

**Unaudited Financial Results (Provisional) for the Quarter & Half-year ended
30th September, 2007**

(Rs. in Lac)

Particulars	For the quarter ended		For the half-year ended		Year ended
	30.09.2007 (Unaudited)	30.09.2006 (Unaudited)	30.09.2007 (Unaudited)	30.09.2006 (Unaudited)	31.03.2007 (Audited)
Turnover	17,613	17,676	41,085	41,359	83,979
Less: Excise Duty	99	249	228	593	824
Income from Operations	17,514	17,427	40,857	40,766	83,155
Other Income	866	1,727	1,748	2,567	2,996
Total Income	18,380	19,154	42,605	43,333	86,151
(Increase) / Decrease in Stocks	(1,820)	(2,491)	(2,359)	282	1,176
Consumption of Materials & bought outs	8,703	9,391	20,483	17,388	37,419
Manufacturing Expenses	490	411	973	1,042	2,198
Personnel Expenses	1,827	1,352	3,670	2,749	7,880
Others	3,342	2,972	6,084	5,030	11,494
Total Expenditure	12,542	11,635	28,851	26,491	60,167
Interest	214	301	311	1,080	1,522
Gross Profit after Interest but before Depreciation & Tax	5,624	7,218	13,443	15,762	24,462
Depreciation	1,001	870	1,919	1,564	3,552
Profit before Tax	4,623	6,348	11,524	14,198	20,910
Provision for taxation	915	1,251	2,800	3,783	4,639
Fringe Benefits Tax	83	80	135	140	220
Deferred Tax Liabilities/ (Assets)	417	364	656	646	1,370
Net Profit	3,208	4,653	7,933	9,629	14,681
Paid-up Share Capital					
Equity (Face Value Re.1/- per Share)	658	571	658	571	658
Preference (Face Value Rs.10/- per Share)	-	4,343	-	4,343	-
Reserves & Surplus					53,251
E.P.S. (Rs.)					
- Basic	4.88	8.02	12.07	16.53	23.71
- Diluted	4.51	6.78	11.14	13.66	21.73
Aggregate of Public Shareholding					
Number of Shares	22,235,652	13,600,910	22,235,652	13,600,910	22,207,664
Percentage of holding	33.76	23.77	33.76	23.77	33.73

Unaudited Segment wise Revenue, Results and Capital employed

Particulars	For the quarter ended		For the half-year ended		Year ended
	30.09.2007 (Unaudited)	30.09.2006 (Unaudited)	30.09.2007 (Unaudited)	30.09.2006 (Unaudited)	31.03.2007 (Audited)
Segment Revenue					
A. Vaccines	12,451	13,015	30,881	32,414	66,387
B. Formulations	5,070	4,480	10,081	8,416	17,002
C. Research & Development	34	23	34	53	78
Gross Sales/ Income from Operations	17,555	17,518	40,996	40,883	83,467
Less : Inter Segment Revenue	-	-	-	-	-
Net Sales/ Income from Operations	17,555	17,518	40,996	40,883	83,467
Segment Results					
A. Vaccines	5,780	6,227	13,714	15,418	28,285
B. Formulations	630	1,002	1,441	1,636	2,849
C. Research & Development	(1,251)	(1,332)	(2,436)	(2,203)	(4,972)
Total	5,159	5,897	12,719	14,851	26,162
Less : Interest & Financial Charges	286	389	401	1,168	1,424
Unallocated Expenditure net of unallocated Income	250	(840)	794	(515)	3,828
Total Profit Before Tax	4,623	6,348	11,524	14,198	20,910
Capital Employed					
A. Vaccines	41,788	25,956	41,788	25,956	29,930
B. Formulations	21,767	19,038	21,767	19,038	15,100
C. Research & Development	13,443	9,119	13,443	9,119	11,257
Capital employed in Segments	76,998	54,113	76,998	54,113	56,287
Add: Unallocable Assets Less Liabilities	(15,068)	(24,302)	(15,068)	(24,302)	(2,377)
Total Capital employed	61,930	29,811	61,930	29,811	53,910

