



Bangalore, India

October 19, 2011

BIOCON LIMITED ANNOUNCES EARNINGS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2011.

BIOCON POSTS A STRONG 17% YOY GROWTH IN REVENUES IN H1FY12;

LAUNCHES INSULIN DELIVERY DEVICE *INSUPen*[®]

Revenues at Rs 978 crores; EBITDA at Rs 282 crores; PAT at Rs 156 crores

*Commenting on the results, Chairman and Managing Director Kiran Mazumdar-Shaw stated, "I am pleased with the good progress we have made in the first half. I am particularly encouraged that this growth has been attained across all our verticals. The performance in Branded Formulations and Research Services has been particularly strong. The Branded Formulations segment has delivered a solid 37% YoY growth while Research Services has grown by a robust 20%. The recent launch of *INSUPen*[®], our long-awaited device for Insulin delivery, is expected to further propel sales in our Branded Formulations vertical. H1FY12 has delivered a Group PAT of Rs. 156 crores. The global economic outlook is challenging at the moment. Nevertheless, I believe that the Biocon Group will continue to deliver broad-based growth in the second half."*

Biocon Group (consolidated)

For Half-Year ended September 30, 2011

- Revenues at Rs 978 crores. Up 17% YoY.
- EBITDA at Rs 282 crores. YoY growth of 11%.
- PAT at Rs 156 crores. YoY growth of 6%.
- EBITDA Margin at 29%.
- Earnings Per Share at Rs 7.8.

For three-months ended September 30, 2011

- Revenues at Rs 524 crores. Up 23% YoY.
- EBITDA at Rs 149 crores. YoY growth of 9%.
- PAT at Rs 86 crores. YoY growth of 5%.
- EBITDA Margin at 29%.
- Earnings Per Share at Rs 4.3.

Headcount at ~5,800 employees.

Business Performance and Outlook

Biopharmaceuticals

The Biopharma business posted a 15% YoY increase in revenues in the first half of this fiscal on the back of strong growth across all segments including Statins, Immunosuppressants and Insulins.

Sales of Fidaxomicin API to Optimer began in June 2011. Biocon is the sole supplier of the drug substance for global markets. There has been better-than-expected off-take in Fidaxomicin API and Biocon is focussed on improving operational efficiencies to meet the increased demand.

Biosimilar Insulins – Our co-marketing partner, Pfizer, launched Insulin and Glargine under the brand names Univia and Glarvia this past quarter in India.

Launch of INSUPen® – Biocon launched in India its reusable insulin delivery device INSUPen® on October 17, 2011. *INSUPen®* is a differentiated device based on proprietary German technology designed for efficiency, accuracy and safety. *INSUPen®* is a first-in-class reusable delivery device and is unique in being able to deliver both *Basalog™* and *Insugen™*, thus maximizing patient convenience. Additionally, a team of 125 Diabetic Care Advisors has been recruited across India to support Biocon's existing helpline for diabetics. Biocon's "*One call does all*" offers complementary wide-ranging support for this device with several perquisites like at-home product demos, counseling on lifestyle changes and answers to product-related queries. *INSUPen®* has a choice of 3 colors with a complimentary set of needles with every refill cartridge of *Basalog™* and *Insugen™*.

Biosimilar MABs – *Commenting on the progress of the biosimilar MABs program, Rakesh Bamzai, President Marketing said, "Biocon and its co-development partner, Mylan are very satisfied with the operational progress we are making with our development programs for biosimilars. We have achieved a number of important milestones in these programs and are on track to obtain registrations in time to meet our estimates for market formation for the key molecules in our programs."*

Malaysia project – The ground breaking for the green-field biopharmaceutical facility in Malaysia took place on 10th September 2011 in the presence of Honorable Y.A.B. Dato Haji Abdul Ghani bin Othman, Chief Minister of Johar, Malaysia.

Branded Formulations – The six divisions in Branded Formulations, namely, Diabetology, Oncotherapeutics, Nephrology, Cardiology, Immunotherapy and Comprehensive Care, have posted a combined YoY growth of 37% for H1FY12.

- ❖ **Diabetology** – Biocon jumped from #5 to #4 in the overall insulin segment, with a 46% growth rate that outpaces that of the market's 26% as per MAT August 2011. *Insugen™* 40 IU, Biocon's flagship brand of insulin, is ranked #3, having posted a YoY growth of 40% as of August 2011 MAT. *Basalog™*, in its third year of introduction continues to grow at a healthy 86%, now commanding the #1 position in Glargine vials.

The Orals category of Diabetology saw the launch of *Volicoose™* and *Metadoze V™* for the management of post-prandial glucose.

