wider presence with the 4 newest additions to our growing portfolio within next year.

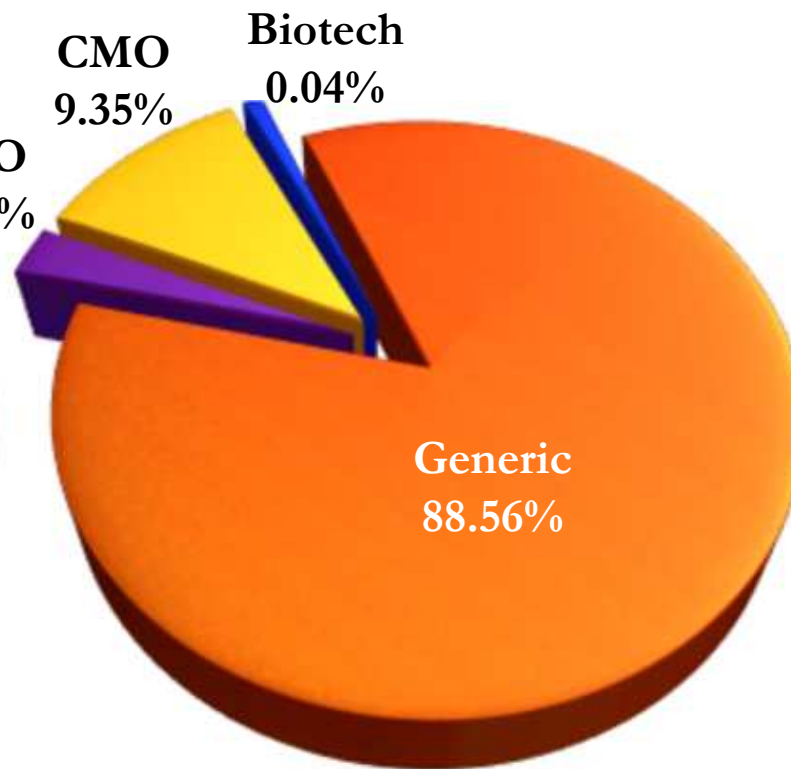
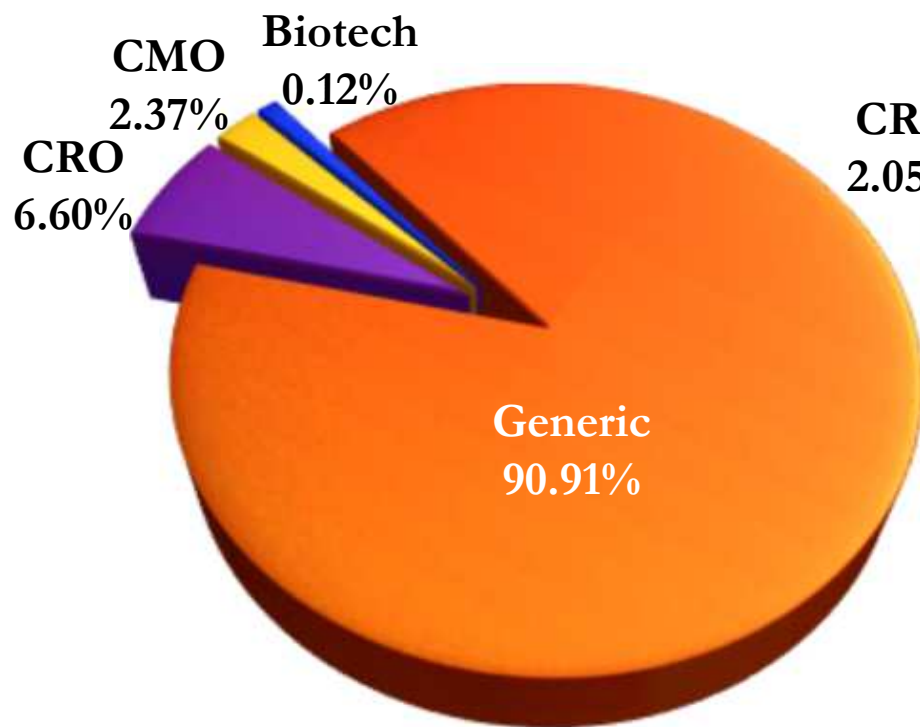
Revenue Growth in Japan



