Biocon

Biocon Limited
20th KM Hosur Road
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Bangalore 560 100, India
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CIN : L24234KA1978PLC003417

www.biocon.com

Letter No: 2017/SEC/JUL/081

July 27, 2017

National Stock Exchange of India Limited,
Exchange Plaza,
Bandra – Kurla Complex,
Bandra (East),
Mumbai- 400 051

Bombay Stock Exchange Limited,
P J Tower, Dalal Street,
Mumbai 400 001

Dear Sir / Madam,

Sub: - Outcome of Board Meeting.

Ref: BSE Scrip code**: 532523/NSE** Symbol**: BIOCON**

The Board of Directors ('Board') of BIOCON LIMITED at their meeting held today i.e. July 27, 2017, considered and approved the following:

1. Un-audited financial results of the Company (both standalone and consolidated) for the quarter ended June 30, 2017. A copy of the unaudited financial results in the prescribed format, reviewed by Audit and Risk Committee and approved by the Board along with the limited review report of statutory auditors is enclosed herewith. Also please find enclosed the fact sheet and a copy of the press release issued by the Company in this regard. The Company is organizing a conference call with the investors/analysts on Friday, July 28, 2017 at 9.00 A.M. to discuss the above results. The unaudited financial results of the Company for the quarter ended June 30, 2017 is also uploaded on the Company's website: www.biocon.com.

2. The Board, based on the recommendation of Nomination and Remuneration Committee, at its meeting held earlier today, approved the resignation of Mr. John Mccallum Marshall Shaw as a Whole-time Director of the Company effective July 01, 2017. However, Mr. John Mccallum Marshall Shaw shall continue to be on the Board of the Company as a Non- Executive Director and Vice Chairman.

The Meeting of the Board of Directors commenced at 6.00 PM & concluded at 7.15 PM.

Kindly take note of the above.

Thanking you,
For BIOCON LIMITED

BIOCON LIMITED BANGALORE

Rajiv Balakrishnan
Company Secretary

BIOCON LIMITED

CIN: L24234KA1978PLC003417 Website: www.biocon.com

Registered office: 20th KM HOSUR ROAD, ELECTRONIC CITY P.O., BANGALORE - 560 100

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2017

(Rs in Million, except per equity share data)

Sl. No.	Particulars	3 months ended 30.06.2017	3 months ended 31.03.2017	3 months ended 30.06.2016	Previous Year ended 31.03.2017
		(Unaudited)	(Audited) (Refer note 7)	(Unaudited)	(Audited)
1	**Income**				
	Revenue from operations	5,806	6,321	7,054	26,184
	Other Income	261	143	294	988
	Total income	**6,067**	**6,464**	**7,348**	**27,172**
2	**Expenses**				
	a) Cost of raw materials and packing materials consumed	2,495	2,588	2,128	9,915
	b) Purchases of traded goods	171	184	284	902
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(228)	(354)	581	(465)
	d) Excise duty	63	58	96	305
	e) Employee benefits expense	961	904	901	3,650
	f) Finance Costs	9	9	5	38
	g) Depreciation and amortisation expenses	372	381	365	1,506
	h) Other expenses	1,482	1,706	1,270	5,963
		5,325	**5,476**	**5,630**	**21,814**
	Less: Recovery of cost from co-development partners (net)	-	(3)	1	(4)
	Total expenses	**5,325**	**5,473**	**5,631**	**21,810**
3	**Profit before tax and exceptional item**	**742**	**991**	**1,717**	**5,362**
4	Exceptional items	-	-	-	-
5	**Profit before tax (3 + 4)**	**742**	**991**	**1,717**	**5,362**
6	Tax expense	197	(1,047)	303	169
7	**Profit for the period/year (5 - 6)**	**545**	**2,038**	**1,414**	**5,193**
8	**Other comprehensive income**				
	A (i) Items that will not be reclassified to profit or loss	(7)	(12)	(5)	(27)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	4	2	9
	B (i) Items that will be reclassified to profit or loss	(11)	63	(10)	149
	(ii) Income tax relating to items that will be reclassified to profit or loss	4	(22)	-	(47)
	Other comprehensive income, net of taxes	**(14)**	**33**	**(13)**	**84**
9	**Total comprehensive income for the period (7+8)**	**531**	**2,071**	**1,401**	**5,277**
10	Paid-up equity share capital (Face value of Rs. 5 each)	3,000	1,000	1,000	1,000
11	Reserves i.e. Other equity				64,411
13	**Earnings per share (of Rs. 5 each) (refer note 6 below)**	(not annualised)	(not annualised)	(not annualised)	(annualised)
	(a) Basic	0.92	3.46	2.40	8.82
	(b) Diluted	0.92	3.43	2.39	8.76
	See accompanying notes to the financial results				

