

**Press Release**  
**New Delhi**  
**January 24, 2008**

**For Immediate Release**

**Panacea Biotec reports unaudited financial results for the Quarter and nine months ended December 31, 2007**

**Highlights for the QE December 31.12.2007:**

**Net Turnover up by 14.8%      EBITDA up by 31.9%      PBT up by 13.5%**

**New Delhi, January 24, 2008:** Panacea Biotec today announced its unaudited financial results for the quarter and nine months ended December 31, 2007. The Company's Board met here on Thursday, 24 January 2008 to consider and approve its unaudited financial results for the quarter and nine months ended December 31, 2007. The results were also reviewed by the Company's Audit committee in their meeting on Wednesday, 23 January, 2008.

The key financial highlights are as follows:

	(Rs. In million)		
	Quarter Ended		YoY
	31.12.07	31.12.06	%Growth
Gross Turnover	2,271.3	1,976.3	14.9%
Net Turnover	2,263.5	1,971.2	14.8%
Earning Before Int., Dep. & Tax (EBITDA)	589.8	447.0	31.9%
Profit Before Tax (PBT)	436.8	384.8	13.5%
Profit After Tax (PAT)	289.3	271.0	6.7%
EPS (Rs. Per share) - Basic	4.39	4.50	-2.4%
EPS (Rs. Per share) - Diluted	4.11	4.11	0.0%

Panacea Biotec Ltd.

B-1 Extn./G-3, Mohan Co-op. Indl. Estate, Mathura Road, New Delhi - 110 044, India  
Ph.: 91-11-4167 9000, 4167 8000, Fax: 91-11-26940621, 26940199, 41679070, Email:  
corporate@panaceabiotec.com

Registered Office: Ambala-Chandigarh Highway, Lalru - 140 501, Punjab, India. Website: www.panacea-biotec.com

The Company has registered net turnover of Rs.2,263.5 million during the QE December 31, 2007 as compared to Rs.1,971.2 million for the corresponding quarter of previous financial year. The net turnover for the nine months ended December 31, 2007 also increased by 5% at Rs.6,349.2 million against Rs.6,047.8 million during the corresponding period of previous financial year.

During the quarter under review, the Company registered 31.9% growth in EBITDA at Rs.589.8 million on the back of strong growth in the turnover and controlled operating costs. The PBT grew by 13.5% at Rs.436.8 million and the net profit also grew by 6.7% at Rs.289.3 million during the QE December 31, 2007 against corresponding quarter of previous financial year. The net profit during the quarter under review included exchange loss of around Rs.34 million on account of conversion of convertible bonds into equity. The depreciation expenses increased on account of operationalisation of new manufacturing facilities for Tetanus and Bacterial vaccines at Lalru.

**Mr. Rajesh Jain, Joint Managing Director, said, “With a well defined three pronged strategy for currency hedging, volume and price growth, we have been able to successfully manage the challenge posed by the continuously appreciating Indian rupee, faced by all the companies.”**

The segmental financial highlights are as under:

		(Rs. In million)		
		Quarter Ended		YoY
		31.12.07	31.12.06	Growth
<b>VACCINES SEGMENT</b>				
Turnover		1,769.7	1,507.2	17.4%
Profits		734.5	591.4	24.2%
<b>FORMULATIONS SEGMENT</b>				
		Quarter Ended		YoY
		31.12.07	31.12.06	Growth
Turnover		493.5	464.0	6.4%
Profits		57.4	52.5	9.5%

During the quarter under review, the vaccines turnover grew by 17.4% at Rs.1,769.7 million as compared to Rs.1,507.2 million as compared to the corresponding quarter of previous financial year. In the Pharma (Formulations) segment, turnover grew by 6.4%

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at Rs. 493.5 million against Rs. 464.0 million during the corresponding quarter of previous financial year.

### **Key highlights during the Quarter Ended December 31, 2007.**

#### **WHO Pre-qualification for Combination Vaccines**

The company has been pre-qualified by WHO for two of its innovative combination vaccine for pediatric immunization – Ecovac-4 (DTP+ Hep.B) and Easyfour (DTP+ Hib) in Jan'08. Panacea Biotec is already a pre-qualified supplier of OPV and Hepatitis-B vaccines to UN agencies. The combined demand for all combination vaccines globally is estimated at USD 600 million and is expected to grow up to USD 1.6 Billion by 2012.

#### **Research collaboration with Panjab University, Chandigarh**

Panacea Biotec Ltd. has entered into a Memorandum of Understanding (MOU) with Punjab University, Chandigarh for a Drug Discovery Project. Drug Discovery Research, SBU of Panacea Biotec located at Mohali (Punjab) and Panjab University will collaborate to identify a lead molecule with an aim to bring a drug superior to existing marketed products in the therapeutic area of Psychiatric Disorders. As per the agreement the university would transfer chemical and biological information on molecules to Panacea Biotec to develop as drugs.

#### **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 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

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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.

For further details please contact:

Mr. Pradeep Kumar Jain  
GM - Corporate Communications & Govt. Affairs  
Mobile: 09313482886  
Land Line: 011-41678000; Fax: 011-41679096  
Email: [pradeepjain@panaceabiotec.com](mailto:pradeepjain@panaceabiotec.com)  
Website: [www.panaceabiotec.com](http://www.panaceabiotec.com)

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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.

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