

AUDITED FINANCIAL RESULTS

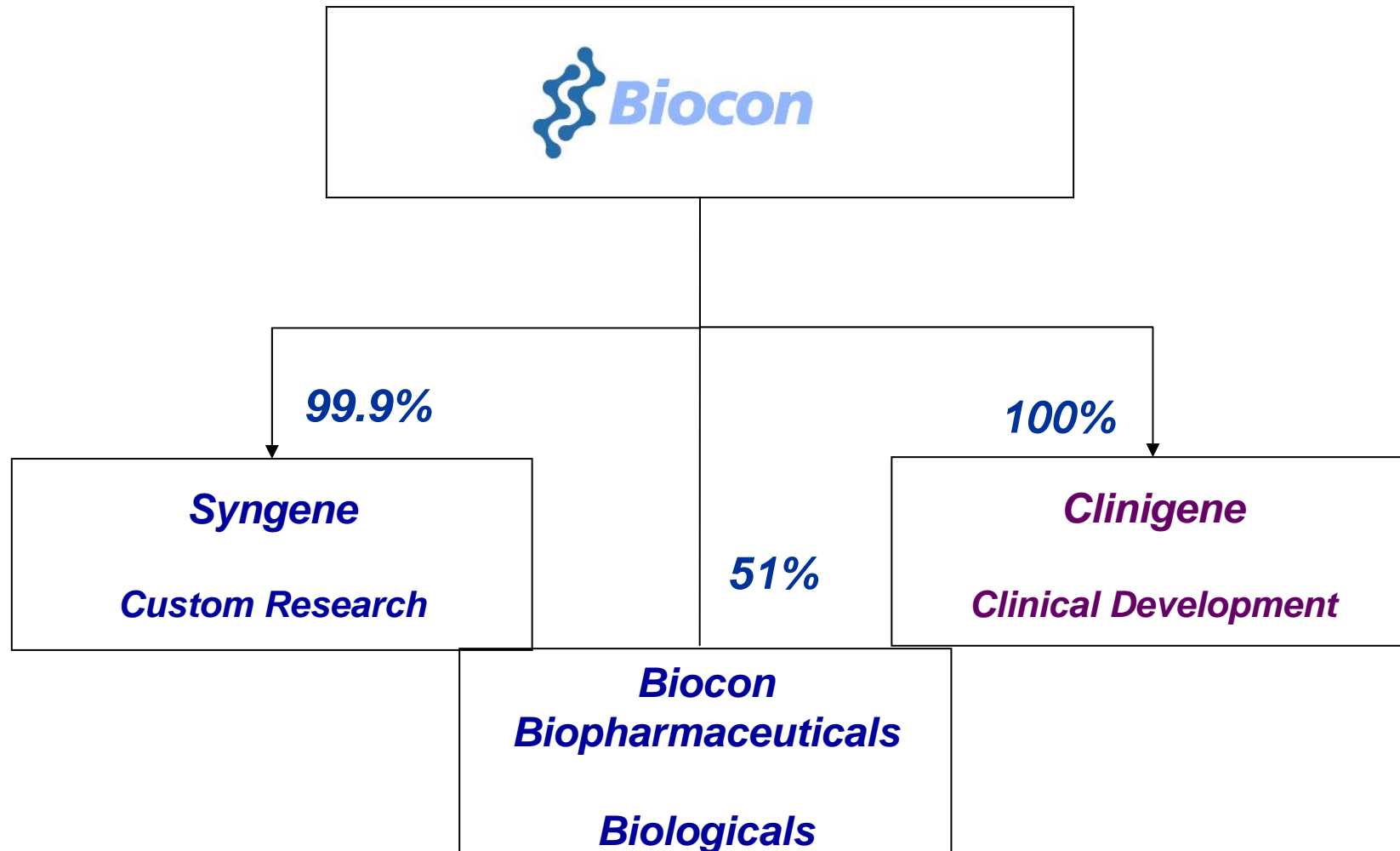


Introduction



- Biocon is a 25 year old biotechnology enterprise with a strong track record of innovation and business success.
- Biocon has built strong and experienced technology platforms based on fermentation processes .
- Biocon has systematically and strategically leveraged its technology base to expand from industrial enzymes to bio-pharmaceutical products.
- Biocon has established the essential building blocks to become an integrated bio-pharmaceutical company, through Syngene (drug discovery) and Clinigene (clinical development)
- Biocon has accessed difficult global markets through consistently meeting the highest of international regulatory standards.





