



## **Broad-based business momentum helps Biocon deliver**

**16% revenue growth in FY14**

**Board recommends a dividend of ₹ 5/share (100%)**

**FY14 Performance: Revenues ₹ 2,933 Crs; EBITDA ₹ 743 Crs; PAT ₹ 414 Crs**

**Bengaluru, India: April 24, 2014**

*Commenting on the quarterly performance and highlights, Chairman and Managing Director, Kiran Mazumdar-Shaw stated, "Biocon ended fiscal 2014 on a strong note. We delivered 16% revenue growth along with a healthy EBITDA Margin of 25%. This fiscal we recorded robust performance, an outcome of our efforts aimed at optimising our product mix, augmenting capacities and driving operational efficiencies.*

*We have delivered on our promise of affordable innovation through commercialization of Alzumab™, an anti-CD6 novel biologic for Psoriasis; and CANMAb™, the world's most affordable trastuzumab. We are pleased that a large number of patients benefitted from these two products. We continue with our innovation led business strategy and look forward to deliver superior value to our stakeholders."*

### **Highlights:**

- Diversified Revenue growth in FY14
  - ❖ Biopharmaceuticals Segment: 14% YoY
  - ❖ Research Services Segment: 28% YoY
- Group EBITDA and PAT margins at 25% and 14% respectively
- R&D investments of `131 Crores (6% of Biopharma Segment sales)
- Commercial Launch of the world's most affordable trastuzumab, CANMAb®
- Inauguration of Baxter's Global Research Centre at Syngene
- Elevation of Dr. Arun Chandavarkar to Chief Executive Officer and Joint Managing Director
- Appointment of Mr. Ravi Limaye, as President – Marketing, Biocon

## Business Performance

### Financial Highlights: Q4 FY14 (In ₹ Crores)

<b>Revenue : 746</b>	<b>Revenue Breakup:</b>
<b>R&amp;D Expenses: 29</b>	<ul style="list-style-type: none"> <li>• <b>Biopharmaceuticals: 535</b></li> <li>• <b>Research Services: 188</b></li> <li>• <b>Other Income: 23</b></li> </ul>
<b>EBITDA: 193</b> (EBITDA Margin: 26%)	
<b>PAT: 113</b> (PAT Margin: 15%)	

### Biopharma

The biopharma segment delivered a growth of 14% YoY and 15% YoY for FY14 and Q4 FY14 respectively.

**Commenting on this performance, Ravi Limaye, President - Marketing, Biocon, said** *“The healthy growth of 14% this fiscal from our biopharma segment reflects our ability to manage the rapidly changing business environment. We continue our efforts to rebalance our product portfolio in the biopharma segment to ensure higher margin accretion despite the underlying current of commoditization in some of our key product portfolios. The strong traction in biosimilars, supported by capacity augmentation should hold us in good stead till our Malaysian facility comes online. The return to growth of our branded formulations segment is a positive sign, and we expect this vertical to deliver strong growth going forward.”*

### Small Molecules

Our sustained focus on optimizing our product portfolio in Small Molecules has helped us deliver a healthy set of numbers this fiscal. The recent portfolio realignment helped us offset the impact of continuous commoditization in the statins space. We have witnessed good business traction in Immunosuppressants and specialty products and expect it to sustain in FY15.

We have made investments this fiscal to progress from APIs to generic formulations and ANDAs, thereby moving up the pharma value chain. These investments will help us sustain our growth momentum in the coming years by ensuring a healthier product mix. We expect to initiate our dossier filings from this portfolio in FY15, which will bear dividends over the next few years.

### Biosimilars

Our generic Insulins portfolio has delivered strong growth this fiscal through our expanding geographical footprint and increasing market penetration. Our generic rh-Insulin is now approved in over 55 countries. This growth has been supported by our enhanced capacities over the course of fiscal 2014. Our Malaysia project is on track to be commissioned in FY15. We continue to make progress on our various developmental programs, and hope to bring some of them to the clinic in FY15.

### Branded Formulations

The branded formulations vertical grew at 9% YoY this quarter, vis-à-vis the industry growth of 7% YoY, delivering revenues of ₹93 Crs in Q4 FY14. We closed FY14 with sales of ₹391 Crs and a growth of 13% vs.



the overall industry growth of 6%, driven by our flagship brands of BioMAb EGFR<sup>®</sup>, Abraxane<sup>™</sup>, Insugen<sup>®</sup> and Basalog<sup>®</sup>. We launched our trastuzumab product, CANMAb<sup>®</sup> in India in Q4 FY14.

### **Novel Molecules**

We continue with the clinical development of our novel oral insulin molecule, IN 105, in USA, in partnership with BMS.

We have initiated the groundwork to explore expanded indications for our novel Anti CD6 molecule, Itolizumab. We are in discussions with potential partners for the out-licensing of this molecule.

