

For Immediate Release

**Panacea Biotec reports financial results
for the Quarter & Year Ended March 31, 2009**

New Delhi, May 27, 2009: Panacea Biotec today announced its audited financial results for the year ended March 31, 2009. The Company's Board met here on Wednesday, May 27, 2009 to consider and approve its audited financial results for the year ended March 31, 2009. The results were also reviewed by the Company's Audit committee in their meeting held on May 26, 2009.

Quarter Ended March 31, 2009: The Company registered a 16% higher net turnover of Rs.2,276 million during the Quarter Ended March 31, 2009 as compared to Rs.1,955 million for the corresponding period of previous financial year. The net turnover for the quarter was higher by 29% as compared to Rs.1,759 million in Q3 2008-09. The Formulations segment registered revenue of Rs.515 million as compared to Rs.502 million during the corresponding quarter of previous financial year. The vaccine segment registered revenue of Rs.1,757 million as against Rs.1,502 million during corresponding quarter of previous financial year. The Company registered a substantial growth of 147% in EBITDA at Rs.832 million as compared to Rs.337 million during the corresponding quarter of previous financial year. The EBITDA margins of the company improved to 33% during the quarter under review from 17% during the Quarter Ended March, 2008.

The Company has made a provision of Rs.1,703 million as notional forex loss on open forward contracts and provisioning of Rs.284 million towards impairment of investment made and Convertible Loan (including accrued interest) given to the Company's Joint Venture company, Cambridge Biostability Ltd., U.K. As a result, the PBT and PAT for the quarter under review had been negative at Rs.862 million and Rs.402 million respectively as compared to profits of Rs.316 million and Rs.249 million respectively during the corresponding quarter of previous financial year.

Dr. Rajesh Jain, Joint Managing Director, said, "In line with our outlook in Q3, the Q4 sales turnover has increased by 16% and 28% compared to corresponding quarter of previous year and Q3 of year under review, respectively. Tough times have now been left behind and the company is back on the growth path. Consolidation & optimization of product mix and increased thrust on overseas markets saw revenues growing up during the quarter by 29% to Rs.2,276 million as compared to Rs.1,759 million during previous quarter.

The EBITDA margins have also improved significantly by 95% to Rs.832 as compared to Rs.427 million. Domestic Pharma as well as exports have gone up by 9% and 27% respectively over last year, while domestic vaccines have witnessed a formidable growth of 30% over last year. We expect that the momentum will continue during financial year 2009-10 on a yearly basis rather than a quarter, which is typical of Innovation based business models like ours."

Year ended March 31, 2009: During the year ended March 31, 2009, the Company registered net turnover of Rs.7,734 million as against Rs.8,304 million during the corresponding financial year. The Formulations segment revenue grew by 14% at Rs.2,287 million as against Rs.2,009 million during the previous financial year. The vaccine segment registered net revenue of Rs.5,476 million as compared to Rs.6,365 million during the previous financial year. The company registered EBITDA of Rs.2,445 million as compared to Rs.2,178 million during the corresponding previous financial year, registering a growth of 12%. The PBT and PAT for the year under review turned negative at Rs.924 million and Rs.691 million respectively as compared to profits of Rs.1,905 million and Rs.1,332 million respectively.

In terms of revised AS-11, the Company has opted for change in accounting policy in respect of foreign exchange fluctuation difference relating to translation of long term foreign currency monetary liabilities. Consequently forex fluctuation gain of Rs.132 million up to March 31, 2008 and forex fluctuation loss of Rs.995 million during the year under review, has been adjusted to the cost of depreciable asset or transferred to the Foreign Currency Monetary Item Translation Difference Account, depending upon nature of utilization. This has resulted into reduction in losses during the year by Rs.850 million.

Panacea Biotec Ltd.

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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 2008) 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. Panacea Biotec has five dedicated research and development centers. The company has around 3200 employees including over 300 scientists. The company also has 24 product patents, valid in more than 60 countries worldwide.

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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.

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