

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2012

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2012

(Rs. in Lakhs)

Sl. No.	Particulars	3 months ended 31.12.2012	Preceding 3 months ended 30.09.2012	Corresponding 3 months ended 31.12.2011	Year to date figures for current period ended 31.12.2012	Year to date figures for previous period ended 31.12.2011	Previous year ended 31.03.2012
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from operations						
	a) Net sales/ Income from operations (Net of excise duty)	48,691	46,140	37,250	137,991	108,355	150,480
	b) Other operating income	1,979	4,667	1,342	8,230	3,965	5,105
	Total income from operations (net)	50,670	50,807	38,592	146,221	112,320	155,585
2	Expenses						
	a) Cost of materials consumed	22,132	19,288	17,850	61,151	50,025	69,712
	b) Purchases of stock-in-trade	2,421	1,504	1,905	6,222	6,353	8,570
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(656)	1,819	(1,655)	474	(3,085)	(4,142)
	d) Employee benefits expense	5,334	5,524	4,952	16,187	14,036	19,160
	e) Depreciation and amortisation expenses	2,392	2,342	2,316	7,117	6,979	9,400
	f) Other expenses	10,735	9,825	7,567	29,647	20,371	28,930
	Total expenses	42,358	40,302	32,935	120,798	94,679	131,630
3	Profit from operations before other income and finance costs (1-2)	8,312	10,505	5,657	25,423	17,641	23,955
4	Other income	1,953	968	1,972	4,513	5,613	6,655
5	Profit from ordinary activities before finance costs (3+4)	10,265	11,473	7,629	29,936	23,254	30,610
6	Finance costs	1	17	32	74	91	170
7	Profit from ordinary activities before tax (5-6)	10,264	11,456	7,597	29,862	23,163	30,440
8	Tax expense	2,243	2,620	1,124	6,121	3,843	4,890
9	Net Profit for the period / year (7-8)	8,021	8,836	6,473	23,741	19,320	25,550
10	Paid-up equity share capital (Face value of Rs.5 each)	10,000	10,000	10,000	10,000	10,000	10,000
11	Reserve excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	-	-	199,557
12	Earnings per share (of Rs. 5 each) (not annualised)						
	(a) Basic	4.10	4.51	3.31	12.13	9.87	13.04
	(b) Diluted	4.07	4.49	3.28	12.04	9.79	12.92

STATEMENT OF CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2012

(Rs. in Lakhs)

Sl. No.	Particulars	3 months ended 31.12.2012	Preceding 3 months ended 30.09.2012	Corresponding 3 months ended 31.12.2011	Year to date figures for current period ended 31.12.2012	Year to date figures for previous period ended 31.12.2011	Previous year ended 31.03.2012
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from operations						
	a) Net sales/ Income from operations (Net of excise duty)	63,422	59,240	51,659	179,748	146,032	204,903
	b) Other operating income	869	3,623	340	5,074	1,665	3,749
	Total income from operations (net)	64,291	62,863	51,999	184,822	147,697	208,652
2	Expenses						
	a) Cost of materials consumed	27,145	22,872	20,798	72,872	58,355	81,900
	b) Purchases of stock-in-trade	1,883	1,014	1,722	5,056	5,913	7,699
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,932)	1,656	(1,672)	(1,068)	(3,091)	(4,454)
	d) Employee benefits expense	9,459	9,457	7,905	28,043	22,614	30,761
	e) Depreciation & amortisation expenses	4,613	4,461	4,339	13,343	13,135	17,442
	f) Other expenses	12,708	12,591	10,617	36,832	27,575	41,014
	Total expenses	53,876	52,051	43,709	155,078	124,501	174,362
3	Profit from operations before other income and finance costs (1-2)	10,415	10,812	8,290	29,744	23,196	34,290
4	Other income	1,674	1,331	1,570	4,081	5,987	6,181
5	Profit from ordinary activities before finance costs (3+4)	12,089	12,143	9,860	33,825	29,183	40,471
6	Finance costs	287	107	246	715	919	1,223
7	Profit from ordinary activities before tax (5-6)	11,802	12,036	9,614	33,110	28,264	39,248
8	Tax expense	2,521	3,042	1,129	6,936	4,204	5,408
9	Net profit for the period from continuing operations (7-8)	9,281	8,994	8,485	26,174	24,060	33,840
10	Net profit pertaining to discontinued operations (See note 2 below)	-	-	-	-	-	-
11	Net profit for the period/year (9+10)	9,281	8,994	8,485	26,174	24,060	33,840
12	Minority interest	(105)	(29)	-	(153)	-	-
13	Net profit after tax and minority interest (11+12)	9,176	8,965	8,485	26,021	24,060	33,840
14	Paid-up equity share capital (Face value of Rs.5 each)	10,000	10,000	10,000	10,000	10,000	10,000
15	Reserve excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	-	-	217,165
16	Earnings per share (of Rs.5 each) (not annualised)						
	(a) Basic	4.68	4.59	4.33	13.29	12.29	17.27
	(b) Diluted	4.65	4.56	4.29	13.19	12.19	17.11