### **Research Services**

The research services segment grew at 28% YoY in FY14 and 14% in Q4 FY14. The quarter also saw the inauguration of the Baxter Global Research Centre, another multi-year dedicated services engagement with a global pharma company.

**Commenting on this performance, Peter Bains, Director Syngene International, said, “We are pleased to report a strong set of numbers for FY14 with 28% YoY revenue growth which has also translated into a strong EBITDA growth. It is encouraging to see strong, broad based business momentum across our chemistry, biology, biologics and clinical service platforms. Our latest long term, dedicated research Centre for Baxter reflects the strong value that we bring to biopharma through wide ranging quality services and flexible business models. Our order book and outlook for the coming year remains robust, and, in line with our midterm outlook, we continue to invest in strengthening and enhancing our discovery and development service platforms.”**

### **Appointments:**

Mr. Ravi Limaye has joined Biocon as President, Marketing. He has over 25 years’ experience with global pharma companies like Novartis, GSK and Roussel Uclaf (now part of Sanofi). Prior to joining Biocon, Ravi was with Novartis, India, responsible for their Specialty Business, Business Development and Licensing.

### **Outlook**

We expect FY15 to reflect continued business momentum with biosimilars, branded formulations and research services driving growth. The progress in our development pipeline (across biosimilars and novel molecules) will see some of our molecules enter the clinic. We continue to make investments in infrastructure and people to support our growth.

### **About Biocon**

Biocon Limited (BSE code: 532523, NSE Id: BIOCON, ISIN Id: INE376G01013) is a fully-integrated, innovation-led, emerging global biopharmaceutical enterprise serving customers in over 85 countries. It is committed to reduce therapy costs of chronic diseases, like autoimmune, diabetes, and cancer to enable access to affordable healthcare solutions for patients, partners and healthcare systems across the globe. Biocon's key innovations include two novel biologics, BioMAb EGFR<sup>®</sup> for cancer and ALZUMAb<sup>™</sup> for psoriasis. The company has also introduced CANMAb<sup>™</sup>, the world’s most affordable trastuzumab, for HER2- positive breast cancer and has



pioneered the development of the world's first pichia-based recombinant human Insulin, INSUGEN® and insulin analog Glargine, BASALOG®. [www.biocon.com](http://www.biocon.com)

### **Disclaimer**

Certain statements in this release concerning our future growth prospects are forward-looking statements, which are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated in such forward-looking statements. Important factors that could cause actual results to differ materially from our expectations include, amongst others general economic and business conditions in India, our ability to successfully implement our strategy, our research and development efforts, our growth and expansion plans and technological changes, changes in the value of the Rupee and other currency changes, changes in the Indian and international interest rates, change in laws and regulations that apply to the Indian and global biotechnology and pharmaceuticals industries, increasing competition in and the conditions of the Indian biotechnology and pharmaceuticals industries, changes in political conditions in India and changes in the foreign exchange control regulations in India. Neither our company, our directors, nor any of our affiliates, have any obligation to update or otherwise revise any statements reflecting circumstances arising after this date or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

### **Earnings Call**

The company will conduct an hour long call at **3:30 PM IST on April 25, 2014** where the senior management will discuss the company's performance and answer questions from participants. To participate in this conference call, please dial the numbers provided below five to ten minutes ahead of the scheduled start time. The **dial-in number for this call is +91-22-3938 1081/ 6746 5891**. Other toll numbers are listed in the conference call invite which is posted on the company website [www.biocon.com](http://www.biocon.com). The operator will provide instructions on asking questions before the start of the call. To receive reminders for the earnings call, you can register [here](#). A replay of this call will also be available from **April 25, 2014 – May 3, 2014** on **+91 22 3065 1212, Playback ID: 311121#**. The transcript of the conference call will be posted on the company website within 7 working days of the investor conference call.

**Encl.: Fact Sheet - Consolidated Income Statement and Balance Sheet (Indian GAAP)**

### **Contact Information:**

#### ***Investor Relations***

**Saurabh Paliwal**  
+91 80 2808 2040  
+91 95383 80801

[saurabh.paliwal@biocon.com](mailto:saurabh.paliwal@biocon.com)

**Sweta Pachlangiya**  
+91 80 2808 2808 Ext 5481  
+91 96865 09372

[sweta.pachlangiya@syngeneintl.com](mailto:sweta.pachlangiya@syngeneintl.com)

#### ***Media Relations***

**Seema Ahuja**  
+91 99723 17792

[seema.ahuja@biocon.com](mailto:seema.ahuja@biocon.com)

**Rumman Ahmed**  
+91 98451 04173

[rumman.ahmed@biocon.com](mailto:rumman.ahmed@biocon.com)