

Panacea Biotec

Innovation in support of life

Press Release

New Delhi

July 27, 2011

Panacea Biotec reports results for the Quarter ended June 30, 2011

New Delhi, July 27, 2011: Panacea Biotec, the 3rd largest biotechnology company of India, today announced its unaudited financial results for the quarter ended June 30, 2011. The Company's Board met here on Wednesday, July 27, 2011 to consider and approve its unaudited financial results for the quarter ended June 30, 2011. The results were also reviewed by the Company's Audit committee in their meeting held on Tuesday, July 26, 2011.

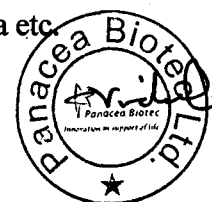
The Company registered net turnover of Rs.2,210 million during Q1FY12 as compared to Rs.2,539 million during Q1FY11. The Company's formulation segment grew by 9% registering net turnover of Rs.850 million during Q1FY12 as compared to Rs.777 million during Q1FY 11. The export of pharmaceutical formulations grew by 23% during the quarter under review. The vaccines segment registered net turnover of Rs.1359 million during Q1FY12 as compared to Rs.1,762 million during Q1 FY11. The Primary reason for decline in turnover is lower OPV sales in Q1FY12 as compared to same period of previous year due to Demand shift of TOPV from the customer and postponement of some of the BOPV shipment to subsequent quarters. However, we expect to meet up the above short falls in subsequent quarters of current financial year.

The decline in net turnover during Q1FY12 also resulted in 14% decline in the EBITDA which stood at Rs.530 million as compared to Rs.614 million during Q1FY11. The company registered PBT of Rs.207 million during Q1FY12 as compared to Rs.354 million during Q1FY11. The decline in PBT is due to higher interest cost during the quarter under review. The company reported PAT of Rs.167 million during Q1FY12 as compared to Rs.326 million during Q1FY11 due to the reasons explained above. We expect that the current shortfall in revenue and profits will be covered up during subsequent quarters of current financial year.

Dr. Rajesh Jain, Joint Managing Director said, "The nature of our business does not allow uniform result and growth on quarterly basis. It is more rational to measure the performance on yearly basis .There are lot of initiative the company has taken to push operational efficiency in the current financial year in both sales & marketing and operations to ensure sustainable growth year on year."

New Products Launched:

During the quarter under review the company has launched several new products including TecPara (Paracetamol IP 500mg); Nimulid ER for pain management, Fotizo Powder Protein for Cancer Patients, Stamicar to provide energy to Heart Muscles; Febarto for Hyperuricemia etc.



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Formulation Facility for Anti-Cancer Products

The Company is setting up a formulation facility at Baddi, Himachal Pradesh with an investment of around Rs.50 Crores for manufacturing anti-cancer products including the recently launched PacliALL. This facility is expected to be commercialized by March 2012 thereby enabling the Company to extend the current 100% tax exemption for another period of 5 years.

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 March' 2011; MAT). 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 3800 employees including over 300 scientists. The company also has 382 product patents, valid in more than 68 countries worldwide.

For further details please contact:

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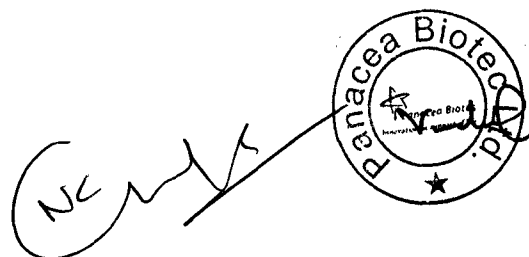
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Except for the historical information contained herein, statements in this Release which contain words or phrases such as 'will', 'would', 'indicating', 'expected to' etc., and similar expressions or variations of such expressions may constitute 'forward-looking 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.

