

Biocon's FY 2006-07 performance shows healthy growth

Revenues Rs. 990 crs : EBITDA Rs. 287 crs : PAT Rs. 200 crs

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Biocon Limited today announced its financial performance for the financial year ended March 31, 2007.

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

PERFORMANCE HIGHLIGHTS:

FY 2007 (April 2006 - March 2007) v/s FY 2006 (April 2005 - March 2006) Total income increases by 25 % to Rs. 990 crores. Operating margins at 29 % for the year. PAT increases 15 % to Rs. 200 crores. Earnings per share at Rs. 20 for the year. R&D revenue expenditure increases by 86% to Rs. 38 crores. Dividend increase from 50 % to 60 % (Rs. 3/- per share) recommended by the Board. Q4 2006-07 shows a 30% top line growth (Rs. 279 crores vs Rs. 215 crores) and 27 % growth in PAT (Rs. 61 vs Rs. 48 crores) over the corresponding quarter for the last fiscal.

Revenue analysis

Revenues from the biopharmaceuticals and enzymes business grew 20% to Rs. 823 crores from Rs. 688 crores, contributing 83% to operating revenues in FY 2007.

Revenues from Research Services and Licensing grew 63% to Rs. 163 crores from Rs. 100 crores, contributing 17 % to operating revenues in FY 2007.

Outlook

Commenting on the results, Kiran Mazumdar-Shaw, Chairman and Managing Director, Biocon Limited, said, "*Our strategy of building global scale in our products and services businesses has delivered robust profits this fiscal year. This has enabled us to invest incrementally in our innovation led research programs which will deliver attractive shareholder returns in the coming years. Today, Biocon and its subsidiaries have created a unique matrix of capabilities that has earned us a strong reputation as a preferred partner to global pharma and biotech companies.*"

Dr. Arun Chandavarkar, Chief Operating Officer, Biocon Limited added, "*Biocon's better than expected performance last year was the result of a strong focus on deriving operational efficiencies, aggressively defending our market position in the face of strong competition in the generic API space and monetizing some of our research programs by way of licensing and partnering. In the year ahead, we will continue to make significant investments to progress our innovation pipeline and leverage upon the strategic initiatives taken to enter into new business segments like oncology and nephrology whilst continuing to expand our cardio-diabetes reach globally.*"

CORPORATE HIGHLIGHTS FOR FISCAL YEAR 2007: Biocon's subsidiary, Syngene, enters into research partnership with Bristol Myers Squibb

The new Bristol-Myers Squibb and Syngene research facility is underway. Spread over approximately 150,000 sq feet, the facility is planned to ultimately house more than 400 scientists to help advance Bristol-Myers Squibb's discovery and early drug development in India. This is expected to significantly increase the scope of Bristol Myers Squibb's existing relationship with Syngene to further develop integrated capabilities in medicinal chemistry, biology, drug metabolism and pharmaceutical development. Through this symbiotic global partnership, Biocon's Syngene will provide research and development services for discovery and early drug development. Biocon launches a comprehensive portfolio of renal therapy products

Biocon Limited announced the launch of its new Nephrology Division and a comprehensive portfolio of renal therapy products. Biocon's Nephrology division is committed to finding solutions to kidney disorders using the highest standards of biotherapeutics and will simultaneously strive towards reducing the risks of the disease in the future, through progressive research and innovative therapies.

Biocon Park facilities successfully pass US-FDA inspection

Biocon's multiproduct manufacturing facilities at the Biocon Park SEZ successfully passed inspection by the US-FDA. This implies that these facilities meet the stringent quality and regulatory standards and would enable Biocon to exploit these new capacities to service the US market for active pharmaceutical ingredients.

Biocon and Bentley announce approval and expansion of Bentley's Nasulin Phase II studies in India

Biocon's licensing partner, Bentley Pharmaceuticals, Inc. a specialty pharmaceutical company, received approval from the Drug Controller General of India (DCGI) to proceed with a Phase II clinical evaluation of Nasulin in Type II diabetic patients. Nasulin is Bentley's intranasal insulin product utilizing its proprietary delivery technology CPE-215. As per the licensing agreement, Biocon is responsible for developing and marketing Nasulin in India and select territories. Biocon provides a source of insulin powder and Cardinal Health has manufactured the clinical supplies for this Phase II study under contract with Bentley.

MOU with NMC Group for GCC JV:

Biocon and Abu Dhabi's NMC Group signed an MOU to establish a JV to manufacture and market a range of Bio-pharmaceuticals for the GCC region (Gulf Cooperation Council). This landmark agreement between the two companies heralds the region's first foray to develop and market life-saving biopharmaceutical products and will expand Neopharma's (NMC Group) existing portfolio with a range of Biocon's therapeutic products. These products will be in the cardiovascular, diabetes and oncology segments, which represent the fastest growing class of drugs in the \$ 5 billion GCC pharmaceutical market. This JV is a key milestone for Biocon's marketing foray in the Gulf.

Biocon launches BIOMAb-EGFR™ into Indian market

Biocon launched BIOMAb-EGFR™, a therapeutic monoclonal antibody-based drug for treating

solid tumors of epithelial origin, such as head and neck cancers. This novel drug is engineered to specifically target and block the epidermal growth factor receptor (EGFR) responsible for the proliferation of cancer cells. The drug is the first of its kind to be clinically developed in India and is the first anti-EGFR humanized monoclonal antibody for cancer to be made available commercially anywhere in the world. The product has shown consistent positive outcome in clinical trials initiated both in India and globally and is being studied in global clinical trials for Colorectal, Lung Cancer, Glioma and Pancreatic cancers. BIOMAb-EGFR[®] is produced at Biocon's state-of-the-art manufacturing facility-Biocon Park. Biocon has also granted an exclusive license to Ferozsons Laboratories Limited for marketing BIOMAb-EGFR[®] in Pakistan. Ferozsons Laboratories Limited is ranked as the #1 national oncology company.

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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, bio-processing and global marketing, Biocon delivers products and solutions to partners and customers across the globe. Many of these products have USFDA and EMEA acceptance. Biocon launched the world's first recombinant human insulin, INSUGEN[®] in November 2004 using Pichia expression and India's first indigenously produced monoclonal antibody BIOMAb- EGFR[®]; Visit us at <http://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, 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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