- ❖ **Comprehensive care** – Most brands in this segment now rank in the top 20 brands in their categories. The second quarter saw two new launches – *Teconin™* for bone and joint infection and *Vancowar CP™* for MRSA (Methicillin resistant *Staph. Aureus*).
- ❖ **Nephrology** – The second quarter of FY12 saw the Nephrology business unit deliver a strong double-digit growth of 18% driven by a strong 25% growth in the renal transplant portfolio comprising of *Tacrograf™*, *Renodapt™*, and *Cyclophil ME™*.

This past quarter also saw the positioning of *Erypro Safe™* as the first clinically evaluated rHuEPO-alpha in Indian patients with a good immunogenicity profile.

During the quarter, the Nephrology business unit launched *Neporin™*, a brand of unfractionated Heparin sodium; Heparin is widely used as an anti-coagulant during Hemodialysis for chronic kidney disease patients.

- ❖ **Oncotherapeutics** – Growth in this segment was primarily driven by *Abraxane* which continues to be ranked 3rd in the taxane market and *BIOMAb™* which is currently 2nd in the anti-EGFR MAb market.

Brand *Evertor™* was launched in January 2011. The brand has grown by 62% in value terms in Q2FY12 over Q1FY12. *Evertor* is the first and only generic brand of Everolimus in India.

- ❖ **Immunotherapy** – All the three brands launched by the Immunotherapy business unit *TBIS™* (Tacrolimus), *PICON™* (Pimecrolimus) and *PSORID™* (Cyclosporin) have made significant progress in their markets. According to ORG IMS, *TBIS* has become the 3rd largest brand of Tacrolimus in value in India in the first year of its launch. *PSORID™* has proved to be an important treatment option for the dermatologists for their patients suffering from Psoriasis.
- ❖ **Cardiology** – In the second quarter of this fiscal, this business unit grew by ~20% vis-a-vis last year compared to the market that grew at 15%. *Clotide™* continues to be the number one brand and *Myokinase™* is ranked 2nd in India.

Research Pipeline – Biocon continues to advance its novel portfolio, including the Anti-CD6 (*Itolizumab*) and Anti-CD20 (BVX-20) programs. The currently ongoing TREAT-PLAQ Phase 3 study in Psoriasis should be completed in the fourth quarter of this year with the results likely available in the first quarter of next year. The Phase 1 study for BVX-20 is expected to start in the first quarter of next year.

We continue to engage with global pharmaceutical companies for partnering our novel IN-105 oral insulin program.

On the Phybrid program with our co-development partner Amylin, there are plans to submit an IND and commence phase 1 study by end of 2011.

On licensing, Dr. Arun Chandavarkar, Chief Operating Officer, said “Partnering our R&D assets and entering into commercialization partnerships, both global and regional, continue to be an important aspect of our business strategy. This will generate income through licensing and milestones over the

next few years. However, this revenue stream will have a fairly high degree of volatility and unpredictability.”

Research Services – Syngene has delivered a robust half year performance with sales growing at 20% YoY. *Commenting on this performance Peter Bains, Director, Syngene International, said, “ This has been another encouraging quarter and carries forward the momentum of the first quarter to give a very solid half-year position. Our strong sales are driving improved operational performance and we are continuing in our strategy to invest in both our capacity and our range and depth of capabilities to enable Syngene to offer stronger, broader and higher value services to serve our clients’ needs to support their discovery and development goals.”*

Management update – With effect from 1st November 2011, Dr. Abhijit Barve, currently COO, Clinigene will assume charge as President, R&D of Biocon. *Commenting on this important management announcement, CMD Kiran Mazumdar-Shaw, said “Given the advancement of Biocon’s research pipeline increasingly into the clinic, Dr. Barve’s extensive experience in clinical research will be a critical asset to Biocon’s R&D.”*

About Biocon

Established in 1978, Biocon Limited (**BSE code:** 532523, **NSE Id:** BIOCON, **ISIN Id:** INE376G01013) is India's largest biotechnology company by revenue. The Group, promoted by Ms. Kiran Mazumdar-Shaw, is a fully-integrated, innovation-driven healthcare enterprise with strategic focus on biopharmaceuticals and research services. Biocon’s value chain traverses the entire length of discovery, development and commercialization of novel therapeutics. With successful initiatives in clinical development, bio-processing and global marketing, Biocon delivers products and solutions to partners and customers in approximately 75 countries across the globe. Many of these products have USFDA and EMA acceptance. Biocon’s robust product offering includes the world’s first Pichia-based recombinant human Insulin, INSUGEN® and India’s first indigenously produced monoclonal antibody BIOMAb-EGFR^(TM). 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 pm IST on October 20, 2011 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 numbers for the call are 1 800 200 7888/1 800 102 1300 (India Toll Free numbers are accessible through all mobiles and landline services). Other toll numbers are listed in the conference call invite which is posted on the company website www.biocon.com. The operator will provide instructions on asking questions before the start of the call. A replay of this call will also be available from October 20, 2011 – October 26, 2011 on the same dial-in numbers provided above. The transcript of the conference call will be posted on the company website.

