



ScinoPharm Management Presentation

TWSE 1789

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Overview of ScinoPharm

- An API + ANDA Company

Active Pharmaceutical Ingredients
Abbreviated New Drug Application

Background

- Established in 1997 in Taiwan by founders from Syntex, listed on TWSE, current market cap ~ US\$1.5 billion
- Major shareholders include Uni-President Group, Government's Development Fund, Taiwan Sugar, etc.
- Facility & organization designed & built in Taiwan by experienced Syntex team, received multiple regulatory inspections from US FDA, Australia, EU, Japan, etc.
- Specializes in high potency (steroid, cytotoxic) & injectable APIs
- Expanding in China with a new plant in Changshu & sales & marketing base in Shanghai



Business Overview

- Maintain dominant position in Specialty APIs for generic market. Strong customer base (320+) in US/EU/Japan, some through Indian generics. Aggressively developing Japan and China markets
- Developed ~60 generic APIs with 21 launched. Filed 43 DMFs in US (642 DMFs WW), leader in supplying oncology injectable APIs with 20 US DMFs
- 70+ NCE CRAMs projects, with 5 in phase III with NDA filing in 2-3 years & 4 already launched. The only company in Asia supplying APIs for multiple commercial NCEs



World Class Facilities

Taiwan (SPT)

- 6.6 hectares of land, 330K sq. ft. facilities with $>200\text{M}^3$ reactor volume
- 8 of 18 production lines equipped with high potency capabilities for cytotoxics or steroids
- US FDA approved & 200+ GMP audits by customers
- Provides full CRAMs for brand drugs
- Building an oncological injectable plant
- Global market

China (SPC)

- 6.6 hectares of land with $\sim 250\text{M}^3$ reactor volume
- 1st phase completed in Q1, 2012
2nd phase to be completed in Q4, 2013
- CGMP designed facility for intermediates & high potency API
- Full scope capabilities in developing and manufacturing APIs from small to large scale for generic & CRAM markets
- Global market including China

	Common Strength	Differentiators
Taiwan vs China Plant	<ul style="list-style-type: none"> ■ Same sizable land area ■ Complied with int'l GMP & EHS standards for global market ■ Strong R&D capabilities ■ Multi-functional plants, able to produce high potency APIs ■ Small, mid, to large lines 	<ul style="list-style-type: none"> ■ Different reactor chamber volumes (200M^3 in SPT vs. 250M^3 in SPC) ■ SPC mainly for large volume ■ SPT focusing on global export; SPC on China domestic market ■ SPT with an injectable plant

Financial & Operating Results

Quarterly P&L - Consolidated

In NT\$ million, except for EPS	1Q,'13 (Reviewed)	4Q,'12 (Audited)	1Q,'12 (Reviewed)	QoQ	YoY
Net Sales	1,186	1,404	971	-16%	22%
Gross Profit	655	713	523	-8%	25%
<i>Gross margin</i>	<i>55%</i>	<i>51%</i>	<i>54%</i>		
Operating Expenses	(267)	(320)	(240)	-17%	11%
Operating Income	388	393	283	-1%	37%
<i>Operating margin</i>	<i>33%</i>	<i>28%</i>	<i>29%</i>		
Other Rev.(Exp.)	19	97	7	-80%	171%
Net Income before Tax	407	490	290	-17%	40%
Net Income after Tax	350	422	247	-17%	42%
<i>Net margin after tax</i>	<i>30%</i>	<i>30%</i>	<i>25%</i>		
EPS (after tax)	0.54	0.65	0.38	-17%	42%



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Balance Sheet- Consolidated

In NT\$ million	2013/3/31 (Reviewed)		2012/3/31 (Reviewed)	
Cash and Cash Equivalents	3,411	31%	3,236	33%
Accounts Receivable	599	5%	740	8%
Inventories	2,226	20%	1,802	19%
Long-Term Investments	168	2%	168	2%
Fixed Assets	3,820	35%	2,944	30%
Total Assets	11,037	100%	9,715	100%
Current Liabilities	1,510	14%	864	9%
L-T Liabilities and Others	66	-%	64	1%
Stockholders' Equities	9,461	86%	8,787	90%

