

For Immediate Release

June 14, 2007, New Delhi

**Panacea Biotec reports 140.9 % rise in net profit
For financial year ended March 31, 2007
Net Turnover up by 55.0%, EBITDA surges by 86.3%**

New Delhi, June 14, 2007: Continuing with its track record of reporting good financial performance year after year, Panacea Biotec has once again registered a sharp rise of 140.9% in its net profit at Rs.1468.1 million, for the year ended March 31, 2007. The net profit for the fourth quarter (Q4) ended on the same date, went up by 104.0 per cent at Rs.234.2 million.

The company's board met here on Thursday 14 June 2007 to consider and approve its audited financial results for the quarter and financial year ended March 31, 2007. The results were also reviewed by the company's Audit committee before their approval by the board.

Key Financial Highlights (Standalone Financials)

	<u>For the Quarter Ended 31.03.2007</u>	<u>For the year ended Ended 31.03.2007</u>
• Net Turnover up by	67.8%	55.0%
• EBITDA grew by	58.8%	86.3%
• PBT grew by	34.1%	108.7%
• PAT grew by	104.0%	140.9%
• EPS (Basic) increased by	113.3%	140.5%
• EPS (Diluted) increased by	122.8%	125.4%
• Equity Dividend Proposed at	-----	100.0%

Speaking on the company's latest financial results, **Mr. Rajesh Jain, Joint Managing Director, said,** "The improved financial performance of Panacea Biotec is the result of our approach to explore global business opportunities with enhanced domestic focus. The Company continues to expand its geographic reach by exporting branded formulations and vaccines to several new markets worldwide."

During the FY'07 The Company's joint venture Chiron Panacea recorded over 100% growth in its turnover.

Summarized Financial Results are as under:

(Rs. Million)

FINANCIAL HIGHLIGHTS	Quarter Ended		YoY	Financial Year Ended		YoY
	31.03.07	31.03.06	Growth	31.03.07	31.03.06	Growth
Gross Turnover	2,285.7	1,374.7	66.3%	8,397.9	5,479.7	53.3%
Net Turnover	2,267.8	1,351.2	67.8%	8,315.5	5,363.5	55.0%
Earning Before Intt, Dep & Tax (EBITDA)	424.4	267.2	58.8%	2,298.8	1,233.9	86.3%
Profit Before Tax (PBT)	286.4	213.5	34.1%	2,091.0	1,002.1	108.7%
Profit After Tax (PAT)	234.2	114.8	104.0%	1,468.1	609.4	140.9%
EPS (Rs. Per share) - Basic	3.8	1.8	113.3%	23.7	9.9	140.5%
EPS (Rs. Per share) - Diluted	3.5	1.6	122.8%	21.7	9.6	125.4%
MARGINS						
EBITDA	18.7%	19.8%		27.6%	23.0%	
PBT	12.6%	15.8%		25.1%	18.7%	
PAT	10.3%	8.5%		17.7%	11.4%	

SEGMENTAL PERFORMANCE

	Quarter Ended		YoY	Financial Year		YoY
	31.03.07	31.03.06	Growth	31.03.07	31.03.06	Growth
VACCINES						
Turnover	1,887.2	1,083.7	74.1%	6,627.2	4,066.9	63.0%
Segmental Results (Profits)	695.3	383.0	85.1%	2,828.5	1,602.2	76.5%
(Margin %)	36.8%	35.3%		42.7%	39.4%	
FORMULATIONS						
Turnover	376.8	272.6	38.2%	1,680.5	1,288.8	30.4%
Segmental Results (Profits)	68.8	36.3	89.5%	284.9	221.8	28.4%
(Margin %)	18.3%	13.3%		17.0%	17.2%	

The company continues to register growth in turnover both from vaccines and pharmaceutical formulations segment. The growth in the turnover is duly reflected in the profitability growth of the company. During the Quarter ended 31.03.2007, Company's export turnover grew by 26.2% to Rs. 96.6 million and the domestic turnover grew by 69.4% to Rs. 2,167.4 million from Rs. 76.5 million and Rs.1,279.8 million respectively during corresponding quarter of previous financial year. The pharmaceutical formulation segment registered growth of 45.8% in exports and 37.0% in domestic turnover during the quarter ended 31.03.2007 as compared to during corresponding quarter of previous financial year.

