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# Lupin Net Profit up by 34 % in Q2, FY 2010-11
# Robust Growth, Strong Profits

**Mumbai, Nov 01, 2010**: Pharma Major, Lupin Ltd. reported strong performance for the second quarter, Q2, FY 2010-11 reporting top-line growth of 26% and net profit growth of 34%. These unaudited results were taken on record by the Board of Directors at a meeting held in Mumbai today.

**Key Financial & Performance Highlights**

- Net sales grew by 26% to Rs. 14,051 million during Q2, FY 2010-11, up from Rs. 11,147 million (Q2, FY 09-10)

- Net profits grew by 34% to Rs. 2,150 million during Q2, FY 2010-11, as compared to Rs 1,603 Mn. (Q2 FY 09-10)

- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) grew by 38% to Rs. 3,001 Mn. during Q2, FY 2010-11, from Rs. 2,180 Mn. (Q2 FY 09-10).

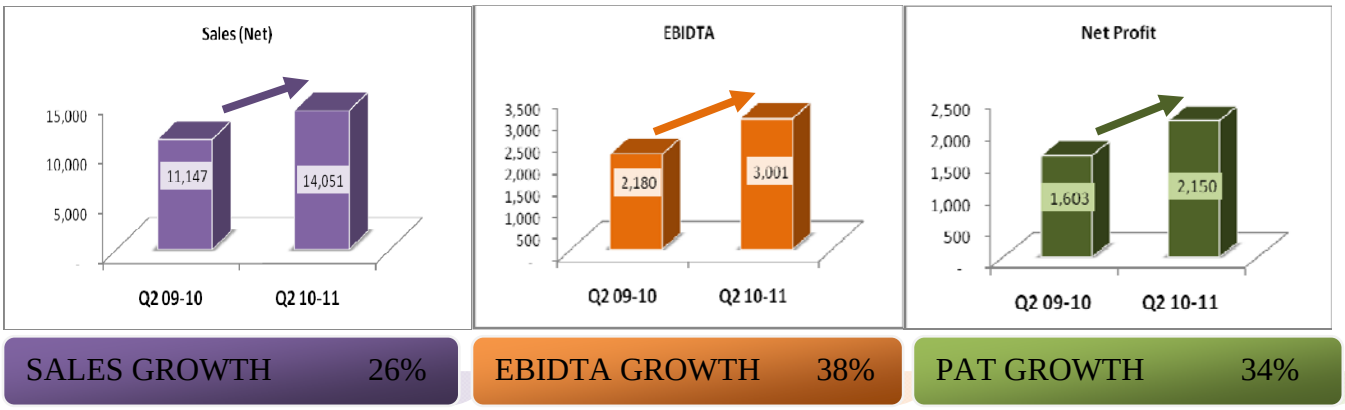
*Commenting on the performance**, Dr. Kamal K Sharma, Managing Director, Lupin Limited,** said, "Lupin's sustained growth performance over the last 18 quarters is not only a reflection of the strong business philosophy guiding us, but also a vindication of our robust vertically integrated business model, that continues to unlock increasingly higher revenues, profitability and strong sustainable growth across all business segments and markets. This quarter's business performance was fuelled by a strong business performance in the US and Japan, solid domestic growth & increased activity in all key pharmerging markets including South Africa and Australia. Our performance this quarter not only consolidates our existing presence in these markets but also leaves us strategically poised to further strengthen our position in the global generics and branded formulations space."*

**Balance Sheet Highlights**

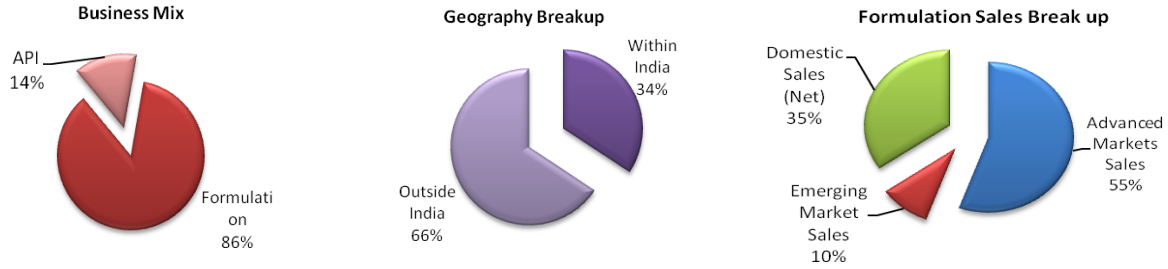
- Net Operating Working capital increased by 11% to Rs. 13,219 Mn. as on 30th September, 2010 as against Rs. 11,869 Mn. as on 31st March, 2010, despite a 26% increase in net sales and the same is an indicator of optimization on the working capital front.
- Capital Expenditure during the Quarter stands at Rs.918 Mn.
- Debt Equity Ratio improved to 0.32 as on 30th September, 2010 from 0.37 as on 31st March, 2010.

