30TH ANNUAL GENERAL MEETING

CHAIRMAN'S ADDRESS, Bangalore July 17, 2008

30 YEARS OF LEADERSHIP IN BIOTECHNOLOGY

Dear Shareholders,

Welcome to the 30th Annual General Meeting of Biocon, a milestone which symbolizes the success of endurance and perseverance.

Over the past three decades, your company has incrementally invested in technology development and leveraged its capabilities to expand its businesses as well its market reach in its quest for global recognition.

The year gone by has seen your company exit from its historic enzymes business and sharpen its focus on Biopharmaceuticals as the new path ahead. This process of transformation has been carefully and strategically planned to create a unique business structure that is well balanced between products and services, generic and novel products and between bulk actives and finished formulations.

This business approach has enabled your company, in less than a decade, to position itself as a leading generics company and a frontline biopharmaceutical innovator. The challenge at this juncture of growth is to unlock the full potential of our biopharmaceuticals businesses by substantially investing in commercializing our products and taking them to global markets.

Innovation offers India a strong global competitive edge based on its ability to leverage its lower cost intellectual capital to deliver high value innovation. However, the inherent risk associated with innovation is high. Biocon has mitigated this risk through measures such as partnering as well as through a process of selecting molecules based on validated targets, novel delivery systems and human clinical data.

BUSINESS FOCUS

In Oct 2007, Biocon sold its three-decade old enzymes division to Novozymes A/S, a Danish industrial enzyme maker, for $115 million – a rich valuation based on the strong intellectual property of our novel enzymes portfolio. The sale of the enzyme business has given Biocon additional financial strength to pursue international acquisitions aimed at building marketing and distribution capabilities for our drug products. It will enable your company to realize its growth trajectory and hasten Biocon's transformation to an emerging global biopharmaceuticals company.

GLOBAL FOOTPRINT

Biocon has been steadfast in its commitment to delivering affordable healthcare solutions to patients around the world. Leveraging a combination of licensing, acquisitions and in-house development, we are looking to strengthen our marketing reach.

Biocon has acquired a ~70% stake in German pharmaceutical company, AxiCorp for a consideration of € 30 million. This strategic investment will enable Biocon to market and distribute its biosimilar insulin and

analogs in the German market thus paving the way for a European foray. In the Gulf region, Biocon has partnered with a leading pharma company Neopharma to establish a JV, Neobiocon, in Dubiotech, Dubai's Biotech and Research Park. Neobiocon will enable Biocon to access the growing $5 billion Gulf Cooperation Council (GCC) market. The new company's product offering will include biologicals, proprietary/in-licensed products, targeted therapeutics, research-based differentiated formulations and innovative drug delivery systems.

Another partnership with U.S. company, Abraxis Bioscience, enabled your company to out-license the rights to develop and market a biosimilar version of GCSF (Granulocyte Colony-Stimulating Factor) to North American and European markets. This licensing arrangement will see your company receive upfront licensing fees and royalties on sales which will provide a good return on the R&D investment made in this program.

RESEARCH & DEVELOPMENT

Biocon's R&D programs have advanced rapidly and we are now at a critical stage of development. Oral Insulin and T1h or Anti-CD6 Monoclonal antibody (an antibody targeting T-cell mediated autoimmune disease) are two of our leading discovery led research programs that are successfully moving through the clinic and will soon require incremental investment support to take it to commercialization. Going forward, the business model will be to leverage our strong financial position to develop our novel drugs to a level when they can be licensed and co-promoted with multiple marketing partners in various world markets.

IN105, our Oral Insulin program is in the process of completing Phase IIa clinical studies that have been designed to evaluate safety, tolerability, pharmacokinetics and pharmacodynamics of the drug under fed conditions in type II diabetic patients currently on Metformin therapy. This will provide the data necessary to commence Phase IIb clinical trials. Biocon has been invited to present a paper on this program at the session on Novel Therapies during the meeting of the European Association for Study of Diabetes (EASD) held in Rome in September 2008.

