



Biocon Q2 FY15 Revenues at ₹ 773 Crore, PAT at ₹ 102 Crore

Branded Formulations Records Strong Growth of 17%

Bengaluru, India: October 21, 2014

Commenting on the quarterly performance and highlights, Chairman and Managing Director, Kiran Mazumdar-Shaw stated, "The growth of our core biopharma business this quarter has been muted largely due to capacity constraints and geo-political challenges in the Middle East. However, clinical progress in our key global programs for generic Insulin Glargine and Trastuzumab is indicative of the value accretion that is realizable in the foreseeable future. The strategic investment by Silver Leaf Oak in Syngene validates the strength of our research services business and sets a good valuation benchmark. Whilst we continue to invest in R&D and capacity building for our insulins and antibodies portfolio, we expect Branded Formulations and Research Services businesses to drive growth in the interim."

Highlights:

- Biocon's partner Mylan begins multicenter phase III clinical trials for insulin glargine in the United States.
- Biocon, through its subsidiary Biocon Research Limited (BRL), buys back GE Equity International Mauritius's 7.69% stake in Syngene for Rs. 215.38 Crore. Subsequently, it enters into an agreement to sell 10% to Silver Leaf Oak (Mauritius) Limited, valuing Syngene at Rs. 3800 Crore. The transaction is subject to standard condition precedents including regulatory approvals in India.
- Syngene successfully completes USFDA pre-approval inspection of one of its manufacturing facilities.
- Biocon Foundation Receives 'Asia Best CSR Practices Award 2014' for 'Cervical Cancer Screening Program' by the World CSR Congress. The foundation also initiated Project One, a clean drinking water initiative for rural communities in the villages it serves currently.

Business Performance

Financial Highlights: Q2 FY15 (In ₹ Crore)

Revenue : 773	Revenue Breakup:
R&D Expenses: 35 (6 % of Biopharmaceutical sales)	• Biopharmaceuticals: 558
EBITDA: 188 (EBITDA Margin: 24 %)	• Research Services: 192
PAT: 102 (PAT Margin: 13 %)	• Other Income: 23



Biopharmaceuticals

Biopharma

The biopharma segment recorded revenues of Rs. 442 Crore in Q2FY15.

The biopharma business continues to be impacted by various factors like geo-political challenges in terms of credit risk in the MENA region, reduced offtake of specialty API, and capacity constraints, affecting the growth of this business. The outlook for the biopharma business remains challenging for the remaining part of this fiscal.

We continue to work towards further optimization of our product portfolio in the small molecules vertical. During the quarter, we further added to our list of ANDA filings, targeting the US generics market.

Our partner Mylan initiated multicenter phase III trials for our insulin glargine in the United States. Two trials, both for 24 weeks, comprising a total of 1100 patients (500 type-1 diabetes mellitus patients & 600 type-2 diabetes mellitus patients) are expected to be completed by June 2016.

The Malaysia insulin facility remains on track to be commissioned in H2 FY15. The commercialization of products from Malaysia will commence post validation and regulatory approvals from respective countries.

Branded Formulations

The Branded formulations business recorded revenues of Rs. 116 Crore in Q2 FY15.

The vertical grew ahead of the industry reporting a robust growth of 17% YoY. Our key brands CANMAb™ BIOMAb EGFR™ ALZUMAb™ INSUGEN® and BASALOG® continue to benefit a large patient pool in India. The growth this quarter was driven by Oncotherapeutics, Metabolics and Nephrology divisions. The vertical continues with the strategy to drive synergies and profitable growth around key anchor brands and optimization of product portfolios.

Research Services

The research services segment recorded revenues of Rs. 192 Crore.