B S R & Co. LLP BANGALORE 560 071 CHARTERED ACCOUNTANTS

BIOCON LIMITED BANGALORE

BIOCON LIMITED

CIN: L24234KA1978PLC003417 Website: www.biocon.com

Registered office: 20th KM HOSUR ROAD, ELECTRONIC CITY P.O., BANGALORE - 560 100

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2017

(Rs in Million, except per equity share data)

Sl. No.	Particulars	3 months ended 30.06.2017	3 months ended 31.03.2017	3 months ended 30.06.2016	Previous Year ended 31.03.2017
		(Unaudited)	(Audited) (Refer note 7)	(Unaudited)	(Audited)
1	**Income**				
	Revenue from operations	9,337	9,311	9,920	39,216
	Other income	540	432	409	1,571
	Total income	**9,877**	**9,743**	**10,329**	**40,787**
2	**Expenses**				
	a) Cost of raw materials and packing materials consumed	3,547	3,405	2,751	13,224
	b) Purchases of traded goods	504	306	589	1,932
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(456)	(285)	566	(690)
	d) Excise duty	63	58	96	305
	e) Employee benefits expense	2,133	1,939	1,785	7,470
	f) Finance costs	161	50	57	260
	g) Depreciation and amortisation expenses	988	725	661	2,772
	h) Other expenses	1,999	2,141	1,835	8,463
		8,939	**8,339**	**8,340**	**33,736**
	Less: Recovery of cost from co-development partners (net)	(374)	(128)	(333)	(1,283)
	Total expenses	**8,565**	**8,211**	**8,007**	**32,453**
3	**Profit before share of profit of Joint venture, exceptional items and tax (1-2)**	**1,312**	**1,532**	**2,322**	**8,334**
4	Share of profit of Joint venture and Associate	41	55	54	163
5	**Profit before tax and exceptional items (3-4)**	**1,353**	**1,587**	**2,376**	**8,497**
6	Exceptional items (net) [refer note 4 below]	-	-	-	-
7	**Profit before tax (5-6)**	**1,353**	**1,587**	**2,376**	**8,497**
8	Tax expense	376	103	552	1,616
9	**Profit for the period / year before non-controlling interest (7-8)**	**977**	**1,484**	**1,824**	**6,881**
10	Non-controlling interest	(164)	(209)	(158)	(760)
11	**Profit for the period (9-10)**	**813**	**1,275**	**1,666**	**6,121**
12	**Other comprehensive income**				
	A (i) Items that will not be reclassified to profit or loss	(14)	(39)	(5)	(57)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	1	10	1	15
	B (i) Items that will be reclassified to profit or loss	60	701	(142)	1,293
	(ii) Income tax relating to items that will be reclassified to profit or loss	(12)	(165)	(15)	(263)
	Total other comprehensive income, net of tax	**35**	**507**	**(161)**	**988**
13	Non-controlling interest	(16)	(123)	23	(224)
14	**Other comprehensive income attributable to Shareholders (12+13)**	**19**	**384**	**(138)**	**764**
	Total comprehensive income attributable to:				
	Shareholders of the Company	832	1,659	1,528	6,885
	Non-controlling interest	180	332	135	984
	Total comprehensive income	**1,012**	**1,991**	**1,663**	**7,869**
15	Paid-up equity share capital (Face value of Rs. 5 each)	3,000	1,000	1,000	1,000
16	Reserves i.e. Other equity				47,377
17	**Earnings per share (of Rs. 5 each) (refer note 6 below)**	(not annualised)	(not annualised)	(not annualised)	(annualised)
	(a) Basic	1.38	2.16	2.83	10.39
	(b) Diluted	1.37	2.14	2.82	10.32
	See accompanying notes to the financial results				

