

Press Release

**Biocon Q3FY16 Net Profit Up 13% at Rs 103 Crore,
EBITDA Increases 23% to Rs 209 Crore,
Revenues at Rs 857 Crore, up by 10%**

Bengaluru, India: January 21, 2016

Biocon Ltd (BSE code: 532523, NSE: BIOCON), Asia's premier biopharmaceuticals company, announced Q3 FY16 results today.

Commenting on the quarterly performance and highlights, Chairperson and Managing Director, Kiran Mazumdar-Shaw stated:

“Biocon’s four most advanced biosimilar and generic insulin programs, Insulin Glargine, Trastuzumab, Pegfilgrastim and Adalimumab, continue to cross critical clinical milestones and are on track for regulatory filings in US & Europe in CY2016. These filings are likely to provide us an early mover advantage in an addressable US\$30 Billion market. The progress made in our biosimilars and novel programs is reflected in the increase in R&D spends this quarter to Rs 68 crore. Excluding profit contribution from Syngene, Biocon’s net profit this quarter has increased by 28% y-o-y despite a 45% jump in R&D spends and a significant increase in tax. This reflects a marked improvement in the quality of our earnings led by better realizations from biosimilars and immunosuppressants in emerging markets. Syngene, our research services company, has delivered yet another strong quarter both in terms of revenues and profits.”

Highlights: Q3FY16

- Biocon’s R&D spends at Rs 68 crore (Cr) grew by 45% reflecting progress of its biosimilars and novel programs
- Biocon continues to cross critical milestones in global Phase III clinical trials of Biosimilars Trastuzumab, Pegfilgrastim, Adalimumab and Insulin Glargine
- Licensing Income of Rs 32 Cr this quarter demonstrates our ability to monetize our biosimilars portfolio in emerging markets
- Biocon reports positive clinical data from key studies for Insulin Tregopil
- NeoBiocon launched Jalra (*Vildagliptin*) and Jalra M (*Vildagliptin+ Metformin*) for diabetes in UAE, in collaboration with Novartis Middle East FZE
- Branded Formulations business strengthened its Virology portfolio with the launch of Cimivir-L™, a once-a-day oral therapy for Hepatitis C, in India

- Construction of Biocon's potent oral solid dosage formulations facility in Bengaluru has commenced
- Biocon has made it to the Top 20 Global Biotech Employers 2015 List by ScienceCareers, USA. It has been recognized for being the most innovative leader in the industry, having loyal employees and being socially responsible
- Biocon has won five awards for its best practices in the areas of Environment Management, Supply Chain, Product Packaging and Intellectual Property
- Syngene, post its successful listing in the previous quarter, has reported a strong revenue growth of 23% y-o-y to Rs 270 Cr

Financial Highlights: Q3 FY16

In Rs crore, except growth numbers

Particulars	Q3 FY16	Q3 FY15	Growth (%)
Income			
Biopharma*	454	436	4%
Branded Formulations	104	105	
Research Services	270	220	23%
Total Sales	828	761	9%
Other Income	29	18	60%
TOTAL REVENUE	857	779	10%
EBITDA	209	170	23%
Net Profit	103	91	13%
R&D Expenses in P&L	68	47	45%
Gross R&D Spends	91	85	7%
EBITDA Margin	24%	22%	-
Net Profit Margin	12%	12%	-

Note:

The figures above are rounded off to the nearest Cr; % based on absolute nos.

* Biopharma numbers include licensing income of Rs 32 Cr in Q3FY16 and Rs 10 Cr in Q3FY15, respectively

Executive Commentary

R&D UPDATE

The company recorded R&D spends of Rs 91 Cr in Q3FY16 at the gross level, an increase of 7% y-o-y, on account of the clinical advancement of several Biosimilars and Novel programs. At a P&L level, R&D spends rose 45% to Rs 68 Cr.

Clinical Development of Biosimilars

The Biocon-Mylan partnership includes six biosimilar programs (Trastuzumab, Pegfilgrastim, Adalimumab, Bevacizumab, Etanercept and Filgrastim) and three insulin analog programs (Glargine, Lispro and Aspart).

Four of our most advanced programs, Insulin Glargine, Trastuzumab, Pegfilgrastim and Adalimumab, continue to cross critical milestones in global Phase III clinical trials and are on track for regulatory filings in US & Europe in CY2016. These filings are likely to provide us an early mover advantage in an addressable US\$30 billion market.

