

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTH PERIOD ENDED DECEMBER 31, 2005

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTH PERIOD ENDED DECEMBER 31, 2005 (Rs. in thousands)						
Sr. No.	Particulars	Quarter ended 31.12.2005 (Audited)	Quarter ended 31.12.2004 (Audited)	Nine months ended 31.12.2005 (Audited)	Nine months ended 31.12.2004 (Audited)	Year ended 31.03.2005 (Audited)
1.	Net Sales	1,723,974	1,597,513	5,050,458	4,905,508	6,463,624
2.	Other Income	19,881	48,829	48,771	119,893	157,987
3.	Total Expenditure (a+b+c+d+e)	1,272,392	1,084,222	3,683,402	3,369,935	4,535,670
	a. (Increase)/decrease in stock in trade	(147,373)	(129,704)	(228,821)	(29,148)	(30,420)
	b. Consumption of Raw Materials	1,058,438	1,001,713	2,976,990	2,573,950	3,471,966
	c. Power cost	67,604	67,450	206,256	183,502	245,990
	d. Employee cost	109,344	101,945	320,755	331,526	420,435
	e. Other Expenses	184,379	42,818	408,222	310,105	427,699
4.	Profit before Interest, Depreciation & Taxes (1+2-3)	471,463	562,120	1,415,827	1,655,466	2,085,941
5.	Interest and finance charges	3,675	5,303	7,678	17,463	19,931
6.	Depreciation	57,037	48,367	170,342	127,167	180,915
7.	Profit Before Taxation (4-5-6)	410,751	508,450	1,237,807	1,510,836	1,885,095
8.	Provision for current tax	87,773	28,177	241,940	83,237	98,298
9.	Provision for deferred tax	(4,956)	22,595	(14,653)	35,657	42,917
10.	Net Profit (7-8-9)	327,934	457,678	1,010,520	1,391,942	1,743,880
11.	Paid-up equity share capital	500,000	500,000	500,000	500,000	500,000
12.	Reserves excluding revaluation reserves	7,476,123	6,316,739	7,476,123	6,316,739	6,445,082
13.	Earnings per share (Par value of Rs. 5/-)					
	- Basic - (in Rs.)	3.43	4.84	10.58	14.72	18.43
	- Diluted - (in Rs.)	3.39	4.72	10.44	14.37	18.00
14.	Aggregate of Non-Promoter Shareholding					
	- Number of Shares	36,884,842	35,452,439	36,884,842	35,452,439	35,452,439
	- Percentage of shareholding	36.89%	35.45%	36.89%	35.45%	35.45%

SEGMENT REPORTING FOR THE QUARTER AND NINE MONTH PERIOD ENDED DECEMBER 31, 2005 (Rs. in thousands)						
Sr. No.	Particulars	Quarter ended 31.12.2005 (Audited)	Quarter ended 31.12.2004 (Audited)	Nine months ended 31.12.2005 (Audited)	Nine months ended 31.12.2004 (Audited)	Year ended 31.03.2005 (Audited)
1.	Segment revenue					
	a. Enzymes	191,557	237,241	653,325	714,933	980,942
	b. Pharma	1,537,237	1,381,463	4,448,236	4,250,329	5,566,810
	Total	1,728,794	1,618,704	5,101,561	4,965,262	6,547,752
	Less: Inter-segment revenue	4,820	21,191	51,103	59,754	84,128
	Net sales/income from operations	1,723,974	1,597,513	5,050,458	4,905,508	6,463,624
2.	Segment results					
	Profit before interest, depreciation and tax from each segment					
	a. Enzymes	75,543	121,533	291,566	355,576	475,237
	b. Pharma	642,272	470,424	1,680,369	1,653,843	2,074,971
	c. Others	-	(3,247)	-	(36,354)	(36,354)
	Total	717,815	588,710	1,971,935	1,973,065	2,513,854
	Less: Interest	3,675	5,303	7,678	17,463	19,931
	Depreciation	57,037	48,367	170,342	127,167	180,915
	Unallocated corporate expenses net of unallocable income	246,352	26,590	566,108	317,599	427,913
	Profit before tax	410,751	508,450	1,237,807	1,510,836	1,885,095
3.	Capital employed					
	a. Enzymes	456,096	459,347	456,096	459,347	503,641
	b. Pharma	6,902,910	4,054,668	6,902,910	4,054,668	4,601,939
	c. Unallocable corporate assets	1,675,260	3,473,428	1,675,260	3,473,428	3,069,189
	Less: Corporate liabilities	1,045,051	1,156,007	1,045,051	1,156,007	1,215,385
	Total capital employed	7,989,215	6,831,436	7,989,215	6,831,436	6,959,384
	Less: Revaluation Reserve	13,092	14,697	13,092	14,697	14,302
	Capital employed net of revaluation reserves	7,976,123	6,816,739	7,976,123	6,816,739	6,945,082