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BIOCON LIMITED BANGALORE

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SEGMENT DETAILS OF UNAUDITED CONSOLIDATED RESULTS FOR THE QUARTER ENDED JUNE 30, 2017

Particulars	**3 months ended 30.06.2017**	**3 months ended 31.03.2017**	**3 months ended 30.06.2016**	**Previous Year ended 31.03.2017**
	(Unaudited)	**(Audited) (Refer note 7)**	**(Unaudited)**	**(Audited)**
Segment revenue				
a. Small Molecules	3,629	3,948	4,354	16,405
b. Biologics	1,839	1,633	1,606	7,018
c. Branded formulations	1,304	1,310	1,580	5,489
d. Research services	2,911	2,828	2,745	11,925
Total	9,683	9,719	10,285	40,837
Less: Inter-segment revenue	(346)	(408)	(365)	(1,621)
Net sales / Income from continuing operations	**9,337**	**9,311**	**9,920**	**39,216**
Segment results				
Profit before interest and tax from each segment				
a. Small Molecules	704	1,066	1,157	4,142
b. Biologics	(60)	59	462	1,397
c. Branded formulations #	40	99	211	463
d. Research services	760	902	729	3,465
Total	**1,444**	**2,126**	**2,559**	**9,467**
Less: Interest	110	22	6	86
Other un-allocable expenditure / (income), net	(19)	517	177	884
Profit before tax and before exceptional items #	**1,353**	**1,587**	**2,376**	**8,497**
Segment Assets				
a. Small Molecules	16,998	16,116	14,589	16,116
b. Biologics	32,191	34,111	29,510	34,111
c. Branded formulations	2,500	2,386	2,276	2,386
d. Research services	27,680	27,738	24,664	27,738
	79,369	80,351	71,039	80,351
e. Unallocable	15,713	13,591	16,166	13,591
Total segment assets	**95,082**	**93,942**	**87,205**	**93,942**
Segment Liabilities				
a. Small Molecules	4,269	3,548	2,121	3,548
b. Biologics	6,813	8,251	5,614	8,251
c. Branded formulations	1,712	1,650	1,023	1,650
d. Research services	12,823	13,607	13,499	13,607
	25,617	27,056	22,257	27,056
e. Unallocable	16,310	14,748	19,674	14,748
Total segment liabilities	**41,927**	**41,804**	**41,931**	**41,804**
Capital employed				
a. Small Molecules	12,729	12,568	12,468	12,568
b. Biologics	25,378	25,860	23,896	25,860
c. Branded formulations	788	736	1,253	736
d. Research services	14,857	14,131	11,165	14,131
	53,752	53,295	48,782	53,295
e. Unallocable	(597)	(1,157)	(3,508)	(1,157)
Total capital employed	**53,155**	**52,138**	**45,274**	**52,138**
# includes share of profit of Joint venture				

B S R & Co. LLP BANGALORE 560 071 CHARTERED ACCOUNTANTS

BIOCON LIMITED BANGALORE

Biocon Limited
Unaudited financial results for the quarter ended June 30, 2017

Notes:

1. The unaudited standalone and consolidated financial results for the quarter ended June 30, 2017 in respect of Biocon Limited ('the Company') have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on July 27, 2017. The above results have been subjected to limited review by the statutory auditors of the Company. The reports of the statutory auditors are unqualified.

2. These financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with the relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated July 5, 2016.

