



PRESS RELEASE

Bangalore,

January 18, 2006

BIOCON'S 9 MONTHS (FY06) PERFORMANCE CONTINUES IN LINE WITH EXPECTATIONS

Revenues Rs. 578 crs : EBITDA Rs. 173 crs : PAT Rs. 126 crs

Biocon Limited today announced its financial performance for the nine months ended December 31, 2005.

PERFORMANCE HIGHLIGHTS - 9 MONTHS FY06 :

- Consolidated Sales grew by 7% over the same period in the previous year. Operating profits (EBITDA) fell by 7%. Profit after Tax margins are at a healthy 22%.
- Operating results continue to be challenged by the difficult pricing environment in the European Statins market. However, the US market for generic Statins offer respite in 2006-07.
- Research Services, Insulin and other pharmaceutical products performed strongly.
- Biocon's discovery led Diabetes and Oncology research programs are making good progress.
- Dedicated Sales Organisation established for Oncology Products

OUTLOOK :

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

"I am pleased that we continue to deliver healthy profits at a time when we are investing in our discovery led research programs. Operating (EBITDA) margins of 30% demonstrate the quality and spread of our various businesses. We are excited with the progress being made on the research & development front as we believe that we are creating powerful innovation platforms for our future. We are now building domain knowledge in both Oncology and Diabetes which are the focal points of our discovery led research programs. This research combined with our manufacturing expertise reinforces our integrated bio-pharmaceutical model"

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.



CORPORATE DEVELOPMENTS :

2ND SCIENTIFIC ADVISORY BOARD:

The tenure of the First SAB came to an end on 31st December, 2005. The company has constituted the Second SAB as follows:

CHAIRMAN:

Prof. Charles L. Cooney, Department of Chemical & Biochemical Engineering, MIT, USA

MEMBERS:

Dr. Bala S. Manian, Reamatrix Inc., USA & India

Dr. Anthony Allison, Alavita Pharmaceuticals Inc., USA

Dr. Hans Wigzell, Karolinska Institute, Sweden

Dr. Chaitanya R. Divgi, Memorial Sloan-Kettering Cancer Center, USA

Dr. Kiran Mazumdar-Shaw, Biocon Limited, India

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, bio-processing and global marketing, Biocon delivers products and solutions to partners and customers across the Globe. 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, nor our Directors, or 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.

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

Anjana Kher / Bhuvana Krishnamurthy
Genesis Public Relations, Bangalore

Tel: +91 80 25589122/3

Fax: +91 80 25589125

Email: akher@genesispr.com/bkrishnamurthy@genesispr.com

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

Particulars	Q3	Q3	Variance	Nine	Nine	Variance	Full Year
	FY 2006	FY 2005	Q3 FY 06 vs Q3 FY 05	Months ended FY 06	Months ended FY 05	FY 06 vs FY 05	ended March 31, 2005
<u>INCOME</u>							
Sales - Biopharmaceuticals	154	138	11%	445	425	5%	557
Sales - Enzymes	18	22	-14%	60	66	-8%	90
Contract Research	27	18	49%	69	47	45%	66
Total Sales	199	178	12%	574	538	7%	713
Other income	2	5		4	12		15
Total Income / Revenues	201	183	10%	578	550	5%	728
<u>EXPENDITURE</u>							
Material & Power costs	104	98		311	283		383
Staff costs	16	13		47	44		57
Other expenses	20	7		47	36		49
Manufacturing & other exps	140	118	19%	405	363	12%	489
PBDIT /EBIDTA	61	65	-6%	173	187	-7%	239
Interest and finance charges	1	1		1	2		2
PBDT	60	64	-6%	172	185	-7%	237
Depreciation	7	6		22	16		22
PBT	53	58	-9%	150	169	-11%	215
Taxes	9	8		25	15		18
PROFIT FOR THE PERIOD	44	50	-13%	125	154	-19%	197
Add/(less): Minority interest	0	0		1	1		1
PAT	44	50	-13%	126	155	-19%	198
EPS on paid-up capital (Rs)	4.4	5.0		12.6	15.5		19.8

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