

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2013

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2013 (Rs. in Lakhs)

Sl. No.	Particulars	3 months ended 30.06.2013	Preceding 3 months ended 31.03.2013	Corresponding 3 months ended 30.06.2012	Previous Year ended 31.03.2013
		(Unaudited)	(Audited) (refer note 8 below)	(Unaudited)	(Audited)
1	Income from operations				
	a) Net sales/Income from operations (Net of excise duty)	69,476	63,012	57,086	242,760
	b) Other operating income	593	696	582	5,770
	Total income from operations (net)	70,069	63,708	57,668	248,530
2	Expenses				
	a) Cost of materials consumed	26,982	27,317	22,855	100,189
	b) Purchases of stock-in-trade	2,327	1,875	2,159	6,931
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,057	(1,584)	(792)	(2,652)
	d) Employee benefits expenses	11,530	10,901	9,127	38,944
	e) Depreciation and amortisation expenses	4,825	4,587	4,269	17,930
	f) Other expenses	12,969	13,988	12,049	50,820
	Total expenses	59,690	57,084	49,667	212,162
3	Profit from operations before other income, finance costs and exceptional items (1-2)	10,379	6,624	8,001	36,368
4	Other income	2,248	1,185	1,592	5,266
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	12,627	7,809	9,593	41,634
6	Finance costs	38	95	321	810
7	Profit from ordinary activities after finance cost before exceptional items (5-6)	12,589	7,714	9,272	40,824
8	Exceptional items (net) (refer note 3 and 4 below)	-	20,191	-	20,191
9	Profit from ordinary activities before tax (7+8)	12,589	27,905	9,272	61,015
10	Tax expense	2,971	2,814	1,373	9,750
11	Net profit for the period/year (9-10)	9,618	25,091	7,899	51,265
12	Minority interest	(268)	(230)	19	(383)
13	Net profit after tax and minority interest (11+12)	9,350	24,861	7,880	50,882
14	Paid-up equity share capital (Face value of Rs.5 each)	10,000	10,000	10,000	10,000
15	Reserve excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	259,373
16	Earnings per share (of Rs. 5 each) (not annualised)				
	(a) Basic	4.77	12.70	4.02	25.99
	(b) Diluted	4.73	12.56	3.98	25.75
	See accompanying notes to the financial results				

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2013 (Rs. in Lakhs)

Sl. No.	Particulars	3 months ended 30.06.2013	Preceding 3 months ended 31.03.2013	Corresponding 3 months ended 30.06.2012	Previous Year ended 31.03.2013
		(Unaudited)	(Audited) (refer note 8 below)	(Unaudited)	(Audited)
1	Income from operations				
	a) Net sales/ income from operations (Net of excise duty)	52,293	45,757	43,160	183,748
	b) Other operating income	1,816	1,822	1,584	10,052
	Total income from operations (net)	54,109	47,579	44,744	193,800
2	Expenses				
	a) Cost of materials consumed	22,526	21,848	19,731	82,999
	b) Purchases of stock in trade	2,451	2,348	2,297	8,570
	c) Changes in inventories of finished goods, work-in-progress and stock in trade	1,208	(2,264)	(689)	(1,790)
	d) Employee benefits expenses	6,440	6,575	5,329	22,762
	e) Depreciation and amortisation expenses	2,652	2,391	2,383	9,508
	f) Other expenses	10,534	11,270	9,678	40,690
	Total Expenses	45,811	42,168	38,729	162,739
3	Profit from operations before other income, finance costs and exceptional items (1-2)	8,298	5,411	6,015	31,061
4	Other Income	2,769	861	2,183	5,147
5	Profit from ordinary activities before finance costs and exceptional items (3+4)	11,067	6,272	8,198	36,208
6	Finance Costs	22	49	56	123
7	Profit from ordinary activities after finance costs before exceptional items(5-6)	11,045	6,223	8,142	36,085
8	Exceptional items, net (refer note 4 below)	-	1,385	-	1,385
9	Profit from ordinary activities before tax (7-8)	11,045	4,838	8,142	34,700
10	Tax expense	2,399	1,009	1,258	7,130
11	Net Profit for the period/year (9-10)	8,646	3,829	6,884	27,570
12	Paid-up equity share capital (Face Value of Rs.5 each)	10,000	10,000	10,000	10,000
13	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	210,594
14	Earnings per share (of Rs.5 each) (not annualised)				
	(a) Basic	4.41	1.95	3.52	14.08
	(b) Diluted	4.38	1.91	3.48	13.95
	See accompanying notes to the financial results				

SEGMENT DETAILS OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2013 (Rs. in Lakhs)

