

**Panacea Biotec reports Excellent Financial Results
for Quarter & Nine Months Ended December 31, 2006
Turnover up by 79% & Net profit surges by 422% in Q3**

Panacea Biotec today announced its unaudited financial results (provisional) for the third quarter and nine months ended 31st December, 2006. The financial results were reviewed by the Audit Committee and approved by the Board of Directors in their meetings held on 17th January, 2007 and 18th January, 2007 respectively.

The excellent growth momentum continued in the third quarter also and the Company has registered 79% growth in net turnover and 422% in net profit during the quarter ended December 31st, 2006. The net turnover grew to Rs.1,971 million during quarter as compared to Rs.1,100 million during same period of previous financial year. The Company earned net profit of Rs.271 million during QE 31.12.06 as compared to Rs.52 million during the corresponding quarter of previous year.

During the nine months ended December 2006 the net turnover registered 51% growth to Rs.6,048 million as compared to Rs.4,012 million during corresponding nine months of Previous Year. The net profit during the same period grew by 150% to Rs.1,234 million as compared to Rs.495 million during the corresponding nine months of Previous Year.

During the QE 31.12.06 the Company's Earnings before Interest, Tax, Depreciation & Amortisations (EBITDA) increased to Rs.488 million registering growth of 133% and the Profit before Tax (PBT) also increased to Rs.385 million registering growth of 176% as compared to corresponding quarter of previous year.

Explaining the key growth drivers of Panacea Biotec, Mr. Rajesh Jain, Joint Managing Director said, "The financial performance is one of the best indicators of a company's health. The continuous improvement in financial performance of Panacea Biotec is the result of concerted efforts to integrate the business opportunities with its internal strengths. The Company continues to expand its geographic reach by exporting the branded formulations and vaccines in several countries and total export turnover has grown by 138% during the quarter under review."

FINANCIAL HIGHLIGHTS	Quarter Ended		QoQ	9 Months Ended		YoY
	31.12.06	31.12.05		% Growth	31.12.06	
Gross Turnover	1,976.3	1,130.7	74.8%	6,112.2	4,105.0	48.9%
Net Turnover	1,971.2	1,100.3	79.1%	6,047.8	4,012.3	50.7%
Earning Before Intt, Dep & Tax (EBITDA)	487.7	209.1	133.2%	2,171.9	999.5	117.3%
Profit Before Tax (PBT)	384.8	139.3	176.3%	1,804.6	788.6	128.8%
Profit After Tax (PAT)	271.0	51.9	422.2%	1,233.9	494.6	149.5%
EPS (Rs. Per share)						
- Basic	4.5	0.7	542.9%	20.4	8.1	152.9%
- Diluted	4.1	0.7	487.1%	18.6	8.1	131.3%
MARGINS	(%)	(%)		(%)	(%)	
EBITDA	24.7%	19.0%		35.9%	24.9%	
PBT	19.5%	12.7%		29.8%	19.7%	
PAT	13.7%	4.7%		20.4%	12.3%	

SEGMENTAL PERFORMANCE

	(Rs. millions)			(Rs. millions)		
	Quarter		QoQ	Nine Months		YoY
VACCINES	31.12.06	31.12.05	Growth	31.12.06	31.12.05	Growth
Turnover	1,507.2	782.8	92.5%	4,740.1	2,983.2	58.9%
Segmental Results (Profits)	591.4	347.7	70.1%	2,133.2	1,219.2	75.0%
(Margin %)	39.2%	44.4%		45.0%	40.9%	
FORMULATIONS						
Turnover	464.0	316.6	46.5%	1,303.7	1,016.2	28.3%
Segmental Results (Profits)	52.5	35.3	48.6%	216.1	185.5	16.5%
(Margin %)	11.3%	11.1%		16.6%	18.3%	

Panacea Biotec recorded all round growth in business with both the vaccines segment and pharmaceutical formulations segment registering phenomenal growth. The vaccine segment registered 93% growth in turnover to Rs.1,507 million during the Quarter ended December 2006 as compared to Rs.783 million during corresponding quarter of previous year. The Pharmaceutical formulations segment also registered a growth of 47% registering a turnover of Rs.464 million during the Quarter ended December, 2006 as compared to Rs.317 million during the corresponding quarter of previous year.

Panacea Biotec has launched several new brands during Q3, including METLONG P-15 & P-30 for Type II Diabetes, THREPRO 5 & 2.5 for management of Hypertension, MYELOGEN FORTE for prevention / delaying of Diabetic Neuropathy, KONDRO OD for prevention / delaying the progression of Osteoarthritis, NIMULID HF for High Fever, DOLZERO for treatment of severe pain in conditions such as post-surgical, dental extraction / procedure, etc., TOFF EXPECTORANT & TOFF DC for Productive cough, UPRIGHT SP Anti-inflammatory, analgesic with wound healing properties, UPRIGHT MR Anti-inflammatory, analgesic with muscle relaxant and CEFMENTIN 200 Antibiotic.

Panacea Biotec's new in-house R&D Unit at New Delhi has been granted recognition by Government of India, Ministry of Science & Technology, New Delhi. The Company has also successfully completed implementation of HR Module of SAP. Now the company is fully working on SAP system. During the quarter under review, out of US\$ 100 million FCCB raised by the company in Feb,'06, US\$ 55 million have been converted into equity shares. Further the company has acquired a 10% equity stake in Cambridge Biostability Ltd., UK with an investment of £ 1.94 million.

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 2006) and is also amongst the top 50 pharmaceutical companies in India. The Company has registered gross turnover of Rs.5,480 million during 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. It has over 2500 employees including over 200 highly skilled scientists. The Company also has 10 international product patents to its credit.

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