Biocon: A fully integrated bio-pharma company



Syngene

Clinigene



Drug Discovery

- Research & Development
- Molecular Biology
- Synthetic Chemistry

Development

- Clinical Research
- Clinical Development
- Clinical Trials

Commercialization

- Microbial Technologies
- Pharmaceutical Manufacturing
- Sales & Marketing

Library Screening

Lead Molecule Optimization

Pre-clinical Studies

Human Clinical Trials

Process Scale-up

Regulatory Approvals

Marketing & Sales

Biocon is positioned to become a global player within the bio-pharmaceuticals space

HIGHLIGHTS

Key Financial Highlights



- Revenues soar to Rs: 5,493 million, up 94 %
- Profits zoom past Rs: 1 billion (Rs: 1.386 billion) , up 219 %
- PAT Margins increase from 15% to 25%
- EPS on post IPO equity capital at Rs.13.86
- Maiden dividend of 20% recommended by Board
- Exports surge from 48% to 63%
- Statins and Custom Research Services drives export revenues

Other Highlights



- Biocon signs agreement for supply of recombinant human insulin with BMS
- Biocon files DMF with USFDA for recombinant human insulin
- Biocon launches branded formulations in the domestic market for cardio diabetes
- U.S. FDA acceptance for Biocon's statins and pioglitazone manufacturing facilities
- Human Pharmacology Unit launched by Clinigene
- Biocon files 88 Patent/PCT applications in FY 2004.
- *Expansion program on track:*