3. The consolidated financial results include the financial results of the parent company Biocon Limited and the financial results of the following subsidiaries:

   - Syngene International Limited ('Syngene')
   - Biocon Research Limited
   - Biocon Pharma Limited
   - Biocon Academy
   - Biocon SA
   - Biocon SDN. BHD
   - Biocon FZ LLC
   - Biocon Biologics Limited
   - Biocon Pharma Inc.
   - Biocon Biologics India Limited

   In addition to the above, the consolidated financial results also include the financial results in respect of Biocon India Limited Employee Welfare Trust and Syngene Employees Welfare Trust. The Company has also accounted for its share of interest in the joint venture i.e. NeoBiocon FZ-LLC and share of investment in the associate i.e. Iatrica Inc., if any under the equity method. Biocon Limited, its subsidiaries, associate and a joint venture are collectively referred to as 'the Group'.

4. The exceptional item comprise the following:

   Pursuant to a fire incident on December 12, 2016 at Syngene, certain fixed assets, inventory and other contents in one of the buildings was damaged. Syngene lodged an initial estimate of loss with the insurance company and the survey is currently ongoing. During the quarter ended June 30, 2017, Syngene has additionally written off net book value of assets aggregating to Rs 47 million (year ended March 31, 2017- Rs 795 million) and recognised a minimum amount of insurance claim receivable for an equivalent amount. This has been presented under exceptional items.

   In addition, the Group is in the process of determining its claim for Business Interruption and has accordingly not recorded any claim arising therefrom at this stage.

BSR & Co. LLP BANGALORE 560 071 CHARTERED ACCOUNTANTS

BIOCON LIMITED BANGALORE

Biocon Limited
Unaudited financial results for the quarter ended June 30, 2017

5. Segment Reporting in Consolidated financial results: Based on the "management approach" as defined in Ind AS 108-Operating Segments, the Chief Operating Decision Marker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments. The accounting principles used in the preparation of these financial results are consistently applied to record revenue and expenditure in individual segments.

6. The Company has allotted 400,000,000 equity shares of Rs. 5/- each fully paid up as bonus shares on June 19, 2017 in the ratio of 2:1 (Two equity shares of Rs. 5/- each for every one equity share of Rs. 5/- each held in the Company as on the record date i.e., June 17, 2017) by capitalisation of securities premium account. In accordance with Ind AS 33, Earnings per share, the earnings per share data has been adjusted to give effect to the bonus issue for all periods presented.

7. The figures for quarter ended March 31, 2017 is balancing figures between audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the end of the third quarter of the relevant financial year, which are subject to limited review.

8. Prior period/ year figures have been reclassified wherever required to conform to the classification of the current period/ year.

For and on behalf of the Board of Directors of Biocon Limited

BIOCON LIMITED BANGALORE

Bangalore,
July 27, 2017

Kiran Mazumdar Shaw
Chairman and Managing Director

B S R & Co. LLP BANGALORE 560 071 CHARTERED ACCOUNTANTS

B S R & Co. LLP
Chartered Accountants

Maruthi Info-Tech Centre
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Limited Review report

Review report to
The Board of Directors of Biocon Limited

We have reviewed the accompanying statement of unaudited standalone financial results ("Statement") of Biocon Limited ('the Company') for the quarter ended 30 June 2017 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Regulations').

This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, '*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of SEBI Regulations and SEBI Circular dated 5 July 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Sethuraman

S Sethuraman
Partner
Membership Number: 203491

Place: Bengaluru
Date: 27 July 2017

B S R & Co. LLP
Chartered Accountants

Maruthi Info-Tech Centre
11-12/1 Inner Ring Road
Koramangala
Bangalore 560 071 India

Telephone +91 80 7134 7000
Fax +91 80 7134 7999

Limited Review report

Review Report to
The Board of Directors of Biocon Limited

We have reviewed the accompanying statement of unaudited consolidated financial results ("Statement") of Biocon Limited ('the Company'), its subsidiaries, associate and a joint venture (collectively referred to as 'the Group') (Refer to Note 3 of the Statement), for the quarter ended 30 June 2017 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Regulations').