Key highlights during Financial Year 2006-07

New Product Launches

Panacea Biotec has launched several new brands during QE 31.03.07, including **Glimtotal 1 and Glimtotal 2** Tablets, **GlizidTotal** Tablets, **GlibenTotal 5** Tablet for Type-2 Diabetes; **Lower EZ** Tablet For Diabetic Dyslipidemia; **Mycept S 180 and Mycept S 360** Tablets Immunosuppressive agent used in Renal / Liver Transplantation; **Dolzero** Tablet For Acute Pain.

Manufacturing Facilities

The company has successfully commercialized new facilities at Baddi including Pharmaceutical Formulations Facility, Soft Gelatin Capsules Facility, Herbal Formulation Facility and Anti-TB Drug Formulation Facility. The work is in progress for the new Vaccine Formulation Facility at Baddi, Tetanus and Bacterial vaccines bulk production facilities at Lalru, Punjab.

R&D Centers

The company has also operationalized two new R&D centers:

- **LAKSH – Drug Discovery at Mohali** focusing research on new chemical Entities (Small Molecules)
- **Biopharmaceutical Research Center, New Delhi** - would utilize state-of-the-art modern tools including genetic engineering, molecular biology, cell biology and genomics knowledge base to develop novel preventive and therapeutic vaccines, bioactive therapeutics and monoclonal antibodies for therapeutic use.
- **GRAND, Navi Mumbai** - The Company's fifth R&D Center, focusing on advanced drug delivery system is expected to be operational by September 2007.

The company has successfully secured recognition for its operational R&D centers from DSIR.

Collaborations & Tie-ups

In the financial year 2006-07 Panacea Biotec had several collaborations and foreign tie-ups for introducing & developing new products.

- **NVI Netherlands** - for manufacturing and marketing of injectable Polio Vaccine in global markets (except Netherlands, Norway, Denmark and Finland)

- **NRDC, India** - for manufacturing and marketing of vaccine for Foot & Mouth Disease, which has been developed by IVRI, India;
- **PT. Bio Farma, Indonesia** for manufacturing and marketing of Measles vaccine
- **Cambridge Biostability Ltd. (CBL), UK** – Panacea Biotec has taken a 10% equity stake in CBL by investing GBP 1.94 million. The company is already having an in license agreement with CBL under which the company is developing thermostable vaccines using CBL's patented Stable Liquid technology.

Approvals from WHO

During the financial year 2006-07, the Company has successfully received pre-qualification from WHO for its recombinant Hepatitis B vaccine. The WHO process for approval of other innovative combination vaccines Ecovac-4, Easyfour and Easyfive is at an advanced stage and is expected to be completed during financial year 2007-08.

Patents

Till 31.03.2007, the Company has filed 467 international applications out of which 164 applications were granted and 227 applications were pending. The Company has been granted patent for 26 applications in India and 104 patent applications were pending with Indian Patent Office as on 31.03.2007.

About Panacea Biotec:

Panacea Biotec is one of India's leading research-based health management company with established research, manufacturing and marketing capabilities. **Panacea Biotec is the 2nd largest vaccine producer in India.** The company has been ranked as the **3rd largest biotechnology Company (ABLE Survey 2006)** 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. It has over 2700 employees including over 200 highly skilled scientists. The Company also has 10 international product patents to its credit.

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.

For further details please contact:

Name: Mr. Pradeep Kumar Jain
Designation: GM - Corporate Communications
Mobile: 09313482886
Land Line: 011-41678000; Fax: 011-41679096
Email: pradeepjain@panaceabiotec.com
Website: www.panaceabiotec.com

Propel Communications
Tel.: 27032181/27031051
Mobile: 9810206244
info@propelpr.com