Syngene Facility: Q3 2004

Statins Facility: Q1 2005

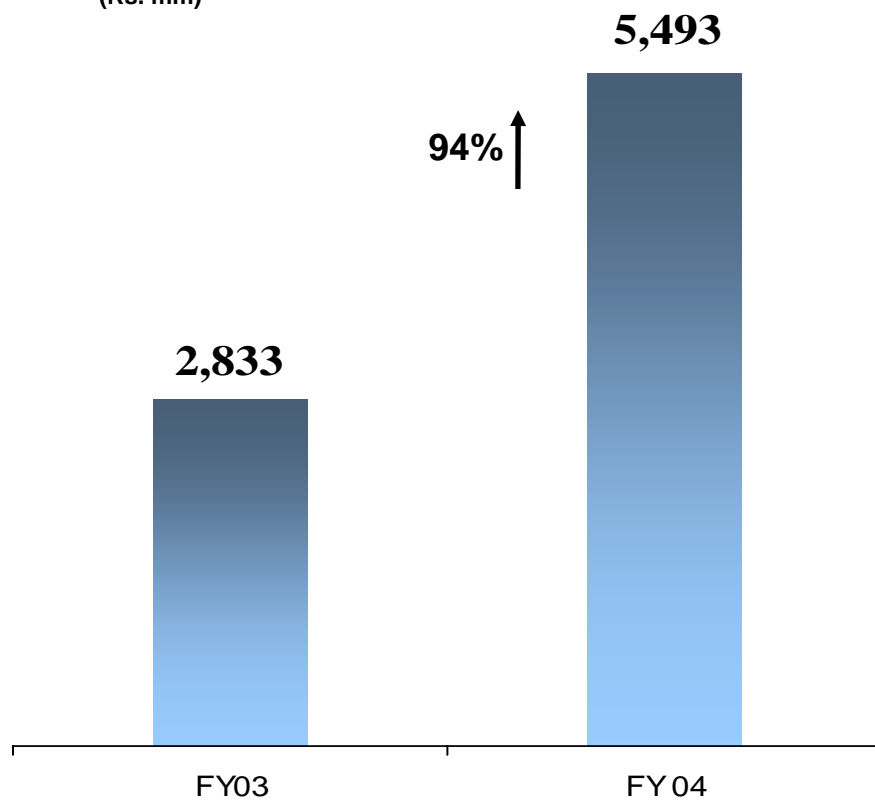
FINANCIAL ANALYSIS

FY 2003 - 04 Overview



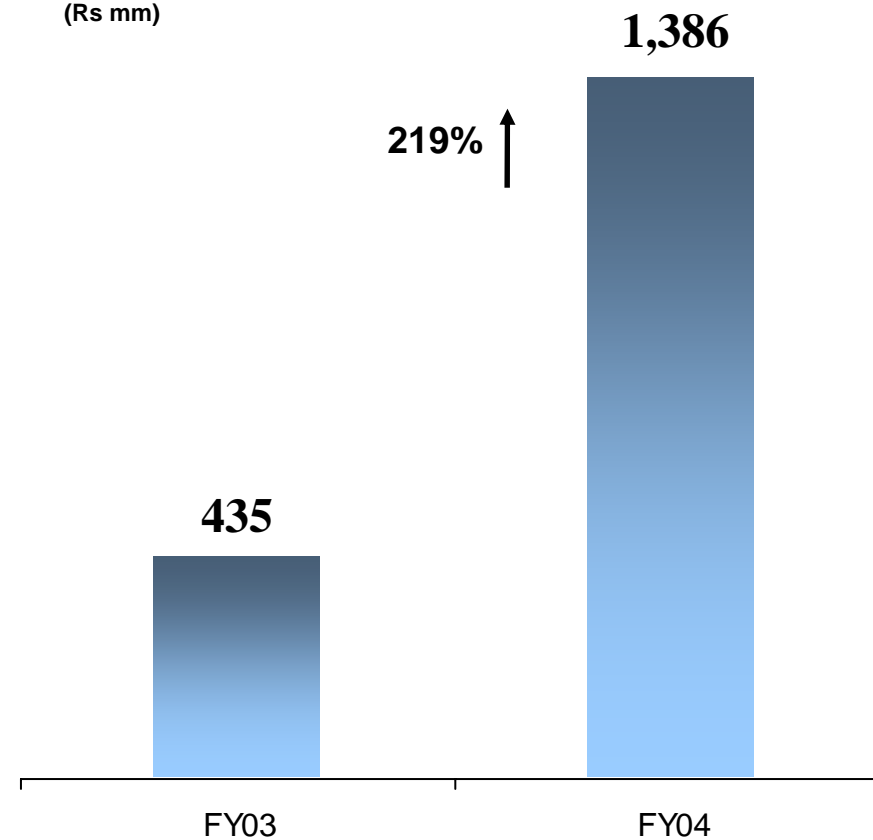
Revenues⁽¹⁾

(Rs. mm)



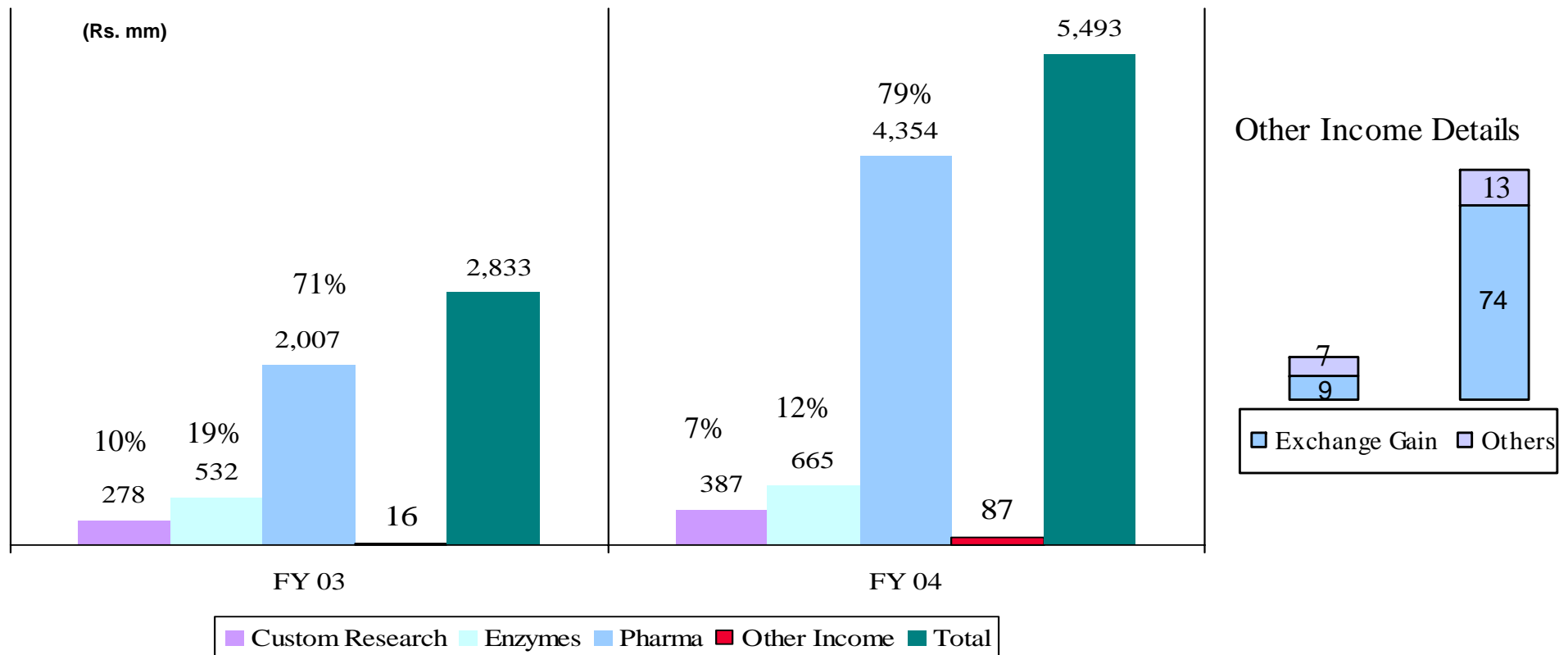
Profit After Tax⁽¹⁾

(Rs mm)



