

## Lupin FY 2006-07 Q3 Net Profit up by 27 % at Rs. 560 mn

- Sales up by 15% at Rs. 5069 mn
- Formulation sales revenue up by 31%
- Two Product Approvals from USFDA in the quarter
- Anti Migraine NCE moves to Phase III Clinical Trials

<b>BSE: 500257</b>	<b>NSE: LUPIN</b>	<b>REUTERS: LUPN.BO</b>	<b>BLOOMBERG: LPC IN</b>
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*\*Note – Figures in brackets indicate figures for the previous year*

**Mumbai, 17 January 2007:** Lupin Limited reported a 15% rise in gross sales for the quarter ended December 2006. Sales grew from Rs. 4420 mn in Q3 2005-06 to Rs. 5069 mn in Q3 2006-07.

The rise in gross sales for the first nine months ended December 2006 was 22% at Rs. 14986 mn up Rs. 2719 mn from Rs. 12267 mn for the corresponding period last year.

During the quarter, Formulations grew by 31% taking the mix of formulations to 61% (54%) of total sales.

Earnings Before Interest, Taxation, Depreciation and Amortization (EBITDA) was Rs. 938 mn (Rs. 672 mn) a rise of 40%. After Interest and Finance charges Rs. 89 mn (Rs. 79 mn), Depreciation Rs. 121 mn (Rs. 101 mn), Profit Before Tax was at Rs. 728 mn (Rs. 492 mn), a rise of 48%. After providing for taxation (including Fringe Benefit Tax) of Rs. 168 mn (Rs. 51 mn), Net Profit for the quarter increased by 27% to Rs. 560 mn (Rs. 442 mn).

EBITDA for the first nine months of the year stood at Rs. 2769 mn (Rs. 2182 mn), a rise of 27%. After Interest and Finance charges and Depreciation, Profit Before Tax was at Rs. 2158 mn (Rs. 1684 mn), a rise of 28%. After providing for taxation (including Fringe Benefit Tax) of Rs. 508 mn (Rs. 359 mn), Net Profit for the first nine months increased by 24% to Rs. 1650 mn (Rs. 1325 mn).

Net Profit on consolidated basis was reported at Rs. 620 mn for the quarter and at Rs. 1674 mn for the nine month period ended December 2006.

# HIGHLIGHTS

## Advanced markets

- Total formulation sales from the advanced markets (North America and Europe) were at Rs. 851 mn (Rs. 666 mn), an increase of 28%
- Suprax sales by US subsidiary during the quarter were US\$ 7.6 mn (US\$ 3.7mn)
- Achieved market leadership with 27% share (Nov 2006 IMS Health Update) in Lisinopril tablets within a year of introduction
- Capacity of Oral Non-Cephalosporin Plant at Goa enhanced
- **ANDA approvals for Trandolapril tablets and Sertraline HCl tablets received**
- API sales to developed markets at Rs. 408 mn grew by 17% during the quarter

## Developing Markets

- API sales to the developing markets (including India) were at Rs. 1543 mn (Rs. 1681 mn), a degrowth of 8%
- Finished dosage sales to developing markets (including India) grew by 32% to Rs. 2269 mn (Rs. 1719 mn)
- Formulations plant at Jammu expected to be commissioned in the ensuing quarter

## Research & Development

- **Anti Migraine NCE moved to Phase III clinical trials**
- Two ANDAs, two DMFs and four MAAs (EU) filed taking the year's total to Nine ANDAs, six DMFs and eight MAAs respectively.
- Research and Development expenditure during the quarter was at Rs. 316 mn (Rs. 275 mn), 6.4% (6.4%) of the Sales.

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L U P I N

**LUPIN LIMITED**

Registered Office: 159, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098.  
**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2006.**

(Rs. in million)