Commenting on this performance, Peter Bains, Director Syngene International, said, “Research Services delivered a sequential revenue growth of 11% in Q2 FY15 reflecting steady business traction for our services. Our recent capacity additions have come online and we have a strong order book to support these in the near term. We continue to invest further across new and existing service platforms to sustain our growth curve and support the developing pipelines of our clients. A key highlight this quarter was the successful completion of a USFDA pre-approval inspection of one of our manufacturing facilities. We have, in the past 12 months, cleared two successive FDA audits with no 483s, underpinning the quality of our systems and processes”



This quarter, Biocon, through its wholly owned subsidiary Biocon Research Limited (BRL), purchased the 7.69% stake held by GE Equity International Mauritius in Syngene International Limited (Syngene) for an agreed consideration of Rs. 215.38 Cr.

Subsequently, Silver Leaf Oak (Mauritius) Limited, an investment vehicle advised by India Value Fund Advisors ("IVFA") agreed to acquire a minority 10% stake in Syngene from BRL at a valuation of Rs.3800 Crore. The transaction is subject to standard condition precedents including regulatory approvals in India.

-End-

About Biocon

Biocon Limited, publically listed in 2004, (BSE code: 532523, NSE Id: BIOCON, ISIN Id: INE376G01013) is India's largest and fully-integrated, innovation-led biopharmaceutical company. As an emerging global biopharmaceutical enterprise serving customers in over 85 countries, it is committed to reduce therapy costs of chronic diseases like autoimmune, diabetes, and cancer. Through innovative products and research services it is enabling access to affordable healthcare for patients, partners and healthcare systems across the globe. It has successfully developed and taken a range of novel biologics, biosimilars, differentiated small molecules and affordable recombinant human insulin and analogs from 'Lab to Market'. Some of its key brands are INSUGEN®(rh-insulin), BASALOG® (Glargine), CANMAb™ (Trastuzumab), BIOMAb-EGFR™ (Nimotuzumab) and ALZUMAb™(Itolizumab), a 'first in class' anti-CD6 monoclonal antibody. It has a rich pipeline of biosimilars and novel biologics at various stages of development including a high potential oral insulin. Visit: 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 **3:30 PM IST on October 22, 2014** 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 ten minutes ahead of the scheduled start time. The **dial-in number for this call is +91-22-3938 1081/ 6746 5891**. 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. To receive reminders for the earnings call, you can register [here](#). A replay of this call will also be available from till **October 30, 2014** on **+91 22 6181 3322**, **Playback ID: 311121**. We will aim to post the transcript of the conference call on the company website within 7 working days of the investor conference call.

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

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BIOCON GROUP

FACT SHEET

September - 2014

BIOCON LIMITED (CONSOLIDATED)		
BALANCE SHEET	(Rs. Crores)	
	Sept 30, 2014	March 31, 2014
EQUITY AND LIABILITIES		
Shareholder's Funds		
(a) Share capital	100	100
(b) Reserves and surplus	3,121	2,927
	3,221	3,027
Minority interest	62	82
Non-current liabilities		
(a) Long-term borrowings	783	606
(b) Deferred tax liability (net)	42	45
(c) Other long-term liabilities	580	603
(d) Long-term provisions	10	8
	1,415	1,262
Current liabilities		
(a) Short-term borrowings	400	244
(b) Trade payables	440	347
(c) Other current liabilities	485	612
(d) Short-term provisions	77	177
	1,402	1,380
TOTAL	6,100	5,751
ASSETS		
Non-current assets		
(a) Fixed assets	2,990	2,719
(b) Goodwill	179	12
(c) Non-current investments	65	65
(d) Long term loans and advances	298	269
(e) Other non-current assets	161	47
(f) Deferred tax asset	5	-
	3,698	3,112
Current assets		
(a) Current Investments	334	700
(b) Inventories	437	377
(c) Trade receivables	662	600
(d) Cash and cash equivalents	756	804
(e) Short term loans and advances	117	82
(f) Other current assets	96	76
	2,402	2,639
TOTAL	6,100	5,751

