Unaudited Financial Results for the Quarter ended 30th June, 2009

### Particulars

<table>
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<th>For Quarter ended</th>
<th>For Year Ended</th>
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<td>30.06.09</td>
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1. **(a)** Net Turnover / Income from Operations  
   - **(b)** Other Operating income
   - **Total Income**

2. **Expenditure**
   - (Increase)/decrease in stock in trade and work in progress
   - Consumption of materials
   - Purchase of traded goods
   - Manufacturing & Administrative Exp.
   - Employees cost
   - Depreciation
   - Other expenditure
   - **Total**

3. **Profit from Operations before other income, Interest, Foreign Exchange Fluctuation Gain/ (Loss) & Exceptional Items (1-2h)**
   - **Profit before Interest, Foreign Exchange Fluctuation Gain/ (Loss) & Exceptional Items (3-4)**
   - **Interest**
   - **Unrealised Exchange Fluctuation Gain/ (Loss)**
   - **Profit after Interest but before Exceptional Items (5-6+7)**
   - **Exceptional items**
   - **Net Profit / (Loss) from Ordinary Activities after tax (10-11)**
   - **Tax expenses**
   - **Profit after Interest, Foreign Exchange Fluctuation Gain/ (Loss)& Exceptional Items (3+4)**
   - **Other Income**
   - **Depreciation**
   - **Employees cost**
   - **Manufacturing & Administrative Exp.**
   - **Purchase of traded goods**
   - **Consumption of materials**

### Unaudited Segment-wise Revenue, Results, and Capital Employed

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1. **Segment Revenue**
   - (a) Vaccines
   - (b) Formulations
   - (c) Research & Development
   - (d) Unallocated

2. **Segment Results Profit (+) before tax and interest from each segment**
   - (a) Vaccines
   - (b) Formulations
   - (c) Research & Development
   - (d) Unallocated

3. **Capital Employed**
   - (Segment assets-Segment Liabilities)

