

Bangalore, India

April 29, 2010

Biocon Limited announces earnings for financial year ended March 31, 2010.

Biocon Revenues Cross Half-Billion Dollar Mark

**Revenues at Rs 2,405 crores; EBITDA at Rs 509 crores; PAT at Rs 293 crores;
Board recommends dividend of Rs 3.50 per equity share (70%)**

Commenting on the results, Chairman and Managing Director Kiran Mazumdar-Shaw stated - *"I am delighted that Biocon has delivered a strong performance this fiscal. I am pleased that all segments of our businesses have demonstrated robust growth. We are confident of sustaining good growth momentum in the years ahead given our increasingly differentiated profile enhanced by key global partnerships. This offers us large and lucrative opportunities in both emerging and developed markets. Biocon sees itself as one of the few Asian biopharma companies that can emerge as an innovator and simultaneously develop a leadership position in biosimilars"*.

Performance Highlights

For full year ended March 31, 2010

Biocon Group including German subsidiary AxiCorp

- Total Income at Rs 2,405 crores. Up 44% YoY.
- EBITDA at Rs 509 crores. YoY growth was 31%.
- PAT at Rs 293 crores. YoY growth was 215%.
- EBITDA Margin at 21%.
- Earnings Per Share at Rs 14.7.
- Total headcount above 4,500 employees.

Biocon Group excluding German subsidiary AxiCorp

- Total Income at Rs 1,493 crores. Up 25% YoY.
- EBITDA at Rs 455 crores. YoY growth was 22%.
- PAT at Rs 270 crores. YoY growth was 211%.
- EBITDA Margin at 30%.

For three months ended March 31, 2010

Biocon Group including German subsidiary AxiCorp

- Total Income at Rs 666 crores. Up 37% YoY.
- EBITDA at Rs 139 crores. YoY growth was 26%.
- PAT at Rs 81 crores. YoY growth was 224%.
- EBITDA Margin at 21%.
- Earnings Per Share at Rs 4.

Biocon Group excluding German subsidiary AxiCorp

- Total Income at Rs 415 crores. YoY growth was 36%.
- EBITDA at Rs 127 crores. YoY growth was 25%.
- PAT at Rs 77 crores. YoY growth was 280%.
- EBITDA Margin at 31%.

"The financial strength of our business is indicated by our low debt and strong balance sheet. We have delivered strong growth in profits this fiscal. We expect our partnered R&D approach will allow us to spread

our operational and financial risks across a diversified portfolio of products”, said **Murali Krishnan, President – Group Finance, Biocon Limited.**

Business Performance and Outlook

Biopharmaceuticals

Insulins – Our Insulins segment grew 11% YoY with growing momentum in emerging market sales. There has been an increase in formulation sales in the emerging markets, signifying a movement up the value chain in this business. As of the end of this year, we have vial and cartridge registrations in approximately 40 countries. In 2009-10, we entered several new markets like Brazil and Chile among others. We also secured registration approvals in 5 countries during this year.

Immunosuppressants – This segment has seen a strong 28% YoY growth despite pricing pressures. Tacrolimus API sales to customers awaiting ANDA approvals have also added to this momentum.

We continue making inroads into the emerging markets with our insulins and immunosuppressants. During this fiscal, we entered major emerging markets like Brazil among others. We see the emerging markets as a key growth area for our products. We will continue to strategically push our sales there as well as explore newer markets in these regions.

Statins – Our Statins segment grew 26% YoY despite pricing pressures owing to enhanced capacity enabled by improved productivity. Simvastatin remained Biocon’s largest product by sales but Atorvastatin and Rosuvastatin are expected to add significantly in the coming year.

Axicorp – Our German subsidiary has posted a 93% YoY growth and although this is not strictly comparable to the previous year as the previous year factors in only three quarters of Axicorp revenue. On an adjusted basis, Axicorp has posted a strong 55% growth. This growth primarily came from more efficient sourcing of products for its business, a restructuring of its sales force and winning the AOK, BKK & DAK tenders for several generics. We expect to sustain margins at current levels in the coming fiscal.

“We are pleased to see many of our strategic initiatives gain traction supported by healthy cash flows from robust growth in all business segments. This gives us the confidence to rapidly progress our R&D initiatives in biosimilars and novel biologicals to create near-term value through partnering and licensing. Growth in the coming fiscal, will also be supported by the newly acquired API facility at Hyderabad and expansion of the monoclonal antibody facility of our subsidiary, Biocon Biopharmaceuticals which has recently been wholly acquired from our Cuban partners.” said **Dr. Arun Chandavarkar, Chief Operating Officer, Biocon Limited.**

Domestic Branded Formulations – The Indian Pharmaceutical market at Rs 41,700 crores continues to be an attractive segment with an estimated YoY growth of 17.7%, as per ORG. Our own domestic branded formulations business, comprising diabetology, cardiology, nephrology and oncology, has grown 36% YoY. We give below the segment-wise performance highlights –

- ❖ **Diabetology** – Our Diabetology division grew 24% YoY on the back of strong sales in brand Insugen. As per ORG estimates, our diabetology division is ranked 15th in the covered market and ranked 18th in the overall diabetic market.

