

AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2006

AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2006				
<i>(Rs. in thousands)</i>				
Sr. No.	Particulars	Quarter ended 30.06.2006 (Audited)	Quarter ended 30.06.2005 (Audited)	Year ended 31.03.2006 (Audited)
1.	Net Sales	1,836,973	1,550,813	6,874,924
2.	Other Income	14,285	18,249	56,911
3.	Total Expenditure (a+b+c+d+e)	1,429,275	1,120,323	5,077,718
	a. (Increase)/decrease in stock in trade	(45,383)	(19,706)	(212,780)
	b. Consumption of Raw Materials	1,054,881	874,694	3,998,100
	c. Power cost	101,849	67,903	307,847
	d. Employee cost	117,140	103,010	420,600
	e. Other Expenses	200,788	94,422	563,951
4.	Profit before Interest, Depreciation & Taxes (1+2-3)	421,983	448,739	1,854,117
5.	Interest and finance charges	16,570	2,602	16,887
6.	Depreciation	90,161	56,009	228,496
7.	Profit Before Taxation (4-5-6)	315,252	390,128	1,608,734
8.	Provision for current tax (Including Fringe Benefit Tax)	42,112	68,049	213,763
9.	Provision for deferred tax	(2,585)	(6,816)	60,141
10.	Net Profit (7-8-9)	275,725	328,895	1,334,830
11.	Paid-up equity share capital	500,000	500,000	500,000
12.	Reserves excluding revaluation reserves	7,797,704	6,776,878	7,517,739
13.	Earnings per share (Par value of Rs. 5/-)			
	- Basic - (in Rs.)	2.86	3.44	13.97
	- Diluted - (in Rs.)	2.85	3.40	13.79
14.	Aggregate of Non-Promoter Shareholding			
	- Number of Shares	39,884,882	35,452,439	39,884,882
	- Percentage of shareholding	39.88%	35.45%	39.88%

SEGMENT REPORTING FOR THE QUARTER ENDED JUNE 30, 2006				
<i>(Rs. in thousands)</i>				
Sr. No.	Particulars	Quarter ended 30.06.2006 (Audited)	Quarter ended 30.06.2005 (Audited)	Year ended 31.03.2006 (Audited)
1.	Segment revenue			
	a. Enzymes	241,477	222,089	921,857
	b. Pharma	1,619,041	1,352,680	6,025,361
	Total	1,860,518	1,574,769	6,947,218
	Less: Inter-segment revenue	(23,545)	(23,956)	(72,294)
	Net sales/Income from operations	1,836,973	1,550,813	6,874,924
2.	Segment results			
	Profit before interest, depreciation and tax from each segment			
	a. Enzymes	107,011	114,904	398,376
	b. Pharma	612,956	471,748	2,292,314
	Total	719,967	586,652	2,690,690
	Less: Interest	(16,570)	(2,602)	(16,887)
	Depreciation	(90,161)	(56,009)	(228,496)
	Unallocated corporate expenses net of unallocable income	(297,984)	(137,913)	(836,573)
	Profit before tax	315,252	390,128	1,608,734
3.	Capital employed			
	a. Enzymes	451,971	431,625	488,610
	b. Pharma	7,791,584	5,569,204	7,113,193
	c. Unallocable corporate assets	1,941,757	2,360,527	2,087,044
	Less: Corporate liabilities	(1,875,312)	(1,070,576)	(1,658,412)
	Total capital employed	8,310,000	7,290,780	8,030,435
	Less: Revaluation Reserve	(12,296)	(13,902)	(12,696)
	Capital employed net of revaluation reserves	8,297,704	7,276,878	8,017,739

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.

CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2006				
<i>(Rs. in thousands)</i>				
Sr. No.	Particulars	Quarter ended 30.06.2006 (Audited)	Quarter ended 30.06.2005 (Audited)	Year ended 31.03.2006 (Audited)
1.	Net Sales	2,115,089	1,739,572	7,880,680
2.	Other Income	13,585	17,778	51,446
3.	Total Expenditure (a+b+c+d+e)	1,576,482	1,234,624	5,592,557
	a. (Increase)/decrease in stock in trade	(45,383)	(19,706)	(212,780)
	b. Consumption of Raw Materials	1,123,876	912,224	4,209,530
	c. Power cost	108,493	74,606	336,866
	d. Employee cost	180,256	149,930	617,914
	e. Other Expenses	209,240	117,570	641,027
4.	Profit before Interest, Depreciation & Taxes (1+2-3)	552,192	522,726	2,339,569
5.	Interest and finance charges	16,710	2,811	17,548
6.	Depreciation	109,639	71,130	296,532
7.	Profit Before Taxation (4-5-6)	425,843	448,785	2,025,489
8.	Provision for current tax (Including Fringe Benefit Tax)	46,086	73,517	242,736
9.	Provision for deferred tax	(3,954)	(7,165)	62,918
10.	Net Profit before minority interest (7-8-9)	383,711	382,433	1,719,835
11.	Add/(Less): Minority interest	5,394	4,661	19,688
12.	Net Profit (10+11)	389,105	387,094	1,739,523
13.	Paid-up equity share capital	500,000	500,000	500,000
14.	Reserves excluding revaluation reserves	8,761,634	7,280,935	8,368,289
15.	Earnings per share (Par value of Rs 5/-)			
	- Basic - (in Rs.)	4.04	4.05	18.20
	- Diluted - (in Rs.)	4.02	4.00	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 subsidiary companies, Syngene, Clinigene and 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.
- During the quarter, the Company has charged depreciation of Rs. 233 lakhs on assets capitalised as of June 07, 2006, even though the assets have not been put to commercial use. The company has also capitalised the intellectual property assets acquired from Nobex Corporation, USA as Intangible Assets.
- Total number of shareholder complaints pending at the beginning of the quarter was Nil. Complaints received during the quarter were 16. All complaints received during the quarter were resolved and there were no complaints pending for redressal at the end of the quarter.
- The above results were reviewed by the Audit committee on July 18, 2006 and then approved by the Board of Directors at their meeting held on July 19, 2006.
- The figures have been reclassified wherever required, to conform with the classification in the financial statements for the quarter ended June 30, 2006.

For and on behalf of the Board

Sd/-
Kiran Mazumdar - Shaw
 Managing Director

Place: Bangalore Date: July 19, 2006