



Biotech 2010

Opportunities in Emerging Markets

27 October 2010



Latin America Represents a \$40B+ Pharma Market

Brazil & Mexico combined ~75% of LatAm opportunity



Macro Drivers

- 110MM population, 11th largest country
- 14th largest GDP in the world
- 7% of GDP spending on healthcare
- Expanding middle class, rising incomes

Pharma Industry Drivers

- \$10BB+ Market, 2nd largest in LatAm
- 8% CAGR, 2008-2012
- 20M+ can afford premium prices
- Cash pay for 50% private spending
- 'Free pricing' market dynamics
- Strong branded segment



Macro Drivers

- 190MM population, 5th largest country
- 10th largest GDP in the world
- 8% of GDP spending on healthcare
- Expanding middle class, rising incomes

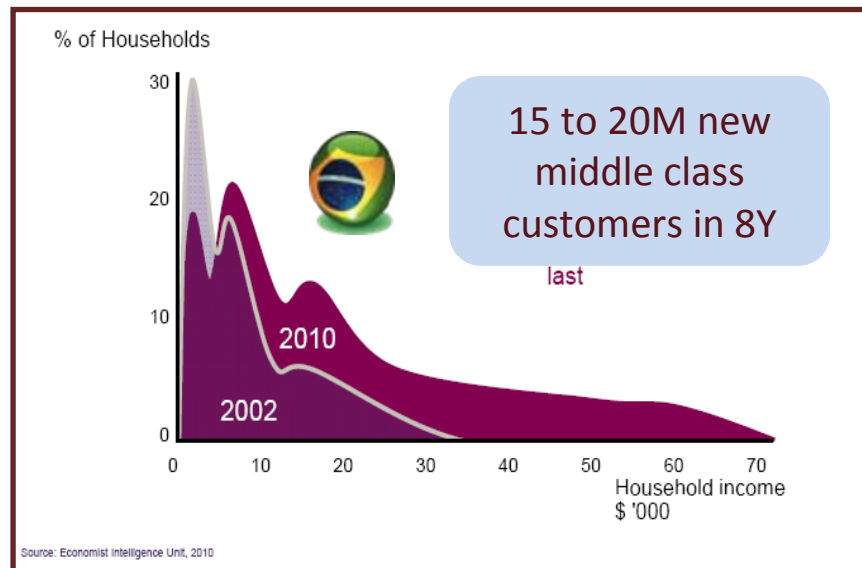
Pharma Industry Drivers

- \$22BB+ Market, largest market in LatAm
- 10% CAGR, 2008-2012
- 20-40M+ can afford premium pricing
- Cash pay for 60%+ private spending
- Strong branded segment

Source: IMS Retail plus other channels 2009

The LatAm Pharma market is the most attractive market for high quality pharmaceutical products

- ◎ Strong brand loyalty for high quality products
- ◎ A large and growing middle-class where 50-70% of the drug spending is out of pocket
- ◎ The regulatory path for product registration is generally straightforward in Brazil and Mexico with approval timelines between 6-18 months
 - ANVISA and COFEPRIS generally accept USA FDA clinical dossiers
- ◎ Solid and sophisticated distribution systems



Emerging Markets still present challenges to newcomers



Regulatory

- ANVISA registration timeline variable at 6-18 months

- Clinical trials required even for FDA or EMEA approved drugs
- SFDA approval lengthy at 3+ years

Pricing / Tax

- Heterogeneous pricing controls
 - Generics capped at 65% of innovator pricing
 - Novel drug prices set at lowest of 9 reference countries*
- Complex taxation system
 - ICMS tax of 18% similar to 'VAT'
 - Social security PIS & COFINS of 11%
 - Corporate tax of 34%

- Corruption still problematic despite disgrace and execution of former SFDA chief
- Relationship –driven value chain unaffected by NDRC reform in pricing and regulation
- Hospital and physician incentives not aligned with drug pricing

IP

- Increased adherence to IP laws
- One example of compulsory license (Merck, Sustiva, May 07)

- IP enforcement spotty despite TRIPS compliance
- Litigation not a reliable recourse

**Australia, Canada, Spain, US, France, Greece, Italy, New Zealand, Portugal and the manufacturer price in the originator country, less taxes*

moksha8 is uniquely positioned as the leading high quality partner of choice in Latin America

Partnered with 2 of the top 3 global Pharma companies and 1 of the world's leading generics companies

Established Innovator Products



Branded Generics



Novel Products



- Acquire exclusive rights to high-quality, mature brands from leading Big Pharma
- Product sales currently US\$200M. Leading brands include Bactrim, Rocephin, Rivotril, Lexotan, Unasyn and Vibramycin
- Establish therapy area expertise in CNS, Infectious Disease, Pain/Inflammation
- Establish high-quality commercial infrastructure
- Exclusive deal with Watson to license branded generics to broaden business opportunity, increase margin and build value
- Expands product offerings in core therapy areas, also provides expansion opportunities into new therapy areas
- Establish supply chain control (focus on push as well as pull-through commercial strategies)
- Establish regulatory and medical capabilities
- Acquire exclusive rights to novel medicines from Biotech, Spec Pharma in US, EU, Japan
- Strengthen core TA focus and brand
- Provide rapid entry for novel, high-value medicines that benefits patients and partners