A Pricewaterhousecoopers (PWC) study in April 2010 estimates that India will have 73.5 million people afflicted with diabetes by 2025 and the total diabetes bill is expected to reach about US\$ 30 bn. Recognizing that patient awareness is the first step towards treating diabetes, we have launched two extensive awareness campaigns - the Basalog Breeze 2 program for glucose monitoring and the “Winning with diabetes” helpline – a patient support initiative helpline. In addition, we also launched a radio campaign on “Winning with diabetes”, an awareness program on self monitoring of blood glucose.

Says Rakesh Bamzai, President, Marketing, Biocon Limited, *“At Biocon we are positioning ourselves as a key player in diabetes therapy on a global scale. Our Insulins (INSUGEN & BASALOG) are gaining market share in India and several emerging markets. Biocon has focused its efforts to improving diabetes care in India through an awareness creation campaign on monitoring and control of blood glucose and early detection of the disease. Biocon also expects to introduce pen-based insulin delivery devices in the latter half of 2010. Biocon expects to have a complete and comprehensive portfolio of insulin and insulin analogues that can enter global markets post patent expiry. By 2015, we aspire to be among the top 10 companies worldwide in the field of diabetes management”.*

- ❖ **Oncology** – The oncology segment posted a strong 59% YoY growth this year with brand Abraxane and brand BIOMAb EGFR as key contributors. Our head and neck cancer drug BIOMAb EGFR shows a better safety profile compared with current products in the market. New indications and emerging clinical data will hold the key to the aggressive growth of this product in the future.

In-licensed breast cancer drug Abraxane is now an established player in the hypercompetitive taxane market. Various clinical trials in different settings have proved its superiority over solvent-based taxanes in the market (paclitaxel and docetaxel). Elsewhere in the world, there are ongoing clinical trials in various indications such as advanced pancreatic cancer and non small cell lung cancer (NSCLC). Abraxane enjoys strong brand equity and considerable presence at major seminars and conferences such as the ASCO, AACR and SABCS.

- ❖ **Cardiology** – Our Cardiology division grew 26% YoY. This year also saw our entry into the Interventional Cardiology segment with two key brands that quickly moved up the rank – ORG has ranked Clotide as the No 1 brand in its segment and Myokinase as the No 2 brand in its segment. In five years, Biocon aims to be among the top 20 companies in the cardiovascular market and among the top 10 in the represented market in India. Towards this goal, our cardiology segment will increasingly target high specialty physicians like cardiologists and diabetologists to increase market share. Biocon plans to expand its field force in this segment in order to improve national coverage.
- ❖ **Nephrology** – The Indian nephrology market is growing at 9%. As against this, Biocon’s nephrology division posted a strong 57% YoY growth this fiscal. ERYPRO is currently the largest brand with an 8% market share and aiming for an 11% market share this coming fiscal. ERYPRO has grown 50% YoY in an EPO market that is growing at 16%. We are also entering the critical care ICU segment with the introduction of a newly formed **Comprehensive Care division**.
- ❖ **Immunotherapy** – We plan to expand our auto immune portfolio into **Dermatology** and **Rheumatoid Arthritis** by launching the Immunotherapy division this year.

A recent PWC study estimates that as India's epidemiological profile changes, drugs for cardio-vascular problems, disorders of the central nervous system and other chronic diseases will account for 64% of total pharmaceutical sales in 2012, up from 50% in 2001. The remaining 36% will come from anti-infective, gastrointestinal drugs and vitamins. We expect our domestic branded formulations segment to contribute a turnover of Rs 450-500 crores by 2015. With a view to attaining leadership in key therapies, we will focus on building large brands and aim to increase the number of new introductions each year. Biocon is also increasingly tapping the hospital segment and introducing extra-urban initiatives in order to build its brands. Acquisitions, partnerships and in-licensing are also value creating strategies that will be explored towards reaching this goal.

Outlining Biocon's marketing strategy, says Mr. Bamzai, *"We have made significant inroads into several global markets with our Insulins and Immunosuppressants. We have strengthened our presence in emerging markets like Brazil, Mexico, Chile, and many countries in the Middle East and Africa this year. We see emerging markets as a strategic focus area and plan to push ahead with expanding business opportunities there. In the domestic market, we are launching two new divisions - Comprehensive Care and Immunotherapy - to grow our branded formulations business".*

Research Services

With R&D productivity diminishing, big pharmaceutical companies are increasingly externalizing R&D in order to increase the number of R&D programs and to expedite time to market. A McKinsey study estimates that over half of the late-stage compounds are now externally sourced. We believe that Syngene is best positioned to garner a good chunk of this market.