Cash Flows- Consolidated

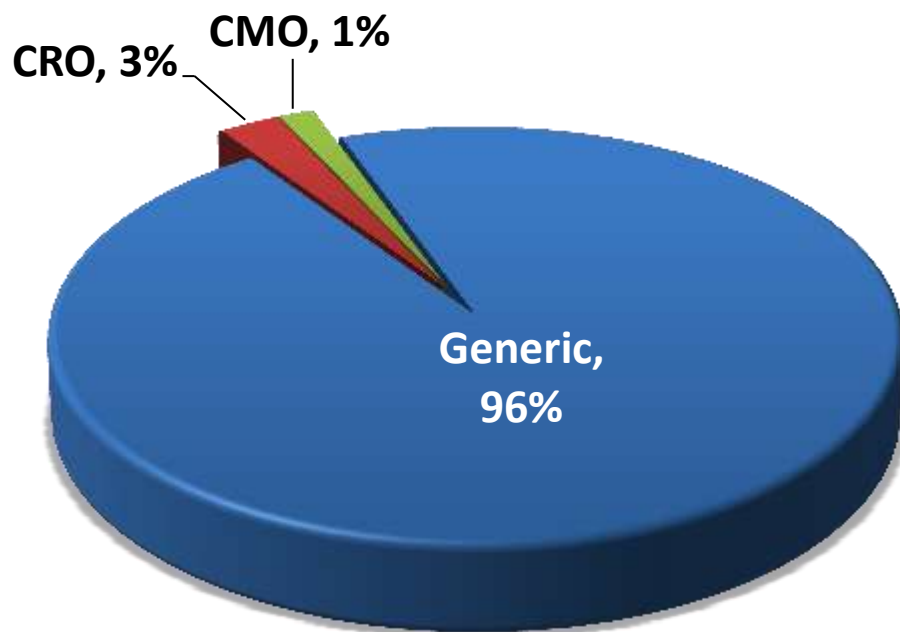
In NT\$ million	1Q 2013 (Reviewed)	1Q 2012 (Reviewed)
Cash and cash equivalents at beginning of period	3,035	3,294
Cash flows from operating activities	413	80
CAPEX	(144)	(114)
Short-term borrowings	128	-
Others	(21)	(24)
Cash and cash equivalents at end of period	3,411	3,236



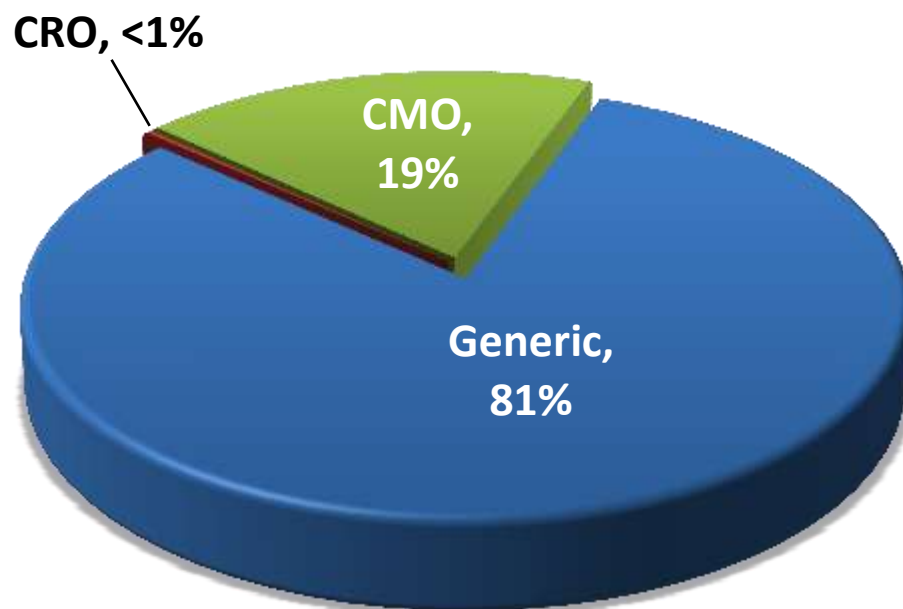
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Sales by Business