(1) As per Indian GAAP financials

Revenue Break-up



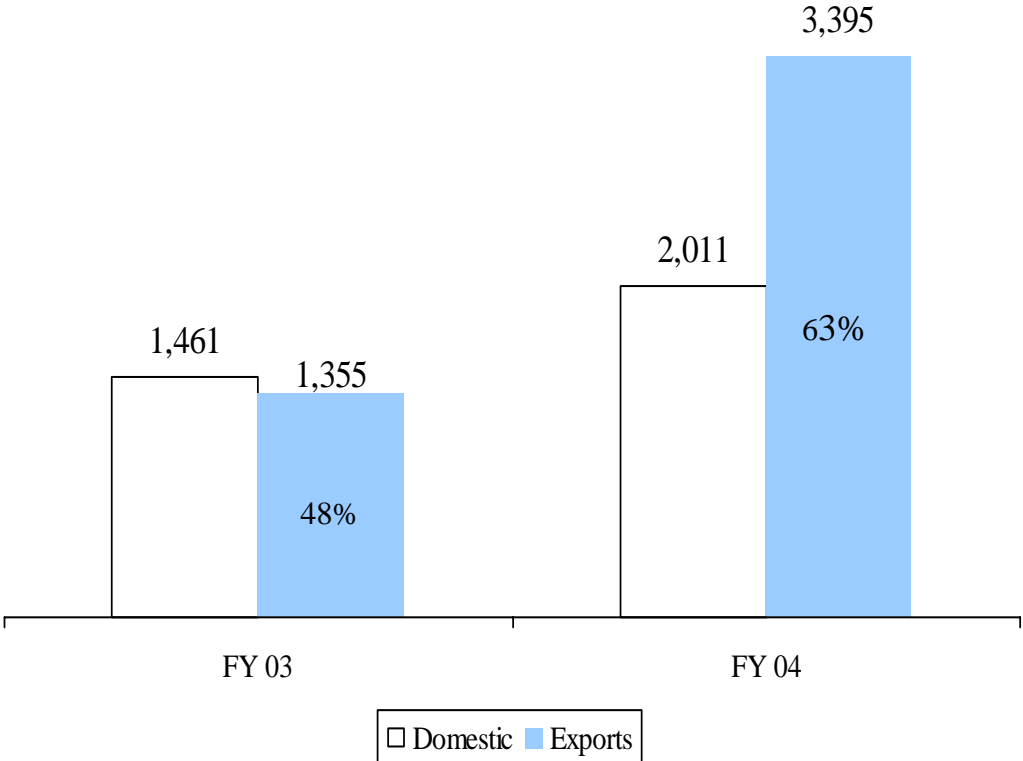
Growth rates : Custom Research - 39% Enzymes - 25% Pharma -117%

(1) As per Indian GAAP financials

Markets



(Rs. mm)



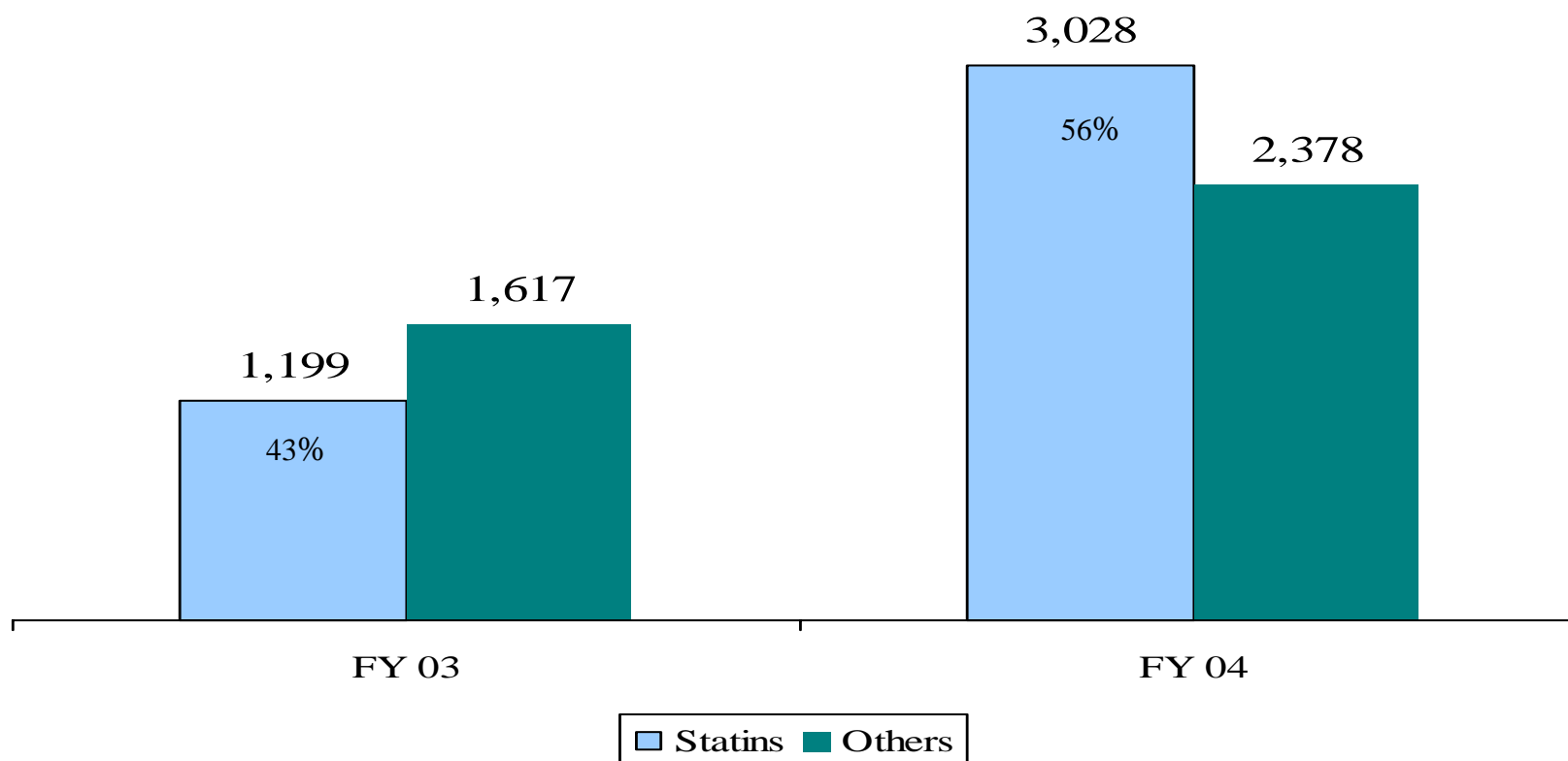
International Business - 63% of total revenues. Important Gains in EU

