

## AUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2007

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2007 (Rs. in thousands)						
Sr. No.	Particulars	Quarter ended 31.12.2007 (Audited)	Quarter ended 31.12.2006 (Audited)	Nine Months ended 31.12.2007 (Audited)	Nine Months ended 31.12.2006 (Audited)	Year ended 31.03.2007 (Audited)
1.	Net Sales/Income from operations	1,941,863	2,140,752	6,571,780	6,173,829	8,509,754
2.	Other Income	254,277	22,689	353,178	42,389	121,105
3.	Total Expenditure (a+b+c+d+e+f)	1,549,666	1,471,861	4,989,216	4,552,502	6,266,690
	a. (Increase)/decrease in stock in trade	24,101	(15,233)	(189,911)	(331,463)	(218,939)
	b. Consumption of Raw Materials	814,091	871,753	2,922,974	3,230,808	4,211,178
	c. Purchase of traded goods	67,190	86,284	204,331	124,578	165,824
	d. Power cost	181,783	165,109	588,170	445,354	620,715
	e. Employee cost	169,026	169,199	553,196	439,427	618,055
	f. Other Expenditure	293,475	194,749	910,456	643,798	869,857
4.	<b>Profit before Interest, Depreciation, Exceptional Items and Taxes (1+2-3)</b>	<b>646,474</b>	<b>691,580</b>	<b>1,935,742</b>	<b>1,663,716</b>	<b>2,364,169</b>
5.	Interest and finance charges	2,002	19,333	20,128	54,351	77,618
6.	Depreciation	174,900	160,987	516,467	407,672	576,060
7.	<b>Profit Before Taxes and Exceptional Items (4-5-6)</b>	<b>469,572</b>	<b>511,260</b>	<b>1,399,147</b>	<b>1,201,693</b>	<b>1,710,491</b>
8.	Provision for current tax (including Fringe Benefit Tax)	29,697	14,516	74,544	52,717	9,158
9.	Provision for deferred tax	(15,905)	21,646	(19,850)	38,418	117,831
10.	<b>Net Profit (7-8-9) before Exceptional Items [Refer Note 5]</b>	<b>455,780</b>	<b>475,098</b>	<b>1,344,453</b>	<b>1,110,558</b>	<b>1,583,502</b>
11.	Exceptional items, net (Net of Tax Rs. 692,971) [Refer Note 2 & 3]	2,384,575	-	2,384,575	-	-
12.	Net Profit after Exceptional item	2,840,355	475,098	3,729,028	1,110,558	1,583,502
13.	Paid-up equity share capital	500,000	500,000	500,000	500,000	500,000
14.	Reserves excluding revaluation reserves	12,746,908	8,693,889	12,746,908	8,693,889	8,905,315
15.	Earnings per share before Exceptional items (Par value of Rs. 5/-)					
	- Basic - (in Rs.)	4.72	4.93	13.91	11.52	16.38
	- Diluted - (in Rs.)	4.56	4.89	13.44	11.43	16.30
16.	Earnings per share after Exceptional items (Par value of Rs. 5/-)					
	- Basic - (in Rs.)	29.39	4.93	38.58	11.52	16.38
	- Diluted - (in Rs.)	28.40	4.89	37.29	11.43	16.30
17.	Aggregate of Non-Promoter Shareholding					
	- Number of Shares	39,098,427	39,098,427	39,098,427	39,098,427	39,098,427
	- Percentage of shareholding	39.09%	39.09%	39.09%	39.09%	39.09%