Note contd...

(Rs. In Lakhs)

Particulars	9 months ended 31.12.2011 (Unaudited)	Previous Year ended March 31, 2012 (Audited)
Net sales/income from operations	24,460	24,460
Profit after tax (Net of Minority Interest)	324	324
Less: Loss of sale of Investment in Subsidiary	324	324
Net Profit attributable to Discontinued operations	-	-

3. In October 2010, Biocon SA, a wholly owned subsidiary of Biocon Limited, (together referred to as 'Biocon'), had entered into a global commercialization and supply agreement ("the Agreement") with a customer. The customer had exclusive rights to commercialize Biocon's biosimilar insulin portfolio. Biocon was responsible for clinical development, clinical trials and other activities to secure regulatory approvals in various geographies. Biocon had received an upfront payment and certain other milestone payments under the Agreement. Considering the significant obligations of Biocon relating to clinical development and regulatory activities, these amounts were recognized in the consolidated statement of profit and loss under percentage completion method. In March 2012, the Agreement was terminated and pursuant to the termination and transition agreement, the exclusive rights to commercialize reverted to Biocon and the customer had no further obligations to Biocon. Biocon is committed to the biosimilar Insulins program and is continuing the development / clinical trial activities on a global scale. Biocon evaluated the prevalent regulatory framework, industry practices and ethics/governance requirements relating to clinical trials / regulatory submissions already initiated under the Agreement and determined that it has continuing obligations to complete the clinical development and regulatory activities. Accordingly, as at March 31, 2012, Biocon deferred the balance amount of Rs.49,290 Lakhs received from the customer to be recognised in the consolidated statement of profit and loss in subsequent periods in line with costs to be incurred towards such clinical trial and development activities.

In accordance with this policy, during the quarter ended December 31, 2012, quarter ended September 30, 2012 and nine months ended December 31, 2012, Rs. 635 Lakhs, Rs. 804 lakhs and Rs. 2,759 Lakhs, respectively, have been netted off against the expenses incurred towards such clinical trial and development activities.

SEGMENT DETAILS OF UNAUDITED CONSOLIDATED RESULTS FOR THE PERIOD ENDED DECEMBER 31, 2012

(Rs. in Lakhs)

Particulars	3 months ended 31.12.2012	Preceding 3 months ended 30.09.2012	Corresponding 3 months ended 31.12.2011	Year to date figures for current period ended 31.12.2012	Year to date figures for previous period ended 31.12.2011	Previous year ended 31.03.2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Segment revenue						
a. Pharma	50,132	49,688	40,599	144,993	117,904	166,823
b. Contract Research & Manufacturing Services	14,626	13,711	12,034	41,462	31,641	44,573
Total	64,758	63,399	52,633	186,455	149,545	211,396
Less: Inter-segment revenue	467	536	634	1,633	1,848	2,744
Net sales / Income from operations	64,291	62,863	51,999	184,822	147,697	208,652
Segment results						
Profit before interest, depreciation and tax from each segment						
a. Pharma	19,665	20,482	15,425	57,156	45,153	61,154
b. Contract Research & Manufacturing Services	5,577	5,268	4,606	15,591	10,377	14,966
Total	25,242	25,750	20,031	72,747	55,530	76,120
Less: Interest	287	107	246	715	919	1,223
Depreciation and amortisation	4,613	4,461	4,339	13,343	13,135	17,442
Unallocated corporate expenses	10,214	10,477	7,402	29,660	19,199	24,388
Unallocated corporate income	(1,674)	(1,331)	(1,570)	(4,081)	(5,987)	(6,181)
Profit before tax from continuing operations	11,802	12,036	9,614	33,110	28,264	39,248
Capital employed						
a. Pharma	123,036	123,920	101,354	123,036	101,354	93,664
b. Contract Research & Manufacturing Services	37,987	34,473	28,846	37,987	28,846	34,310
c. Unallocable	93,967	86,770	99,464	93,967	99,464	99,650
d. Minority interest	(533)	(428)	-	(533)	-	(380)
Total capital employed	254,457	244,735	229,664	254,457	229,664	227,244

