

Panacea Biotec

Innovation in support of life

Press Release
New Delhi
February 10, 2012

Panacea Biotec reports financial results for the Quarter & Nine months ended December 31, 2011

New Delhi, February 10, 2012: Panacea Biotec today announced its unaudited financial results for the quarter and nine months ended December 31, 2011. The Company's Board met here on Friday, February 10, 2012 to consider and approve its unaudited financial results for the quarter and nine months ended December 31, 2011. The results were also reviewed by the Company's Audit committee in their meeting held on Thursday, February 09, 2012.

Quarter ended December 31, 2011 (Q3FY12): The Company registered net turnover of Rs.1,530 million during the Q3FY12 as compared to Rs.2,841 million for the Q3FY11. The pharmaceutical formulations segment registered 17% growth with net turnover of Rs.844 million during Q3FY12 against Rs.719 million during Q3FY11. During the quarter under review, the exports of pharmaceutical formulations grew by 64% to Rs.223 million on account of increased exports to countries in LATAM region, CIS region and Middle East. The domestic pharmaceutical formulations business grew by 6% to Rs.621 million. The vaccine segment registered net turnover of Rs.686 million during Q3FY12 as compared to Rs.2,121 million during Q3FY11. 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. The Company also witnessed 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. As a result of lower net turnover, the Company reported negative PAT of Rs.717 million during Q3FY12 as compared to PAT of Rs.426 million during Q3FY11.

Nine months ended December 31, 2011 (9MFY12): The Company registered net turnover of Rs.5,984 million during 9MFY12 as compared to Rs.7,905 million during 9MFY11. The net turnover of pharmaceutical formulations segment grew by 13% to Rs.2,634 million during 9MFY12 as compared to Rs.2,332 million during 9MFY11. The exports of pharmaceutical formulations grew by 48% at Rs.699 million whereas domestic pharmaceutical formulations grew by 4% at Rs.1,934 million during the nine months under review. The vaccine segment registered net turnover of Rs.3,350 million during 9MFY12 as compared to Rs.5,573 million 9MFY11 due to reasons explained above. The Company reported negative PAT of Rs.886 million during 9MFY12 as compared to PAT of Rs. 920 million 9MFY11.

Dr. Rajesh Jain, Joint Managing Director said, "The current performance continues to be affected due to the delisting of pentavalent vaccine, following a routine site audit by a WHO team in July 2011. We have taken several corrective and preventive measures and are in active touch with WHO in this respect. We are confident that with these corrective and preventive measures, we will be able to get re-listing of our pentavalent vaccine in the list of WHO prequalified vaccines soon. Our Pharma business continues its growth trend with 17% growth during the current quarter on the back of 64% growth in exports to key ROW markets in LATAM, CIS region and Middle East. We have also started our operations in Germany with the launch of TACPAN (Tacrolimus) as the first product. We will continue to focus on increasing the exports of pharmaceutical formulations to emerging ROW markets as well as the ICH region."



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New Products Launched

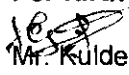
During the quarter under review, the Company has launched several new products including **HIFIBRE 200** (Bulk Laxative), **VALUECEF-O** (Antibiotic), **TOFF-LIX** (Cough Syrup), **WHOLESUM** (Nutritional Supplement), **UCIRO** (Chronic Liver Disease) and **IMUZA** (Immunosuppressant) in pharmaceutical formulations segment.

PacliALL – an indigenously developed Albumin bound Paclitaxel Particles formulation by Panacea Biotec has won the prestigious “**BioSpectrum Product of the Year Award 2011**” at Bangalore on 16th December 2011. PacliALL also earned Panacea Biotec the **First “India Nanotech Innovation Award 2011”** by Karnataka Govt. in December 2011.

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 largest vaccine producer in India. Panacea Biotec has been ranked as the 3rd largest biotechnology company (ABLE Survey June, 2011) and is also amongst the top 40 pharmaceutical companies in India (IMS TSA MAT March' 2011). 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, and SA-MCC and WHO-cGMP standards. Panacea Biotec has four dedicated research and development centers. The company has around 3,800 employees including over 300 scientists. The company also has 382 product patents, valid in more than 68 countries worldwide.

For further details please contact:


Mr. Kuldeep Singh
Assistant Manager – Corporate Communication
Panacea Biotec Ltd
B-1 Extn./ A-27, Mohan Co-op. Indl. Estate
Mathura Road, New Delhi- 110 044
Ph. : +91 11 4157 8000 Ext.: 2477
DID.: +91 11 4157 8077
Mobile: +91 97113 06379
Fax: +91-11-26940621
Email: kuldeep Singh@panaceabiotec.com
Website: www.panaceabiotec.com



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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.