	Quarter Ended 31/12/2006 (Reviewed)	Quarter Ended 31/12/2005 (Reviewed)	Nine Months Ended 31/12/2006 (Reviewed)	Nine Months Ended 31/12/2005 (Reviewed)	Accounting Year Ended 31/03/2006 (Audited)
1) Sales / Income from Operations					
a) Sales (Gross)	5,068.6	4,420.0	14,985.4	12,266.6	16,610.4
Less: Excise Duty	139.2	151.0	456.7	425.6	549.4
Sales (Net)	4,929.4	4,269.0	14,528.7	11,841.0	16,061.0
b) Other Income from Operations	37.7	82.5	165.2	227.3	563.9
Total	4,967.1	4,351.5	14,693.9	12,068.3	16,624.9
2) Other Income	144.9	13.6	417.9	87.6	161.2
3) Total Expenditure					
a) (Increase)/Decrease in Stock in Trade	(153.2)	(44.4)	(352.5)	(252.1)	(300.5)
b) Consumption of Raw and Packing Materials	1,801.0	1,578.7	5,268.4	4,353.9	6,007.2
c) Purchase of Traded Goods	512.9	494.2	1,801.6	1,480.5	1,861.0
d) Staff Costs	494.6	383.2	1,412.3	1,151.5	1,557.2
e) Manufacturing and Other Expenses	1,518.8	1,281.5	4,212.9	3,240.2	4,652.7
Total	4,174.1	3,693.2	12,342.7	9,974.0	13,777.6
4) Profit before Interest, Depreciation and Tax	937.9	671.9	2,769.1	2,181.9	3,008.5
5) Interest and Finance Charges	88.7	78.7	272.8	208.0	303.0
6) Depreciation and Amortisation	120.7	100.8	338.5	289.5	403.5
7) Profit Before Tax	728.5	492.4	2,157.8	1,684.4	2,302.0
8) Provision for Taxation:					
- Current Tax	89.1	3.2	379.4	259.9	338.9
- Deferred Tax	55.9	19.4	62.3	35.2	45.2
- Fringe Benefit Tax	23.2	27.9	66.3	64.0	90.7
9) Net profit	560.3	441.9	1,649.8	1,325.3	1,827.2
10) Paid up Equity Share Capital (Face value Rs.10/- each)	803.3	401.4	803.3	401.4	401.4
11) Reserves and Surplus					6,038.1
12) Earnings Per Share (Not Annualised) Rs. (Refer note 7 below)					
- Basic	6.98	5.51	20.55	16.51	22.30
- Diluted	6.95	5.46	20.47	16.36	22.24
13) Aggregate of Public Shareholding					
Number of Shares (Face value Rs.10/- each)	38278665	19086655	38278665	19086655	19086655
Percentage of Shareholding	47.65	47.55	47.65	47.55	47.55

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**NOTES:**

1. The above financial results for the quarter ended December 31, 2006 were reviewed by the Audit Committee and thereafter were approved and taken on record by the Board of Directors in their meeting held on January 17, 2007. The statutory auditors of the Company have carried out the limited review of the above results pursuant to Clause 41 of the Listing Agreement.
2. The Company operates solely in the pharmaceutical business and hence has only one primary reportable segment.
3. The aggregate amount of revenue expenditure incurred on Research and Development and shown in the respective heads of account is as under:

	Quarter Ended 31/12/2006	Quarter Ended 31/12/2005	Nine Months Ended 31/12/2006	Nine Months Ended 31/12/2005	Accounting Year Ended 31/03/2006
Rs. in million	315.8	275.1	954.0	693.4	1029.8

4. At the Annual General Meeting of the Company held on July 25, 2006, the shareholders approved 1:1 bonus issue i.e. one additional equity share for every one existing share held by the members. On August 17, 2006, in the earlier quarter, the Company allotted 40,152,494 equity shares of the face value of Rs.10/- each as fully paid-up by capitalising part of the general reserve.
5. During the quarter, the Company granted 42,700 stock options (each option equal to one equity share) to certain employees at an exercise price of Rs. 507.60 per share pursuant to the "Lupin Employees Stock Option Plan 2005". Further, during the quarter, 20,565 equity shares of Rs.10/- each fully paid up were allotted to the employees of the Company on exercise of the vested stock options in accordance with the terms of exercise under the "Lupin Employees Stock Option Plan 2003".
6. Pursuant to the adoption of Accounting Standard (AS) 15 (Revised 2005) 'Employees Benefits' issued by the Institute of Chartered Accountants of India (ICAI), the Company has adjusted Rs. 83.1 million (net of deferred tax of Rs. 42.1 million) in the earlier quarter, towards the additional liability up to March 31, 2006, against the opening balance of revenue reserve. Consequently, the financial results for nine months have a charge of Rs. 102.3 million on account of additional liability.
7. Earning per share for the previous periods has been adjusted for the issue of bonus shares in the ratio of 1:1 allotted on August 17, 2006 as per Accounting Standard 20 (AS 20) on Earning Per Share.
8. There was no unresolved investor complaint pending as on October 1, 2006. The Company received 30 complaints during the quarter which were resolved. There was no unresolved complaint pending as on December 31, 2006.
9. Figures for the previous periods have been regrouped, wherever necessary, to correspond with the figures of the current period.

