Press Release

BSE: 500257	NSE: LUPIN	REUTERS: LUPIN.BO	BLOOMBERG: LPC IN

Strong Margins, Robust Profits

Quarter III Results, FY 2014-15

Net Sales up 5%, EBITDA up 20%, Net Profit up 26%

Mumbai, February 03, 2015: Pharmaceutical Major, Lupin Limited (Lupin) reported its performance for the third quarter ending 31st December, 2014. These unaudited results were taken on record by the Board of Directors at a meeting in Mumbai today.

Key financial & performance highlights

- Net Sales grew by 5.4% to Rs. 31,449 m. during Q3 FY 2014-15, up from Rs. 29,830 m. in Q3 FY 2013-14.
  - **9M, FY 2014-15:** YoY growth of 18.8% to Rs. 95,457 m from Rs.80,351 m.

- EBITDA grew by 19.9% to Rs. 9,663 m. during Q3 FY 2014-15, up from Rs. 8,057 m. in Q3 FY 2013-14.
  - **9M, FY 2014-15:** YoY growth of 36.5% to Rs. 30,528 m from Rs.22,371 m.

- PBT grew by 15.7% to Rs. 8,534 m. during Q3 FY 2014-15, up from Rs. 7,379 m. in Q3 FY 2013-14.
  - **9M, FY 2014-15:** YoY growth of 33.5% to Rs. 27,179 m from Rs.20,360 m.

- Net Profits grew by 26.3% to Rs. 6,015 m. during Q3 FY 2014-15, up from Rs. 4,761 m. in Q3 FY 2013-14
  - **9M, FY 2014-15:** YoY growth of 44.6 % to Rs. 18,562 m from Rs.12,834 m.

Commenting on the results, Mr. Nilesh Gupta, Managing Director, Lupin Limited, said *"The Company's continued focus on improving operational efficiencies has led to sustained margins and profit growth notwithstanding regulatory delays that have resulted in pressures on the Topline. The performance for the three quarters taken as a whole is more representative of the growth enjoyed by the Company."*

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Unaudited consolidated financial results for the quarter ended December 31st, 2014 (YoY comparison)

Figures in Rs. m

Particulars	Q3 FY 2014-15	% of net sales	Q3 FY 2013-14	% of net sales	YoY growth %
Net sales	**31,449**	**100.0%**	**29,830**	**100.0%**	**5.4%**
Other operating income	327	1.0%	390	1.3%	-16.1%
Total revenue	**31,776**	**101.0%**	**30,220**	**101.3%**	**5.1%**
Raw material consumed	10,235	32.5%	11,210	37.6%	-8.7%
Gross margin (excl. other operating income)	**21,214**	**67.5%**	**18,620**	**62.4%**	**13.9%**
Employees cost	4,159	13.2%	3,787	12.7%	9.8%
Manufacturing & other expenses	8,553	27.2%	7,490	25.1%	14.2%
Operating margin	**8,829**	**28.1%**	**7,733**	**25.9%**	**14.2%**
Other income	834	2.7%	324	1.1%	157.4%
EBITDA	**9,663**	**30.7%**	**8,057**	**27.0%**	**19.9%**
Depreciation	1,103	3.5%	637	2.1%	73.2%
EBIT	**8,560**	**27.2%**	**7,420**	**24.9%**	**15.4%**
Interest & finance charges	26	0.1%	41	0.1%	-36.6%
PBT	**8,534**	**27.1%**	**7,379**	**24.7%**	**15.7%**
Tax	2,386	7.6%	2,542	8.5%	-6.1%
PAT	**6,148**	**19.5%**	**4,837**	**16.2%**	**27.1%**
Minority interest	133	0.4%	76	0.3%	75.0%
Net profit	**6,015**	**19.1%**	**4,761**	**16.0%**	**26.3%**

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Profit & loss highlights

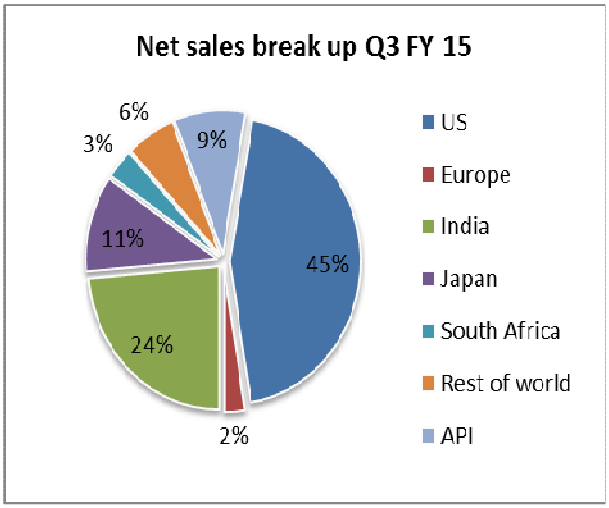
- Material cost decreased by 5.1% to 32.5% of net sales, at Rs. 10,235 m. during Q3 FY 2014-15 as compared to Rs. 11,210 m. during Q3 FY 2013-14.
- Manufacturing and other expenses increased by 2.1% to 27.2% of net sales at Rs. 8,553 m. during Q3 FY 2014-15 as compared to Rs. 7,490 m. during Q3 FY 2013-14.
- Personnel cost increased by 0.5% to 13.2% of net sales, at Rs. 4,159 m. during Q3 FY 2014-15, as against Rs. 3,787 m. during Q3 FY 2013-14.
- Revenue expenditure on R&D stood at 8.3% of net sales at Rs. 2,605 m. during Q3 FY 2014-15, as compared to Rs. 2,710 m. during Q3 FY 2013-14.
- The overall impact of foreign exchange on net profit is Rs. 169 m. (gain), of which Rs. 638 m. forex gain is reflected in other income, while a corresponding forex loss is captured across various other P&L line items.