Q1/2012

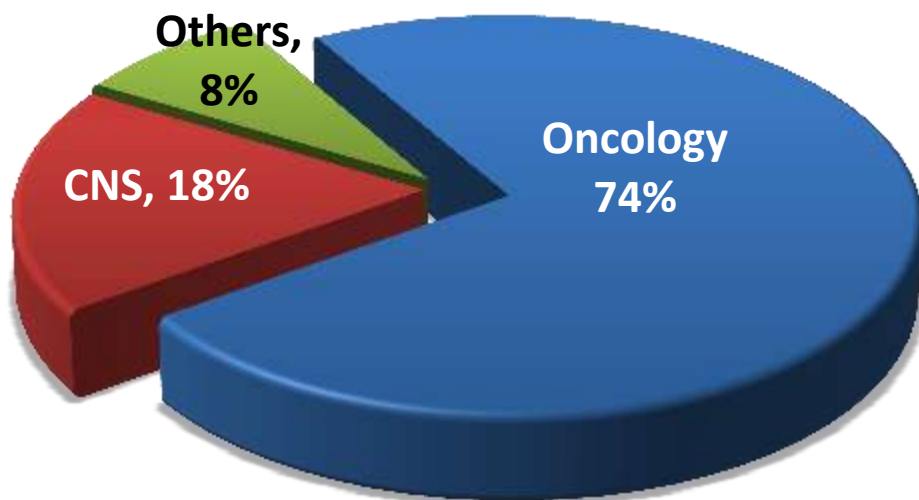


Q1/2013

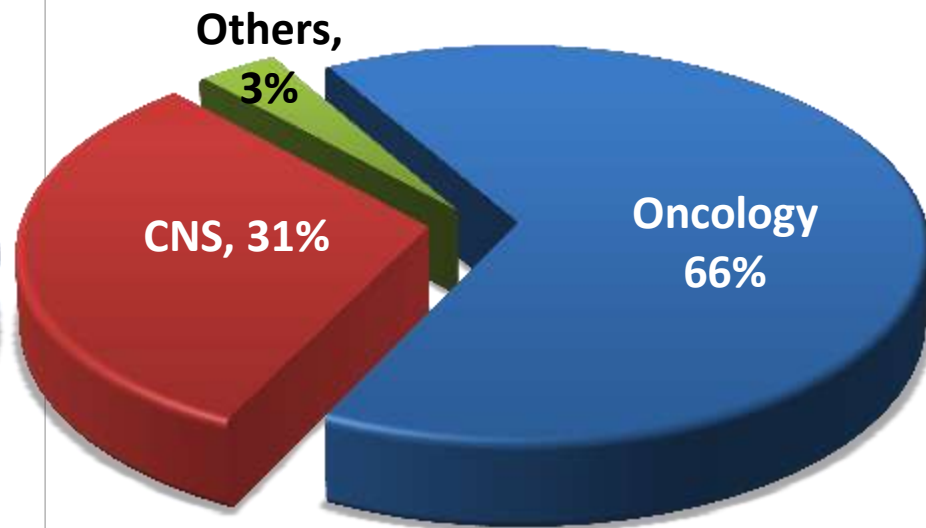


Sales by Indications

Q1/2012



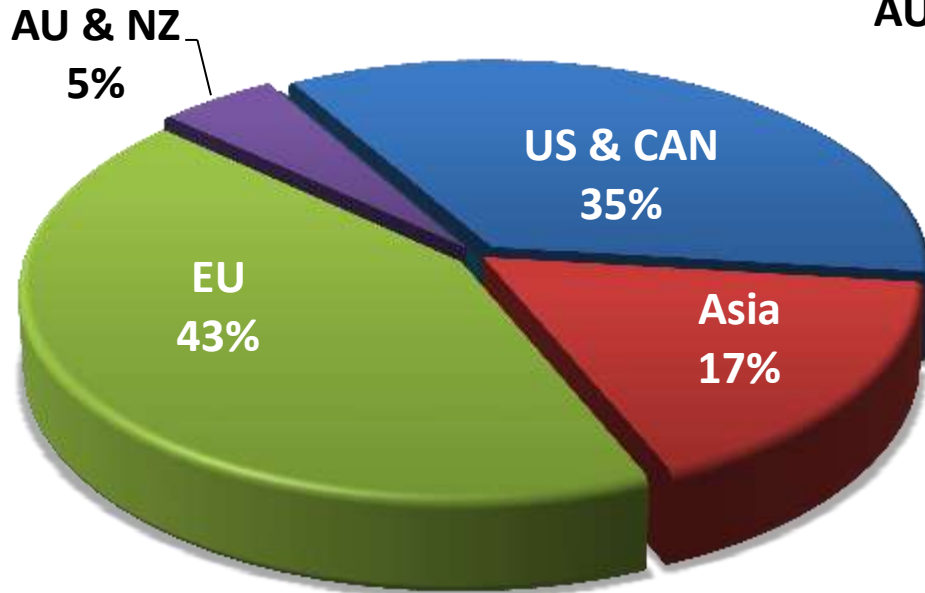
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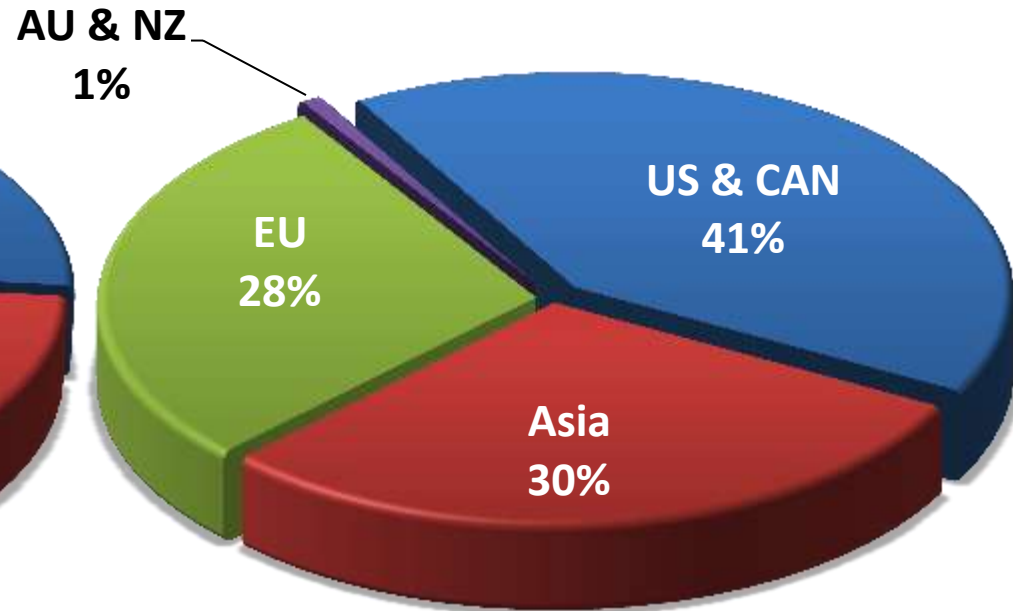
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Sales by Region

