

Press Release
New Delhi, 15 Feb. 2006

Panacea Biotec Raises US \$ 100 Million via FCCB Issue

Panacea Biotec, India's leading research based health management company has concluded its \$100 million foreign currency convertible bonds issue on Feb.13th 2006. The five-year bonds are split into two equal-sized tranches and the company plans to list them on the Singapore Stock Exchange.

Tranche 1 was priced with a 4.5% semi-annual coupon and was sold at par. It will be redeemed, with a yield to maturity of 4.5%.

Tranche 2 was also sold at par, with a zero coupon, and a yield to maturity of 7.25%.

Commenting on the FCCB issue Mr. Rajesh Jain, Joint Managing Director, stated "We have received a large number of offers for subscribing to our Bonds. We have chosen to issue these Bonds to blue chip investors who can play a long term role in the growth & development of our Company. The proceeds of the issue will be used to fund the Company's organic and inorganic growth".

Merrill Lynch International acted as the sole book runner to the offering.

About Panacea Biotec Ltd.

Panacea Biotec, ranked third amongst biotechnology companies in the country, manufactures and markets a broad range of branded formulations and biotechnology based products of international quality.

In line with its mission "In Support of Life", Panacea Biotec focuses on vaccines and innovative prescription products in important therapeutic areas like pain management, diabetes management, renal disease management, anti-osteoporotic, anti-tubercular & anti-bacterials.

Panacea Biotec has 2 R&D centers with over 200 scientists and three new state-of-the-art research facilities focusing on new drug discovery, biopharmaceutical

and advanced drug delivery systems are expected to be operational in 2006 in Mohali, New Delhi and Mumbai respectively.

Panacea Biotec has 10 product patents valid in 60 countries world wide. Panacea Biotec takes active interest in education and information dissemination to patients and general public through its portal Bestonhealth.com that highlights topics on disease awareness and treatment options for healthy living.

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