

October 23, 2007

Press Release
Panacea Biotec reports financial results
for the Quarter and Half Year ended September 30, 2007

New Delhi, October 23, 2007: Panacea Biotec today announced its unaudited financial results for the quarter and half year ended September 30, 2007. The company's board met here on Tuesday 23 October 2007 to consider and approve its unaudited financial results for the quarter and half year ended September 30, 2007. The results were also reviewed by the company's Audit committee in their meeting on Monday October 22, 2007.

The key financial highlights are as follows:

FINANCIAL HIGHLIGHTS	Quarter Ended		YoY	(Rs. In million)		
	30.09.07	30.09.06	Change	Half Year Ended		YoY
	30.09.07	30.09.06	Change	30.09.07	30.09.06	Change
Net Turnover	1,751.4	1,742.7	0.5%	4,085.7	4,076.6	0.2%
EBITDA	497.4	579.2	-14.1%	1,200.6	1,427.5	-15.9%
Profit Before Tax (PBT)	462.3	634.8	-27.2%	1,152.4	1,419.8	-18.8%
Profit After Tax (PAT)	320.8	465.3	-31.1%	793.3	962.9	-17.6%
EPS – Basic	4.88	8.02	-39.2%	12.07	16.53	-27.0%
EPS – Diluted	4.51	6.78	-33.5%	11.14	13.66	-18.4%
Margin - EBITDA	28.4%	33.2%		29.4%	35.0%	
- PBT	26.4%	36.4%		28.2%	34.8%	
- PAT	18.3%	26.7%		19.4%	23.6%	

The Company has registered net turnover of Rs.1,751.4 million during the QE September 30, 2007 as compared to Rs.1,742.7 million for the corresponding quarter of previous financial year. The net turnover for the half year ended September 30, 2007 was Rs.4,085.7 million against Rs.4,076.6 million during the corresponding period of previous financial year.

During the quarter under review, the Company registered net profit of Rs. 320.8 million against Rs. 465.3 million during corresponding quarter of previous financial year. The net profit during previous corresponding quarter included exchange gain of around Rs. 100 million on account of conversion of convertible bonds into equity and interest income of Rs. 50 million on unused funds from convertible bonds. Further, the operating costs during the current period have also gone up by around Rs. 82 million.

Mr. Rajesh Jain, Joint Managing Director, said, "The Company has successfully faced the challenges posed by the continuously appreciating domestic currency by increasing volumes and price to the extent possible. Though the company's turnover continues to grow in volume and foreign currency terms however in rupee terms the growth is not duly reflected. The company's domestic turnover grew by 17% to Rs.1,531.5 million, the domestic vaccine sales grew by 21% to Rs.1,125.8 million and the domestic formulations sales grew by 8% to Rs.405.7 million during the QE September 30, 2007. The export turnover witnessed 26% growth in the formulations segment at Rs.90.9 million however the vaccines export declined by 65% to Rs.125.5 million on account of shift in demand towards domestic program."

The segmental financial highlights are as under:

SEGMENTAL HIGHLIGHTS	Quarter Ended		YoY	Half Year Ended		YoY
	30.09.07	30.09.06	Growth	30.09.07	30.09.06	Growth
VACCINES SEGMENT						
Turnover	1,251.3	1,293.0	-3.2%	3,088.1	3,232.9	-4.5%
Profits	578.0	622.7	-7.2%	1,371.4	1,541.8	-11.1%
Margin	46.2%	48.2%		44.4%	47.7%	

SEGMENTAL HIGHLIGHTS	Quarter Ended		YoY	Half Year Ended		YoY
	30.09.07	30.09.06	Growth	30.09.07	30.09.06	Growth
FORMULATIONS SEGMENT						
Turnover	496.6	448.8	10.7%	994.1	839.7	18.4%
Profits	63.0	100.2	-37.2%	144.1	163.6	-11.9%
Margin	12.7%	22.3%		14.5%	19.5%	

During the quarter under review, in the vaccine segment, institutional business witnessed 8% growth in volumes and 12% in foreign exchange value terms however the rupee value declined around by 2%. The vaccine segment margin remained around 46%. In the Pharma (Formulations) segment, exports grew by 26% and domestic business grew by 8%. The segmental margins declined to 13% on account of new initiatives taken by the company which included launch of new domestic SBU OncoTrust foraying into Rs.800 Crores oncology market in the country.

Key highlights during the Quarter Ended September 30, 2007.