[Encl: Fact Sheet - Consolidated Income Statement and Balance Sheet \(Indian GAAP\)](#)

BIOCON GROUP

FACT SHEET

September 2011

H1 FY 2012 vs. H1 FY 2011

Q2 FY 2012 vs. Q2 FY 2011

BIOCON LIMITED (CONSOLIDATED) UNAUDITED		
BALANCE SHEET		<i>(Rs. Crores)</i>
	September-11	March -11*
<u>SOURCES OF FUNDS</u>		
Share Capital	100	100
Reserves & Surplus	2,107	1,933
Total Shareholder's Funds	2,207	2,033
Deferred Tax Liability	41	50
Minority Interest	-	38
Secured Loans	214	204
Unsecured Loans	119	130
	333	334
TOTAL	2,581	2,454
<u>APPLICATION OF FUNDS</u>		
Fixed Assets (Net)	1,493	1,356
Intangible Assets	238	234
Investments - Liquid Funds	467	400
Investments - Others	64	61
Inventories	343	414
Sundry debtors	506	512
Cash and bank balances	319	441
Loans and advances	174	136
Total Current Assets	1,342	1,503
Less: Current liabilities	1,023	1,100
Net Current assets	318	403
TOTAL	2,581	2,454
* including Axicorp		

BIOCON LIMITED (CONSOLIDATED) UNAUDITED PROFIT & LOSS STATEMENT			
			<i>(Rs. Crores)</i>
Particulars	Q2 FY 12	Q2 FY 11	Variance
<u>INCOME</u>			
Biopharmaceuticals	351	294	19%
Biopharmaceuticals - Branded formulations	64	49	35%
Total Biopharmaceuticals	415	343	21%
Contract research	93	78	19%
Total Sales	508	421	21%
Other income	16	7	116%
Total Revenue	524	428	23%
<u>EXPENDITURE</u>			
Material & Power Costs	237	189	25%
Staff costs	72	52	38%
Research & Development	31	20	55%
Other Expenses	35	30	19%
Manufacturing, staff & other expenses	375	291	29%
PBDIT /EBITDA	149	137	9%
Interest and finance charges	2	6	-68%
Depreciation & Amortisation	42	38	13%
PBT	105	93	12%
Taxes	19	11	69%
NET PROFIT (PAT) WITHOUT AXICORP	86	82	5%
Profit from discontinued (AxiCorp) Operations, net	-	7	
NET PROFIT FOR THE PERIOD	86	89	-4%
EPS Rs.	4.3	4.5	
<i>Note: The figures are rounded off to nearest crores, percentages are based on absolute numbers</i>			
<i>Biopharmaceuticals Income includes Licensing development fees of Rs 37 crores in Q2 FY 2012 vs. Licensing Income of Rs.23 crores in Q2 FY 2011.</i>			

BIOCON LIMITED (CONSOLIDATED) UNAUDITED PROFIT & LOSS STATEMENT			
			<i>(Rs. Crores)</i>
Particulars	H1 FY 12	H1 FY 11	Variance
<u>INCOME</u>			
Biopharmaceuticals	648	583	11%
Biopharmaceuticals - Branded formulations	122	88	37%
Total Biopharmaceuticals	770	671	15%
Contract research	180	150	20%
Total Sales	950	821	16%
Other income	28	16	81%
Total Revenue	978	837	17%
<u>EXPENDITURE</u>			
Material & Power Costs	449	384	17%
Staff costs	137	103	33%
Research & Development	51	41	24%
Other Expenses	59	54	11%
Manufacturing, staff & other expenses	696	582	20%
PBDIT /EBITDA	282	255	11%
Interest and finance charges	8	13	-39%
Depreciation & Amortisation	88	74	19%
PBT	186	168	11%
Taxes	30	21	45%
NET PROFIT (PAT) WITHOUT AXICORP	156	147	6%
Profit from discontinued (AxiCorp) Operations, net	-	19	
NET PROFIT FOR THE PERIOD	156	166	-6%
EPS Rs.	7.8	8.3	
<p><i>Note: The figures are rounded off to nearest crores, percentages are based on absolute numbers</i></p> <p><i>Biopharmaceuticals Income includes Licensing development fees of Rs 51 crores in H1 FY 2012 vs. Licensing Income of Rs.44 crores in H1 FY 2011.</i></p>			