SEGMENT REPORTING FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2007 (Rs. in thousands)						
Sr. No.	Particulars	Quarter ended 31.12.2007 (Audited)	Quarter ended 31.12.2006 (Audited)	Nine Months ended 31.12.2007 (Audited)	Nine Months ended 31.12.2006 (Audited)	Year ended 31.03.2007 (Audited)
1.	Segment revenue					
	a. Enzymes (Discontinued operations)	-	250,935	477,247	831,342	1,151,789
	b. Pharma	1,941,863	1,901,463	6,114,764	5,393,726	7,422,843
	c. Unallocated	-	-	-	-	-
	Total	1,941,863	2,152,398	6,592,011	6,225,068	8,574,632
	Less: Inter-segment revenue	-	11,646	20,231	51,239	64,878
	<b>Net sales/Income from operations</b>	<b>1,941,863</b>	<b>2,140,752</b>	<b>6,571,780</b>	<b>6,173,829</b>	<b>8,509,754</b>
2.	Segment results					
	Profit before interest, depreciation and tax from each segment					
	a. Enzymes (Discontinued operations)	-	90,831	118,513	332,151	450,967
	b. Pharma	745,241	689,499	2,522,122	1,939,229	2,813,713
	c. Unallocated	-	-	-	-	-
	<b>Total</b>	<b>745,241</b>	<b>780,330</b>	<b>2,640,635</b>	<b>2,271,380</b>	<b>3,264,680</b>
	Less: Interest	2,002	19,333	20,128	54,351	77,618
	Depreciation	174,900	160,988	516,467	407,672	576,060
	Unallocated corporate expenses	353,044	111,451	1,058,071	650,053	1,021,615
	Unallocable income	(254,277)	(22,702)	(353,178)	(42,389)	(121,105)
	<b>Profit before tax excluding Exceptional income</b>	<b>469,572</b>	<b>511,260</b>	<b>1,399,147</b>	<b>1,201,693</b>	<b>1,710,491</b>
3.	Capital employed					
	a. Enzymes (Discontinued operations)	-	554,028	-	554,028	724,575
	b. Pharma	7,876,579	6,480,433	7,876,579	6,480,433	6,825,691
	c. Unallocable corporate assets	6,904,904	4,048,364	6,904,904	4,048,364	3,997,762
	Less: Corporate liabilities	1,524,692	1,877,450	1,524,692	1,877,450	2,131,623
	<b>Total capital employed</b>	<b>13,256,791</b>	<b>9,205,375</b>	<b>13,256,791</b>	<b>9,205,375</b>	<b>9,416,405</b>
	Less: Revaluation Reserve	9,882	11,486	9,882	11,486	11,090
	<b>Capital employed net of revaluation reserves</b>	<b>13,246,909</b>	<b>9,193,889</b>	<b>13,246,909</b>	<b>9,193,889</b>	<b>9,405,315</b>

