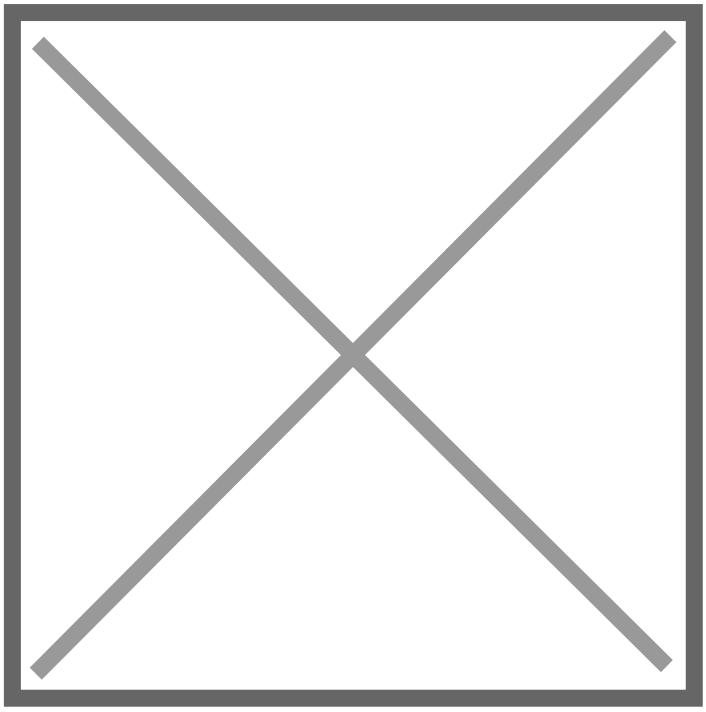
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Biocon Group crosses Rs 700 crore in revenues

10 May 2005 | News



Biocon announced its financial performance for the financial year ended March 31, 2005. While its total income increased by 34 percent to Rs 728 crore from Rs 542 crore in 2003-04, net profit grew 42 percent to Rs 198 crore from Rs 139 crore. The growth has come on account of strong performance of its biopharmaceuticals and custom research and services portfolio. Revenues from the biopharmaceuticals business improved by 28 percent to Rs 557 crore from Rs 435 crore the previous year, contributing to 77 percent of the total revenues in FY 2005. Revenues from custom and clinical research was higher by 70 percent to Rs 66 crore from Rs 39 crore.

Kiran Mazumdar-Shaw, chairman and managing director, Biocon, commented: "All our key businesses - biopharmaceuticals, enzymes and research services demonstrated positive growth. The numbers reported have exceeded our internal profit targets. Given the increased capacity coming on stream in FY 2005-06, we are confident of achieving healthy sales growth, despite the pricing pressure on our Statins business. We will maintain current levels of operating margins. However, profit for the year ahead will not grow as fast as sales. This will be partly attributable to an increased depreciation charge on our new facilities which will cater to large US market opportunities for Simvastatin and Pravastatin emerging in 2006 but more importantly, the company plans to significantly increase R&D investments to support a discovery led research strategy. We believe this approach will deliver superior shareholder value over the medium and long term." Biocon has made significant progress in its collaborative in-licensed R&D programs - h-R3/cancer vaccines (with CIMAB), oral insulin (with Nobex) and human antibodies (Vaccinex). "We see these as rapidly developing into very large global opportunities over the next 3-4 years," added Shaw.