The auditors of the Company have drawn an Emphasis of Matter in this regard, in their Limited Review report on the consolidated unaudited financial results.

- Total income from operations for the quarter ended December 31, 2012, quarter ended September 30, 2012 and nine months ended December 31, 2012 (standalone and consolidated) include Rs Nil, Rs.3,064 Lakhs and Rs 3,064 Lakhs, respectively, towards one time income / compensation from few parties.
- Pursuant to the approval of the Board of Directors, the Company has filed an application with the Honorable High Court of Karnataka, for merger of Biocon Biopharmaceuticals Limited, a wholly owned subsidiary, with the Company with an appointed date of April 1, 2012. Pending approval of the Court and other relevant authorities, no effect of the above has been given in the standalone financial statements of the Company for the quarter and nine months ended December 31, 2012.
- Segment Reporting:
 - Standalone financial results: The Company operates in a single business segment of biopharmaceuticals.
 - Consolidated financial results: The primary segment reporting has been performed on the basis of business segments. Segments have been identified and reported based on the nature of products, risks and returns, organizational structure and internal financial reporting systems.
- Prior period / year figures have been reclassified wherever required to conform to the classification of the current period.

For and on behalf of the Board of Directors

Sd/-
Kiran Mazumdar Shaw
Chairman & Managing Director

Place: Bangalore

Date: January 24, 2013

Part II - SHAREHOLDING PARTICULARS : STANDALONE / CONSOLIDATED

Sl. No.	Particulars	3 months ended 31.12.2012					
		Public shareholding	Private shareholding	Shareholding of promoters and promoter group	Shareholding of public	Shareholding of private	Shareholding of promoters and promoter group
1	Select information for the period PARTICULARS OF SHAREHOLDING						
	- Number of shares	78,075,854	78,075,854	78,175,854	78,075,854	78,175,854	78,175,854
	- Percentage of shareholding	39.04%	39.04%	39.09%	39.04%	39.09%	39.09%
2	Promoters and promoter group shareholding						
	a) Pledged/Encumbered	-	-	-	-	-	-
	- Number of shares	-	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of the promoters and promoter group)	-	-	-	-	-	-
	- Percentage of shares (as a % of the total share capital of the Company)	-	-	-	-	-	-
	b) Non-encumbered						
	- Number of shares	121,924,146	121,924,146	121,824,146	121,924,146	121,824,146	121,824,146
	- Percentage of shares (as a % of the total shareholding of the promoters and promoter group)	100%	100%	100%	100%	100%	100%
	- Percentage of shares (as a % of the total share capital of the Company)	60.96%	60.96%	60.91%	60.96%	60.91%	60.91%

Particulars	3 months ended 31.12.2012
B INVESTORS COMPLAINTS	
Pending at the beginning of the quarter	-
Received during the quarter	12
Disposed during the quarter	12
Remaining unsolved at the end of the quarter	-

Notes:

- The unaudited financial results of the Company and the unaudited consolidated financial results for the quarter and nine months ended December 31, 2012 have been subjected to limited review by the statutory auditors. The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on January 24, 2013.
- On April 28, 2011, Biocon SA, a subsidiary of the Company, entered into a definitive agreement with certain third parties to transfer its entire shareholding in the equity capital of its subsidiary, AxiCorp GmbH, Germany ("AxiCorp"), which was consummated during the quarter ended June 30, 2011. The financial results of AxiCorp have been disclosed separately as "Net Profit pertaining to discontinued operations". The Company followed a consistent practice of consolidating the financial results of AxiCorp with a gap of 3 months and adjusting for significant subsequent transactions / other events, if any, in accordance with Accounting Standard 21. The following table gives the financial information / effect pertaining to the discontinued operations.