The Bevacizumab global Phase I trial and the RoW-focused Phase III trial are advancing as per plan.

Novel Programs

Insulin Tregopil – The Oral Insulin

The results of the global Phase I study conducted in the US has established the important role of Insulin Tregopil in post prandial glycemic control. It has demonstrated fast action of Insulin Tregopil with distinct properties compared to other prandial insulins like Aspart. Based on the positive results of these clinical studies Biocon plans to move to the next phase of clinical development on its own.

Itolizumab- Novel anti-CD6 MAb

We stay committed to developing this novel asset, a first-in-class anti-CD6 monoclonal antibody for a range of autoimmune conditions. During the quarter, in consultation with our global clinical advisory team a Phase I study in normal healthy volunteers has been initiated in Australia. The study also aims to evaluate the pharmacokinetics of a sub-cutaneous route of administration of Itolizumab in comparison to intravenous route.

siRNA- based Therapeutics

Biocon in collaboration with Quark Pharma, one of the leaders in the siRNA therapeutics, is developing QPI-1007, a novel siRNA asset, for a rare ophthalmic condition -- Non-arteritic ischemic optic neuropathy (NAION). Patient enrolment for a global Phase III study for this program has commenced.

OPERATIONAL PERFORMANCE

The overall Sales at Rs 828 Cr registered a growth of 9% in Q3FY16. The Biopharmaceutical segment delivered sales of Rs 558 Cr, reporting a growth of 3% y-o-y. Within the segment, Biopharma grew 4% delivering Rs 454 Cr, while Branded Formulations sales stood at Rs 104 Cr for this quarter.

Biopharmaceuticals

Biopharma

The overall Biopharma business continues to report a steady growth, with an increasing contribution from immunosuppressants and generic insulins in the emerging markets.

The API development work for ANDA submissions has gained traction, putting us on track to file 20-25 dossiers over the next few years. The construction of our potent oral solid dosage formulations facility in Bengaluru, supports our vertically integrated ANDA strategy.

The process qualification of our Insulins facility in Malaysia has commenced, which puts us on track to file for approvals in FY17, as planned.

We have made good progress in partnering and seeking approvals for biosimilar Trastuzumab in some of the major emerging markets.

The introduction of Jalra (*Vildagliptin*) and Jalra M (*Vildagliptin+ Metformin*) for diabetes, in-licensed from Novartis Middle East by NeoBiocon strengthens our position as the fastest growing pharmaceutical company in UAE.

Branded Formulations

The Branded Formulations business continues to clock in over Rs 100 Cr each quarter, post rationalization of its product portfolio. The focus is on strengthening Biocon's presence as a specialty pharma company by promoting its key brands across Metabolics, Onco-therapeutics, Immunology, Nephrology, Critical care and newly introduced Virology. All the divisions are also focusing on improving the profitability of this business.

The Metabolics division continues to be the flagship segment of this business. It has held a steady 10% market share in the represented Insulins market. Biocon continues to be the largest Indian Insulins company.

The newly introduced Virology division expanded its portfolio with the introduction of CIMIVIR-L™ (Ledipasvir+ Sofosbuvir) for Hepatitis-C Genotype 1 patients in India. It is estimated that nearly one lakh people die annually in India from HCV infections and co-morbidities.

The Market Access division has also been successful in winning a few institutional tenders this quarter.

Research Services – Syngene

Our research services business through Syngene reported a strong revenue growth of 23% to Rs 270 Cr, this quarter, driven by a robust performance across three verticals- discovery services, dedicated centers and development & manufacturing services. Syngene has also appointed Jonathan Hunt, as CEO designate, who brings in over two decades of expertise in the global biopharma sector and will lead the company towards its stated goal of achieving sales of US\$ 250 million by FY18.

Other Highlights: Awards & Recognitions

Biocon's commitment to operational excellence has been duly recognized through various awards received during this period, a few of them being:

- 'Pharmexcil Gold Patent Award' 2014-15 for maximum number of patents granted during the year
- 'Procurement Excellence Awards' 2015 for the 'Best- in- Class Excellence in Cost Management'
- Two 'India Star 2015 Packaging Awards' for innovative packaging of CANMAb™ and Genextor®
- Gold 'Greentech Environment Award' 2015 for excellence in Environment Management in the Indian Pharma Industry

Biocon also gained recognition as the '**Best Employer Brand**' in Q3FY16. It is the only Asian biopharma company to be included in the 'Top 20 Global Biotech Employers 2015' list by US-based ScienceCareers magazine. It has recognized Biocon as the most innovative leader in the industry, having loyal employees and being socially responsible.