(1) As per Indian GAAP financials

Statins



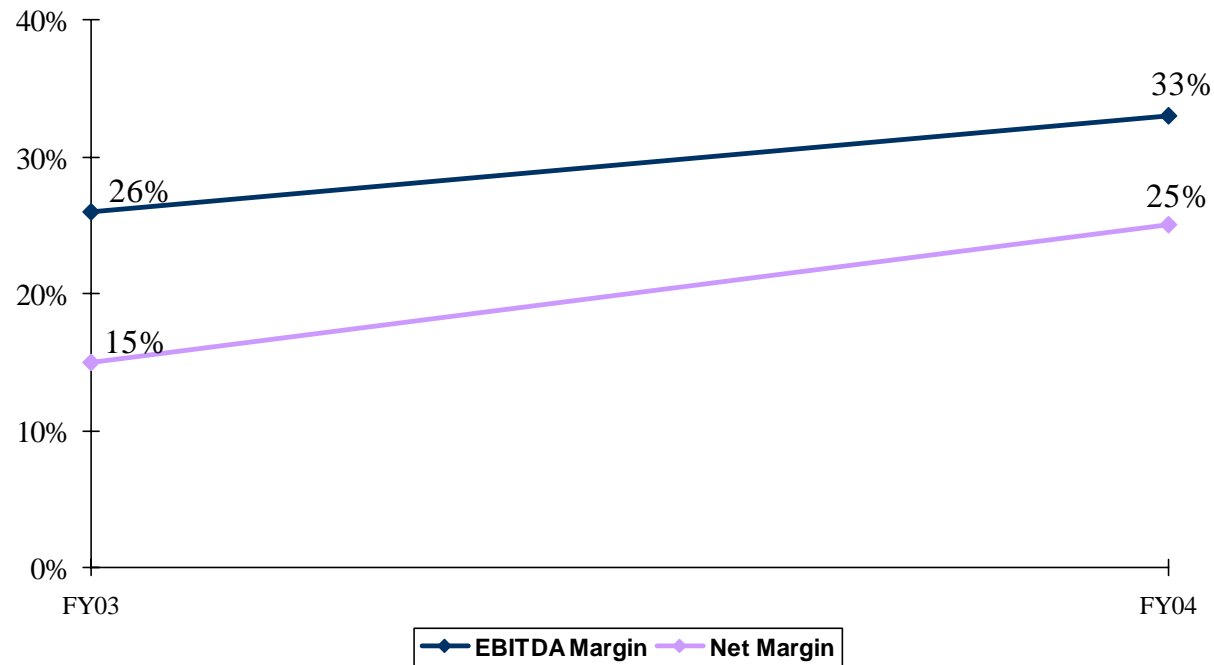
(Rs. mm)



Statins have been an important contributor to sales growth

(1) As per Indian GAAP financials

Gross Margins



- **EBITDA and net margins have improved substantially due to:**
 - **increased sales to regulated markets**
 - **process improvements**

