



BIOCON'S FIRST QUARTER PERFORMANCE IN LINE WITH EXPECTATIONS

Revenues at Rs: 176 crores. EBITDA at Rs: 52 crores. PAT at Rs: 39 crores

Bangalore, July 20th 2005

Biocon Limited today announced its financial performance for the three months ended June 30th, 2005.

Note: The discussions in this release reflect the audited financial performance of Biocon Limited based on Indian GAAP on a consolidated basis. This considers the financial performance of Biocon Limited, its wholly owned subsidiaries Syngene International Private Limited and Clinigene International Private Limited and its 51% joint venture Biocon Biopharmaceuticals Private Limited.

PERFORMANCE HIGHLIGHTS

- Consolidated Sales at Rs:174 crores matched sales revenues of Q1 FY-2005 as well as the previous quarter.
- EBITDA maintained the 30% margin of the previous quarter compared to the 33% of Q1 of the previous year. This was attributable to higher price realizations in Q1 FY-2005.
- PAT at Rs: 39 crores represents a 7% decline from the previous quarter and a 20% decline from Q1 FY-2005. The decline in PAT is mainly attributable to (1) higher tax charge in the current quarter due to a significant portion of export sales being routed through domestic channels. (2) reduced treasury income of Rs: 2 crores commensurate with the deployment of IPO funds in the expansion program.
- Contract Research Services from Syngene and Clinigene registered a 35% growth over Q1 FY-2005 and matched the previous quarter.

Syngene has signed up new contracts this quarter which will generate additional revenues in the forthcoming quarters. The recently announced strategic partnership with SCIREX, a US based CRO is also expected to generate additional business for Clinigene this fiscal.

- Biocon's new facilities are set to address US Patent expirations of Prava and Simvastatin in mid-2006 which will open up significant opportunities for Biocon starting Q4 FY 2006.
- Biocon's *Pichia* based Recombinant Human Insulin is poised to address large global opportunities. *Insugen* is under registration in over 20 countries in Europe, Middle East, Latin America and Asia.
- Biocon's discovery led research programs are making good progress: Oral Insulin is on track to file an INDA with USFDA by the year end. *Biomab*[®], an anti EGFR antibody is in the final stages of Phase IIb clinical trials and expects to file for fast track approval in India by the yearend.



OUTLOOK

Commenting on the results, **Kiran Mazumdar-Shaw, Chairman & Managing Director, Biocon Limited** , said:

"I am satisfied that the overall financial performance is in line with our plan. As anticipated, the pricing pressure in the European markets have affected our percentage margins this quarter. The outlook for the year ahead remains positive. The new growth drivers viz. Insulin, immuno-suppressants and branded formulations are building the bio-pharmaceuticals business in a more robust manner and reducing the dependence on Statins. New research contracts both at Syngene and Clinigene will deliver additional growth. The new capacities that will come on stream in the latter half of this fiscal will also contribute to overall growth.

The real excitement in the quarter lies in the progress made in our discovery-led research programs in Diabetes and Oncology. These are expected to develop into large global opportunities in the next 2-3 years. It is therefore important in this context to evaluate Biocon's business prospects with a longer term perspective rather than a quarterly review. I would like to reaffirm our belief in our innovation pathway which will deliver long term, sustainable value to our shareholders."

CORPORATE DEVELOPMENTS

Clinigene enters into a strategic partnership with SCIREX

Biocon's subsidiary, Clinigene has signed a MOU with SCIREX Corporation, a subsidiary of Omnicom, a Fortune 500 Company. SCIREX is a well recognized global CRO (Clinical Research Organization) with operations in USA & Europe. The emerging relevance of Asia as a clinical development hub has encouraged SCIREX to partner with Clinigene. Clinical Services is projected to be a large business opportunity for CROs in the Asian region and this partnership is envisaged to build global scale for Clinigene.

Clinigene plans further clinical trials for h-R3, an EGFR monoclonal antibody being developed by Biocon Biopharmaceuticals

Post evaluation of the h-R3 antibody for its efficacy on head and neck cancers, Clinigene expects to commence clinical trials for other indications including pancreatic and colo-rectal cancer, glioblastoma, breast and lung cancers early next year.

Syngene's business prospects remain robust

Syngene has procured new research contracts from both existing and new customers which will translate into incremental revenues for this fiscal. Syngene's clients include 6 of the top 10 global Pharma majors.



Biocon has commenced PMS studies for *Insugen*[®]

Biocon will conduct a Post Marketing Surveillance (PMS) for *Insugen*[®] to establish its safety profile. Under the study approximately 500 investigators will monitor about 7500 patients for a period of six months. This data is expected to be obtained by the end of this fiscal.

Biocon has commenced Pre-clinical studies for Oral Insulin

Biocon has commenced pre-clinical studies to generate data for its Oral Insulin molecule, IN 105 to support IND filings with National and International Regulatory Authorities.

About Biocon

Established in 1978, Biocon Limited is one of India's premier biotechnology companies. Biocon and its two subsidiary companies, Syngene International Pvt Ltd and Clinigene International Pvt Ltd form a fully integrated biotechnology enterprise, specializing in biopharmaceuticals, custom research, clinical research and enzymes. With successful initiatives in clinical development, bioprocessing and global marketing, Biocon delivers products and solutions to partners and customers across 50 countries. Visit us at www.biocon.com

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, any member of the syndicate nor any of their respective 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.

Encl: Summarised Consolidated Profit & Loss Statement

For further information contact:

Paula Sengupta / Gayatri Appaya
Biocon Limited
Tel: +91 80 2852 3434
Fax: +91 80 2852 3423
Email: paula.sengupta@biocon.com
Gayatri.Appaya@biocon.com

Anjana Kher / Bhuvana Krishnamurthy
Genesis Public Relations, Bangalore
Tel: +91 80 25589122/3
Fax: +91 80 25589125
Email: akher@genesisp.com /
bkrishnamurthy@genesisp.com

BIOCON LIMITED (CONSOLIDATED)
PROFIT & LOSS STATEMENT
(Rs. crores)

Particulars	Q1 FY 2006	Q1 FY 2005	Variance Q1 FY 06 vs Q1 FY 05	Full Year ended March 31, 2005
<u>INCOME</u>				
Sales-Biopharmaceuticals	135	140	-3%	557
Sales- Enzymes	20	20	-3%	90
Contract research	19	14	35%	66
Total Sales	174	174	0%	713
Other income	2	4		15
Total Income	176	178	-1%	728
<u>EXPENDITURE</u>				
Manufacturing & other exp	124	121	2%	489
PBIDT /EBIDTA	52	57	-9%	239
Interest and finance charges	0	0		2
PBDT	52	57	-7%	237
Depreciation	7	5		22
PBT	45	52	-14%	215
Taxes	7	3		18
PROFIT FOR THE PERIOD	38	49	-20%	197
Add/(loss): Minority interest	1	0		1
NET PROFIT (PAT)	39	49	-20%	198
EPS on issued capital– (Rs)	3.9	4.9	-20%	19.8

NOTE: The figures are rounded off to nearest crores, percentages are based on absolute numbers