Explains Syngene's Chief Operating Officer, Goutam Das, *"Syngene has consolidated its position as India's foremost custom research organization and registered a 24% YoY growth in revenues. During the year under review, Syngene has demonstrated its ability to successfully manage large relationships and has now confidently moved into Integrated Drug Discovery services. The commencement of operations from our recently-commissioned biologics pilot plant, coupled with formulation development and other new service offerings, positions Syngene as the ideal partner for providing high quality discovery services at competitive prices in both large & small molecules".*

Research Pipeline

An update on the R&D pipeline from Dr. Harish Iyer, head, R&D, Biocon Limited - *"We have made significant progress in our partnership with Mylan for developing biosimilars for the global markets. Our novel pipeline has achieved significant milestones spearheaded by a key IND filing with the USFDA for our Oral Insulin program IN105. We expect to initiate a clinical study for Type I Diabetics under this US IND later this year. Our coveted T1h program, a novel Anti-CD6 targeting monoclonal antibody, is also entering Phase III clinical trials for Psoriasis. Additionally, our novel anti-CD20 molecule has completed preclinical studies and is expected to move into the clinic in India this year. Our novel programs are expected to unlock substantial value upon licensing".*

Corporate Developments in Q4

Biocon buys out 49% stake of Cuban partner in Biocon Biopharmaceuticals – Biocon Limited entered into a definitive agreement to buy out the 49% equity stake held by CIMAB SA in its Joint venture Biocon



Biopharmaceuticals Private Limited ('BBPL') via its 100% subsidiary company Biocon SA. BBPL will now become a wholly-owned subsidiary of Biocon Limited. This move allows the two partners, Biocon and CIMAB, to focus on the joint development of novel biologics led by its most promising program T1h (Anti-CD6 Monoclonal Antibody) which has just entered Phase III Clinical trials for Psoriasis. The joint venture was established to provide manufacturing support for a range of jointly developed biopharmaceuticals. The rationale behind the move was to turn the loss-making facility around by utilizing it to manufacture Biocon's other biosimilar products. Currently, the facility is underutilized as it manufactures only those products that come within the ambit of the erstwhile joint venture.

Syngene partners with Endo Pharmaceuticals – Syngene International, a 100% subsidiary of Biocon, has partnered with Endo Pharmaceuticals to develop a novel biological therapeutic molecule against cancer. Under the terms of the agreement, Endo will retain all rights to the molecule developed and in return Syngene International will receive research fees, milestone payments and success fees from Endo. This is a first in India involving the discovery of a biological therapeutic entity. This also marks Endo's foray into the biologics space and is in line with its strategy of building its pipeline using a virtual discovery approach in conjunction with its in-licensing efforts.

Biocon exploring Malaysia as destination for expansion – Biocon Limited has signed a memorandum of understanding with Malaysia's Biotechnology Corporation (BiotechCorp) to explore collaboration and potential investment in Malaysia's biotechnology industry. Biocon is in talks with Biotech Corp to manufacture biopharmaceutical products and formulations within Malaysia's Nusajaya, Iskandar Malaysia in the biotech park called the Bio-XCell Ecosystem.

About Biocon

Established in 1978, Biocon Limited (**BSE code:** 532523, **NSE Id:** BIOCON, **ISIN Id:** INE376G01013) is India's largest biotechnology company by revenue. Promoted by Ms. Kiran Mazumdar-Shaw, the Biocon group 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 EMEA acceptance. Biocon's robust product offering includes the world's first 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 April 29, 2010 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- 425-4061 / 1-800-425-4250 (Accessible through BSNL / MTNL / Airtel / Tata / Reliance landlines and mobiles). 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 April 29, 2010 – May 04, 2010 on the same dial-in numbers provided above. The transcript of the conference call will be posted on the company website www.biocon.com

Encl: Fact Sheet - Consolidated Income Statement and Balance Sheet (Indian GAAP)

(All figures in Rs. Crores, except EPS data)

Note: *The discussions in this release reflect the financial performance of Biocon Limited and its subsidiaries based on Indian GAAP on a consolidated basis. Results for the German subsidiary are reported with a one-quarter lag.*

