

Panacea Biotec Entered into Strategic Alliance with Osmotica Pharmaceutical

***Signs Agreement for Developing High Barrier to Entry Generic and Branded
Pharmaceuticals for US & Key Strategic Markets***

New Delhi: 11th September 2012: Panacea Biotec, India's highly progressive research based health management company has entered into a strategic alliance for the research, development and commercialization of drug delivery based, high barrier to entry generic and branded pharmaceutical products in US and key strategic markets across the globe, with Osmotica Pharmaceutical, a global pharmaceutical company specializing in drug delivery technologies. The collaboration is designed to build upon each company's highly complementary strengths and quality assets.

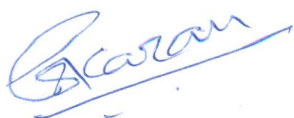
Under the collaboration, Panacea Biotec would lead product identification, research, development and manufacturing while Osmotica would lead product registration, legal matters, marketing, sales and distribution. The collaboration products are expected to be sold under an Osmotica and Panacea Biotec label. This collaboration is based on a 50:50 risk, investment and profit sharing by both companies and starts with a portfolio of 18 products across a broad range of therapeutic categories, with a provision to add new products by the Joint Steering Committee represented by both Osmotica and Panacea Biotec.

According to the agreement, Panacea Biotec will receive initial research fee from Osmotica. Moving forward, Panacea Biotec will receive agreed amounts of milestone payments representative of 50% share of development costs from Osmotica upon achievement of development milestones. For each new product added to the collaboration and for each new market thereof, Panacea Biotec shall receive a fixed research fee besides receiving the 50% share of development costs. Post commercialisation of the products in USA and other markets as may be added from time to time, both Panacea Biotec and Osmotica shall share the profits equally.

Commenting on the development Mr. Forrest Waldon, CEO, Osmotica Pharmaceuticals said "Osmotica is pleased to join hands with Panacea Biotec to jointly bring high quality pharmaceutical products to patients in medical need. We believe this opportunity affords patients and our shareholders, employees and other stakeholder's significant value."

This collaboration reflects the shared belief that the development and commercialization of drug delivery based, high barrier to entry products will not follow a typecast brand or generic model, and will require significant innovation, technical expertise, infrastructure and investment to achieve the desired ends.

Speaking on the occasion Dr. Rajesh Jain, Joint Managing Director, Panacea Biotec Ltd said "We are pleased with this unique opportunity to collaborate with Osmotica to meet the never-ending demand for high barrier to entry and high-quality pharmaceuticals in United States. We believe this collaboration will enable both partners to complementarily build upon each other's core competencies and capabilities to help meet the needs of more patients in United States than ever before."



The strategic alliance with Osmotica Pharmaceutical shows the world market has acknowledged Panacea Biotec's vision and technology. This collaboration places Panacea Biotec and Osmotica Pharmaceutical in an unparalleled position in the global generic market by capitalizing on best-in-class capabilities in innovative drug delivery development, specialty branded pharmaceuticals and generics.

Panacea Biotec's existing businesses and products would continue to function outside of this agreement and maintain their current unique structure and character. Both companies believe that this alliance is based on a unique hybrid business model which crystallizes the positive aspects of a traditional "strategic partnership" and "joint venture" relationships between two corporate entities.

About Osmotica Pharmaceutical

Osmotica Pharmaceutical is a global specialty pharmaceutical company with a proven history of developing commercially successful pharmaceutical products. The company uses its proprietary osmotic technology platform to develop high quality special pharmaceutical products. In addition to the products currently on the market and covered under the Panacea Biotec strategic alliance, the company's pipeline includes several CNS and neurology-based therapeutic drugs.

Osmotica Pharmaceutical and its related companies form an international group of companies with principal operations located in the United States, Argentina and Hungary.

For more information on the Company, please visit Osmotica's website at www.osmotica.com.

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 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. Panacea Biotec has four dedicated research and development centers. The company has around 3,300 employees including over 275 scientists.

For more information, please contact –


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