Approvals from WHO

During the current quarter the WHO team visited company's vaccine facilities at Delhi and Lalru as part of the pre-qualification process for the combination vaccines. The WHO pre-qualification for the combination vaccines Ecovac-4, Easyfour and Easyfive is expected to be received during the current quarter. The Company expects to begin supply of combination vaccines to UNICEF/WHO to meet their requirements for international markets with a USD 300 million potential market.

New Product Launches

Panacea Biotec has launched several new brands during QE 30.09.07, including:

SBU	Brand	Launched Month	Product's use in general terms
Procare	KONDRO ACUTE TABS 10'S	Sep-07	For Osteoarthritis
	KONDRO-CERIN CAPS 10'S	Aug-07	
	KINGCAL 15 TAB	Jul-07	
	OD-PEP CAPSULES 10X10	Jul-07	For GERD & Dyspepsia
Growcare	FREEWAY TABLETS 10'S	Sep-07	For COPD & Anti Asthmatic
	THANKGOD - PI CREAM 30G	Aug-07	For Piles Management
	ZOMONT AL KID Tabs 10's	Aug-07	For Alergic Rhinitis
	ZOMONT-THEO 400mg 10'S	Jul-07	Anti Asthmatic
OncoTrust	DOCETRUST - 80 - 2ml Vial	Aug-07	Chemotherapeutic agent used in Cancer Management
	DOCETRUST-120 - 3ml Vial	Aug-07	
	DOCETRUST-20 - 0.5ml Vial	Aug-07	
	GEMTRUST - 1000mg Vial	Sep-07	
	GEMTRUST - 200mg Vial	Sep-07	
	PACLITRUST-100 - 16.67ml Vial	Aug-07	
	PACLITRUST-260 - 43.34ml Vial	Aug-07	
	PACLITRUST-30 - 5ml Vial	Aug-07	
	TEMOTRUST - 100mg Caps	Sep-07	
	TEMOTRUST - 20mg Caps	Sep-07	
	TEMOTRUST - 250mg Caps	Sep-07	
ZOLETRUST 4mg Vial	Sep-07	Supportive Therapy used for Cancer patients	

New Facilities

The company's new Vaccine Formulation Facility at Baddi is successfully completed and was inaugurated on September 25, 2007. The new facility has a capacity to manufacture one billion doses of vaccines per annum. The Tetanus and Bacterial vaccines bulk production facilities at Lalru, Punjab have also been successfully completed. The construction work at Mumbai R&D center-GRAND is also progressing satisfactorily

New Corporate Identity



On our Annual Day, September 25, 2007, we have evolved a new logo for our corporate identity. The logo has a new tagline- Innovation in support of life. This has been done to portray an image of a truly world class, innovative global organization. The exuberant logo in vibrant colors truly



represents our goal to transform ourselves into a company which is young, enthusiastic, ambitious, committed and aspiring to be global leaders in healthcare. The new Panacea Biotec logo is a representation of the future endeavors and aspirations of the Company. Our new identity communicates the vision of being an exemplary 'pioneer' and an 'eternal guide' to all within the organization and outside. It reflects the company's quest for collective 'innovation' where leadership, employee participation, stakeholder expectations coupled with integrity come together to build a radiant future for all.

About Panacea Biotec

Panacea Biotec is one of India's leading research-based health management companies with established research, manufacturing and marketing capabilities. Panacea Biotec is the 2nd largest vaccine producer in India. Panacea Biotec has been ranked as the 3rd largest biotechnology Company (ABLE Survey 2007) and is also amongst the top 50 pharmaceutical companies in India. The product portfolio of the Company includes highly innovative prescription products in important therapeutic areas such as pain management, diabetes management, renal-disease management, anti-osteoporosis, anti-tubercular, gastro-intestinal care products and vaccines. The Company has collaborations and tie-ups with leading national and international research organizations and corporations. The Company's state of the art manufacturing facilities for vaccines and pharmaceutical formulations comply with the US-FDA, UK-MHRA, SA-MCC and WHO-cGMP standards. The Company has four research and development centers. The Company has around 2800 employees including over 250 scientists. The Company also has 19 product patents, valid in more than 60 countries worldwide.

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Disclaimer

Except for the historical information contained herein, statements in this Release which contain words or phrases such as 'will', 'would', 'indicating', 'expected to' etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, future business plans, our growth and expansion in business, the impact of any acquisitions, our financial capabilities, technological implementation and changes, the actual growth in demand for our products and services, cash flow projections, our exposure to market risks as well as other general risks applicable to the business or industry. Panacea Biotec undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof.