

## AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF-YEAR ENDED SEPTEMBER 30, 2006

<b>AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF-YEAR ENDED SEPTEMBER 30, 2006</b> <i>(Rs. in thousands)</i>						
Sr. No.	Particulars	Quarter ended 30.09.2006 (Audited)	Quarter ended 30.09.2005 (Audited)	Half year ended 30.09.2006 (Audited)	Half year ended 30.09.2005 (Audited)	Year ended 31.03.2006 (Audited)
1.	Net Sales	2,191,058	1,775,670	4,033,077	3,326,484	6,885,705
2.	Other Income	10,461	10,641	19,700	28,890	46,130
3.	Total Expenditure (a+b+c+d+e)	1,651,366	1,290,687	3,080,641	2,411,010	5,077,718
	a. (Increase)/decrease in stock in trade	(263,320)	(64,275)	(309,939)	(81,448)	(207,991)
	b. Consumption of Raw Materials	1,336,177	1,043,858	2,391,058	1,918,552	3,998,100
	c. Power cost	178,396	70,749	280,245	138,652	307,847
	d. Employee cost	153,088	108,401	270,228	211,411	420,600
	e. Other Expenses	247,025	131,954	449,049	223,843	559,162
4.	<b>Profit before Interest, Depreciation &amp; Taxes (1+2-3)</b>	<b>550,153</b>	<b>495,624</b>	<b>972,136</b>	<b>944,364</b>	<b>1,854,117</b>
5.	Interest and finance charges	18,448	1,401	35,018	4,003	16,887
6.	Depreciation	156,524	57,296	246,685	113,305	228,496
7.	<b>Profit Before Taxation (4-5-6)</b>	<b>375,181</b>	<b>436,927</b>	<b>690,433</b>	<b>827,056</b>	<b>1,608,734</b>
8.	Provision for current tax (including Fringe Benefit Tax)	(3,911)	86,118	38,201	154,167	213,763
9.	Provision for deferred tax	19,357	(2,881)	16,772	(9,697)	60,141
10.	<b>Net Profit (7-8-9)</b>	<b>359,735</b>	<b>353,690</b>	<b>635,460</b>	<b>682,586</b>	<b>1,334,830</b>
11.	Paid-up equity share capital	500,000	500,000	500,000	500,000	500,000
12.	Reserves excluding revaluation reserves	8,182,354	7,143,528	8,182,354	7,143,528	7,517,739
13.	Earnings per share (Par value of Rs. 5/-)					
	- Basic - (in Rs.)	3.73	3.74	6.59	7.15	13.97
	- Diluted - (in Rs.)	3.66	3.65	6.46	7.05	13.79
14.	Aggregate of Non-Promoter Shareholding					
	- Number of Shares	39,884,842	35,452,439	39,884,842	35,452,439	39,884,842
	- Percentage of shareholding	39.88%	35.45%	39.88%	35.45%	39.88%

<b>SEGMENT REPORTING FOR THE QUARTER AND HALF-YEAR ENDED SEPTEMBER 30, 2006</b> <i>(Rs. in thousands)</i>						
Sr. No.	Particulars	Quarter ended 30.09.2006 (Audited)	Quarter ended 30.09.2005 (Audited)	Half year ended 30.09.2006 (Audited)	Half year ended 30.09.2005 (Audited)	Year ended 31.03.2006 (Audited)
1.	Segment revenue					
	a. Enzymes	273,674	239,679	515,151	461,768	921,857
	b. Pharma	1,933,433	1,558,319	3,557,520	2,910,999	6,036,142
	Total	2,207,107	1,797,998	4,072,671	3,372,767	6,957,999
	Less: Inter-segment revenue	16,049	22,327	39,594	46,283	72,294
	<b>Net sales/Income from operations</b>	<b>2,191,058</b>	<b>1,775,671</b>	<b>4,033,077</b>	<b>3,326,484</b>	<b>6,885,705</b>
2.	Segment results					
	Profit before interest, depreciation and tax from each segment					
	a. Enzymes	105,182	101,119	212,193	216,023	398,376
	b. Pharma	726,457	583,116	1,344,459	1,054,864	2,303,095
	c. Others	-	-	-	-	-
	<b>Total</b>	<b>831,639</b>	<b>684,235</b>	<b>1,556,652</b>	<b>1,270,887</b>	<b>2,690,690</b>
	Less: Interest	18,448	1,401	35,018	4,003	16,887
	Depreciation	156,524	57,296	246,685	113,305	228,496
	Unallocated corporate expenses net of unallocable income	281,486	188,611	584,516	326,523	836,573
	<b>Profit before tax</b>	<b>375,181</b>	<b>436,927</b>	<b>690,433</b>	<b>827,056</b>	<b>1,608,734</b>
3.	Capital employed					
	a. Enzymes	504,802	440,149	504,802	440,149	488,610
	b. Pharma	6,941,196	5,796,327	6,941,196	5,796,327	7,113,193
	c. Unallocable corporate assets	3,539,630	2,069,547	3,539,630	2,069,547	2,087,044
	Less: Corporate liabilities	2,291,383	648,998	2,291,383	648,998	1,658,412
	<b>Total capital employed</b>	<b>8,694,245</b>	<b>7,657,025</b>	<b>8,694,245</b>	<b>7,657,025</b>	<b>8,030,435</b>
	Less: Revaluation Reserve	11,891	13,497	11,891	13,497	12,696
	<b>Capital employed net of revaluation reserves</b>	<b>8,682,354</b>	<b>7,643,528</b>	<b>8,682,354</b>	<b>7,643,528</b>	<b>8,017,739</b>

**Note:** The primary reporting of the Company has been performed on the basis of business segment. The Company is organised into two business segments, enzymes and active pharmaceutical ingredients ('Pharma'). Segments have been identified and reported based on the nature of the products, the risks and returns, the organisation structure and the internal financial reporting systems.

