

FINANCIAL RESULTS FOR THE QUARTER AND HALF-YEAR ENDED SEPTEMBER 30, 2008

FINANCIAL RESULTS FOR THE QUARTER AND HALF-YEAR ENDED SEPTEMBER 30, 2008						
(Rs. in Lakhs)						
Sr. No.	Particulars	Quarter ended 30.09.2008 (Unaudited)	Quarter ended 30.09.2007 (Audited)	Half Year ended 30.09.2008 (Unaudited)	Half Year ended 30.09.2007 (Audited)	Year ended 31.03.2008 (Audited)
1.	a. Net Sales/Income from Operations	24,670	22,026	46,788	43,083	83,208
	b. Other Operating Income	299	1,533	299	3,217	4,484
2.	Expenditure					
	a. (Increase) / decrease in stock in trade & work in progress	(878)	(383)	(1,592)	(2,202)	(1,196)
	b. Consumption of Raw Materials	11,803	10,213	22,540	21,151	37,425
	c. Purchase of traded Goods	481	759	1,205	1,371	2,913
	d. Power cost	1,948	2,021	3,819	4,064	7,612
	e. Employee cost	2,100	1,894	4,116	3,842	6,957
	f. Depreciation	1,848	1,746	3,616	3,416	6,900
	g. Other Expenditure	4,050	3,046	6,225	6,173	11,402
	h. Total	21,352	19,296	39,929	37,815	72,013
3.	Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	3,617	4,263	7,158	8,485	15,680
4.	Other Income	1,858	573	3,485	992	5,228
5.	Profit before Interest & Exceptional Items (3+4)	5,475	4,836	10,643	9,477	20,908
6.	Interest	151	92	333	181	287
7.	Profit after Interest but before Exceptional Items (5-6)	5,324	4,744	10,310	9,296	20,621
8.	Tax Expense	591	343	805	409	1,064
9.	Net Profit from Ordinary Activities after Tax (7-8)	4,733	4,401	9,505	8,887	19,557
10.	Exceptional Items (Net of Tax expense) [Refer note 4 below]	(1,380)	-	(3,153)	-	23,937
11.	Net Profit after tax (9+10)	3,353	4,401	6,352	8,887	43,494
12.	Paid-up equity share capital (Face value of Rs. 5 each)	10,000	5,000	10,000	5,000	5,000
13.	Reserves excluding revaluation reserves					127,725
14.	a. Earnings per share before Exceptional Items (Face value Rs. 5/-)					
	Basic	2.45	2.28	4.92	4.60	10.12
	Diluted	2.38	2.20	4.77	4.44	9.82
	b. Earnings per share after Exceptional Items (Face value Rs. 5/-)					
	Basic	1.74	2.28	3.29	4.60	22.51
	Diluted	1.68	2.20	3.19	4.44	21.84
15.	Aggregate of Non-Promoter Shareholding					
	- Number of Shares	78,165,024	39,098,427	78,165,024	39,098,427	39,096,427
	- Percentage of shareholding	39.08%	39.09%	39.08%	39.09%	39.09%

CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF-YEAR ENDED SEPTEMBER 30, 2008						
(Rs. in Lakhs)						
Sr. No.	Particulars	Quarter ended 30.09.2008 (Unaudited)	Quarter ended 30.09.2007 (Audited)	Half Year ended 30.09.2008 (Unaudited)	Half Year ended 30.09.2007 (Audited)	Year ended 31.03.2008 (Audited)
1.	a. Net Sales/Income from Operations	43,930	26,366	70,323	51,766	100,895
	b. Other Operating Income	299	1,533	299	3,217	4,484
2.	Expenditure					
	a. (Increase) / decrease in stock in trade & work in progress	(1,879)	(154)	(2,789)	(2,140)	(1,487)
	b. Consumption of Raw Materials	25,363	10,904	37,610	23,143	42,735
	c. Purchase of Traded Goods	296	759	613	1,371	2,257
	d. Power cost	1,955	2,030	3,840	4,081	7,656
	e. Employee cost	4,676	2,963	8,071	5,938	11,261
	f. Depreciation	2,904	2,336	5,429	4,540	9,392
	g. Other Expenses	6,465	3,312	9,262	6,873	13,098
	h. Total	39,780	22,150	62,036	43,806	84,912
3.	Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	4,449	5,749	8,586	11,177	20,467
4.	Other Income	1,544	153	2,804	291	3,641
5.	Profit before Interest & Exceptional Items (3+4)	5,993	5,902	11,390	11,468	24,108
6.	Interest	422	267	791	543	1,018
7.	Profit after Interest but before Exceptional Items (5-6)	5,571	5,635	10,599	10,925	23,090
8.	Tax Expense	587	374	760	522	1,289
9.	Net Profit from Ordinary Activities after Tax (7-8)	4,984	5,261	9,839	10,403	21,801
10.	Exceptional Items (Net of Tax expense) [Refer note 4 below]	(2,545)	-	(5,996)	-	23,937
11.	Net Profit before minority interest (9+10)	2,439	5,261	3,843	10,403	45,738
12.	Add/(Less): Minority interest	63	136	163	277	652
13.	Net Profit after tax (11 + 12)	2,502	5,397	4,006	10,680	46,390
14.	Paid-up equity share capital (Face value of Rs. 5 each)	10,000	5,000	10,000	5,000	5,000
15.	Reserves excluding revaluation reserves					143,320
16.	a. Earnings per share before exceptional items (Face value of Rs. 5 each)					
	Basic	2.61	2.79	5.18	5.53	11.62
	Diluted	2.53	2.70	5.02	5.34	11.27
	b. Earnings per share after exceptional items (Face value of Rs. 5 each)					
	Basic	1.30	2.79	2.07	5.53	24.01
	Diluted	1.26	2.70	2.01	5.34	23.29
17.	Aggregate of Non-Promoter Shareholding					
	- Number of Shares	78,165,024	39,098,427	78,165,024	39,098,427	39,096,427
	- Percentage of shareholding	39.08%	39.09%	39.08%	39.09%	39.09%

