



PRESS RELEASE
For Immediate Publication

BIOCON'S 9 MONTHS FY 07 DELIVERS ROBUST PROFITS
Revenues Rs. 710 crs : EBITDA Rs. 200 crs : PAT Rs. 140 crs

Bangalore, January, 18th, 2007

Biocon Limited today announced its financial performance for the nine months ended December 31st, 2006.

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 Revenues for the 9 month period, grew by 23% over the same period in the previous year. Operating profits (EBITDA) increased by 16%. Profit after Tax (PAT) rose by 11%.
- Q3 FY 07 registered an impressive 26% PAT growth over Q3 last year and 22% over the sequential quarter (Q2 07), reflecting a significant improvement in the overall business.
- Research Services and Biopharmaceuticals delivered strong growth supported by Statin exports to the US market and technology and licensing revenues.
- Biocon's BIOMAb-EGFRTM has made a successful debut in the Indian market and will shortly commence label expansion trials for Non Small Cell Lung Cancer and Glioma.
- Biocon's Oral Insulin program has successfully completed Phase I Human clinical trials and expects to enter Phase II Human Clinical Trials later this year.
- Biocon has licensed BIOMAb-EGFRTM for the Pakistan market.
- Biocon has signed an MOU for a JV with Abu Dhabi based NMC group, for strategic marketing and manufacturing co-operation for the GCC region.

OUTLOOK:

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

"We are pleased that our investments in R&D and Biocon Park are beginning to deliver healthy and sustainable profits. We are confident that Biocon's research efforts will enable us to participate in large global opportunities in Oncology, Rheumatoid Arthritis and Diabetes. Our recently launched BIOMAb-EGFRTM will undergo trials for label expansion, whilst T1h (Anti-CD6 antibody) and IN105 (Oral Insulin) are expected to enter Phase II Clinical Trials in 2007.

BIOMAb-EGFRTM has made a successful debut in the Indian market and is now set to enter the Pakistan market through a licensing arrangement with Ferozsons Laboratories, a leading onco-pharmaceutical company.

Biocon is now focused on building marketing and distribution capabilities that will provide direct channels of access to international markets. The proposed JV with the NMC Group in Abu Dhabi is the first step in this direction.

The Board is satisfied that FY 07 will reflect good strategic and financial progress."

CORPORATE DEVELOPMENTS :

MOU WITH NMC GROUP FOR GCC JV:

Biocon and Abu Dhabi's NMC Group have signed an MOU to establish a JV to manufacture and market a range of Bio-pharmaceuticals for the GCC region (Gulf Cooperation Council). This landmark agreement between the two companies heralds the region's first foray to develop and market life-saving biopharmaceutical products and will expand Neopharma's (NMC Group) existing portfolio with a range of Biocon's therapeutic products. These products will be in the cardiovascular, diabetes and oncology segments, which represent the fastest growing class of drugs in the \$ 5 billion GCC pharmaceutical market. This JV is a key milestone for Biocon's marketing foray in the Gulf.

USFDA INSPECTION OF BIOCON PARK:

Biocon's SEZ facilities at Biocon Park have been inspected by USFDA in December 2006 and the Establishment Inspection Report is expected by early 2007. Qualification of these new facilities will help address the important North American markets for statins and immunosuppressants.

PHASE IV PMS INSUGEN®:

Biocon recently concluded a landmark Post-marketing study entitled PRIDE, for the evaluation of clinical safety and efficacy of its flagship product, INSUGEN®. This recently concluded study is India's largest documented safety study conducted on Insulin involving more than 500 doctors and 6000 patients nationwide. As per the results of the study, the Investigators opined that safety and efficacy of INSUGEN® was at par with the leading marketed brands of Insulin. This key milestone reinforces the confidence that Insulin patients and the medical community have with Biocon's INSUGEN® brand. The data generated from the PRIDE study is expected to significantly support INSUGEN® and Insulin registration in the North American and European Markets.

LICENSING OF BIOMAB-EGFR™ TO PAKISTAN

Biocon has granted an exclusive license to Ferozsons Laboratories Limited for marketing BIOMAb-EGFR™ in Pakistan. Ferozsons Laboratories Limited is ranked as the #1 national oncology company. The Pakistan oncology market is valued at approximately US\$70Million. Monoclonal Antibodies represent the fastest growing category of therapeutics with a CAGR of 30%. BIOMAb-EGFR™ is indicated for Head and Neck cancer and is being studied in global clinical trials for Colorectal, Lung Cancer, Glioma and Pancreatic cancers. There are more than 25,000 new cases of Head & Neck cancer reported per year in Pakistan, according to Globocan.

BIOCON TO ESTABLISH LONDON OFFICE

During the visit of Rt. Hon. Gordon Brown, MP, Chancellor of the Exchequer, Her Majesty's Treasury and Rt. Hon. Alistair Darling, MP, Secretary of State of Trade and Industry, Biocon announced that it will establish a London office by April 2007. With the European Union having drawn up the framework for biosimilars, the London office will help Biocon address large emerging opportunities in insulin and other biosimilars. The London office will also serve as a hub for research partnerships with companies and research institutions in the region.

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. Many of these products have USFDA and EMEA acceptance. Biocon launched the world's first recombinant human insulin, INSUGEN® in November 2004 using Pichia expression and India's first indigenously produced monoclonal antibody BIOMAb-EGFR™. 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, 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.

Encl: Summarised Consolidated Profit & Loss Statement

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