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

Earnings Call

The company will conduct a call at **9.00 AM IST on January 22, 2016** 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. A replay of this call will also be available from the conclusion of the call till **January 29, 2016 on +91 22 6181 3322/ 3065 2322, Playback ID: 44711#**. Transcript of the conference call will be uploaded on the company website in due course.

About Biocon Limited

Biocon Limited, publicly 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 100 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 Insulin Tregopil, a high potential oral insulin analog. 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.

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BIOCON GROUP

FACT SHEET

December - 2015

IN RUPEES MILLION

BIOCON LIMITED (CONSOLIDATED)		
BALANCE SHEET	(Rs. Million)	
	Dec 31, 2015	March 31, 2015
EQUITY AND LIABILITIES		
Shareholder's Funds		
(a) Share capital	1,000	1,000
(b) Reserves and surplus	36,413	31,706
	37,413	32,706
Minority interest	3,261	1,722
Non-current liabilities		
(a) Long-term borrowings	9,426	7,696
(b) Deferred tax liability (net)	348	417
(c) Other long-term liabilities	5,481	5,516
(d) Long-term provisions	216	150
	15,471	13,779
Current liabilities		
(a) Short-term borrowings	2,542	2,609
(b) Trade payables	5,232	4,293
(c) Other current liabilities	5,585	7,062
(d) Short-term provisions	942	1,582
	14,301	15,546
TOTAL	70,446	63,753
ASSETS		
Non-current assets		
(a) Fixed assets	36,784	32,800
(b) Good will	344	264
(c) Long term loans and advances	3,676	3,693
(d) Other non-current assets	3,375	1,370
	44,179	38,127
Current assets		
(a) Current Investments	3,653	2,303
(b) Inventories	5,326	4,527
(c) Trade receivables	7,254	7,705
(d) Cash and cash equivalents	7,136	9,375
(e) Short term loans and advances	1,253	758
(f) Other current assets	1,645	958
	26,267	25,626
TOTAL	70,446	63,753

BIOCON LIMITED (CONSOLIDATED)
PROFIT & LOSS STATEMENT (Rs. Million)

Particulars	9M FY 16	9M FY 15	Variance
INCOME			
Biopharmaceuticals	17,364	16,449	6%
Biopharma *	14,007	13,137	7%
Branded formulations - India	3,357	3,312	1%
Contract research	7,444	5,841	27%
Total Sales	24,808	22,290	11%
Other income	896	593	51%
TOTAL REVENUE	25,704	22,883	12%
EXPENDITURE			
Material & Power costs	10,838	10,458	4%
Staff costs	4,237	3,674	15%
Research & Development **	1,752	1,128	55%
Other expenses	2,210	2,140	3%
Manufacturing, staff & other expenses	19,037	17,400	
EBITDA	6,667	5,483	22%
Interest & Finance charges	88	104	-15%
Depreciation & Amortisation	1,795	1,624	11%
PBT BEFORE EXCEPTIONAL ITEM	4,784	3,755	27%
Exceptional item, Net	3,070	-	
PBT BEFORE EXCEPTIONAL ITEM	7,854	3,755	109%
Taxes	945	638	
Taxes on exceptional item	1,042	-	
NET PROFIT BEFORE MINORITY INTEREST	5,867	3,117	88%
Minority interest	515	158	
NET PROFIT FOR THE PERIOD	5,352	2,959	81%
EPS Rs.	26.8	14.8	
<i>Note: The figures are rounded off to the nearest million, percentages are based on absolute numbers</i>			
* Biopharma Income includes:			
Licensing Income	528	383	
** Gross Research & Development expenses	2,746	2,291	