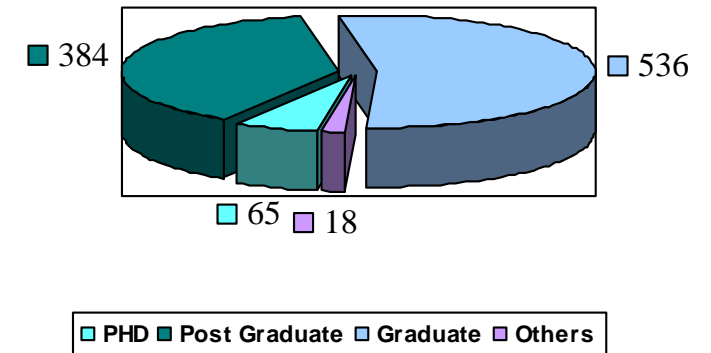


Employee Costs

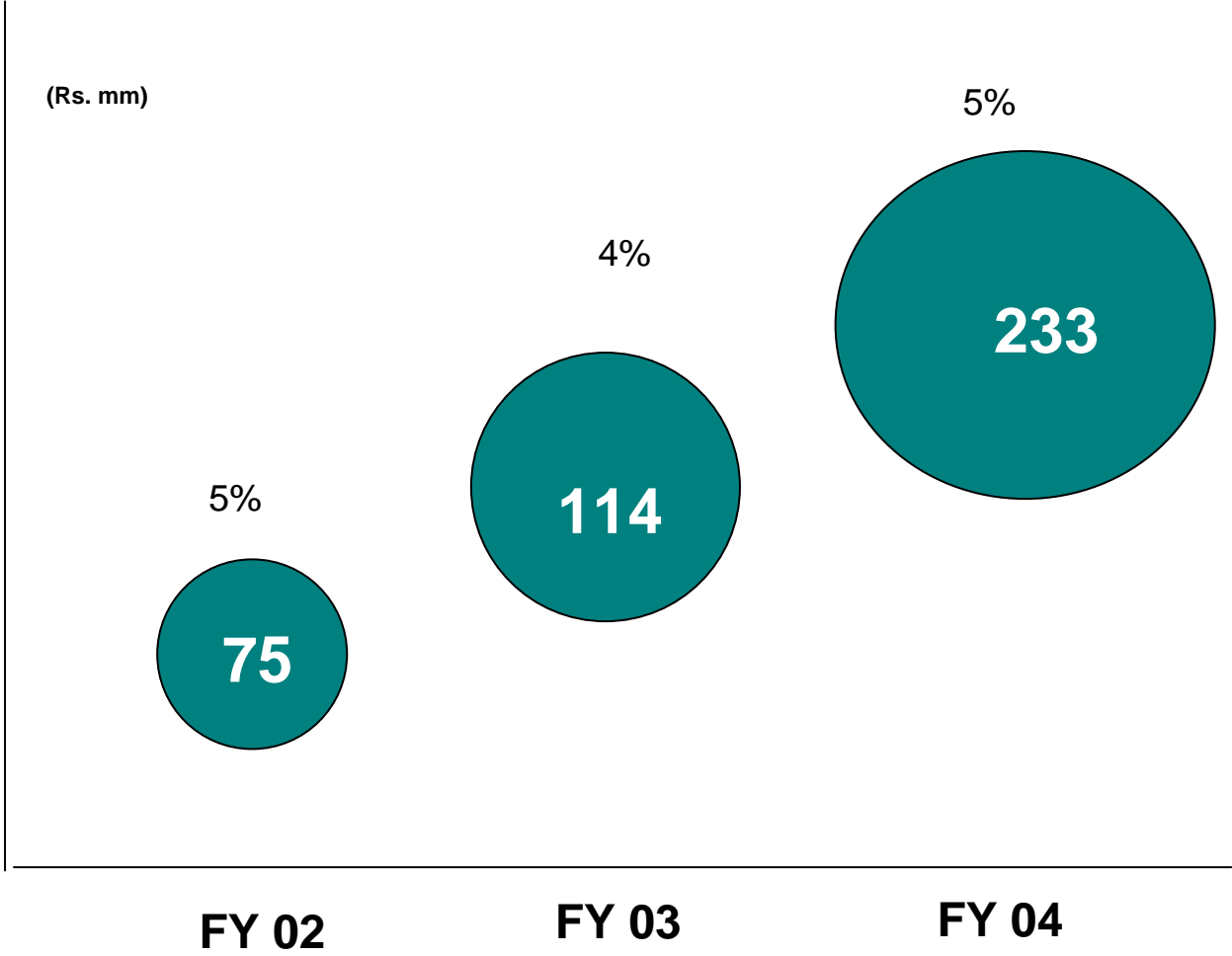
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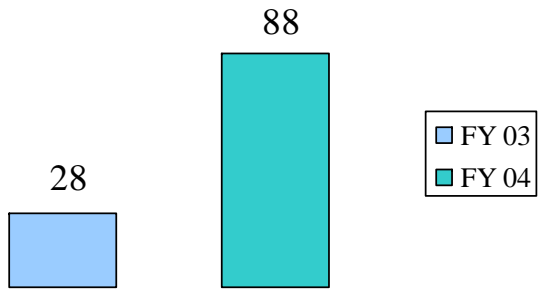
	FY 03	FY 04
Total Employee Costs	382	457
Employee No.s (Avg)	663	867
Avg Revenues per Employee	4.3	6.3
Avg PAT per Employee	0.7	1.6
Avg Cost per Employee	0.6	0.5
Employee Turnover	9%	7%