Regd. Office : Ambala-Chandigarh Highway, Lariu-140501, Punjab

Website : http://www.panacea-biotech.com
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Notes:
1. The above financial results were reviewed by the Audit Committee of the Board and approved by the Board of Directors at their meetings held on 29th July, 2009 and 30th July, 2009, respectively.
2. Tax expense includes provision for income tax, fringe benefit tax and deferred tax.
3. The Company's Share Transfer Books and Register of Members will remain closed from Wednesday, 23rd September, 2009 to Friday, 25th September, 2009 (both days inclusive) for the purpose of Annual General Meeting scheduled to be held on Friday, 25th September, 2009, in compliance of clause 16 of the Listing Agreement.
4. During the quarter, the Company has launched new products MMIPAR 30 & 60 Tablets (for the treatment of SHPT & CKD on Dialysis) & MYCEPT 75mg Tablets (Immunosuppressant for Post-Transplant Management), EASY FIVE 5 Dose in VIALS 2.5 ml for the Prevention of Hepatitis B, Haemophilus Influenzae, Diptheria, Tetanus and Parotitis), KINGBETA 25.50 & 1AM Tablets (for the Treatment of Hypertension, Heart Failure & Coronary Artery Disease) & OPENOS Tablets (for the Treatment of Allergic Rhinitis), ValueCef Dry Syrup 30ml (for the Treatment of UTI & URTI in Pediatrics Patients), ValueCef 50 DT Tablet (for the Treatment of UTI & URTI in Pediatrics Patients) and JAIHO Tablets (for the Treatment of Low Back Pain).
5. During the quarter, the Company has invested an amount of Rs.23.7 Lac (US $ 50,000) towards capital contribution in its wholly-owned subsidiary company, Panacea Biotec Inc., USA and Rs.239.71 Lac towards payment of call money in respect of shares held in its Indian subsidiary, Umkal Medical Institute Pvt. Ltd.
6. During the quarter, the Company's indirect subsidiary Panacea Biotec (International) SA has set up a subsidiary, viz. Panacea Biotec (Europe) AG in Switzerland for marketing of products in Europe.
7. The shareholders and creditors of the Company's JV company, Cambridge Bostability Ltd., U.K. (CBL), have, in view of CBL's adverse financial condition, decided for its winding up by way of Creditors' Voluntary Liquidation and have appointed Liquidator of the Company for the same in their meeting held in June, 2009.
8. As regards the Auditors' observations in their report on the Audited Accounts for the Financial Year 2008-09:
   i) With regard to non-provision of proportionate premium on redemption for outstanding portion of US $ 50 million Zero Coupon Convertible Bonds [US $ 36.8 million], the management is of the opinion that the bonds are redeemable only if there is no conversion of bonds earlier, the likelihood of which cannot be ascertained presently. Hence, the payment of premium on redemption is contingent in nature, the outcome of which is dependent upon uncertain future events. Therefore, the same has been disclosed as a contingent liability in the Annual Accounts for earlier years. Accordingly, the proportionate premium on said Bonds during the quarter ended June 30, 2009, amounting to Rs.401 Lac has also not been provided. The total unprovided redemption premium for period up to June 30, 2009 amounts to Rs.4,851 Lac. Further, in the eventuality of bonds not getting converted, premium on redemption shall be adjusted out of the Securities Premium Account and would not have any consequential impact on the Profit & Loss Account.
   ii) With regard to capitalization of expenditure on clinical trials amounting to Rs.1,240 Lac for Financial Year 2008-09 for the purpose of registration of Company's product in US and / or Europe, the management believes that these products would be commercially viable and there is no reason to believe that there is any uncertainty that may lead to not securing registration for the products from the regulatory authorities. An amount of Rs.128 Lac towards said expenditure on clinical trials during quarter ended June 30, 2009, respectively, has also been capitalised on similar grounds. The total amount of such capitalisation upto June 30, 2009 is Rs.4,397 Lac.
   iii) With regard to payment of managerial remuneration of Rs.382 Lac during Financial Year 2008-09, in excess of limits prescribed under Section 198 and 309 read with Part II of Schedule XIII of the Companies Act, 1956, without obtaining Central Government approval, the amount paid as managerial remuneration to Mr. Sushil Kumar Jain, Chairman, Mr. Ravinder Jain, Managing Director, Dr. Rajesh Jain, Joint Managing Director and Mr. Sandeep Jain, Joint Managing Director has exceeded the above limits due to unexpected inadequacy of profits during the financial year 2008-09. The Company has filed necessary applications for the approval of Central Government for protecting their remuneration as approved earlier by shareholders.
9. As regards the Auditors' observations in their limited review report on the above results in respect of non-provision of unrealised foreign exchange gain of Rs.3,727 lacs on outstanding forward contracts amounting to USD 121 million as at 30th June, 09, the management is of the opinion that since market exchange rate on the various settlement dates is not certain, the unrealised gain/loss is contingent in nature. The unrealised foreign exchange gain/loss, if any will be considered appropriately at year end.
10. The Statutory Auditors have also carried out limited review of these results and have given their observations in their report in respect of para 8(i), (ii), (iii) & 9 above.
11. Status of Investors' complaints [In nos.] during the quarter, pursuant to clause 41 of listing agreement: Opening [0]; Received [0]; Disposed [0]; Closing [0].
12. The necessary certificate in respect of above Results in terms of requirement of clause 41 of the Listing Agreement, has been placed before the Board of Directors.
13. The previous period's figures have been regrouped/ rearranged/ reclassified wherever necessary.

For and on behalf of the Board

New Delhi
July 30, 2009

Dr. Rajesh Jain
(Joint Managing Director)

Panacea Biotec Ltd.
Regd. Office: Ambala-Chandigarh Highway, Lahiru-140501, Punjab

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