Press Release

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

Lupin Limited - Quarter I Results, FY2016

Mumbai, July 23, 2015: Pharma Major Lupin Limited reported its performance for the first quarter ending 30th June, 2015. These unaudited results were taken on record by the Board of Directors at a meeting in Mumbai today.

Key financial & performance highlights

- Net sales stood at Rs. 30,743 m. during Q1 FY2016 as compared to Rs. 32,840 m., in Q1 FY2015
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was Rs. 8,922 m. during Q1 FY2016 as compared to Rs. 11,437 m., in Q1 FY2015
- Profit before tax (PBT) was Rs. 7,891 m. during Q1 FY2016 as compared to Rs. 10,325 m., in Q1 FY2015
- Net profits stood at Rs. 5,250 m. during Q1 FY2016 as compared to Rs. 6,247 m., in Q1 FY2015

Commenting on the results, Mr. Nilesh Gupta, Managing Director, Lupin Limited, said "Slowdown in approvals in the US dampened growth during the quarter, even as the Company continues to improve on gross margins. We remain focused on evolving our research pipeline, ensuring compliance, operational excellence and acquiring meaningful assets."

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Unaudited consolidated financial results for the quarter ended June 30th, 2015 (YoY comparison)

Figures in Rs. m.

Particulars	Q1 FY2016	% of net sales	Q1 FY2015	% of net sales	YoY growth %
Net sales	**30,743**	**100%**	**32,840**	**100%**	**-6.4%**
Other operating income	759	2.5%	568	1.7%	33.6%
Total revenue	**31,502**	**102.5%**	**33,408**	**101.7%**	**-5.7%**
Raw material consumed	9,834	32.0%	11,074	33.7%	-11.2%
Gross margin (excl. other operating income)	**20,909**	**68.0%**	**21,766**	**66.3%**	**-3.9%**
Employees cost	4,860	15.8%	4,103	12.5%	18.4%
Manufacturing & other expenses	8,642	28.1%	7,083	21.6%	22.0%
Operating margin	**8,166**	**26.6%**	**11,148**	**33.9%**	**-26.7%**
Other income	756	2.5%	289	0.9%	161.6%
EBITDA	**8,922**	**29.1%**	**11,437**	**34.8%**	**-22.0%**
Depreciation	1,007	3.3%	1,086	3.3%	-7.3%
EBIT	**7,915**	**25.8%**	**10,351**	**31.5%**	**-23.5%**
Interest & finance charges	24	0.1%	26	0.1%	-7.7%
PBT	**7,891**	**25.7%**	**10,325**	**31.4%**	**-23.6%**
Tax	2,644	8.6%	4,029	12.3%	-34.4%
PAT	**5,247**	**17.1%**	**6,296**	**19.1%**	**-16.7%**
Minority interest	(3)	0.0%	49	0.1%	-106.1%
Net profit	**5,250**	**17.1%**	**6,247**	**19.0%**	**-16.0%**

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Profit & loss highlights

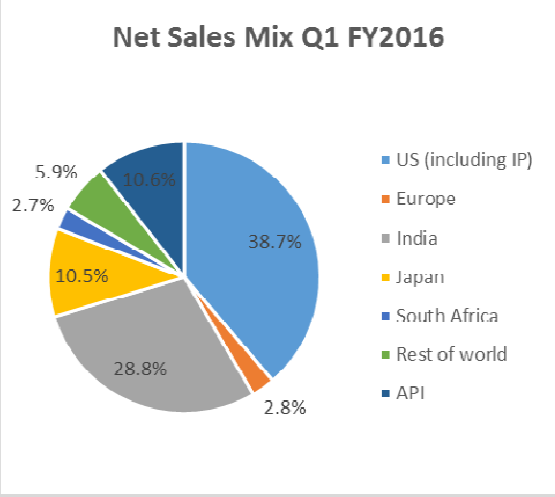
- Material cost decreased by 1.7% to 32.0% of net sales, at Rs. 9,834 m. during Q1 FY2016 as compared to Rs. 11,074 m. during Q1 FY2015
- Manufacturing and other expenses increased by 6.5% to 28.1% of net sales at Rs. 8,642 m. during Q1 FY2016 as compared to Rs. 7,083 m. during Q1 FY2015
- Personnel cost increased by 3.3% to 15.8% of net sales, at Rs. 4,860 m. during Q1 FY2016, as compared to Rs. 4,103 m. in Q1 FY2015
- Revenue expenditure on R&D stood at 10.2% of net sales at Rs. 3,131 m. during Q1 FY2016, as compared to Rs. 2,439 m. during Q1 FY2015

Balance sheet highlights

- Operating working capital increased to Rs. 36,265 m. as on 30th June, 2015 as against Rs. 30,980 m. as on 31st March, 2015. The working capital number of days stands at 106 days as on 30th June, 2015 as against 89 days on 31st March, 2015.
- Capital Expenditure stood at Rs. 2,482 m. during the quarter.
- The Company continues to enjoy "Debt Free" status

Business Segments - Sales Mix

Particulars	Q1 FY2016	Q1 FY2015	YoY Growth %
Formulations	**27,486**	**29,915**	**-8%**
US (including IP)	11,906	16,038	-26%
Europe	856	707	21%
India	8,851	7,615	16%
Japan	3,231	3,415	-5%
South Africa	816	869	-6%
Rest of world	1,826	1,271	44%
API	**3,257**	**2,925**	**11%**
Total net sales	**30,743**	**32,840**	**-6%**



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Operational Highlights

US and Europe

US and Europe formulation sales (including IP) stood at Rs. 12,762 m., Q1 FY2016, contributing 42% to overall sales.

- US sales stood at USD 180 m. during Q1 FY2016 versus USD 262 m. in Q1 FY2015
- The Company launched 4 new products in the US market during the quarter. Lupin now has 81 products in the market.
- Lupin is the market leader in 31 products marketed in the US generics market. The Company is amongst the Top 3 by market share in 55 products. (IMS Health, March 2015).
- Lupin's Europe sales increased by 21% to Rs. 856 m. during Q1 FY2016, as against Rs. 707 m. in Q1 FY2015.

India formulations

The India formulations business grew by 16%, recording sales of Rs. 8,851 m. for Q1 FY2016 as compared to Rs. 7,615 m. for Q1 FY2015

Japan

Lupin's Japanese business (Kyowa + Kyowa CritiCare) recorded net sales of Rs. 3,231 m. during Q1 FY2016 as compared to Rs. 3,415 m. Sales in JPY terms grew 6% to JPY 6,178 m. during the quarter from JPY 5,823 m.

Kyowa sales (excluding Kyowa CritiCare) were Rs. 2,483 m. for Q1 FY2016 as compared to Rs. 2,640 m. in Q1 FY2015. In JPY terms, it grew by 5% to JPY 4,747 m. from JPY 4,502 m. in Q1 FY2015.

ROW Markets

ROW markets sales grew by 44% to Rs. 1,826 m. during Q1 FY2016 as compared to Rs. 1,271 m. during Q1 FY2015. Lupin acquired 100 % equity stake in Medquímica Indústria Farmacêutica S.A., Brazil, (Medquímica) during the quarter to enter the high growth Brazilian market, shoring up its presence in the Latin American pharmaceuticals market. The Company's had earlier acquired Laboratorios Grin in Mexico last fiscal.

South Africa

Lupin's South African subsidiary, Pharma Dynamics achieved sales of Rs. 816 m. in Q1 FY2016 as compared to Rs. 869 m. during Q1 FY2015. In ZAR terms, Q1 FY2016 sales stood at ZAR 155 m., a growth of 2%. The Company remains the fastest growing and the 4th largest generic company in the South African market with clear leadership in the cardiovascular space.

API

API sales grew by 11% to Rs. 3,257 m. during Q1 FY2016 as compared to Rs. 2,925 m. during Q1 FY2015.

R&D

Revenue expenditure on R&D for Q1 FY2016, amounted to Rs. 3,131 m., 10.2% of net sales as against Rs. 2,439 m., 7.4% to net sales during Q1 FY2015.

Lupin filed 5 ANDAs and received 6 approvals from the US FDA during the quarter. Cumulative ANDA filings with the US FDA stood at 215, as on June 30th, 2015 with the company having received 117 approvals to date. The Company has 35 First-to-Files (FTF) products which includes 15 exclusive FTF opportunities.

The Company filed 1 MAA with European regulatory authorities. Cumulative filings with European authorities now stand at 63 with the company having received 52 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 2015, Lupin's Consolidated turnover and Profit after Tax were Rs. 125,997 million (USD 2.06 billion) and Rs. 24,032 million (USD 393 million) respectively. Please visit http://www.lupin.com for more information.

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