This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, '*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We did not review the unaudited financial information of a subsidiary and a joint venture both incorporated outside India included in the consolidated financial results of the Group. This subsidiary accounts for Rs 130 million of net loss and Rs 726 million of revenues (including other income) for the quarter ended 30 June 2017 and Rs 22,710 million of total assets as at 30 June 2017. The financial results also includes Group's share of net profit of Rs 41 million for the quarter ended 30 June 2017, in respect of such joint venture. The unaudited financial results of the subsidiary and joint venture both incorporated outside India have been reviewed by the other auditors whose reports have been furnished to us. Our opinion on the unaudited consolidated Statement, in so far as it relates to this subsidiary and joint venture, is based on the aforesaid review reports of the other auditors.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of SEBI Regulations and SEBI Circular dated 5 July 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W/W-100022

S Sethuraman
Partner
Membership Number: 203491

Place: Bengaluru
Date: 27 July 2017

BIOCON GROUP

F A C T S H E E T

June - 2017

BIOCON LIMITED (CONSOLIDATED)
BALANCE SHEET

(Rs Million)

	June 30, 2017	March 31, 2017
ASSETS		
Non-current assets		
(a) Property, plant and equipment	35,060	35,529
(b) Capital work-in-progress	6,131	5,327
(c) Investment property	8	8
(d) Goodwill	264	264
(e) Other intangible assets	434	458
(f) Intangible assets under development	3,424	3,065
(g) Investments in associates and a joint venture	463	422
(h) Financial assets		
Investments	1,458	1,458
Derivative assets	1,127	1,092
Other financial assets	196	197
(i) Income tax asset, net	927	895
(j) Deferred tax asset, net	1,943	1,975
(k) Other non-current assets	3,046	2,775
	54,481	**53,465**
Current assets		
(a) Inventories	7,177	6,353
(b) Financial assets		
Investments	12,473	10,650
Trade receivables	8,295	8,832
Cash and cash equivalents	5,173	7,102
Other bank balances	3,391	3,341
Derivative assets	1,033	1,059
Other financial assets	1,579	1,551
(c) Other current assets	1,480	1,589
	40,601	**40,477**
TOTAL	**95,082**	**93,942**
EQUITY AND LIABILITIES		
Equity		
(a) Share capital	3,000	1,000
(b) Other equity	46,202	47,377
Equity attributable to equity holders of the Company	**49,202**	**48,377**
Non-controlling interest	3,953	3,761
	53,155	**52,138**
Non-current liabilities		
(a) Financial liabilities		
Borrowings	20,709	21,082
Derivative liability	49	61
Other financial liabilities	1	2
(b) Provisions	374	360
(c) Other non-current liabilities	3,404	3,516
	24,537	**25,021**
Current liabilities		
(a) Financial liabilities		
Borrowings	2,194	972
Trade payables	7,987	7,397
Derivative liability	63	63
Other financial liabilities	3,161	3,261
(b) Short-term provision	500	468
(c) Income tax liability, net	1,048	964
(d) Other current liabilities	2,437	3,658
	17,390	**16,783**
TOTAL	**95,082**	**93,942**

BIOCON LIMITED (CONSOLIDATED)

PROFIT & LOSS STATEMENT (Rs. Million)

Particulars	Q1 FY 18	Q1 FY 17	Variance IndAS
INCOME			
Small molecules	3,629	4,354	-17%
Biologics	1,839	1,606	15%
Branded formulations	1,304	1,580	-17%
Research services	2,911	2,745	6%
Inter-segment	(346)	(365)	-5%
Revenue from operations	**9,337**	**9,920**	**-6%**
Other income	540	409	32%
TOTAL REVENUE	**9,877**	**10,329**	**-4%**
EXPENDITURE			
Material & Power costs	4,099	4,380	-6%
Staff costs	1,931	1,642	18%
Research & Development expenses*	582	514	13%
Other expenses	804	753	7%
Manufacturing, staff & other expenses	**7,416**	**7,289**	**2%**
EBITDA	**2,461**	**3,040**	**-19%**
Interest & Finance charges	161	57	182%
Depreciation & Amortisation	988	661	49%
Share of profit in JV	(41)	(54)	-24%
PBT	**1,353**	**2,376**	**-43%**
Taxes	376	552	-32%
Taxes on exceptional item	-	-	-
NET PROFIT BEFORE MINORITY INTEREST	**977**	**1,824**	**-46%**
Minority interest	164	158	4%
NET PROFIT FOR THE PERIOD	**813**	**1,666**	**-51%**
EPS Rs.	**1.4**	**2.8**	
# Licensing Income	*77*	*172*	
** Gross Research & Development expenses*	*956*	*915*	