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 AND NINE MONTH PERIOD ENDED DECEMBER 31, 2005 (Rs. in thousands)						
Sr. No.	Particulars	Quarter ended 31.12.2005 (Audited)	Quarter ended 31.12.2004 (Audited)	Nine months ended 31.12.2005 (Audited)	Nine months ended 31.12.2004 (Audited)	Year ended 31.03.2005 (Audited)
1.	Net Sales	1,992,497	1,777,143	5,737,659	5,380,060	7,125,664
2.	Other Income	18,139	48,447	47,176	119,023	156,247
3.	Total Expenditure (a+b+c+d+e)	1,403,505	1,180,645	4,054,617	3,631,607	4,887,081
	a. (Increase)/decrease in stock in trade	(147,373)	(129,704)	(228,821)	(29,148)	(30,420)
	b. Consumption of Raw Materials	1,111,158	1,038,224	3,117,134	2,668,936	3,607,601
	c. Power cost	75,069	70,090	227,175	189,457	255,726
	d. Employee cost	165,552	135,133	473,451	443,762	568,173
	e. Other Expenses	199,099	66,902	465,678	358,600	486,001
4.	Profit before Interest, Depreciation & Taxes (1+2-3)	607,131	644,945	1,730,218	1,867,476	2,394,830
5.	Interest and finance charges	3,807	5,363	8,150	17,814	20,282
6.	Depreciation	74,663	61,530	219,607	154,765	223,445
7.	Profit Before Taxation (4-5-6)	528,661	578,052	1,502,461	1,694,897	2,151,103
8.	Provision for current tax	98,244	45,204	267,527	104,518	128,341
9.	Provision for deferred tax	(4,051)	34,786	(13,197)	47,848	57,726
10.	Net Profit before minority interest (7-8-9)	434,468	498,062	1,248,131	1,542,531	1,965,036
11.	Add/(Less): Minority interest	4,098	4,931	12,955	9,216	10,414
12.	Net Profit (10+11)	438,566	502,993	1,261,086	1,551,747	1,975,450
13.	Paid-up equity share capital	500,000	500,000	500,000	500,000	500,000
14.	Reserves excluding revaluation reserves	8,172,549	6,690,831	8,172,549	6,690,831	6,890,940
15.	Earnings per share (Par value of Rs 5/-)					
	- Basic - (in Rs.)	4.59	5.32	13.20	16.41	20.88
	- Diluted - (in Rs.)	4.53	5.19	13.03	16.02	20.39

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.
- Total number of shareholder complaints pending at the beginning of the quarter was 1. Complaints received during the quarter were 49. The complaints resolved during the quarter were 50. There were no complaints pending for redressal as at the end of the quarter.
- As already conveyed to the Stock Exchanges, Nobex Corporation, Biocon's research and development partner, has taken shelter under Chapter 11, of the US Bankruptcy laws. The Auditors have modified their report to reflect that no provision has been made for the investments aggregating to Rs 284 million made in Nobex Corporation, pending the completion of Bankruptcy proceedings, as there is not yet a reasonable likelihood that the Company would recover less than the value of its investments.
- The above results were reviewed by the Audit committee on January 17, 2006 and then approved by the Board of Directors at their meeting held on January 18, 2006.
- The figures have been reclassified wherever required, to conform with the classification in the financial statements for the quarter and nine month period ended December 31, 2005.

For and on behalf of the Board

Sd/-
Kiran Mazumdar Shaw
 Managing Director

Place: Bangalore Date: Jan. 18, 2006