



For Immediate Press Release

BIOCON'S Q1 FY '09 IMPACTED BY EXCEPTIONAL FACTORS

Revenues Rs. 277 crores. EBITDA Rs. 70 crores

PAT Rs. 15 crores (MTM provision Rs. 26 crores)

Bangalore, July 17th, 2008

Biocon Limited today announced its financial performance for the three months ended June 30th, 2008.

PERFORMANCE HIGHLIGHTS

- Sales on a like for like basis (i.e. excluding enzymes) increased by 7%.
- Pre tax profits at a consolidated level were impacted by exchange losses across the group by Rs. 6 crores. A Mark to Market provision of Rs. 26 crores added to the impact.
- Absence of licensing income affected Q1 FY '09 profits. Licensing income is event driven and inherently variable across quarters. Licensing Income accounted for Rs. 17 crores in Q1 FY '08.
- Biopharmaceutical business (excluding licensing income) showed 40% increase in PAT (from Rs. 28 crores in Q-1 FY '08 to Rs. 39 crores in Q-1 FY '09) demonstrating strong profit growth in our core biopharmaceutical business.
- Branded formulations encompassing Cardio-Diabetes, Nephrology and Oncology delivered good growth.
- Syngene had a difficult quarter due to a number of factors. The impact of currency loss combined with operational delays resulted in a Rs. 6 crores decline in operating profit.
- Clinigene is now fully operational at its new facility and is on track to deliver 100% growth this fiscal.
- Biocon's balance sheet remains strong. Net cash as on 30th June 2008 was Rs. 74 crores.
- Clinical development of the Company's lead programs viz., IN105 (Oral Insulin) and T1h (Anti CD6 Monoclonal antibody) are progressing well.
- Biocon filed 23 new patents in Q1 FY '09 bringing the total tally to 881 filed and 154 granted patents.
- Biocon has been ranked the 20th leading Biotechnology company in the world and No:1 in Asia by a reputed US trade journal.



Outlook:

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

“Biocon’s Q1 FY ‘09 performance has been unfortunately impacted by Rupee volatility which has seen us make a Mark to Market provision of Rs. 26 crores. We have consciously been conservative in making this provision. I believe that our business fundamentals are robust, which is well demonstrated by the strong profit growth in our core biopharmaceutical business. The absence of licensing income this quarter has had a disproportionate impact on profitability. However, we are confident that licensing income will be significant this fiscal. We are particularly encouraged by the good growth demonstrated by our branded formulations where several brands have attained high rankings in their product segments in India. INSUGEN® has now garnered an all India market share of ~15% in the vial segment.

Syngene has had a particularly difficult quarter. Management is confident of compensating for this in the quarters ahead especially with the BMS facility becoming fully operational in Q3 FY ‘09.

Clinigene is now fully operational at its new facility and is on track to deliver good growth this fiscal.

We are making excellent progress on the research front with several programs approaching a licensing phase over the next 2 years, which is expected to provide attractive ROI.

We expect the quarters ahead to compensate for the exchange losses booked this quarter and end the year with improved profitability.”

CORPORATE DEVELOPMENTS:

Biocon to launch Abraxane on 18th July, 2008

Biocon Limited, India's pioneering biotechnology company, and Abraxis BioScience, Inc. (NASDAQ:ABII), a fully integrated biotechnology company, announced the launch of ABRAXANE® (paclitaxel protein-bound particles for injectable suspension) (albumin-bound) in India for the treatment of breast cancer after failure of combination therapy for metastatic disease or relapse within six months of adjuvant chemotherapy. ABRAXANE is now available in India as a single-use 100 mg vial (as a lyophilized powder, to be reconstituted for intravenous administration). ABRAXANE is approved for marketing in 35 countries including USA and Europe.

Biocon to present IN105 data at EASD, 2008

Dr. Harish Iyer, Head of R&D will present the latest data on an ascending dose Phase IIa Clinical study on Type II Diabetic patients using IN 105 (Oral Insulin) at The European Association for the Study of Diabetes meeting to be held in Rome between September 8-11th 2008. This is the first time this data is being presented at a public forum. The data clearly establishes the linear dose related response of IN105 which paves the way forward for longer term clinical trials. Phase IIb/III clinical trials are being planned for later in the year.



Biocon is ranked 20th leading Biotechnology Company in the world by Med Ad News

Med Ad News, a leading US Trade publication, ranked Biocon at No. 20 in its 2007 list of Leading Global Biotechnology Companies, based on revenue and income . The report takes into consideration drug based firms, as these companies provide the best numbers to track the progress of the sector. Biocon Limited is the only Asian company to feature in the Top 25.

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 Limited and Clinigene International Limited and its 51% joint venture Biocon Biopharmaceuticals Private Limited.

About Biocon: *Established in 1978, Biocon Limited is one of India's premier biotechnology companies. Biocon and its two subsidiary companies, Syngene International Ltd and Clinigene International Ltd form a fully integrated biotechnology enterprise, specializing in biopharmaceuticals, custom research and clinical research. 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-EGFRTM. 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.



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