BIOCON LIMITED (CONSOLIDATED)			(Rs. Crores)
PROFIT & LOSS STATEMENT			
Particulars	H1 FY 15	H1 FY 14	Variance
INCOME			
Biopharmaceuticals	1,103	1,086	2%
Biopharma *	877	886	-1%
Branded formulations - India	226	200	14%
Contract research	365	343	6%
Total Sales	1,468	1,429	3%
Other income	47	39	19%
Total Revenue	1,515	1,468	3%
EXPENDITURE			
Material & Power costs	685	678	1%
Staff costs	242	210	15%
Research & Development **	66	82	-19%
Other expenses	143	135	6%
Manufacturing, staff & other expenses	1,136	1,105	
EBITDA	379	363	5%
Interest & Finance charges	6	1	
Depreciation & Amortisation	106	98	8%
PBT	267	264	2%
Taxes	53	62	
NET PROFIT BEFORE MINORITY INTEREST	214	202	6%
Minority interest	9	6	
NET PROFIT FOR THE PERIOD	205	196	5%
EPS Rs.	10.3	9.8	
<i>Note: The figures are rounded off to the nearest crores, percentages are based on absolute numbers</i>			
<i>* Biopharma Income includes:</i>			
Licensing Income	28	11	
<i>** Gross Research & Development expenses</i>			
	110	91	

BIOCON LIMITED (CONSOLIDATED)			
PROFIT & LOSS STATEMENT			(Rs. Crores)
Particulars	Q2 FY 15	Q2 FY 14	Variance
<u>INCOME</u>			
Biopharmaceuticals	558	546	2%
Biopharma *	442	447	-1%
Branded formulations - India	116	99	17%
Contract research	192	188	2%
Total Sales	750	734	2%
Other income	23	19	24%
TOTAL REVENUE	773	753	3%
<u>EXPENDITURE</u>			
Material & Power costs	351	335	5%
Staff costs	125	103	22%
Research & Development **	35	39	-9%
Other expenses	74	88	-17%
Manufacturing, staff & other expenses	585	565	
EBITDA	188	188	-
Interest & Finance charges	5	-	
Depreciation & Amortisation	54	50	11%
PBT	129	138	-7%
Taxes	22	33	
NET PROFIT BEFORE MINORITY INTEREST	107	105	2%
Minority interest	5	3	
NET PROFIT FOR THE PERIOD	102	102	-
EPS Rs.	5.1	5.1	
<i>Note: The figures are rounded off to the nearest crores, percentages are based on absolute numbers</i>			
* Biopharma Income includes:			
Licensing Income	9	3	
** Gross Research & Development expenses	56	45	

BIOCON LIMITED (CONSOLIDATED)			
PROFIT & LOSS STATEMENT			(Rs. Crores)
Particulars	Q2 FY 15	Q1 FY 15	Variance
<u>INCOME</u>			
Biopharmaceuticals	558	547	2%
Biopharma *	442	436	1%
Branded formulations - India	116	111	5%
Contract research	192	172	11%
Total Sales	750	719	4%
Other income	23	23	-1%
	773	742	4%
<u>EXPENDITURE</u>			
Material & Power costs	351	334	5%
Staff costs	125	116	8%
Research & Development **	35	31	13%
Other expenses	74	70	4%
Manufacturing, staff & other expenses	585	551	
EBITDA	188	191	-2%
Interest & Finance charges	5	1	
Depreciation & Amortisation	54	52	4%
PBT	129	138	-7%
Taxes	22	31	
NET PROFIT BEFORE MINORITY INTEREST	107	107	-
Minority interest	5	4	
NET PROFIT FOR THE PERIOD	102	103	-1%
EPS Rs.	5.1	5.2	
<i>Note: The figures are rounded off to the nearest million, percentages are based on absolute numbers</i>			
* Biopharma Income includes:			
Licensing Income	9	19	
** Gross Research & Development expenses	56	54	