CONSOLIDATED SEGMENT RESULTS FOR THE QUARTER AND HALF-YEAR ENDED SEPTEMBER 30, 2008						
(Rs. in Lakhs)						
Sr. No.	Particulars	Quarter ended 30.09.2008 (Unaudited)	Quarter ended 30.09.2007 (Audited)	Half Year ended 30.09.2008 (Unaudited)	Half Year ended 30.09.2007 (Audited)	Year ended 31.03.2008 (Audited)
1.	Segment revenue					
	a. Enzymes - Discontinued Operations	-	2,245	-	4,772	4,772
	b. Pharma	38,912	21,636	61,029	41,890	83,254
	c. Contract Research	5,579	4,368	10,076	8,811	18,078
	Total	44,491	28,249	71,105	55,473	106,104
	Less: Inter-segment revenue	261	350	484	491	725
	Net sales/Income from operations	44,230	27,899	70,621	54,982	105,379
2.	Segment results					
	Profit before interest, depreciation and tax from each segment					
	a. Enzymes - Discontinued Operations	-	878	-	1,185	1,185
	b. Pharma	10,096	8,019	18,299	17,844	32,336
	c. Contract Research	998	1,582	1,887	3,018	5,782
	Total	11,094	10,479	20,186	22,047	39,303
	Less: Interest	422	267	791	543	1,018
	Depreciation	2,904	2,336	5,429	4,540	9,392
	Unallocated corporate expenses	3,740	2,433	6,171	6,331	9,443
	Unallocated corporate income	(1,544)	(192)	(2,804)	(291)	(3,641)
	Profit before tax and exceptional items	5,571	5,635	10,599	10,925	23,090
	Capital employed					
	a. Enzymes - Discontinued Operations	-	4,303	-	4,303	-
	b. Pharma	106,254	95,310	106,254	95,310	89,865
	c. Contract Research	18,873	19,113	18,873	19,113	21,389
	d. Minority Interest	(2,616)	357	(2,616)	357	732
	e. Unallocable	30,240	(1,031)	30,240	(1,031)	36,429
	Total capital employed	152,751	118,052	152,751	118,052	148,415

Notes:

- The above results have been reviewed by the Audit Committee on October 15, 2008 and approved by the Board of Directors of the Company at their meeting held on October 16, 2008. The financial results of the Company and the consolidated financial results for the quarter ended September 30, 2008 have been subjected to a limited review by the statutory auditors of the Company.
- The Company has, on September 15, 2008 allotted bonus shares in the ratio of 1:1. Accordingly, the paid up share capital has increased from Rs 50 Crores to Rs 100 Crores and the number of shares used for computation of earnings per share for the prior periods have been adjusted according to Accounting Standard 20 - Earnings per Share.
- During the quarter ended June 30, 2008, Biocon acquired 71% equity interest in AxiCorp GmbH, Germany through its wholly owned subsidiary company, Biocon SA, Switzerland. The financial statements of AxiCorp are drawn upto June 30, 2008 for the purposes of consolidation. Accordingly, the consolidated results of Biocon for the quarter ended September 30, 2008 include the results of AxiCorp for the period from April 1, 2008 to June 30, 2008. The financial statements of other subsidiaries and joint venture companies have been drawn up to the same reporting dates as that of Biocon, i.e. September 30, 2008. All material inter company balances and transactions have been eliminated on consolidation.
- Exceptional items:
 - Exceptional items for the quarter and six month period ended September 30, 2008 comprise of mark to market loss in respect of foreign exchange forward contracts, of Rs 1,380 (net of taxes of Rs 110) and Rs 3,153 (net of taxes of Rs 270) of the Company and Rs 2,545 (net of tax of Rs 110) and Rs 5,996 (net of taxes of Rs 270) in respect

(Rs. in Lakhs)

of the consolidated financial results, respectively.

- Effective October 1, 2007, the Company transferred its enzymes business to a third party and recorded a gain of Rs 25,390 (net of taxes of Rs 7,587).
 - In December 2007, the Company recorded an impairment of Rs 1,544 (net of tax of Rs 656) in respect of one of its intellectual property which was in development stage.
- Profit before taxes of the Company and the Group include Rs. Nil, Rs 129, Rs Nil, Rs 388 and Rs 388, from the operating activities of the enzymes business for each of the aforesaid periods respectively.
 - Profit after taxes of the Company and the Group include Rs Nil, Rs. 98, Rs. Nil, Rs 283, and Rs 283, from the operating activities of the enzymes business for each of the aforesaid periods respectively.
 - During the quarter ended September 30, 2008, the Company has paid dividend of Rs 5/- per share amounting to Rs 50 Crores for the year 2007-08 representing 100% dividends (including a special dividend of 40%).
 - The primary segment reporting has been performed on the basis of business segments. Segments have been identified and reported based on the nature of the products, risks and returns, organizational structure and internal financial reporting systems.
 - Total number of shareholder complaints pending at the beginning of the period were nil. Complaints received during the period were 96. All complaints with the exception of one complaint have been resolved as at September 30, 2008.
 - The prior period/year figures have been reclassified wherever required to conform to the classification of the current quarter.

For and on behalf of the Board of Directors

Sd/-
Kiran Mazumdar-Shaw
Managing Director

Place: Bangalore Date: Oct. 16, 2008