Research & Development



Patent/PCT Appl Filed



(1) As per Indian GAAP financials

Profit & Loss Account



(Rs. mm)	FY 03	% on Sales	FY 04	% on Sales
Revenues	2,833		5,493	
EBDITA	741	26	1,796	33
PBT	553	20	1,617	29
PAT	435	15	1,386	25

Balance Sheet



(Rs. mm)

	31/03/03	31/03/04
Shareholder Funds	1,340	5,742
Deferred Tax	143	177
Loan Funds	686	647
Total	2,169	6,566
Net Fixed Assets	1,439	2,194
Investments + Cash in Bank	76	3,391
Net Working capital	654	981
Total	2,169	6,566

(1) As per Indian GAAP financials

Cash Flow

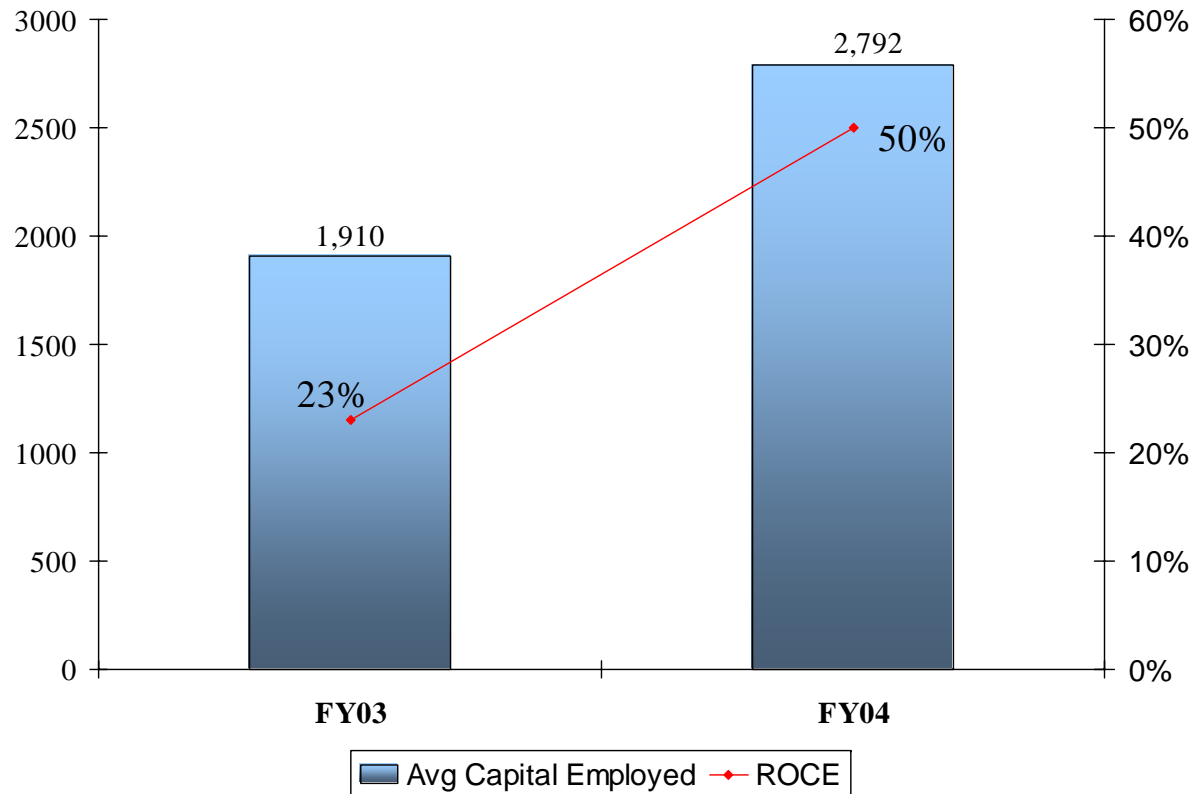


(Rs. mm)