BIOCON GROUP

FY2010 vs. FY 2009
Q4 FY 2010 vs Q4 FY 2009

FACT SHEET

BIOCON LIMITED (CONSOLIDATED)		
BALANCE SHEET		(Rs. Crores)
Particulars	As at 31-Mar-10	As at 31-Mar-09
<u>SOURCES OF FUNDS</u>		
Share Capital	100	100
Reserves & Surplus	1,658	1,411
Total Shareholder's Funds	1,758	1,511
Minority interest	34	25
Deferred Tax Liability	51	47
Secured Loans	332	396
Unsecured Loans	182	128
Total Loan Funds	514	524
Total	2,356	2,106
<u>APPLICATION OF FUNDS</u>		
Fixed Assets (Net)	1,244	1,221
Intangible Assets	170	163
Investments	431	368
Inventories	372	319
Sundry debtors	446	367
Cash and bank balances	140	12
Loans and advances	134	95
Total Current Assets, Loans & Advances	1,092	792
Less: Current liabilities and provisions	580	438
Net Current assets	512	355
Total	2,356	2,106

BIOCON LIMITED (CONSOLIDATED)**PROFIT & LOSS STATEMENT**

(Rs. Crores)

Particulars	WITH AXICORP	WITH AXICORP	Variance	WITHOUT AXICORP	WITHOUT AXICORP	Variance
	FY 10	FY 09		FY 10	FY 09	
<u>INCOME</u>						
Biopharmaceuticals	2,087	1,384	51%	1,180	915	29%
Contract research	281	225	25%	281	225	25%
Total Sales	2,368	1,609	47%	1,461	1,139	28%
Other income	37	65	-43%	32	54	-40%
Total Income / Revenues	2,405	1,673	44%	1,493	1,194	25%
<u>EXPENDITURE</u>						
Material & Power Costs	1,405	908	55%	681	516	32%
Staff costs	229	168	36%	159	129	23%
Research & Development	78	60	31%	78	60	31%
Forex Loss/ (gain)	6	11	-47%	6	11	-47%
Other Expenses	178	139	28%	114	107	7%
Manufacturing, staff & other exps	1,896	1,285	48%	1,038	822	26%
PBDIT /EBIDTA	509	388	31%	455	372	22%
Interest and finance charges	17	18	-5%	15	15	-4%
PBDT	492	370	33%	440	356	24%
Depreciation	140	110	27%	135	108	26%
PBT	352	260	35%	305	248	23%
Taxes	49	12		32	10	
PROFIT FOR THE PERIOD	303	248	22%	273	238	14%
Add/(less): Minority interest / Share of Losses in Associates	(10)	(8)	21%	(3)	(5)	0%
Profit before Exceptional Items	293	240	22%	270	234	15%
Exceptional Item - Net of Tax	0	(147)		0	(147)	
NET PROFIT (PAT)	293	93	215%	270	87	211%
EPS on issued capital Rs. (before exceptional items)	14.7	12.0		13.5	11.7	

Note: The figures are rounded off to the nearest million, percentages are based on absolute numbers

Biopharmaceuticals includes licensing income of Rs 51 Crores for FY2010, Rs 12 Crores in FY2009 (both with and without Axicorp);

BIOCON LIMITED (CONSOLIDATED)
PROFIT & LOSS STATEMENT

(Rs. Crores)

Particulars	Q4	Q4	Variance	Q4	Q4	Variance
	WITH AXICORP FY 10	WITH AXICORP FY 09		WITHOUT AXICORP FY 10	WITHOUT AXICORP FY 09	
INCOME						
Biopharmaceuticals	583	398	46%	334	224	49%
Contract research	74	68	9%	74	68	9%
Total Sales	657	466	41%	408	292	40%
Other income	9	20	-57%	7	12	-47%
Total Income / Revenues	666	487	37%	415	304	36%
EXPENDITURE						
Material & Power Costs	398	279	42%	202	131	54%
Staff costs	60	45	35%	42	32	33%
Research & Development	19	20	-5%	19	20	-5%
Forex Loss/ (gain)	4	(5)	-187%	4	(5)	-181%
Other Expenses	45	37	21%	20	25	-20%
Manufacturing, staff & other exps	526	376	40%	288	203	42%
PBDIT /EBIDTA	139	110	26%	127	102	25%
Interest and finance charges	3	6	-46%	3	5	-46%
PBDT	136	104	31%	124	96	29%
Depreciation	37	31	20%	35	30	19%
PBT	99	73	35%	89	67	33%
Taxes	14	(2)		9	(2)	-680%
PROFIT FOR THE PERIOD	85	75	13%	80	68	18%
Add/(less): Minority interest / Share of Losses in Associates	(4)	(9)		(3)	(7)	0%
Profit before Exceptional Items	81	66	22%	77	62	25%
Exceptional Item - Net of Tax **	0	(41)		0	(41)	
NET PROFIT (PAT)	81	25	224%	77	20	280%
EPS on issued capital Rs. (before exceptional items)	4.0	3.3		3.9	3.1	

Note: The figures are rounded off to the nearest million, percentages are based on absolute numbers

Biopharmaceuticals includes licensing income of Rs 21 Crores in Q4 FY2010, Rs 6 Crores in Q4 FY2009 (both with and without Axicorp);