

## AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2006

### AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2006

(Rs. in thousands)

Sr. No.	Particulars	Quarter ended 31.03.2006 (Audited)	Quarter ended 31.03.2005 (Audited)	Year ended 31.03.2006 (Audited)	Year ended 31.03.2005 (Audited)
1.	Net Sales	1,824,466	1,558,116	6,874,924	6,463,624
2.	Other Income	8,140	38,094	56,911	157,987
3.	Total Expenditure (a+b+c+d+e)	1,394,316	1,165,735	5,077,718	4,535,670
	a. (Increase)/decrease in stock in trade	20,830	(1,272)	(207,991)	(30,420)
	b. Consumption of Raw Materials	1,021,110	898,016	3,998,100	3,471,966
	c. Power cost	101,591	62,488	307,847	245,990
	d. Employee cost	99,845	88,909	420,600	420,435
	e. Other Expenses	150,940	117,594	559,162	427,699
4.	<b>Profit before Interest, Depreciation &amp; Taxes (1+2-3)</b>	<b>438,290</b>	<b>430,475</b>	<b>1,854,117</b>	<b>2,085,941</b>
5.	Interest and finance charges	9,209	2,468	16,887	19,931
6.	Depreciation	58,154	53,748	228,496	180,915
7.	<b>Profit Before Taxation (4-5-6)</b>	<b>370,927</b>	<b>374,259</b>	<b>1,608,734</b>	<b>1,885,095</b>
8.	Provision for current tax	(28,177)	15,061	213,763	98,298
9.	Provision for deferred tax	74,794	7,260	60,141	42,917
10.	<b>Net Profit (7-8-9)</b>	<b>324,310</b>	<b>351,938</b>	<b>1,334,830</b>	<b>1,743,880</b>
11.	Paid-up equity share capital	500,000	500,000	500,000	500,000
12.	Reserves excluding revaluation reserves	7,517,739	6,445,082	7,517,739	6,445,082
13.	Earnings per share (Par value of Rs. 5/-)				
	- Basic - (in Rs.)	3.39	3.72	13.97	18.43
	- Diluted- (in Rs.)	3.35	3.63	13.79	18.00
14.	Aggregate of Non-Promoter Shareholding				
	- Number of Shares	39,884,842	35,452,439	39,884,842	35,452,439
	- Percentage of shareholding	39.88%	35.45%	39.88%	35.45%

### SEGMENT REPORTING FOR THE QUARTER AND YEAR ENDED MARCH 31, 2006

(Rs. in thousands)

Sr. No.	Particulars	Quarter ended 31.03.2006 (Audited)	Quarter ended 31.03.2005 (Audited)	Year ended 31.03.2006 (Audited)	Year ended 31.03.2005 (Audited)
1.	Segment revenue				
	a. Enzymes	268,532	266,009	921,857	980,942
	b. Pharma	1,577,125	1,316,481	6,025,361	5,566,810
	Total	1,845,657	1,582,490	6,947,218	6,547,752
	Less: Inter-segment revenue	21,191	24,374	72,294	84,128
	<b>Net sales/Income from operations</b>	<b>1,824,466</b>	<b>1,558,116</b>	<b>6,874,924</b>	<b>6,463,624</b>
2.	Segment results				
	Profit before interest, depreciation and tax from each segment				
	a. Enzymes	106,810	119,661	398,376	475,237
	b. Pharma	611,944	421,128	2,292,314	2,074,971
	c. Others	-	-	-	(36,354)
	<b>Total</b>	<b>718,754</b>	<b>540,789</b>	<b>2,690,690</b>	<b>2,513,854</b>
	Less: Interest	9,209	2,468	16,887	19,931
	Depreciation	58,154	53,748	228,496	180,915
	Unallocated corporate expenses net of unallocable income	280,464	110,314	836,573	427,913
	<b>Profit before tax</b>	<b>370,927</b>	<b>374,259</b>	<b>1,608,734</b>	<b>1,885,095</b>
3.	Capital employed				
	a. Enzymes	488,610	503,641	488,610	503,641
	b. Pharma	7,113,193	4,601,939	7,113,193	4,601,939
	c. Unallocable corporate assets	2,087,043	3,069,189	2,087,043	3,069,189
	Less: Corporate liabilities	1,658,411	1,215,385	1,658,411	1,215,385
	<b>Total capital employed</b>	<b>8,030,435</b>	<b>6,959,384</b>	<b>8,030,435</b>	<b>6,959,384</b>
	Less: Revaluation Reserve	12,696	14,302	12,696	14,302
	<b>Capital employed net of revaluation reserves</b>	<b>8,017,739</b>	<b>6,945,082</b>	<b>8,017,739</b>	<b>6,945,082</b>