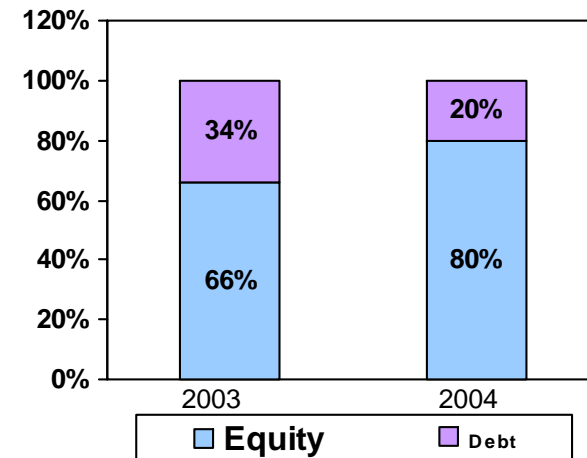
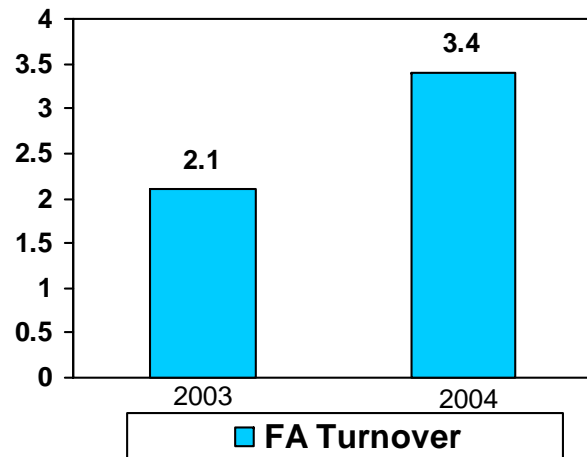
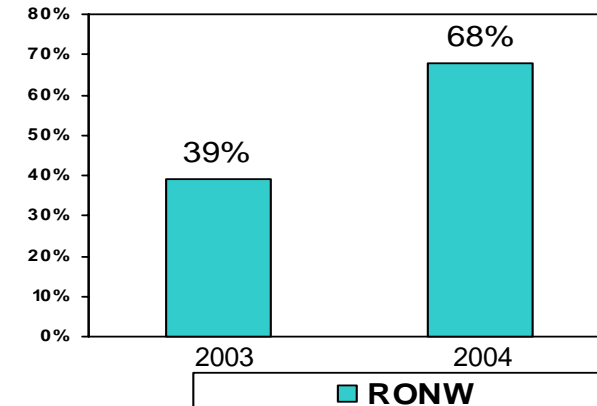
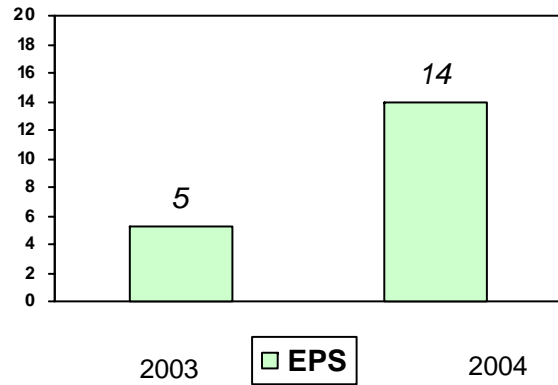
	FY 04	FY 03
Operations	1,129	497
Capex + Investments	(1,081)	(454)
Financing Activities	3,095	(35)

(1) As per Indian GAAP financials

Return on Capital Employed



Other Key Parameters



BUSINESS STRATEGY

Biocon strategy: Delivering on a long term vision



**New drug
discovery &
development**

- Clinical data mining for novel bio-makers
- Alliances for new molecules (e.g. MAb¹)
- Development of Microbial Biodiversity

**Generic
Biopharmaceuticals**

- Products with large global markets
- Near term patent expiry
- Fermentation derived molecules
- High technology barriers
- Few potential competitors

1) MAb - Monoclonal Antibodies

Funding growth opportunities through a generic development strategy

Key Messages



- **Biocon is building global competitiveness through technology, scale of manufacture and regulatory compliance.**
- **Biocon is targeting the Global API Generics markets for Statins, Immuno-suppressants and Biologicals, segments with high entry barriers and large markets.**
- **Biocon has an early mover advantage in terms of generic Recombinant Human Insulin by virtue of its DMF filed with USFDA.**
- **Biocon's integrated model (Syngene & Clinigene) enables speed of development and commercialization. It also provides co-development and co-marketing opportunities for new molecules post 2005.**



BUSINESS OUTLOOK 2004-2005

Business Outlook 2004-05



- **Expected Growth Drivers:**

 - Pravastatin to European Markets**

 - Immunosuppressants**

 - r-Human Insulin**

 - Custom Research Services**

- **R&D spend to substantially increase for investment in discovery- led research.**
- **Branded formulations to grow significantly. *Insugen*[™] to be launched soon.**





THANK YOU