

For Immediate Release

October 19, 2006, New Delhi

**Panacea Biotec Reports Excellent Financial Results  
for Quarter & Half Year Ended September 30, 2006**

**Second Quarter Net Turnover up by 32% & Net profit surges by 104%**

**Panacea Biotec, the 3<sup>rd</sup> largest biotechnology company of India**, today announced its unaudited financial results for the Second Quarter and Half Year ended 30.09.2006. The unaudited financial results were reviewed by the Audit Committee and approved by the Board of Directors in their meetings held on 19<sup>th</sup> October 2006. The excellent growth momentum observed so far continued in the second quarter also and the Company registered **32.0% growth in net turnover** and **103.5% growth in net profit** during the quarter ended September 2006.

Explaining the key growth drivers, Mr. Rajesh Jain, Joint Managing Director, Panacea Biotec said, “The continuous improvement in financial performance of Panacea Biotec is the result of concerted efforts to convert opportunities into business. The Company has expanded its geographic reach by exporting the branded formulations and vaccines to several countries. The Company’s Joint Venture with Novartis Vaccines is doing well with profitable growth and now commands around 25% market share\* in the combination vaccines market”

**FINANCIAL HIGHLIGHTS**

The Net Turnover grew to Rs. 1,742.7 Million during the QE 30.09.06 as compared to Rs. 1,320.0 Million during the QE 30.09.05. The Company earned Net Profit of Rs. 465.3 Million with during QE 30.09.06 as compared to Rs. 228.7 Million in the corresponding quarter of previous year.

During the QE 30.09.06 the Company’s Earnings before Depreciation, Interest & Tax (EBITDA) increased to Rs. 751.9 Million registering growth of 89.7% and the Profit before Tax (PBT) also increased to Rs 634.8 Million registering growth of 96.4% as compared to corresponding quarter of previous year.

During the Half Year Ended September 2006 the net turnover registered 40% growth to Rs. 4,076.6 Million as compared to Rs. 2,912.0 Million during corresponding Half Year of Previous Year and the net profit grew by 117.5% to Rs. 962.9 Million during the Half Year Ended September 2006 as compared to Rs. 442.7 Million during the corresponding Half Year of Previous Year.

	(Rs. Millions)			(Rs. Millions)		
	Quarter Ended		%Growth	Half Year Ended		%Growth
	30.09.06	30.09.05		30.09.06	30.09.05	
Gross Turnover	1,767.6	1,364.9	29.5%	4,135.9	2,974.3	39.1%
Net Turnover	1,742.7	1,320.0	32.0%	4,076.6	2,912.0	40.0%
Earning Before Intt, Dep & Tax (EBITDA)	751.9	396.4	89.7%	1,684.2	790.4	113.1%
Profit Before Tax (PBT)	634.8	323.2	96.4%	1,419.8	649.3	118.7%
Profit After Tax (PAT)	465.3	228.7	103.5%	962.9	442.7	117.5%
EPS (Rs. Per share) - Basic	8.0	3.8	110.5%	16.5	7.4	124.6%
EPS (Rs. Per share) - Diluted	6.8	3.8	78.0%	13.7	7.4	85.6%

<b>MARGINS</b>	(%)	(%)
EBIDTA	43.1%	30.0%
PBT	36.4%	24.5%
PAT	26.7%	17.3%

(%)	(%)
41.3%	27.1%
34.8%	22.3%
23.6%	15.2%

## SEGMENTAL PERFORMANCE

Panacea Biotec recorded all round growth in business with both the vaccines and pharmaceutical formulations segment registering phenomenal growth. The vaccine segment registered 46.9% growth in turnover to Rs. 3,232.9 Million during the Half Year Ended September 2006 and grew as compared to Rs. 2,200.4 Million during corresponding Half Year of previous year. The Pharmaceutical formulations segment also registered a growth of 19.0% registering a turnover of Rs.839.7 Million during the Half Year Ended September 2006 as compared to Rs. 705.7 Million during corresponding Half Year of previous year.

VACCINES	(Rs. Million)			(Rs. Million)		
	Quarter		QoQ	Half Year Ended		HYoHY
	30.09.06	30.09.05	%Growth	30.09.06	30.09.05	%Growth
Turnover	1,293.0	964.0	34.1%	3,232.9	2,200.4	46.9%
Segmental Results	622.7	413.4	50.6%	1,541.8	871.5	76.9%
(Margin %)	48.2%	42.9%		47.7%	39.6%	
<b>FORMULATIONS</b>						
Turnover	448.8	352.1	27.5%	839.7	705.7	19.0%
Segmental Results	100.2	89.2	12.4%	163.6	150.2	8.9%
(Margin %)	22.3%	25.3%		19.5%	21.3%	

“Panacea Biotec has tied up with PT Bio Farma Indonesia, for manufacturing and marketing of Measles Vaccine in the international markets. The Company’s Baddi plant saw the addition of the Soft Gelatin facility. With a view to expanding its product portfolio in its focus areas of Diabetes and Organ Transplants, the Company launched “**Inrica**” (Pregabalin) for diabetes management and **Siropan** (Sirolimus) for organ transplantation in the domestic market. Panacea Biotec received the prestigious WHO pre-qualification for its recombinant Hepatitis B Vaccine. The Company has also been granted patent by Govt. of India, for invention entitled process for the preparation of ‘**Extended Release** (also known as ‘Controlled Release’) **Pharmaceutical Composition - Willgo**’ for 20 years in accordance with the provisions of the Patents Act, 1970.” added Mr. Rajesh Jain while explaining the updates during the quarter under review.

### 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 2<sup>nd</sup> largest vaccine producer in India. Panacea Biotec has been ranked as the 3<sup>rd</sup> largest biotechnology Company (ABLE Survey 2006) and is also amongst the top 50 pharmaceutical companies in India. The Company has registered turnover of Rs. 5,480 million during the FY06. 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 over 2300 employees including over 200 scientists. The Company also has 10 international product patents.

For further details please contact:

Name: Mr. Pradeep Kumar Jain

Designation: GM - Corporate Communications

Contact No.:

Mobile: 9313482886

Board: 011-41678000

Fax: 011-26940199

Email: [pkjain@pblintranet.com](mailto:pkjain@pblintranet.com)

Website: [www.panaceabiotec.com](http://www.panaceabiotec.com)

(\*Data on file)