

Lupin Q2 sales up 23% at Rs. 2,985 mn; profit before tax up 35% at Rs. 353 mn_____

- Total exports increase by 47% to Rs. 939 mn
- Exports to advanced markets at Rs. 266 mn
- ANDA filed with USFDA for Cefuroxime Axetil Tablets
- First IND filing for anti-migraine molecule LLL 2011

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Mumbai, 29 October 2002: Sales of Lupin Limited increased by 23% for the quarter July-September 2002 to Rs. 2,985 mn from Rs. 2,422 mn during the same period last year. Profit Before Tax (PBT) increased by 35% at Rs. 353 mn (Rs. 261 mn). Net profit (PAT) was at Rs. 279 mn (Rs. 237 mn) a growth of 18%. The EBIDTA (earnings before interest, depreciation, tax and amortisation) increased by 21% to Rs. 566 mn (Rs.467 mn). The increase in exports, especially to advanced markets, by 47% in this period to Rs. 939 mn (Rs. 637 mn) contributed to the higher sales and profit of the company for the quarter under review. For the half-year ended 30 September 2002, Lupin reported a 16% growth in sales to Rs. 5,500 mn (Rs. 4,753 mn). Sustained revenues from exports to both advanced and other developing markets resulted in higher sales and operating profits during the half year. Profit before tax (PBT) increased by 41 % to Rs. 619 mn (Rs. 438 mn). Net profit (PAT) increased by 21% to Rs. 481 mn (Rs. 398 mn).

APIs to non-regulated markets_____

For the quarter ended September 2002, API (Active Pharmaceutical Ingredients) sales to non-regulated markets, grew by 41% to Rs. 1,413 mn (Rs. 1,003 mn). Of this, exports were higher by 40% at Rs 639 mn (Rs.458 mn). API sales in the domestic market were at Rs. 774 mn (Rs. 545 mn), a growth of 42%. Better utilization of facilities and a greater reach in the growing markets helped in this performance.

API sales to non-regulated markets for the half-year ended September 2002 grew by 26% to Rs. 2,566 mn (Rs 2,040 mn). Exports sales increased by 40% at Rs. 1,204 mn (Rs 859 mn). In the domestic market, sales improved by 15% to Rs. 1,362 mn (Rs.1,182 mn).

APIs to advanced markets_____

For the quarter under review, Lupin has supplied Rs. 266 mn worth of API (Active Pharmaceutical Ingredients) to its alliance partners in the advanced markets. The sales in these markets were over four times that for the corresponding period last year. For the half-year ended 30 September 2002, sales grew to Rs. 599 mn (Rs. 207 mn) - 82% of FY 2001-02 sales of Rs. 728 mn.

In the second quarter, as part of its continuing effort to introduce its own generic finished products, Lupin has filed an ANDA with the USFDA for Cefuroxime Axetil tablets 250 mg and 500 mg (patent expiry July 2003). Cefuroxime Axetil is a second generation cephalosporin with an estimated US market size of \$360 mn (source: IMS Health 2002). This is Lupin's third ANDA filing in the current financial year. Recently, Lupin's alliance partner Apotex has received USFDA approval for Cefuroxime Axetil, (filed using Lupin's API) and also for Lisinopril. To date, Lupin has filed 5 ANDAs for finished products with a combined estimated US market size of \$1.2 billion, which await approval.

Formulations

Formulations sales for the quarter under review were at Rs. 1,290 mn (Rs. 1,342 mn). For the six months ended September 2002, sales stood at Rs 2,300 mn (Rs. 2,469 mn). For the quarter under review, domestic formulations sales were at Rs. 1,256 mn (Rs. 1,223 mn), a growth of 3%, despite DPCO imposed price cuts and a relatively flat domestic market growth. New products launched in the last two years contributed 19% to the trade formulations sales for the first half of the current financial year. As per ORG MAT September 2002, Lupin has registered a growth of 10.9%, higher than the market growth of 10.5%. At constant prices, Lupin's growth is at 15.8%. Akurit 4 (Anti-TB Fixed Dose Combination) launched last year was the second most successful launch in the domestic market for the period September 2001 to August 2002. Similarly, Rablet (API - Rabeprazole) an anti-peptic ulcerant, launched in the last quarter of FY2001-02, has received a good response from the medical fraternity and is now placed in the no. 1 position.

Research & development

In the second quarter under review, Lupin filed an INDA (Investigational New Drug Application) with the Drug Controller General of India (DCGI) for its therapeutic on the prophylactic treatment of migraine. The lead for this compound, code-named LLL 2011, is of botanical origin. Nearly 20% of the population worldwide is affected by migraine, which translates into a market size of \$2 billion.

*Note - the figures in brackets indicate numbers for the previous year

About Lupin

Lupin Limited, founded in 1968, is focused on excellence through technology and research. Through its facilities in Aurangabad and Tarapur (Maharashtra), Mandideep (Madhya Pradesh) and Ankleshwar (Gujarat), Lupin manufactures intermediates, bulk actives and dosages, including phytomedicines. Six of Lupin's API plants have been approved by the USFDA and two plants (one dosages and one API) have been approved by the UKMCA. Its revenues in FY 2001-02 (April-March) were Rs 9.57 billion (\$196 million). The therapeutic areas include, among others, anti-TB, cephalosporins, cardiovasculars and non-steroidal anti-inflammatory drugs (NSAIDs). The company caters to generics markets in the US and Europe through strategic marketing alliances. Lupin's Research Park, in Pune city near Mumbai, conducts leading-edge research in generics, new chemical entities (NCEs), novel drug delivery systems (NDDS), oral controlled release systems (OCRS) and phytomedicines.

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