Balance sheet highlights

- Operating working capital increased to Rs. 31,510 m. as on 31st December, 2014 as against Rs. 30,630 m. as on 30th September, 2014. The working capital number of days stands at 90 days as on 31st December, 2014 as against 87 days on 30th September, 2014.
- Capital Expenditure stood at Rs. 1,739 m. during the quarter.
- The Company continues to enjoy "Debt Free" status.

Business Segments - Sales Mix

Particulars	Q3 2014-15	Q3 2013-14	YoY growth %
Formulations (Including IP)	**28,691**	**26,857**	**7%**
US (including IP)	14,043	13,526	4%
Europe	805	702	15%
India	7,438	6,504	14%
Japan	3,422	3,720	-8%
South Africa	1,070	983	9%
Rest of world	1,913	1,422	35%
API	**2,758**	**2,973**	**-7%**
Total net sales	**31,449**	**29,830**	**5%**



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Operational Highlights

US and Europe

- US and Europe formulation sales (Including IP) grew by 4% to Rs. 14,848 m. during Q3 FY 2014-15, as against Rs. 14,228 m in Q3 FY 2013-14, contributing 47% to overall sales. The sales growth for the 9 months was 24%.
- US sales increased by 1% to USD 217 m. during Q3 FY 2014-15. The sales growth for the 9 months in USD terms was 21%.
- Cumulative generic product launches for 9M FY 2014-15 now stands at 8 products. Lupin now has 74 products in the US generics market and the market leader in 30 of these products. The Company is amongst the Top 3 by market share in 57 products. (IMS Health, September 2014).

India Formulations

Lupin's India formulations business grew by 14% recording net sales of Rs. 7,438 m. during Q3 FY 2014-15, as compared to Rs. 6,504 m. in Q3 FY 2013-14. The sales growth for the 9 months was 21%.

Japan

Lupin's Japan sales increased to JPY 6,311 m. for Q3 FY 2014-15 up from JPY 6,046 m. in Q3 FY 2013-14, a growth of 4% in JPY terms. In INR terms, the company's Japan Sales (Kyowa + I'rom) declined by 8% clocking net sales of Rs. 3,422 m. during Q3 FY 2014-15, as compared to Rs. 3,720 m. in Q3 FY 2013-14. The sales growth for the 9 months was 13% in JPY terms and 6% in INR terms.

For the quarter, Kyowa's sales (excluding I'rom) grew by 9% to JPY 4,926 m. from JPY 4,530 m in Q3 FY 2013-14. In INR terms, it declined by 4% to Rs. 2,671 m. from Rs. 2,787 m. in Q3 FY 2013-14.The sales growth for the 9 months was 18% in JPY terms and 11% in INR terms.

Rest of the World Markets (ROW)

Lupin's ROW sales grew by 35% to Rs. 1,913 m. during Q3 FY 2014-15, up from Rs. 1,422 m., Q3 FY 2013-14. The sales growth for the 9 months was 13%.

South Africa

Lupin's South African business subsidiary Pharma Dynamics clocked in sales of Rs. 1,070 m. during Q3 FY 2014-15, growing by 9%. In ZAR terms, it grew by 19% to ZAR 192m from ZAR 161m in Q3 FY 2013-14. The Company remains the fastest growing and the 4th largest generic company in the South African market with clear leadership in the cardiovascular space. The sales growth for the 9 months was 18% in ZAR terms and 10% in INR terms.

API

The Company's API business recorded sales of Rs. 2,758 m. during Q3 FY 2014-15 declining by 7%, from Rs. 2,973 m. during Q3 FY 2013-14. The sales growth for the 9 months was 7%.

Research & Development (R&D)

Revenue expenditure on R&D for Q3 FY 2014-15 amounted to Rs. 2,605 m. (8.3% of net sales) as against Rs. 2,710 m. (9.1% to net sales), Q3 FY 2013-14. Revenue expenditure on R&D for 9M FY 2014-15 stood at Rs. 7,892 m. (8.3% to net sales) as against Rs. 6,838 m. (8.5% to net sales) for 9M FY 2013-14.

The Company filed 3 ANDA's and received 3 approvals from the US FDA during the quarter. Cumulative ANDA filings with the US FDA stood at 203 (as of December 31st, 2014) with the company having received 108 approvals to date.

The Company filed 2 MAA during the quarter. Cumulative filings with European authorities now stand at 60 with the company having received 51 approvals to date.

About Lupin Limited

Headquartered in Mumbai, Lupin is an innovation led transnational pharmaceutical company producing and developing a wide range of branded and generic formulations and APIs. The Company is a significant player in the Cardiovascular, Diabetology, Asthma, Pediatric, CNS, GI, Anti-Infective and NSAID space and holds global leadership positions in the Anti-TB and Cephalosporin segment.

Lupin is the 5th largest and fastest growing top 5 generics player in the US (5.3% market share by prescriptions, IMS Health) and the 3rd largest Indian pharmaceutical company by sales. The Company is also the fastest growing top 10 generic pharmaceutical players in Japan and South Africa (IMS).

For the financial year ended March 2014, Lupin's Consolidated turnover and Profit after Tax were Rs. 110,866 million (USD 1.83 billion) and Rs. 18,364 million (USD 304 million) respectively. Please visit http://www.lupin.com for more information.

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