<b>CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF-YEAR ENDED SEPTEMBER 30, 2006</b> <i>(Rs. in thousands)</i>						
Sr. No.	Particulars	Quarter ended 30.09.2006 (Audited)	Quarter ended 30.09.2005 (Audited)	Half year ended 30.09.2006 (Audited)	Half year ended 30.09.2005 (Audited)	Year ended 31.03.2006 (Audited)
1.	Net Sales	2,489,960	2,005,590	4,610,095	3,745,162	7,891,461
2.	Other Income	8,611	11,259	17,150	29,037	40,665
3.	Total Expenditure (a+b+c+d+e)	1,830,722	1,416,488	3,407,204	2,651,112	5,592,557
	a. (Increase)/decrease in stock in trade	(263,320)	(64,275)	(309,939)	(81,448)	(207,991)
	b. Consumption of Raw Materials	1,413,677	1,093,752	2,537,553	2,005,976	4,209,530
	c. Power cost	185,216	77,500	293,709	152,106	336,866
	d. Employee cost	224,244	157,970	404,500	307,899	617,914
	e. Other Expenses	270,905	151,541	481,381	266,579	636,238
4.	<b>Profit before Interest, Depreciation &amp; Taxes (1+2-3)</b>	<b>667,849</b>	<b>600,361</b>	<b>1,220,041</b>	<b>1,123,087</b>	<b>2,339,569</b>
5.	Interest and finance charges	21,641	1,532	38,351	4,343	17,548
6.	Depreciation	177,522	73,815	287,161	144,944	296,532
7.	<b>Profit Before Taxation (4-5-6)</b>	<b>468,686</b>	<b>525,014</b>	<b>894,529</b>	<b>973,800</b>	<b>2,025,489</b>
8.	Provision for current tax (including Fringe Benefit Tax)	3,475	95,776	49,561	169,283	242,736
9.	Provision for deferred tax	18,869	(1,981)	14,915	(9,146)	62,918
10.	<b>Net Profit before minority interest (7-8-9)</b>	<b>446,342</b>	<b>431,229</b>	<b>830,053</b>	<b>813,663</b>	<b>1,719,835</b>
11.	Add/(Less): Minority interest	7,056	4,195	12,450	8,857	19,688
12.	<b>Net Profit (10+11)</b>	<b>453,398</b>	<b>435,424</b>	<b>842,503</b>	<b>822,520</b>	<b>1,739,523</b>
13.	Paid-up equity share capital	500,000	500,000	500,000	500,000	500,000
14.	Reserves excluding revaluation reserves	9,239,948	7,729,320	9,239,948	7,729,320	8,368,289
15.	Earnings per share (Par value of Rs 5/-)					
	- Basic - (in Rs.)	4.70	4.56	8.74	8.61	18.20
	- Diluted - (in Rs.)	4.61	4.50	8.56	8.49	17.97

**Note:** The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in India and comply with the Accounting Standard (AS 21) on Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India to reflect the financial position and the results of operations of Biocon together with its wholly owned subsidiary companies, Syngene and Clinigene and its 51% JV company, Biocon Biopharmaceuticals.

**Notes:**

- The earnings considered in ascertaining the Company's earnings per share comprise of the net profit after tax. The number of shares used in computing the basic earnings per share is the weighted average number of shares outstanding during the period/year. The number of shares used in computing diluted earnings per share comprises the weighted average share considered for deriving basic earnings per share, and also the weighted average number of shares, if any which would have been issued on the conversion of all dilutive potential equity shares. In accordance with the revised SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Revised), the ESOP Trust has been consolidated with the Company.
- Total number of shareholder complaints pending at the beginning of the quarter was Nil. Complaints received during the quarter were 38. All complaints received during the quarter were resolved and there were no complaints pending for redressal as at September 30, 2006.
- In the current quarter, the Company has revised its effective annual tax rate for the current year after considering the impact of Special Economic Zone ('SEZ') approval for its new facility. Accordingly, the current quarter tax charge, which is based on the revised annual effective tax rate, also includes adjustment with respect to bringing the first quarter (FY 06-07) tax charge in line with the revised annual effective tax rate.
- The above results were reviewed by the Audit committee on October 17, 2006 and then approved by the Board of Directors at their meeting held on October 18, 2006.
- The figures have been reclassified wherever required, to conform with the classification in the financial statements for the quarter and half-year ended September 30, 2006.

For and on behalf of the Board

Sd/-  
**Kiran Mazumdar-Shaw**  
 Managing Director

Place: Bangalore Date: October 18, 2006