BIOCON LIMITED (CONSOLIDATED)

PROFIT & LOSS STATEMENT (Rs. Million)

Particulars	Q1 FY 18	Q4 FY 17	Variance IndAS
INCOME			
Small molecules	3,629	3,948	-8%
Biologics	1,839	1,633	13%
Branded formulations	1,304	1,310	0%
Research services	2,911	2,828	3%
Inter-segment	(346)	(408)	-15%
Revenue from operations #	**9,337**	**9,311**	**0%**
Other income	540	432	25%
TOTAL REVENUE	**9,877**	**9,743**	**1%**
EXPENDITURE			
Material & Power costs	4,099	3,830	7%
Staff costs	1,931	1,779	9%
Research & Development expenses*	582	652	-11%
Other expenses	804	1,175	-32%
Manufacturing, staff & other expenses	**7,416**	**7,436**	**0%**
EBITDA	**2,461**	**2,307**	**7%**
Interest & Finance charges	161	50	222%
Depreciation & Amortisation	988	725	36%
Share of profit in JV	(41)	(55)	-25%
PBT	**1,353**	**1,587**	**-15%**
Taxes	376	25	1404%
Taxes on exceptional item	-	78	-100%
NET PROFIT BEFORE MINORITY INTEREST	**977**	**1,484**	**-34%**
Minority interest	164	209	-22%
NET PROFIT FOR THE PERIOD	**813**	**1,275**	**-36%**
EPS Rs.	**1.4**	**2.1**	
# Licensing Income	*77*	*155*	
** Gross Research & Development expenses*	*956*	*975*	

Press Release

Biocon Reports Q1FY18 Revenue at Rs 988 Crore; EBITDA at Rs 246 Crore; Net Profit at Rs 81 Crore

Bengaluru, Karnataka, India: July 27, 2017:

Biocon Ltd (BSE code: 532523, NSE: BIOCON), Asia's premier biopharmaceuticals company, today announced its consolidated financial results for the fiscal first quarter ended on June 30, 2017.

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

"Our Biologics business had a strong quarter led by insulins sales. Financial performance was muted largely due to a combination of factors: weakening of US$; GST impact; and inclusion of operational and fixed costs of Malaysia. Additionally, the YoY comparison was impacted by the one-time adjustment in Q1FY17 related to IndAS migration. Our core operating margins, however were healthy at 29% for Q1FY18. A major milestone this quarter was the US FDA Oncologic Drugs Advisory Committee (ODAC) recommendation for approval of our biosimilar Trastuzumab. We also received regulatory approvals from the Indian regulator for our biosimilar Bevacizumab."

"The outlook for FY18 remains cautious as much depends on regulatory approvals and tender outcomes for our biosimilars in key emerging markets. However, we will endeavour to maintain healthy core operating margins, going forward."

Highlights of Q1 FY18:

- **U.S. Food and Drug Administration (FDA) Oncologic Drugs Advisory Committee (ODAC)** recommended approval of Biocon-Mylan's proposed biosimilar Trastuzumab in all eligible indications ; **first biosimilar Trastuzumab** to be recommended by the Committee.

- **Drug Controller General of India** approved Biocon's biosimilar **Bevacizumab**, prescribed for various cancers including metastatic colorectal cancer and lung cancer.

- Biocon received **GMP compliance certification** from **France's ANSM** for its biologics Drug Substance facility for manufacturing Trastuzumab and Pegfilgrastim; Drug Product facility will require re-inspection.
- Clinical data on **Insulin Glargine** presented at the **American Diabetes Association**'s 77th Scientific Sessions in San Diego.
- **Ms. Pratima Rao** appointed as **Mission Director** & **Head** of **Biocon Foundation**, she will lead our **CSR** wing**.**
- **Biocon Foundation** won the prestigious '**Health CSR Project of the Year' Award** for strengthening primary healthcare delivery in India through its **eLAJ platform**.