**Profit & Loss Highlights**

- Material cost declined by 6% to 39% of Net Sales, at Rs. 5,494 Mn. during Q2, FY 2010-11, as against Rs. 5,014 Mn. (Q2, FY 2009-10).
- Personnel cost increased by 1% to 14% of Net Sales, at Rs. 1,916 Mn. during Q2, FY 2010-11, as against Rs. 1,405 Mn. (Q2, FY 2009-10).
- Selling, General and Administrative expenses remained consistent at 28% of Net Sales at Rs. 3,943 Mn. during the quarter as against Rs. 3,088 Mn during Q2, FY 2009-10.
- Revenue Expenditure on R&D increased by 0.8% to Rs. 1157 Mn., amounting to 8.2% of Net Sales during Q2, FY 2010-11, as against Rs. 822 Mn., 7.4% of Net Sales (Q2, FY 2009-10)




**(All Figures are in Rs. Mn)**




## Operational Highlights

- Advanced markets Formulation sales (including US, Europe & Japan) increased by 40 % to Rs. 6,728 Mn. during Q2, FY 2010-11, up from Rs. 4,815 Mn. (Q2, FY 2009-10). It contributed 48 % of the Net Sales for the Quarter.

- Formulation Sales in US and EU grew by 46% to Rs 5,161 million during Q2, FY 2010-11, up from Rs. 3,531 Mn., (Q2, FY 2009-10).

- Lupin emerges as the 5th largest Generic player in the U.S. in terms of prescriptions (IMS Health).

- Lupin emerged as the market leader (No. 1 by market share) in 14 out of 28 generic products in the U.S. 26 out of these 28 generic products rank in the Top 3 positions in the U.S. Market.

- Lupin's Japanese subsidiary, Kyowa grew by 22% to Rs. 1568 Mn during Q2, FY 2010-11 and contributed 11 % of the overall revenues during the quarter.

- Net Sales of India Region Formulations grew by 16% to Rs. 4,191 million during Q2, FY 2010-11 as compared to Rs. 3,626 million (Q2, FY 2009-10).

- Sales for Lupin's South African subsidiary, Pharma Dynamics grew by 28% to Rs. 422 Mn. during Q2, FY 2010-11 as against Rs. 330 Mn (Q2, FY 2009-10.)

**Operational Summary**

**USA & Europe**

US & Europe formulation sales contributed 37% to consolidated revenues. Sales (Formulations) for US & Europe grew by 46% to Rs. 5,161 Mn. during Q2, FY 2010-11, as against Rs. 3,531 Mn. (Q2, FY 2009-10).

**USA**

The Brands Business grew by 10% and Generics business grew by 53%during Q2, FY 2010-11 as compared to Q2, FY 2009-10. 14 out of 28 generic products in the U.S. rank No 1 by market share and 26 out of these 28 products in the U.S. rank in the Top 3 (by Market share).

Lupin received the final approval for Desloratadine tablets 5 mg and Suprax® (Cefixime) Chewable Tablets, 100 mg, 150 mg and 200 mg from the U.S. Food and Drug Administration. Lupin's Desloratadine tablets 5 mg are the generic version of Schering-Plough's Clarinex® tablets, 5 mg. Schering-Plough's Clarinex® tablets recorded sales of US $ 229 million (IMS June MAT, 2010).

Lupin remains the 5th largest Generic player in the U.S (by prescriptions). Lupin remains the fastest growing and the only Indian company within the Top 10 generic player in the U.S. Market.

**USFDA Approvals**

During the quarter the company filed 2 ANDA's bringing the Cumulative filings as of Q2, FY 2010-11, to 132 ANDA filings, of which 45 have been approved by the US FDA.

**Japan**

Lupin's subsidiary, Kyowa Pharmaceuticals grew by 22% clocking Net Sales of Rs. 1,568 Mn during Q2, FY 2010-11, as against Rs. 1,283 Mn. (Q2, FY 2009-10) and contributed 11% to Lupin's consolidated revenues.

**India Region Formulation**

India forms a very important part of Lupin's overall growth, and contributed 30% to its overall revenues during Q2, FY 2010-11. The India Formulations business grew by 16% to clock in revenues of Rs 4,191 Mn. during Q2, FY 2010-11, as compared to Rs. 3,626 Mn. for Q2 2009-10.

**South Africa**

Lupin's South African Business – Pharma Dynamics clocked in revenues of 422 Mn. during Q2, FY 2010-11, representing a growth of 28%.

**API**

API (Net) sales continued to post strong growth clocking Net Sales of Rs. 1951 Mn and contributed 14% to Lupin's consolidated revenues.

**R&D**

Revenue Expenditure on R&D amounts to Rs. 1157 Mn., 8.2% to Net sales as against Rs. 822 Mn., 7.4% to net sales in Q1 FY 09-10. Lupin's cumulative ANDA filings with the USFDA rose to 132 with the company having received 45 approvals to date. Cumulative Filings with the European regulatory authorities stands at 82 with the company having received 38 approvals to date.

**About Lupin Limited**

Headquartered in Mumbai, India, Lupin Limited is an innovation led transnational pharmaceutical company producing a wide range of quality, affordable generic and branded formulations and APIs for the developed and developing markets of the world. The Company today has significant presence in Cardiovasculars (prils and statins), Diabetology, Asthma, Pediatrics, CNS, GI, Anti-Infectives and NSAIDs not to mention global leadership positions in the Anti-TB and Cephalosporins. The Company's R&D endeavors have resulted in significant progress in its NCE program. The Company's foray into Advanced Drug Delivery Systems has resulted in the development of platform technologies that are being used to develop value-added generic pharmaceuticals.

Today, Lupin has emerged as the 5th largest and the fastest growing Top 5 company in the U.S (by prescriptions), the only Asian company to achieve that distinction. The company is also the fastest growing, top 5 pharmaceutical players in India (ORG IMS) and the fastest growing, top 10 Generic players in Japan and South Africa. (IMS)

For the financial year ended March 2010, Lupin's Consolidated Sales and Profit after Tax were Rs.47,678 million and Rs. 6,816 million respectively.

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