Biocon's T1h has completed a Phase I study in patients with rheumatoid arthritis (RA). The product was found to be safe and well tolerated. A Phase II dose range finding study, designed to evaluate the safety and efficacy of T1h in patients with severe RA, has been initiated and patients are currently under treatment. In addition, Biocon has also commenced a second Phase II for this drug for another indication, psoriasis for which patients have already been initiated on T1h. Both the psoriasis and RA studies are expected to be completed in 2009.

Your company has invested in a US start-up biotech company, IATRICa to co-develop novel anti-cancer molecules based on a proprietary immuno-conjugation technology licensed from Johns Hopkins University, USA. The two companies will integrate their synergistic R&D expertise to formulate and test next-generation bio-hybrid molecules for targeted immunotherapy and thereby, reinforce a shared endeavour to provide effective new treatments for cancer and infectious diseases. There are immense challenges and unmet needs in cancer that need to be addressed with radical new approaches. We believe that the IATRICa approach has the potential of taking antibody mediated therapies to the next level.

MARKETING

Biocon has taken a strategic decision to expand its domestic market through increased investments in marketing and branding of Biocon's expanding range of pharmaceuticals through its key divisions: Oncotherapeutics, Nephrology, Cardiology and Diabetology:

Oncotherapeutics

After the successful launch of BIOMAb EGFR™, a Phase II trial for adult glioma cancers is currently underway. Another trial in non-small cell lung cancer has also been initiated at several cancer centers in India. More trials expanding the application of BIOMAb EGFR™ to other solid tumors are being planned for the near future.

On the heels of the BIOMAb EGFR™ success story, Biocon's Oncotherapeutics division has added another frontline anti-cancer drug – ABRAXANE® to its portfolio. In-licensed from Abraxis BioScience Inc., Biocon has obtained the rights to market ABRAXANE® in India for the treatment of breast cancer. ABRAXANE® has demonstrated superior response rate, with an almost doubling of reconciled target lesions when compared with paclitaxel. In addition to India, Biocon has the rights to take ABRAXANE® to Pakistan, Bangladesh, Sri Lanka, the UAE, Saudi Arabia, Kuwait and a few other South Asian and GCC countries.

Two more significant Oncotherapeutic launches expected shortly are NUFIL® (GCSF) for treatment of cancer chemotherapy neutropenia and ERYPRO safe™ (recombinant human erythropoietin) for the management of chemotherapy induced anemia.

Nephrology

Our comprehensive portfolio of immunosuppressants and erythropoietin for treatment of renal transplant and dialysis has made a successful debut in the Indian market. TACROGRAF™ 2mg (Tacrolimus) was proactively launched (ahead of competition) in domestic markets and has gained significant mileage since. Biocon's ERYPRO safe™, an innovative safety solution with unique features for erythropoietin end users (developed in collaboration with Becton-Dickenson and Safety Syringe Inc., USA) has the distinction of being the first delivery device of its kind to be introduced in India. Owing to the widespread acceptance of its diverse range of products, Biocon's Nephrology division turned profitable within eleven months of operations. Commendably, ERYPRO™ (recombinant human erythropoietin) and RENODAPT™ (mycophenolate mofetil) were featured in the All-India ORG within the first eight months of launch.

Cardiology

In 2008, your company split up its Cardio-Diabetes group by launching a stand-alone Cardiology division to focus on brand-building for its flagship statin based product, Statix, as well as other products viz. Telmisat, Eptifibatide and its recombinant streptokinase product Myokinase. The Cardiology market in India constitutes 10% (Approx. 3,200 Crore) of the Indian Pharma Market and is growing at 21%. This division is envisaged to have an All-India presence through a 250+ strong field force.

