



PRESS RELEASE

Bangalore,

October, 19th, 2005

BIOCON'S H1 - FY '06 PERFORMANCE IN LINE WITH EXPECTATIONS

Revenues Rs. 377 crs : EBITDA Rs. 112 crs : PAT Rs. 82 crs

Biocon Limited today announced its financial performance for the half year ended September 30th, 2005.

PERFORMANCE HIGHLIGHTS - H1 FY06 :

- Consolidated Sales grew by 4% over H1 FY05. Operating profits fell by 8% while Profit after Tax showed a 22% decline. Despite this, PAT margins were maintained at a healthy 22%.
- Operating results were largely affected by challenging pricing conditions in the European Statins market. Additionally, a higher effective tax charge led to a greater erosion of PAT.
- Research Services, Enzymes, Insulin and other pharmaceutical products performed strongly.
- Good progress was maintained on Biocon's discovery led Diabetes and Oncology research programs.
- The SEZ application for Biocon Park was approved.
- **Within the half year, Q2 performance was significantly stronger than Q1: Revenues were up 15% and PAT increased by 13%.**

OUTLOOK :

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

"Given the challenges in the European Statins market, I am satisfied with our results. We are seeing strong growth in important parts of our business. We have many excellent growth drivers which are beginning to bear fruit. We are confident that we will deliver healthy operating margins for the full year.

Our discovery-led research programs in Diabetes and Oncology are making good progress. We are on track to complete Phase IIB clinical trials for our EGFR antibody, *Biomab-EGF* by the year end. We also expect to submit an IND for our oral Insulin molecule, IN105 by the end of this fiscal. I would like to reaffirm our belief in our innovation pathway which will deliver long term, sustainable value to our shareholders. "



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

CORPORATE DEVELOPMENTS :

IN105 (Oral Insulin) data was presented for the first time at EASD

A poster presentation of IN105 (Oral Insulin) entitled "Biologic Effectiveness of an Insulin Analogue Developed for Oral Insulin Delivery" was jointly presented by Vanderbilt University, Biocon and Nobex at the 41st EASD (European Association for the study of Diabetes) meeting held at Athens between 10-15th September, 2005. Prof Alan Cherrington of Vanderbilt University, School of Medicine, presented Pharamco-kinetic dog data on orally delivered IN105 as a Proof of Concept study on a well validated dog model.

Biocon 's Pre-clinical studies for Oral Insulin are in progress

Biocon is progressing its pre-clinical studies to generate data for its Oral Insulin molecule, IN 105 to support IND filings with National and International Regulatory Authorities.

About Biocon

Established in 1978, Biocon Limited is one of India's premier biotechnology companies. Biocon and its two subsidiary companies, Syngene International Pvt Ltd and Clinigene International Pvt Ltd form a fully integrated biotechnology enterprise, specializing in biopharmaceuticals, custom research, clinical research and enzymes. With successful initiatives in clinical development, bioprocessing and global marketing, Biocon delivers products and solutions to partners and customers across 50 countries. 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, any member of the syndicate nor any of their respective 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.

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

Particulars	H1 FY 2006	H1 FY 2005	Variance H1 FY 06 vs H1 FY 05	Full Year ended March 31, 2005
<u>INCOME</u>				
Sales-Biopharmaceuticals	291	287	1%	557
Sales- Enzymes	42	44	-5%	90
Contract research	42	29	45%	66
Total Sales	375	360	4%	713
Other income	2	7		15
Total Income / Revenues	377	367	3%	728
<u>EXPENDITURE</u>				
Manufacturing & other exp	265	245	8%	489
PBDIT /EBIDTA	112	122	-8%	239
Interest and finance charges	0	1		2
PBDT	112	121	-7%	237
Depreciation	15	9		22
PBT	97	112	-13%	215
Taxes	16	8		18
PROFIT FOR THE PERIOD	81	104	-22%	197
Add/(less): Minority interest	1	1		1
PAT	82	105	-22%	198
EPS on issued capital– (Rs)	8.2	10.5	-22%	19.8

NOTE: The figures are rounded off to nearest crores, percentages are based on absolute numbers

P&L : Q1- 06 & Q2 – 06

(Rs. Cr)

Particulars	Q1-06	% on Revenues	Q2-06	% on Revenues	
Revenues	176		202		↑ 15%
EBIDTA	52	30%	60	30%	
PBT	45	26%	53	26%	
Tax	7	4%	9	5%	
PAT	39	22%	44	22%	↑ 13%