

Lupin Q2 FY 2003-04 net profit before extraordinary items at Rs.518 million, up 86%; sales up 36% at Rs 3609 million_____

- Total exports increase by 85% to Rs1740 million
- Advanced markets exports (API and finished products) more than triples to Rs854 million
- Domestic finished dosages revenues at Rs1449 million, up 23%
- Three ANDA approvals received in the quarter

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(*Note - the figures in brackets indicate figures for the previous year)

Mumbai, 10 October 2003 : Lupin Ltd today reported that net profit (before extraordinary items) for the quarter ended 30 September 2003 was up 86% at Rs518 million, compared with Rs279 million a year ago. Profit before tax (before extraordinary items) was at Rs. 641 million, up 82% from Rs353 million a year ago.

Net profit (after extraordinary items) was at Rs8.6 million for the quarter. Extraordinary items net of tax of Rs509 million comprising diminution in the value of certain fixed assets (Rs155 million) rendered obsolete and overdue receivables and advances (Rs354 million) were responsible for the lower growth. On the basis of a detailed internal review, as a prudential measure, the Board decided for a one-time write-off of certain old trade receivables/advances, and diminution in the value of certain fixed assets, net of taxes.

Gross sales (including excise duty) for the quarter stood at Rs3609 million, up 36% from Rs2662 million a year ago. This growth was fuelled by the advanced markets of North America and Europe. Revenues from advanced markets (representing 19% of the total) rose 221% to Rs854 million (Rs266 million). This includes revenue of Rs324 million from Cefuroxime Axetil tablets, launched in the US during this period through a marketing alliance with Watson Pharmaceutical, Inc.

Net sales (excluding excise duty) for the quarter increased by 38% to Rs3457 million (Rs 2,499 million).

For the half-year ended 30 September 2003, Lupin reported a 30% growth in gross sales at Rs 6,378 million (Rs4,915 million). Sustained revenue from both formulations [40% growth] and API [22% growth] businesses resulted in this overall sales and profit growth.

Profit before tax (before extraordinary items) increased by 67% to Rs1033 million (Rs619 million). Net profit (before extraordinary items) increased by 66% to Rs798 million (Rs481 million).

HIGHLIGHTS :

APIs and finished products to advanced markets_____

- Total Q2 revenues from the advanced markets of North America and Europe were at Rs854 million, up 221%. H1 revenues from the advanced markets were at Rs1243 million (Rs599) million), up 107%.
- Q2 revenues from exports of APIs (active pharmaceutical ingredients) to the advanced markets of North America and Europe were up 99% at Rs530 million (Rs266 million).
- Lisinopril and Cefotaxime contributed more than 85% of API revenues from advanced markets in Q2 and H1
- Lupin received US FDA approval on its ANDA for Cefuroxime Axetil tablets in July 2003. After patent expiry, the company launched Cefuroxime Axetil in the US through a marketing alliance with Watson Pharmaceutical, Inc.
- The company also received approval from the US FDA for Cefotaxime vials for injection and Ceftriaxone vials for injection during Q2.

Finished products to developing markets_____

- Finished products revenues from developing markets (including India) were at Rs1565 million (Rs1197 million), a growth of 31%.
- Revenue from finished products in India increased by 23% to Rs1449 million (Rs1174 million), compared with the industry growth rate of 4% (Jan-Aug 2003 ORG).
- The company launched six products in the lifestyle and other therapeutic segments
- Exports to developing markets more than tripled to Rs117 million (Rs34 million).
- H1 revenues from finished products to developing markets grew by 25% to Rs2689 million (Rs2145 million).

Promoter stake sale _____

Lupin's Board passed a resolution authorizing the company to sign definitive agreements (subject to certain conditions precedent) between the company, Citicorp Banking Corporation, Bahrain, Citicorp International Finance Corporation (Citigroup entities) and the promoters of the company and their affiliates/associates in connection with the purchase and sale of 12.55% of the promoters' and their affiliates'/associates' equity holding in the company.

Outlook for FY 2003-04

Given our current understanding of the competitive situation and the internal state of preparedness, we believe that the company is well-positioned to deliver 30-35 % growth in gross revenues and 85-90% growth in operating net profit over the previous year. The growth will be fuelled through sales of generics products and specialties in advanced markets as well as the significant improvement in the Indian market for Lupin's finished products. API sales, which includes both developed and developing markets, are expected to grow significantly.

Key factors that might influence FY 2003-04 performance, according to Lupin

- Expansion of prils, statins and cephalosporins facilities in H2 of FY 2003-04
- Product approval and consequent launches in the advanced market in H2 of FY 2003-04
- Foreign exchange rate movement

About Lupin

Headquartered in Mumbai, India, Lupin develops, manufactures and markets generic intermediates, active pharmaceutical ingredients and finished products. Lupin's gross revenue in FY2002-03 was Rs1.0 billion on an equity base of Rs401 million.

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