**By order of the Board  
For Lupin Limited**

Place: Mumbai  
Dated: January 17, 2007

**Dr. Desh Bandhu Gupta  
Chairman**



## LUPIN LIMITED

Registered Office : 159, C. S. T. Road, Kalina, Santacruz (East), Mumbai - 400 098.

**CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2006**

(Rs. in million)

	Quarter ended 31/12/2006 (Unaudited)	Nine months ended 31/12/2006 (Unaudited)	Accounting Year ended 31/03/2006 (Audited)
<b>1) Sales / Income from Operations</b>			
a) Sales (Gross)	5,155.8	15,275.5	17,503.4
Less : Excise Duty	139.2	456.7	549.4
Sales (Net)	5,016.6	14,818.8	16,954.0
b) Other Income from Operations	37.7	165.2	563.9
<b>Total</b>	<b>5,054.3</b>	<b>14,984.0</b>	<b>17,517.9</b>
<b>2) Other Income</b>	98.9	487.3	177.1
<b>3) Expenditure</b>			
a) (Increase)/Decrease in Stock in Trade	(184.4)	(363.4)	(483.0)
b) Consumption of Raw and Packing Materials	1,801.0	5,342.5	6,546.6
c) Purchase of Traded Goods	571.2	1,943.6	2,195.6
d) Staff Costs	530.5	1,508.5	1,689.6
e) Manufacturing and Other Expenses	1,435.5	4,241.2	4,769.6
<b>Total</b>	<b>4,153.8</b>	<b>12,672.4</b>	<b>14,718.4</b>
<b>4) Profit before Interest, Depreciation and Tax</b>	999.4	2,798.9	2,976.6
<b>5) Interest and Finance Charges</b>	88.7	274.0	312.8
<b>6) Depreciation and Amortisation</b>	121.4	340.3	408.8
<b>7) Profit before Tax</b>	789.3	2,184.6	2,255.0
<b>8) Provision for Taxation</b>			
- Current	89.1	380.1	402.6
- Deferred	56.8	63.2	28.0
- Fringe Benefit Tax	23.2	66.3	90.7
<b>9) Net Profit before Minority Interest</b>	620.2	1,675.0	1,733.7
<b>10) Minority Interest</b>	-	0.8	3.8
<b>11) Net Profit after Minority Interest</b>	620.2	1,674.2	1,729.9
<b>12) Paid up Equity Share Capital (Face value Rs. 10/- each)</b>	803.3	803.3	401.4
<b>13) Reserves &amp; Surplus</b>			5,831.4
<b>14) Earnings Per Share Rs.</b> (Refer note 5 below)			
- Basic	7.72	20.85	21.12
- Diluted	7.69	20.77	21.07
<b>15) Aggregate of Public Shareholding</b>			
Number of Shares (Face value Rs.10/- each)	38278665	38278665	19086655
Percentage of Shareholding	47.65	47.65	47.55

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**NOTES :**

- 1. The above results for the quarter ended December 31, 2006 were reviewed by the Audit Committee and thereafter were approved and taken on record by the Board of Directors at their meeting held on January 17, 2007.**
- 2. Consolidated financial results include the financial results of the subsidiaries namely Lupin Pharmaceuticals Inc. USA, Lupin Chemicals (Thailand) Limited, Thailand (up to May 31, 2006), Lupin Hong Kong Limited, Hong Kong, Lupin Australia Pty Ltd., Australia and Lupin Herbal Limited, India.**
- 3. At the Annual General Meeting of the Company held on July 25, 2006, the shareholders approved 1:1 bonus issue i.e. one additional equity share for every one existing share held by the members. On August 17, 2006, in the earlier quarter, the Company allotted 40,152,494 equity shares of the face value of Rs.10/- each as fully paid-up by capitalising part of the general reserve.**
- 4. During the quarter, 20,565 equity shares of Rs.10/- each fully paid up were allotted to the employees of the Company on exercise of the vested stock options in accordance with the terms of exercise under the "Lupin Employees Stock Option Plan 2003".**
- 5. Earning per share for the previous periods has been adjusted for the issue of bonus shares in the ratio of 1:1 allotted on August 17, 2006 as per Accounting Standard 20 (AS 20) on Earning Per Share.**
- 6. The consolidated financial statements are prepared in accordance with the Accounting Standard 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.**
- 7. Figures for the previous periods have been regrouped, wherever necessary, to correspond with the figures of the current period.**

**By order of the Board  
For Lupin Limited**

**Place : Mumbai  
Dated : January 17, 2007**

**Dr. Desh Bandhu Gupta  
Chairman**