Q1/2012



Q1/2013



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China Market Access Action Plans

Ways to Access China Market

- A. Sell APIs to local Pharma companies
- B. Develop, register, produce and sell our own drug products made of our APIs
- C. Collaborate with Chinese marketers to develop, register, produce, and sell drug products with our APIs and share ultimate B2C profits

ScinoPharm-Coland-Jinrui Alliance

Collaboration Framework

ScinoPharm, Coland, and Jinrui work jointly for the Bortezomib injectables:

- ScinoPharm provides Bortezomib API
- Jinrui develops formulation and files with CFDA
- Coland markets the drug product in China

Market Potential

- Bortezomib injectables are for Multiple Myeloma, sales in China reached RMB330MM in 2011, YoY growth of 40%



Strategic Alliance between ScinoPharm and Coland

ScinoPharm-Coland Strategic Alliance

- ScinoPharm and Coland collaborate to develop oncology drugs for China market
- The strategic alliance will develop a series of oncology injectables per ScinoPharm's APIs mainly for MDS, lung, breast, ovarian, and pancreatic cancers. The drug product sales in 2012 was estimated at RMB5billion* in China

Alliance Framework

- ScinoPharm exclusively provides all APIs
- 3rd party CRO and CMO develop and produce injectable drug products
- Coland helps register drugs and build a dedicated sales team at beginning
- Initial cost is estimated at USD5-7 million
- ScinoPharm and Coland jointly penetrate into the niche oncological market in China

Business Outlook

2013 Product Launch Plan

API	Region	Indications	Brand Marketer	Regional Sales	WW Sales
Azacitidine	US	MDS, Anti-neoplastic	Pharmion	US\$331.3MM*	US\$729.7MM*
Decitabine	US	MDS, Anti-neoplastic	MGI Pharma	US\$238.0MM*	US\$249.1MM*
Docetaxel Anhydrous, Trihydrate	JP	Anti-neoplastic	Sanofi Aventis	US\$236.9NM**	US\$2,051MM*
Modafinil	US	Antinarcolepsy	Cephalon	US\$1,219MM*	US\$1,319M*
Paclitaxel	JP	Anti-neoplastic	Bristol Myers	US\$307.1MM**	US\$1,654M*
Riluzole	US	ALS	Sanofi Aventis	US\$55.0MM*	US\$237.1MM*
Topiramate	US	Seizures	Customer	NDA (FDA tentative approval)	

Source: * Newport/IMS Data

**In-house research



Outlook

- Sustain Leadership in Oncological APIs

Continue to launch and develop oncological injectable APIs & others with high technological barriers including Peptides

- Establish Presences in China

Develop APIs and formulations to timely capture the generic business with strategic alliance and CRAMs from MNCs

- Japanese Market Penetration

Expand strategic partnerships with major pharma

- Vertical Integration – API+ANDA

Select difficult-to-make APIs to formulate dossiers and build an oncology injectable plant to provide value-added total solution to customers



Brand Quality with Asian Advantages

www.scinopharm.com