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BEXIMCO PHARMACEUTICALS LTD.

News Release

January 27, 2009

Private Placing to GEM Global Yield Fund Limited

Beximco Pharmaceuticals Limited ("BPL" or the "Company"), the leading pharmaceutical manufacturer and the largest pharmaceutical exporter from Bangladesh, announces further details in respect of the anticipated private placing of shares to GEM Global Yield Fund Limited ("GEM"), announced earlier yesterday.

BPL has signed a Subscription Agreement (the "Agreement") that enables it to issue ordinary shares up to Tk.4,100,000,000 (approximately £44.6m) ("Placing Shares") to GEM over the next three years through a number of allotments (the "Allotments") following the issue of Draw Down Notices by BPL. The Agreement states that the number of shares that can be placed in each Allotment is calculated by reference to the average volume of shares traded in the preceding 15 days period, as published by the Dhaka Stock Exchange Limited ("DSE"). The price per share at each Allotment is calculated by reference to the average price per share in the 15-day period following the issue of a Draw Down Notice by BPL, discounted to 90% (the Variable Pricing Method).

The Company also intends to issue a further 2,500,000 warrants to GEM at an exercise price of Tk.200 (approximately £2.17). The warrants will have an exercise period of three years.

The Placing Shares and warrants shall be issued to GEM under section 155(2) of the

Companies Act, 1994 (Bangladesh) subject to:

- Approval of its shareholders at an Extraordinary General Meeting ("EGM") to be held on Thursday, 19 February 2009 at 10:00 AM at 1 Shahbagh Avenue, Dhaka-1000; and
- The consent of the Securities and Exchange Commission ("SEC") thereto under the Securities and Exchange Commission (Issue of Capital) Rules, 2001.

BPL will submit its application to the SEC only after EGM approval is secured. SEC consent is expected to take 4 weeks.

The Company currently has 125,957,747 ordinary shares in issue. Assuming Placing Shares are issued under the Agreement at the current share price of TK166 per share and the warrants are exercised in full, this would result in approximately 27,198,795 new ordinary shares representing 17.76% of the enlarged share capital of the Company. If the Placing Shares are issued at a higher price, fewer shares will need to be issued and dilution will be reduced accordingly.

It is intended that the funds raised by the issue of Placing Shares and warrants will be used by BPL for its Balancing, Modernisation, Replacement and Expansion program ("BMRE"), diversification and working capital.

The Company's vice-chairman, Salman F. Rahman said: *"We expect to increase turnover and net profit substantially as a result of this additional funding and resultant capacity increase, to Tk.10,006,000,000 (approximately £108.8m) and Tk 2,030,000,000 (approximately £22.1m) respectively in 2010. We anticipate that most of the additional turnover and profit will come from exports."*

An exchange rate of Tk.92:£1 has been used in the above announcement.

End

For further information please visit www.beximco-pharma.com or enquire to:

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Notes to Editors

About Beximco Pharmaceuticals Limited

Founded in 1976 and based in Dhaka, Bangladesh, BPL manufactures and sells generic pharmaceutical formulation products, active pharmaceutical ingredients and intravenous fluids. The Company also manufactures and markets its own branded generics for almost all diseases. The Company also undertakes contract manufacturing for multinational pharmaceutical companies. The Company operates from a 20 acre site in Dhaka and currently employs over 2,400 staff.

The Company's products are sold to retail outlets, medical institutions and other pharmaceutical manufacturers in Bangladesh, in regional markets such as Sri Lanka, Nepal, Bhutan, Vietnam, Cambodia and Myanmar and in other markets overseas, principally in East Africa, Pacific Island and Central American countries and South East Asia, including Singapore and Hong Kong.

About GEM

Global Emerging Markets ("GEM") was founded in 1991. GEM is a \$2.7 billion alternative investment group that manages a diverse set of investment vehicles focused on emerging markets across the world.

This information is provided by RNS
The company news service from the London Stock Exchange

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