FINANCIAL HIGHLIGHTS: Q1FY18

As per IND-AS *In Rs Crore, except growth numbers*

Particulars	**Q1FY18**	**Q1FY17**	**Growth**
INCOME			
Biocon			
Small Molecules	**363**	435	**-17%**
Biologics	**184**	161	**15%**
Branded Formulations	**130**	158	**-17%**
Research Services	**291**	275	**6%**
Inter-segment	**(34)**	(37)	
Revenue from Operations#	**934**	992	**-6%**
Other Income	**54**	41	**32%**
TOTAL REVENUE	**988**	1033	**-4%**
EBITDA	**246**	304	**-19%**
Interest & Finance charges	**16**	06	**182%**
Depreciation & Amortisation	**99**	66	**49%**
PBT	**135**	237	**-43%**
Net Profit	**81**	167	**-51%**
R&D Expenses in P&L	**58**	52	**13%**
Gross R&D Spends	**96**	92	**4%**
EBITDA Margin	**25%**	28%	
Core EBITDA Margin	**29%**	33%	
Net Profit Margin	**8%**	15%	
#includes Licensing Income	**8**	17	

Notes: Figures above are rounded off to the nearest Cr; % based on absolute nos.

EXECUTIVE COMMENTARY:

PERFORMANCE REVIEW: Q1FY18

Our Q1 Revenue at Rs 988 Cr reflected a decline of 4% due to the combined impact of a stronger rupee, GST and the one-time positive impact in Q1FY17 on account of the transition to IndAS.

Net R&D spends during the quarter stood at Rs. 58 Cr, an increase of 13% YoY. At a Gross level, R&D spends in Q1FY18 were Rs 96 Cr largely on account of our Biologics programs, including our Biosimilars and Novels. Staff costs rose 18% to Rs 193 Cr.

EBITDA for Q1 was Rs. 246 Cr. The decline of 19% was largely on account of inclusion of Fixed and operational costs related to Malaysia in our P&L, post capitalisation of this facility beginning this quarter, as well as, an increase in Staff costs. Adjusted for the one-time impact from the transition to Ind AS in Q1FY17, EBITDA declined 9%.

Interest and depreciation costs increased 60% to Rs. 115 Cr for the quarter, largely attributable to the Malaysia facility.

While EBITDA margin for the quarter stood at 25%, the core operating margin (i.e. EBIDTA margin, net of licensing, impact of forex and R&D) remains healthy at 29%.

Net Profit for the quarter stood at Rs 81 Cr.

SMALL MOLECULES

The Small Molecules business reported sales of Rs 363 Cr in Q1FY18. The sales were impacted due to pricing pressure, rupee appreciation and one time positive impact to this segment in Q1FY17 due to the transition to Ind AS.

Our API customers in key developed markets received regulatory approvals while we made regulatory submissions for a few in key emerging markets.

The commissioning of our manufacturing facility for complex solid oral dosage forms in FY18, will support our regulatory filings for Generic Formulations in developed and emerging markets.

BIOLOGICS

The Biologics vertical comprising Novel Biologics and Biosimilars, including rh-insulin, insulin analogs, monoclonal antibodies and recombinant proteins, reported a strong growth of 15% with sales at Rs 184 Cr. Key regulatory developments augur well for our business in emerging markets.

Biosimilars: Insulins & Analogs

The strong growth by Insulins business in Q1 was led by increased traction in NAFTA and LATAM regions, as well as, sales in Malaysia under a government contract. We further expanded our commercial footprint with the launch of Insulin Glargine in two new emerging markets in the AFMET region.

Biocon and Mylan presented new data from the Insulin Glargine clinical program, including the INSTRIDE studies, at the American Diabetes Association's 77th Scientific Sessions in San Diego. The studies confirmed the efficacy, safety and immunogenicity of our Insulin Glargine in comparison to the reference product in patients with Type 1 and Type 2 diabetes.

Our Insulins manufacturing facilities in Bangalore and Malaysia, underwent key audits that would enable regulatory approvals in few emerging markets, going forward.