The primary reporting of the Company has been performed on the basis of business segment. The Company was organised into two business segments, enzymes and active pharmaceutical ingredients ("Pharma"). Effective October 1, 2007, the company divested the enzymes business to M/s. Novozymes South Asia Private Limited. 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 MONTHS ENDED DECEMBER 31, 2007 (Rs. in thousands)						
Sr. No.	Particulars	Quarter ended 31.12.2007 (Audited)	Quarter ended 31.12.2006 (Audited)	Nine Months ended 31.12.2007 (Audited)	Nine Months ended 31.12.2006 (Audited)	Year ended 31.03.2007 (Audited)
1.	Net Sales	2,373,408	2,464,834	7,871,643	7,074,929	9,857,311
2.	Other Income	209,088	9,181	238,172	26,331	38,183
	Total Income	2,582,496	2,474,015	8,109,815	7,101,260	9,895,494
3.	Total Expenditure (a+b+c+d+e+f)	1,784,054	1,690,081	5,710,643	5,097,285	7,022,480
	a. (Increase)/decrease in stock in trade	15,816	(14,438)	(215,739)	(322,283)	(218,837)
	b. Consumption of Raw Materials and Traded goods	941,404	1,002,917	3,277,365	3,464,999	4,560,773
	c. Purchase of Traded goods	24,519	51,716	161,660	124,579	165,824
	d. Power cost	189,992	175,487	598,068	469,196	619,567
	e. Employee cost	281,777	253,966	875,582	658,968	909,099
	f. Other Expenditure	330,546	220,433	1,013,707	701,826	986,054
4.	<b>Profit before Interest, Depreciation, Exceptional Items and Taxes (1+2-3)</b>	<b>798,442</b>	<b>783,934</b>	<b>2,399,172</b>	<b>2,003,975</b>	<b>2,873,014</b>
5.	Interest and finance charges	19,600	24,700	73,857	63,051	97,563
6.	Depreciation	243,546	183,026	697,501	470,187	665,483
7.	<b>Profit Before Taxation from ordinary activities (4-5-6)</b>	<b>535,296</b>	<b>576,208</b>	<b>1,627,814</b>	<b>1,470,737</b>	<b>2,109,968</b>
8.	Provision for current tax (including fringe benefit tax)	31,839	18,191	78,619	67,752	18,133
9.	Provision for deferred tax	(14,893)	21,426	(9,435)	36,341	150,986
10.	<b>Net Profit before minority interest (7-8-9)</b>	<b>518,350</b>	<b>536,591</b>	<b>1,558,630</b>	<b>1,366,644</b>	<b>1,940,849</b>
11.	Add/(Less): Minority interest	15,218	16,530	42,893	28,980	61,767
12.	<b>Net Profit before exceptional items (10 + 11)</b>	<b>533,568</b>	<b>553,121</b>	<b>1,601,523</b>	<b>1,395,624</b>	<b>2,002,616</b>
13.	Exceptional items, net (Net of Tax Rs. 692,971) [See notes 2 and 3]	2,384,575	-	2,384,575	-	-
14.	<b>Net Profit</b>	<b>2,918,143</b>	<b>553,121</b>	<b>3,986,098</b>	<b>1,395,624</b>	<b>2,002,616</b>
15.	Paid-up equity share capital	500,000	500,000	500,000	500,000	500,000
16.	Reserves excluding revaluation reserves	14,273,640	9,829,506	14,273,640	9,829,506	10,174,980
17.	Earnings per share before Exceptional Items (Par value of Rs 5/-)					
	- Basic - (in Rs.)	5.51	5.74	16.55	14.48	20.72
	- Diluted - (in Rs.)	5.34	5.69	16.02	14.37	20.62
18.	Earnings per share after Exceptional Items (Par value of Rs 5/-)					
	- Basic - (in Rs.)	30.15	5.74	41.19	14.48	20.72
	- Diluted - (in Rs.)	29.18	5.69	39.86	14.37	20.62
19.	Aggregate of Non-Promoter Shareholding					
	- Number of Shares	39,098,427	39,098,427	39,098,427	39,098,427	39,098,427
	- Percentage of shareholding	39.09%	39.09%	39.09%	39.09%	39.09%

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 subsidiaries.

**Notes:** 1. The above audited results were reviewed by the Audit Committee on January 16, 2008 and then taken on record by the Board of Directors of the Company at its meeting held on January 17, 2008. There are no qualifications in Auditors' Reports for the period. 2. On July 18, 2007, the Company entered into an agreement with M/s Novozymes South Asia Private Limited for the divestment of its Enzymes Business, for lease of building and to render certain services. As per the said agreement, effective October 1, 2007, the Company transferred the Enzymes business for a consideration of Rs 3,958,000. Accordingly, the Company has recorded a gain of Rs 2,539,000 (net of taxes of Rs 758,670 and related expenses, including a provision for contingencies of Rs 50,000). 3. In December 2007, in view of the recent adverse reports and declining sales trends in Natrecor/Neseritide, a comparable drug, the Company decided to record an impairment of Rs 154,400 (net of tax of Rs. 65,600) being the cost of one of its intellectual property for the Oral BNP product which was in a development stage. 4. The profit before taxes includes Rs. Nil; Rs.72,544; Rs 38,795 ; Rs. 254,882; Rs 357,030 from operating activities of discontinuing operations, for each of the aforesaid periods respectively. 5. The profit after taxes includes Rs. Nil; Rs.48,181; Rs.28,262; Rs.187,760; Rs.260,339 from operating activities of discontinuing operations for each of the aforesaid periods respectively. 6. Total number of shareholder complaints pending at the beginning of the quarter were Nil. Complaints received during the quarter were 52. All complaints received during the quarter were resolved and there were no complaints pending for redressal as at December 31, 2007. 7. The figures have been reclassified wherever required, to conform with the classification in the financial statements for the quarter ended December 31, 2007.

For and on behalf of the Board

Place: Bangalore  
 Date: January 17, 2008

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