Sales by Business

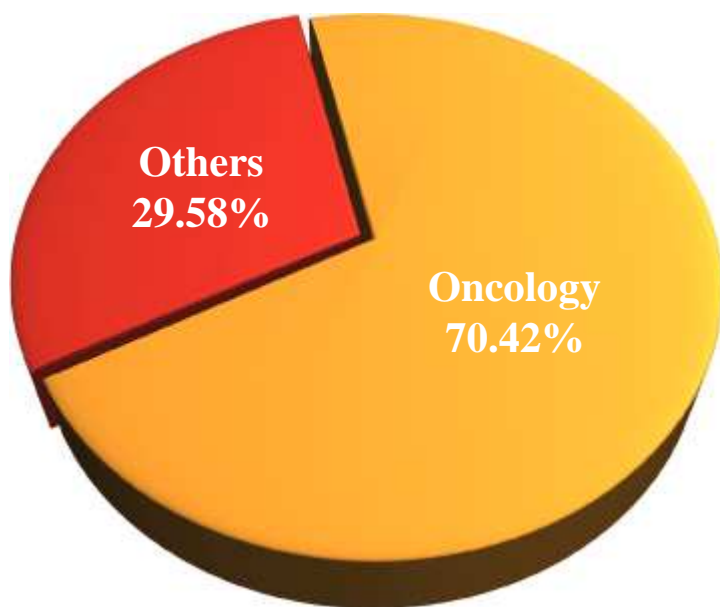
2010

3H2011 (YTD)

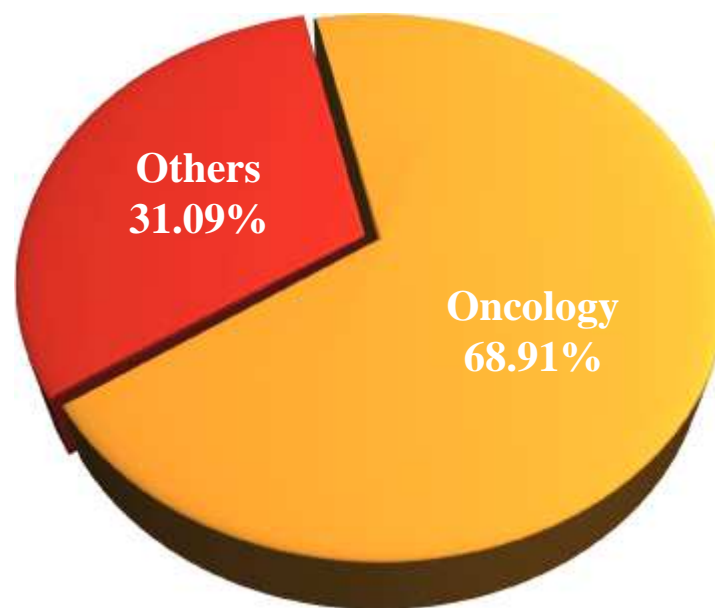


Oncology Sales vs. Total Sales

2010



3H2011 (YTD)





Business Outlook

2012 Newly Launched Products

API	Region	Indications	Brand Marketer	Market Size*
Argatroban	US	Antithrombotic, Anticoagulant	GSK	US\$ 205.8MM
Galantamine HBr	EU	Antineoplastic	Janssen	US\$ 1,181.1MM
Modafinil	US	Antinarcolepsy	Cephalon	US\$ 520.6MM
Riluzole	EU	Neuroprotective	Sanofi Aventis	US\$ 216MM

* Source: Newport



Market Opportunities and Challenges

- Expand Presences in China
Expansion of API business to timely capture the Chinese market facing increasingly stringent GMP requirement
- Positioning as a Gateway in China of Supply-Chain for Multinationals
Leverage existing strong customer base and presence in China to provide value added services including importation of formulation and sourcing/exportation of APIs
- 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, will expand into high-entry-barrier formulation business for maximized ROI



Questions

&

Answers





Brand Quality with Asian Advantages

www.scinopharm.com