Biosimilars: Monoclonal Antibodies & Recombinant Proteins

The Biocon-Mylan collaboration to co-develop a broad portfolio of biosimilar products for the global marketplace has made steady progress during the quarter.

Earlier this month, our collaboration product became the first biosimilar Trastuzumab to be recommended for approval by the US FDA Oncologic Drugs Advisory Committee (ODAC). The unanimous endorsement by the Committee confirms the quality of our

joint research and development capabilities and the biosimilar product in terms of safety, purity and potency in comparison to the reference product. Along with our

partner Mylan, we now look forward to engage with the US FDA to seek final approval which will enable us to expand access to this high-quality, affordable Trastuzumab for treating HER2-positive breast cancers in the US.

We have made regulatory submissions for our biosimilar Trastuzumab in Canada, Australia and some new emerging markets. The review process is underway.

With respect to our pending EMA Marketing Authorization Applications for proposed biosimilars of Trastuzumab and Pegfilgrastim, we have received a GMP compliance certificate from the French medicines regulator, ANSM, for our biologics Drug Substance facility that produces Trastuzumab and Pegfilgrastim. However, the biologics Drug Product facility will require a re-inspection, post implementation of the Corrective and Preventive Action (CAPA) plan submitted to the regulator. We are working to expeditiously address the concerns of the regulator and will request for a re-inspection as early as possible.

We received approval from the Indian drug regulator(DCGI) for our biosimilar Bevacizumab being developed as an affordable alternative for metastatic colorectal cancer and lung cancer patients in India.

Novel Biologics

The Clinical Trial Application for a phase 3 study with our Novel Insulin Tregopil in Type 2 diabetes, filed with the Indian regulator (DCGI) in Q4FY17 is under review. Plans for clinical trials for patients with Type 1 Diabetes are underway.

We initiated Stage 2 of the Phase I study for a subcutaneous form of our novel anti-CD6 mAb, Itolizumab, in Australia.

In Immuno-Oncology, our lead molecule FmAb2, a fusion antibody progressed in pre-clinical development during Q1 FY18.

BRANDED FORMULATIONS

The Branded Formulations business, which includes sales in India and UAE, reported Revenue of Rs 130 Cr. As anticipated, our Branded Formulations India business was impacted due to discontinuance of Abraxane® and pre-GST market dynamics. We saw

the reduction in inventory to nearly half by hospitals and stockists during June 2017. We anticipate the GST impact to roll-over into Q2FY18, however we believe the situation would normalize by end of first half of this fiscal. Most of our key brands continue to do well and 13 of our brands currently have a market share of over 20%.

Our Branded Formulations business in UAE continues to do well. A significant milestone this quarter was the launch of our biosimilar Insulin Glargine in UAE under the brand name Glaricon. This would augment our position in the anti-diabetes space, where our in-licensed products Jalra® and Jalra-M® have captured a double digit market share. During Q1FY18, we have in-licensed two more innovator brands from Novartis, Imprida® (*Amlodipine + Valsartan*) & ImpridaHCT ® (*Amlodipine + Valsartan + Hydrochlorothiazide*), which will fortify our position in the UAE cardiovascular market, where we currently rank among the Top 10 companies.

RESEARCH SERVICES – SYNGENE

Research Services through Syngene reported revenue of Rs 291 Cr registering a growth of 6%. Syngene, on a standalone basis, reported revenue of Rs. 308 Cr in Q1. Syngene Amgen Research Centre has been expanded to include a larger team, which reflects the confidence of our partner in Syngene's capabilities. A multiyear contract with a specialty pharma company of Japan, augurs well for Syngene.

Enclosed: Fact Sheet – with Financials as per IND-AS

About Biocon Ltd:

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 120 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), BIOMAb-EGFR™ (Nimotuzumab), CANMAb™ (Trastuzumab), Evertor® (Everolimus) 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. Visit: www.biocon.com

Earnings Call

*The company will conduct a call at **9.00 AM IST on July 28, 2017** 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 223938 1081.** 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 Aug 4, 2017 on +91 22 3065 2322. Playback ID: 44711**. Transcript of the conference call will be uploaded on the company website in due course.*

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