

Press Release

For Immediate Distribution

**Panacea Biotec reports financial results for Quarter & Nine months ended
December 31, 2013
Gets UNICEF Award for Supply of Pentavalent Vaccine Easyfive-TT
during the period 2014-2016**

New Delhi, February 13, 2014: Panacea Biotec, one of the leading research based health management companies of India, today announced its unaudited financial results for the quarter & nine months ended December 31, 2013. The Company's Board met here on Thursday, February 13, 2014 to consider and approve its unaudited financial results for the quarter & nine months ended December 31, 2013. The results were also reviewed by the Company's Audit committee in its meeting held on Wednesday, February 12, 2014.

Panacea Biotec also informed that it has received UNICEF Award for supply of the Company's DTP-HepB-Hib (Pentavalent) Vaccine Easyfive-TT to UNICEF during the period 2014-2016. This award to Panacea Biotec is the outcome of the recent relisting of the Company's Pentavalent Vaccine by World Health Organisation (WHO) on 2nd October, 2013, post successful completion of the audit of the Company's Lalru and Baddi facilities conducted by WHO team from 28th Feb until 1st March, 2013.

Panacea Biotec further informed that UNICEF has yet to award a part of the total forecast quantities for the above said period and the unawarded quantities (including any potential additional requirement for India) will be awarded at a later stage in line with the demand forecast at such time. Suppliers' performance across all vaccines supplied to UNICEF will also be taken into account when additional incremental awards are determined.

The Company has also started supplying Easyfive-TT to international markets against UNICEF purchase orders.

Quarter ended December 31, 2013 (Q3FY13): The Company registered net turnover of Rs.1,058 million during the Q3FY13 as compared to Rs.1,663 million for the Q3FY12. The pharmaceutical formulations segment registered turnover of Rs. 766 million during Q3FY13 as against Rs. 950 million during Q3FY12. The vaccine segment registered turnover of Rs. 283 million during Q3FY13 as compared to Rs. 705 million during Q3FY12. The decline in sales of vaccine segment is mainly due to delisting of the pentavalent vaccine by WHO from its list of pre-qualified vaccines and lower sales of its polio vaccines due to reduced immunisation activities in the country during this period. India has not registered any case of polio since January 13, 2011.





Panacea Biotec

Innovation in support of life

The Company reported positive PAT of Rs. 828 million during Q3FY13 as compared to negative PAT of Rs. 623 million during Q3FY12. During the quarter, the Company has retrospectively changed its method of providing depreciation for its tangible assets of manufacturing and R&D units, based on re-assessment of useful life of tangible assets besides timely replacement thereof from 'written down value' to 'straight line' with effect from October 1, 2013, with a view to ensure more appropriate presentation of financial statements. The surplus of Rs. 1,771 million due to change in method of depreciation has been credited to P&L Account during the current quarter.

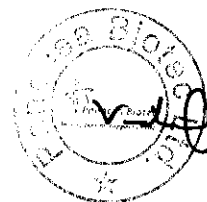
During the quarter, the Company also filed its proposal for Corporate Debt Restructuring (CDR) of its borrowing from Banks and the same has recently been admitted by CDR cell for further processing.

Nine months ended December 31, 2011 (9MFY12): The Company registered net turnover of Rs. 3,110 million during 9MFY13 as compared to Rs. 3,460 million during 9MFY12. The turnover of pharmaceutical formulations segment is Rs. 2,508 million during 9MFY13 as compared to Rs. 2,586 million during 9MFY12. The vaccine segment registered turnover of Rs. 577 million during 9MFY13 as compared to Rs. 848 million 9MFY12 due to reasons explained above. The Company reported negative PAT of Rs. 344 million during 9MFY13 as compared to negative PAT of Rs. 1,474 million 9MFY12.

Commenting on the UNICEF award, Dr. Rajesh Jain, Joint Managing Director, Panacea Biotec Ltd. said "we are pleased with this opportunity of supplying the pentavalent vaccine Easyfive-TT to UNICEF to meet the requirements of UNICEF and GAVI/ non-GAVI funded countries. This award is a natural outcome of recent relisting of the Company's pentavalent vaccine in the WHO's list of vaccines pre-qualified for supply to UNICEF, PAHO and other UN Agencies. This award is a great opportunity for Panacea Biotec and would enable the Company to be once again on growth trajectory. I would like to take this opportunity to thank the Drug Controller General of India, our National Regulatory Authority, for providing enabling environment to Indian Vaccine Industry in upgrading to continuous evolving global standards and Pharmexcil in supporting our efforts to export our Vaccine globally. I am also thankful to all our customers, partners, suppliers, bankers, investors and employees for their faith and continued support during this period."

Panacea Biotec developed and introduced the world's first fully liquid pentavalent vaccine in the year 2005 and achieved WHO pre-qualification in July, 2008. Since then until June 2011, the Company had supplied over 45 million doses for usage in around 31 GAVI/non-GAVI countries worldwide.

Fully Liquid Pentavalent Vaccine continues to be a high priority vaccine for WHO, UNICEF and GAVI. UNICEF continues to increase procurement of pentavalent year on year. As per the GAVI forecasts, the overall demand for pentavalent vaccine is expected to increase to over 234 mn doses by 2016 and thereafter to 256 mn doses by 2019 for all the 73 GAVI eligible countries.





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While India celebrates the historic event of Polio Eradication - having three years since its last case of polio, despite once being considered the most challenging place to end the disease, Dr. Rajesh Jain conveyed his sincere appreciation to the Govt. of India for acknowledging the contribution of domestic industry in polio eradication and stated that "we, at Panacea Biotec, feel proud of being part of the historical journey from '200,000 to Zero'. Panacea Biotec has contributed immensely to Global Polio Eradication Initiative (GPEI) by supplying over 9.7 billion doses of OPVs during last 25 years. During the most crucial moments in fight against Polio, Panacea Biotec developed and introduced innovative formulations of Polio Vaccine viz. mOPV1, mOPV2, mOPV3 and bOPV (Type 1 & 3). With specific aim to achieve Polio Eradication, mOPV1 & mOPV3 were introduced in Nov 2005 and bOPV in Dec 2009 leading to significant reduction of Polio cases from 676 in 2006 to just 1 case in 2011. Panacea Biotec also introduced POLPROTEC, the salk based Inactivated Poliomyelitis Vaccine (IPV) in India in the year 2007 and has been selected by WHO as a trusted partner in Asia to develop & launch of an innovative Sabin based IPV (sIPV) in technical collaboration with RIVM, the Netherlands."

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 one of the leading vaccine producers in India. Panacea Biotec is one of the largest biotechnology companies (ABLE Survey-2012) and is also amongst the top 50 pharmaceutical companies in India (ORG IMS MAT June 2012). The product portfolio of the Company includes innovative prescription products in niche therapeutic areas such as diabetes management, renal-disease management, Organ Transplantation, Oncology, anti-osteoporosis, gastro-intestinal and pain management 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-GMP standards. Panacea Biotec has four dedicated research and development centers. The company has around 2,800 employees including around 150 scientists.

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