BIOCON LIMITED (CONSOLIDATED)			
PROFIT & LOSS STATEMENT			(Rs. Million)
Particulars	Q3 FY 16	Q2 FY 16	Variance
INCOME			
Biopharmaceuticals	5,581	5,778	-3%
Biopharma *	4,536	4,588	-1%
Branded formulations - India	1,045	1,190	-12%
Contract research	2,701	2,504	8%
Total Sales	8,282	8,282	0%
Other income	289	336	-14%
TOTAL REVENUE	8,571	8,618	-1%
EXPENDITURE			
Material & Power costs	3,537	3,685	-4%
Staff costs	1,458	1,367	7%
Research & Development **	679	574	18%
Other expenses	809	770	5%
Manufacturing, staff & other expenses	6,483	6,396	
EBITDA	2,088	2,222	-6%
Interest & Finance charges	15	29	-48%
Depreciation & Amortisation	621	596	4%
PBT BEFORE EXCEPTIONAL ITEM	1,452	1,597	-9%
Exceptional item, net	-	3,070	
PBT	1,452	4,667	-69%
Taxes	241	336	
Taxes on exceptional item	-	1,042	
NET PROFIT BEFORE MINORITY INTEREST	1,211	3,289	-63%
Minority interest	181	230	
NET PROFIT FOR THE PERIOD	1,030	3,059	-66%
EPS Rs.	5.2	15.3	
<i>Note: The figures are rounded off to the nearest million, percentages are based on absolute numbers</i>			
* Biopharma Income includes:			
Licensing Income	320	16	
** Gross Research & Development expenses	912	905	

BIOCON LIMITED (CONSOLIDATED)			
PROFIT & LOSS STATEMENT			(Rs. Million)
Particulars	Q3 FY 16	Q3 FY 15	Variance
<u>INCOME</u>			
Biopharmaceuticals	5,581	5,413	3%
Biopharma *	4,536	4,366	4%
Branded formulations - India	1,045	1,047	0%
Contract research	2,701	2,196	23%
Total Sales	8,282	7,609	9%
Other income	289	181	60%
TOTAL REVENUE	8,571	7,790	10%
<u>EXPENDITURE</u>			
Material & Power costs	3,537	3,604	-2%
Staff costs	1,458	1,260	16%
Research & Development **	679	467	45%
Other expenses	809	762	6%
Manufacturing, staff & other expenses	6,483	6,093	
EBITDA	2,088	1,697	23%
Interest & Finance charges	15	48	-69%
Depreciation & Amortisation	621	563	10%
PBT BEFORE EXCEPTIONAL ITEM	1,452	1,086	34%
Exceptional item, Net	-	-	
PBT	1,452	1,086	34%
Taxes	241	111	
Taxes on exceptional item	-	-	
NET PROFIT BEFORE MINORITY INTEREST	1,211	975	24%
Minority interest	181	66	
NET PROFIT FOR THE PERIOD	1,030	909	13%
EPS Rs.	5.2	4.6	
<i>Note: The figures are rounded off to the nearest million, percentages are based on absolute numbers</i>			
* Biopharma Income includes:			
Licensing Income	320	100	
** Gross Research & Development expenses	912	850	

BIOCON GROUP

FACT SHEET

December - 2015

IN RUPEES CRORE

BIOCON LIMITED (CONSOLIDATED)		
BALANCE SHEET	(Rs. Crore)	
	Dec 31, 2015	March 31, 2015
EQUITY AND LIABILITIES		
Shareholder's Funds		
(a) Share capital	100	100
(b) Reserves and surplus	3,641	3,171
	3,741	3,271
Minority interest	326	172
Non-current liabilities		
(a) Long-term borrowings	943	770
(b) Deferred tax liability (net)	35	42
(c) Other long-term liabilities	548	552
(d) Long-term provisions	22	15
	1,548	1,379
Current liabilities		
(a) Short-term borrowings	254	261
(b) Trade payables	523	429
(c) Other current liabilities	559	706
(d) Short-term provisions	94	157
	1,430	1,553
TOTAL	7,045	6,375
ASSETS		
Non-current assets		
(a) Fixed assets	3,678	3,280
(b) Goodwill	34	26
(c) Long term loans and advances	368	368
(d) Other non-current assets	338	137
	4,418	3,811
Current assets		
(a) Current Investments	365	230
(b) Inventories	533	453
(c) Trade receivables	725	771
(d) Cash and cash equivalents	714	938
(e) Short term loans and advances	125	76
(f) Other current assets	165	96
	2,627	2,564
TOTAL	7,045	6,375