Notes:

- The above financial results were reviewed by the Audit Committee of the Board and taken on record by the Board of Directors at their meetings held on 22nd October, 2007 & 23rd October, 2007, respectively. The Statutory Auditors have carried out limited review of the unaudited Financial Results of the Company for the quarter & half-year ended 30th September, 2007.
- The Company's new Vaccine Formulation Facility at Baddi, Himachal Pradesh is successfully completed and inaugurated on 25th September, 2007. The Tetanus and Bacterial vaccines bulk production facilities at Lalru, Punjab have also been completed and commissioned during September, 2007. The construction work at Mumbai R&D Center is also progressing satisfactorily.
- During the quarter, the Company has launched **Kondro Acute** Tablets, **Kondro-Cerin** Capsules & **Kingcal** Tablets (for Osteoarthritis); **OD-PEP** Capsules (for GERD & Dyspepsia), **Freeway** Tablets (for COPD & Anti Asthmatic), **ThankGod PI** Cream (for Piles Management), **Zomont AL Kid** Tablets (for Allergic Rhinitis), **Zomont Theo** Tablets (Anti Asthmatic), **DocoTrust 80 & 120**, **GemTrust 200 mg & 1000 mg**, **PacilTrust 30, 100 & 260** Injections & **TemoTrust** Capsules (Chemotherapeutic agent used in Cancer Management) and **ZoleTrust 4 mg** Injection (Supportive Therapy used for cancer patients).
- In order to leverage upon the vast emerging opportunities, the Company plans to enter into other segments of healthcare and during the quarter, the Company has invested a sum of Rs.167.07 crore in its subsidiary companies by way of loan / share application money.
- As regards the Auditors' observation in their report on the Audited Accounts for the Financial Year 2006-07 :
 - With regard to non-furnishing of information in respect of its suppliers which may fall under "The Micro, Small and Medium Enterprises Development Act, 2006", which was promulgated in October 2006, the Company has initiated the process of identification of such suppliers. But in view of large number of suppliers and paucity of time after promulgation of law, the Company did not have sufficient information to comply with the disclosure requirements prescribed under the said Act as at the year end. The Company has initiated the process of compiling information regarding measurement of interest liability prescribed by the Act and has collected the information in respect of most of the suppliers. However, the Company is of the opinion that liability of interest on overdue payments, if any, to such suppliers will not be material.
 - With regard to non-provision of proportionate premium on redemption of US\$ 50 million Zero Coupon Convertible Bonds due 2011 amounting to Rs.159,623,752 during FY 2006-07, 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 same was disclosed as a contingent liability in Annual Accounts. Likewise, the proportionate premium on said Bonds amounting to Rs. 36,195,500 and Rs.71,319,500 during quarter and half-year respectively ended 30th September, 2007 has also not been provided.
 - With regard to commission payable to Directors amounting to Rs.185,049,736 for FY 2006-07, which was pending approval of shareholders, the matter was placed for the approval of shareholders in the Annual General Meeting held on 29th September, 2007 and the shareholders have accorded their approval.
 - With regard to capitalization of expenditure on clinical trials amounting to Rs.91,557,518 during FY 2006-07 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. 45,883,751 and Rs. 87,640,586 towards above said expenditure on clinical trials during quarter and half-year respectively ended 30th September, 2007 has also been capitalised on similar grounds.
- Status of Investors' complaints [in nos.] during the quarter, pursuant to clause 41 of listing agreement: Opening [0]; Received [2]; Disposed [2]; Closing [0].
- The previous period's figures have been regrouped/ rearranged/ reclassified wherever necessary.

For and on behalf of the Board

New Delhi
October 23, 2007

Soshil Kumar Jain
Chairman

Panacea Biotec Ltd.

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

Website : <http://www.panacea-biotec.com>