Particulars	3 months ended 30.06.2013	Preceding 3 months ended 31.03.2013	Corresponding 3 months ended 30.06.2012	Previous Year ended 31.03.2013
	(Unaudited)	(Audited) (refer note 8 below)	(Unaudited)	(Audited)
Segment revenue				
a. Pharma	54,341	46,838	45,173	191,831
b. Contract Research & Manufacturing Services	16,034	17,367	13,125	58,829
Total	70,375	64,205	58,298	250,660
Less: Inter-segment revenue	306	497	630	2,130
Net sales / Income from continuing operations	70,069	63,708	57,668	248,530
Segment results				
Profit before interest, depreciation and tax from each segment				
a. Pharma	21,813	18,288	17,009	75,444
b. Contract Research & Manufacturing Services	5,394	5,490	4,746	21,081
Total	27,207	23,778	21,755	96,525
Less: Interest	38	95	321	810
Depreciation and amortisation	4,825	4,587	4,269	17,930
Unallocated corporate expenses	12,003	12,567	9,485	42,227
Unallocated corporate income	(2,248)	(1,185)	(1,592)	(5,266)
Profit before tax and before exceptional items	12,589	7,714	9,272	40,824
Capital employed				
a. Pharma	133,267	128,336	104,371	128,336
b. Contract Research & Manufacturing Services	54,113	55,045	31,426	55,045
c. Unallocable	100,773	92,612	99,802	92,612
d. Minority interest	(6,796)	(6,530)	(399)	(6,530)
Total capital employed	281,357	269,463	235,200	269,463

Select information for the quarter ended June 30, 2013

A	Particulars of Shareholding				
1	Public shareholding				
	- Number of shares	78,075,854	78,075,854	78,175,854	78,075,854
	- Percentage of shareholding	39.04%	39.04%	39.09%	39.04%
2	Promoters and promoter group shareholding				
	a) Pledged/encumbered				
	- Number of shares	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of the promoter 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
	- Percentage of shares (as a % of the total shareholding of the promoter and promoter group)	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%

Notes:

- The unaudited financial results of the Company and the unaudited consolidated financial results for the three month period ended June 30, 2013 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 meeting held on July 25, 2013.
- Biocon Biopharmaceuticals Limited ('BBL'), a wholly owned subsidiary of the Company filed an application with the Honorable High Court of Karnataka, for merger with the Company with an appointed date of April 1, 2012. The Honorable High Court of Karnataka has approved the merger application on July 12, 2013. Pending receipt of the Order, no effect of the merger has been made in the standalone financial results of the Company for the quarter ended June 30, 2013.
- During the year ended March 31, 2012, based on an evaluation of the prevalent regulatory framework industry practices and ethics/governance requirements relating to clinical trials and the regulatory submissions already initiated / filed, Biocon SA, a wholly owned subsidiary of the Company (together referred to as 'Biocon'), had determined that it had continuing obligations to complete clinical development and

regulatory activities relating to Biocon's Biosimilar Insulin portfolio comprising of Biosimilar Insulin and Biosimilar Insulin Analogs. Accordingly, pursuant to the termination of the customer contract in March 2012, Biocon deferred the remainder of the upfront amounts received from the customer, to be recognized in the consolidated statement of profit and loss in subsequent periods in line with costs incurred towards such clinical trials and development activities.

In February 2013, Biocon SA entered into an agreement with another customer for the global development and commercialization of Biosimilar Insulin Analogs (the Agreement), granting the customer exclusive rights to commercialize Biosimilar Insulin Analogs in certain countries. The clinical development and regulatory activities in respect of such Biosimilar Insulin Analogs is now being carried out in accordance with the Agreement. As such, Biocon has therefore determined that it does not have continuing obligations for clinical trials and development activities in respect of Biosimilar Insulin Analogs. Accordingly, based on an allocation in proportion of estimated future development spends on these programs, Rs 21,504 lakhs of deferred revenues allocated to Biosimilar Insulin Analogs (net of amounts already recognized in the consolidated statement of profit and loss) was recognized as an exceptional income in the consolidated statement of profit and loss for the quarter and year ended March 31, 2013 and is disclosed under exceptional items. During the quarter ended March 31, 2013 and June 30, 2012, Rs 634 lakhs and Rs 1,320 lakhs and during the year ended March 31, 2013, Rs 3,393 lakhs, respectively, has been netted off against expenses incurred towards such clinical trial and development activities. Considering that Biocon has continuing obligations in respect of Biosimilar Insulin, the remainder of deferred amounts as at March 31, 2013, of Rs 28,001 lakhs, continues to be recognized in the consolidated statement of profit and loss in line with costs to be incurred towards clinical trials and development activities of Biosimilar Insulin. For the quarter ended June 30, 2013, of the deferred amounts, Rs 338 lakhs has been netted off against expenses incurred towards such clinical trial and development activities.

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

- Pursuant to certain developments, on a prudent basis, the Company created a provision of Rs 1,385 lakhs and Rs 1,310 Lakhs for diminution, in the value of investments in Iatrica Inc in the standalone and consolidated financial statements, respectively, in the quarter and year ended March 31, 2013.
- Total income from operations for the year ended March 31, 2013 (standalone and consolidated) include Rs 3,064 Lakhs, towards one time income / compensation from few parties.

- 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.

7. Information on investor complaints:

	3 months ended 30.06.2013
Pending at the beginning of the quarter	2
Received during the quarter	22
Disposed off during the quarter	24
Remaining unresolved at the end of the quarter	-

- The figures of the three month period ended March 31, 2013 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2013 and the unaudited published year-to-date figures up to December 31, 2012, being the date of the end of the third quarter of the financial year which were subjected to limited review.

- 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: July 25, 2013