BIOCON LIMITED (CONSOLIDATED)			
PROFIT & LOSS STATEMENT			(Rs. Crore)
Particulars	9M FY 16	9M FY 15	Variance
<u>INCOME</u>			
Biopharmaceuticals	1,736	1,645	6%
Biopharma *	1,400	1,314	7%
Branded formulations - India	336	331	1%
Contract research	744	584	27%
Total Sales	2,480	2,229	11%
Other income	90	59	51%
TOTAL REVENUE	2,570	2,288	12%
<u>EXPENDITURE</u>			
Material & Power costs	1,083	1,046	4%
Staff costs	424	367	15%
Research & Development **	175	113	55%
Other expenses	221	214	3%
Manufacturing, staff & other expenses	1,903	1,740	
EBITDA	667	548	22%
Interest & Finance charges	9	10	-15%
Depreciation & Amortisation	179	162	11%
PBT BEFORE EXCEPTIONAL ITEM	479	376	27%
Exceptional item, Net	307	-	
PBT	786	376	109%
Taxes	95	64	
Taxes on exceptional item	104	-	
NET PROFIT BEFORE MINORITY INTEREST	587	312	88%
Minority interest	52	16	
NET PROFIT FOR THE PERIOD	535	296	81%
EPS Rs.	26.8	14.8	
<i>Note: The figures are rounded off to the nearest crore, percentages are based on absolute numbers</i>			
<i>* Biopharma Income includes:</i>			
<i>Licensing Income</i>	53	38	
<i>** Gross Research & Development expenses</i>	275	229	

BIOCON LIMITED (CONSOLIDATED)			
PROFIT & LOSS STATEMENT			(Rs. Crore)
Particulars	Q3 FY 16	Q2 FY 16	Variance
INCOME			
Biopharmaceuticals	558	578	-3%
Biopharma *	454	459	-1%
Branded formulations - India	104	119	-12%
Contract research	270	250	8%
Total Sales	828	828	0%
Other income	29	33	-14%
TOTAL REVENUE	857	861	-1%
EXPENDITURE			
Material & Power costs	353	368	-4%
Staff costs	146	137	7%
Research & Development **	68	57	18%
Other expenses	81	77	5%
Manufacturing, staff & other expenses	648	639	
EBITDA	209	222	-6%
Interest & Finance charges	2	2	
Depreciation & Amortisation	62	60	4%
PBT BEFORE EXCEPTIONAL ITEM	145	160	-9%
Exceptional item, net	-	307	
PBT	145	467	-69%
Taxes	24	34	
Taxes on exceptional item	-	104	
NET PROFIT BEFORE MINORITY INTEREST	121	329	-63%
Minority interest	18	23	
NET PROFIT FOR THE PERIOD	103	306	-66%
EPS Rs.	5.2	15.3	
<i>Note: The figures are rounded off to the nearest crore, percentages are based on absolute numbers</i>			
<i>* Biopharma Income includes:</i>			
Licensing Income	32	2	
<i>** Gross Research & Development expenses</i>			
	91	90	

BIOCON LIMITED (CONSOLIDATED)			
PROFIT & LOSS STATEMENT			(Rs. Crore)
Particulars	Q3 FY 16	Q3 FY 15	Variance
<u>INCOME</u>			
Biopharmaceuticals	558	541	3%
Biopharma *	454	436	4%
Branded formulations - India	104	105	0%
Contract research	270	220	23%
Total Sales	828	761	9%
Other income	29	18	60%
TOTAL REVENUE	857	779	10%
<u>EXPENDITURE</u>			
Material & Power costs	353	360	-2%
Staff costs	146	126	16%
Research & Development **	68	47	45%
Other expenses	81	76	6%
Manufacturing, staff & other expenses	648	609	
EBITDA	209	170	23%
Interest & Finance charges	2	5	
Depreciation & Amortisation	62	56	10%
PBT BEFORE EXCEPTIONAL ITEM	145	109	34%
Exceptional item, Net	-	-	
PBT	145	109	34%
Taxes	24	11	
Taxes on exceptional item	-	-	
NET PROFIT BEFORE MINORITY INTEREST	121	98	24%
Minority interest	18	7	
NET PROFIT FOR THE PERIOD	103	91	13%
EPS Rs.	5.2	4.6	
<i>Note: The figures are rounded off to the nearest crore, percentages are based on absolute numbers</i>			
* Biopharma Income includes:			
Licensing Income	32	10	
** Gross Research & Development expenses	91	85	