**Note:** 1) 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 YEAR ENDED MARCH 31, 2006

(Rs. in thousands)

Sr. No.	Particulars	Quarter ended 31.03.2006 (Audited)	Quarter ended 31.03.2005 (Audited)	Year ended 31.03.2006 (Audited)	Year ended 31.03.2005 (Audited)
1.	Net Sales	2,143,021	1,745,604	7,880,680	7,125,664
2.	Other Income	4,270	37,224	51,446	156,247
3.	Total Expenditure (a+b+c+d+e)	1,537,940	1,255,474	5,592,557	4,887,081
	a. (Increase)/decrease in stock in trade	20,830	(1,272)	(207,991)	(30,420)
	b. Consumption of Raw Materials	1,092,396	938,665	4,209,530	3,607,601
	c. Power cost	109,691	66,269	336,866	255,726
	d. Employee cost	144,463	124,411	617,914	568,173
	e. Other Expenses	170,560	127,401	636,238	486,001
4.	<b>Profit before Interest, Depreciation &amp; Taxes (1+2-3)</b>	<b>609,351</b>	<b>527,354</b>	<b>2,339,569</b>	<b>2,394,830</b>
5.	Interest and finance charges	9,398	2,468	17,548	20,282
6.	Depreciation	76,925	68,680	296,532	223,445
7.	<b>Profit Before Taxation (4-5-6)</b>	<b>523,028</b>	<b>456,206</b>	<b>2,025,489</b>	<b>2,151,103</b>
8.	Provision for current tax	(24,791)	23,823	242,736	128,341
9.	Provision for deferred tax	76,115	9,878	62,918	57,726
10.	<b>Net Profit before minority interest (7-8-9)</b>	<b>471,704</b>	<b>422,505</b>	<b>1,719,835</b>	<b>1,965,036</b>
11.	Add/(Less): Minority interest	6,733	1,198	19,688	10,414
12.	<b>Net Profit (10+11)</b>	<b>478,437</b>	<b>423,703</b>	<b>1,739,523</b>	<b>1,975,450</b>
13.	Paid-up equity share capital	500,000	500,000	500,000	500,000
14.	Reserves excluding revaluation reserves	8,368,289	6,890,940	8,368,289	6,890,940
15.	Earnings per share (Par value of Rs 5/-)				
	- Basic - (in Rs.)	5.01	4.48	18.20	20.88
	- Diluted - (in Rs.)	4.94	4.37	17.97	20.39

**Note:** 1) 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.
- The Board has recommended a dividend for the year (subject to the approval of shareholders at the ensuing Annual General Meeting) of Rs. 2.5 per equity share of Rs. 5 each (50%).
- As already conveyed to the Stock Exchanges, the Company has won the bid for acquiring the significant assets and intellectual properties of Nobex Inc., which had taken shelter under Chapter 11 of US Bankruptcy laws. The auditors have removed the modification included in their report for the quarter and nine-month period ended December 31, 2005, relating to the not yet reasonable likelihood that the Company would recover less than the value of investments and have included an emphasis in their report for the quarter and year ended March 31, 2006 relating to the assets and intellectual properties of Nobex being acquired.
- Total number of shareholder complaints pending at the beginning of the quarter was Nil. Complaints received during the quarter were 82. The complaints received during the quarter were resolved and there were no complaints pending for redressal at the end of the quarter.
- The register of members and share transfer books will remain closed from July 1, 2006 to July 19, 2006 both days inclusive, for the purpose of payment of dividend.
- The above results were reviewed by the Audit committee on April 19, 2006 and then approved by the Board of Directors at their meeting held on April 20, 2006.
- The figures have been reclassified wherever required, to conform with the classification in the financial statements for the year ended March 31, 2006.

For and on behalf of the Board

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

Place: Bangalore Date: Apr. 20, 2006