Diabetology

Since its inception three years ago, Biocon's Diabetology division has posted outstanding performance. Today, our flagship product INSUGEN® has garnered a promising share of the vial market and is widely prescribed by endocrinologists and consulting physicians. Other brands launched by this division have also gained market acceptance. Among them, BLISTO™ and METADOZE-IPR® have made notable progress. OLISAT™ - an anti-obesity drug, has been an innovative first in the country in terms of the drug delivery technology which enables it to maximize its absorption within the gut.

SYNGENE

We believe Syngene has attained critical mass that can be leveraged to deliver a strong growth trajectory. Your company's management is therefore preparing to take Syngene public. As one of Asia's largest and most profitable Contract Research companies, Syngene's IPO can deliver superior shareholder value. However, the timing of the IPO will depend on domestic and global market conditions.

The Syngene-Bristol Myers Squibb (BMS) partnership has gained tremendous momentum over the last one year and top quality scientists have been hired from India and abroad to meet the expectations laid down by BMS.

To facilitate discovery research, Syngene has invested in a ~50,000 sq. ft. state-of-the-art vivarium that conforms to AAALAC (American Association for Accreditation of Laboratory Animal Care) standards. This world-class facility has been approved by the CPESEA (Committee for the Purpose of Control and Supervision of Experiments

on Animals) and will be monitored by IAEC (Institutional Animal Ethics Committee). This laboratory facility will enable Syngene's pharmacologists to design and carry out research programs to identify and prove the concept of new lead candidates

Additionally, Syngene is also in the final phase of commissioning its Biological pilot plant facility built to cGMP compliance standards to provide contract manufacturing services with a high degree of flexibility. The plant will have manufacturing capabilities for microbial fermentation and mammalian cell culture based biologics.

CLINIGENE

Last year, Clinigene moved into an independent 65,000 sq. ft. fully functional, world-class facility which houses its complete array of services; from human pharmacology, clinical operations, clinical development, clinical data management & biostatistics to regulatory, bioanalytical research and central laboratory, supporting early phase through late phase clinical development programs.

Clinigene is currently undertaking over 20 clinical programs for a number of international and domestic pharma and biotech companies as well as catering to Biocon's own clinical development needs. Trials range from bioequivalence/bioavailability, early phase proof-of-concept studies to late phase programs to facilitate registrations. Clinigene collaborates with over 185 investigators across India and handles a large patient data base. Anticipating growth opportunities, Clinigene plans to scale-up manpower by 40% this fiscal, expand its Human Pharmacology Unit to 86 beds and set up a six-bed Phase I Glucose Clamp Unit.

REVENUE ANALYSIS

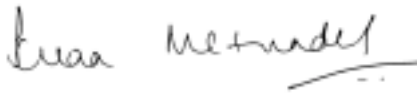
Profit growth has been maintained at the consolidated level despite the divestment of the enzymes business, currency appreciation and increased depreciation. Your company has a strong Balance Sheet with high reserves and Rs. 193 crores in net cash. Revenues from Research Services grew 29% to Rs. 176 crores from Rs.136 crores, contributing 16% to consolidated revenues in FY 2008, but currency appreciation and capacity expansion for future demand kept operating margins flat.

OUTLOOK

We are pleased that we have delivered the highest profits to date. We have increased our capital expenditure to support the business expansion that we anticipate across the Group. We expect the year ahead to realize a good return on these investments especially at Syngene and Clinigene. We have a strong Balance Sheet, which we will use for strategic acquisitions and investments. The recent AxiCorp acquisition is a significant move that provides us key access to the European market. We wish to make similar inroads into other markets to expand our global footprint . We have delivered a 13% increase in PAT despite a Rs: 27 crore increase in depreciation. The strong financial base enables us to recommend a 1:1 Bonus issue that we believe will improve market liquidity to support Biocon's growing profile as a bellwether stock in the Life Science sector.

Thank you,

KIRAN MAZUMDAR-SHAW



Bangalore
17th July, 2008