



Biocon Group's FY 2005 revenue crosses Rs. 700 crores
PAT increases 42% to Rs. 198 crores

Bangalore, April 20, 2005

Biocon Limited today announced its financial performance for the financial year ended March 31, 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

FY2005 (April 2004 - March 2005) v/s FY20034 (April 2003 - March 2004)

- Total income increases by 34% to Rs. 728 crores from Rs 542 crores.
- Operating profits at 33%, moves upto Rs. 239 crores from Rs. 180 crores.
- PAT increases 42% to Rs. 198 crores from Rs. 139 crores.
- Net margins expand from 26% to 27%.
- Earnings per share at Rs. 19.8 for the year.
- Dividend of 40% (Rs. 2 per share) recommended by the Board.

Revenue analysis

- Revenues from the biopharmaceuticals business improve by 28% to Rs. 557 crores from Rs 435 crores, contributing 77% to total revenues in FY 2005.
- Revenues from custom and clinical research higher by 70% to Rs. 66 crores from Rs. 39 crores.

Outlook

Commenting on the results, **Kiran Mazumdar-Shaw, Chairman & Managing Director,**



Biocon Limited , said: "I am pleased to report continued growth for the Financial Year ended 31st March, 2005. All our key businesses, viz. biopharmaceuticals, enzymes and research services demonstrated positive growth.

The numbers reported today have exceeded our internal profit targets. Given the increased capacity coming on stream in FY 2005-06, we are confident of achieving healthy sales growth, despite the pricing pressure on our Statins business. We will maintain current levels of operating margins. However, profit for the year ahead will not grow as fast as sales. This will be partly attributable to an increased depreciation charge on our new facilities which will cater to large US market opportunities for Simvastatin and Pravastatin emerging in 2006 but more importantly, the Company plans to significantly increase R&D investments to support a discovery led research strategy. We believe this approach will deliver superior shareholder value over the medium and long term.

Consistent with our stated research strategy, we have made significant progress in our collaborative in-licensed R&D programs viz. h-R3/Cancer Vaccines (CIMAB), Oral Insulin (NOBEX) and Human Antibodies (VACCINEX). We see these as rapidly developing into very large global opportunities over the next 3-4 years.

Our outlook for the year ahead is very positive. We expect statins, immunosuppressants, Insulin and branded formulations to deliver significant growth. Research services will also be a key growth driver.

It is important to reiterate that the Biotechnology sector needs to be evaluated on a medium to long term rather than on a quarterly basis. **Biotechnology can be best described as a businessmodel wherein much of the potential is invisible given the inherent development and regulatory time lines.** Business success often appears in sudden spurts linked with licensing deals, patent timelines or regulatory approvals.

Biocon is now pursuing a strong innovation path that includes proprietary products and technologies with enormous growth potential. We believe that investing in discovery led R&D is essential for building long term, sustainability in our business especially in light of the new WTO-TRIPS era."

CORPORATE DEVELOPMENTS

Biocon launches *Insugen*® in the domestic market

Biocon launched *Insugen*® a recombinant Human Insulin in the domestic market. The product has been well received and has been steadily gaining market share since its introduction in mid-November 2004.

Clinigene commences Phase IIb Human Clinical trials for h-R3, an EGFR monoclonal antibody being developed by Biocon Biopharmaceuticals

A 4-arm, Phase IIb Human Clinical trial for h-R3, an EGFR monoclonal antibody has



commenced. The antibody is being evaluated for its efficacy on head and neck cancers. The said trial will later be extended to other indications including pancreatic and colorectal cancer, glioblastoma, breast and lung cancers.

Biocon entered into a joint research program with US Biotech company, Nobex Corporation to develop Oral Insulin

Biocon and North Carolina, (USA) based Nobex Corporation announced a joint research and development program for an Oral Insulin based on Nobex's proprietary conjugated peptide delivery platform. The 2 partners expect to file an INDA with USFDA by the end of Calendar Year 2005.

Biocon entered into a strategic partnership with Rochester based Vaccinex Inc. for antibodies

Biocon announced a strategic partnership with Rochester (USA) based Biotechnology company, Vaccinex Inc. to develop a pipeline of novel human therapeutic monoclonal antibodies. Given Biocon's strategic foray into immuno-therapy, Vaccinex's human antibody platform provides a strong IP protection for its discovery programs.

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

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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

PROFIT & LOSS STATEMENT
(Rs. crores)

Particulars	Full Year ended March 31, 2005	Full Year ended March 31, 2004	Variance FY 05 vs FY 04
<u>INCOME</u>			
Sales-Biopharmaceuticals	557	435	28%
Sales- Enzymes	90	67	35%
Contract research	66	39	70%
Total Sales	713	541	32%
Other income	15	1	
Total Income	728	542	34%
<u>EXPENDITURE</u>			
Manufacturing & other exp	489	362	35%
PBIDT	239	180	33%
Interest and finance charges	2	2	
PBDT	237	178	33%
Depreciation	22	16	
PBT	215	162	33%
Taxes	18	23	
PROFIT FOR THE PERIOD	197	139	42%
Add: Minority interest	1	0	
NET PROFIT (PAT)	198	139	42%
EPS on issued capital- (Rs)	19.8	13.9	42%

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