

## Lupin FY 2007-08 Q1 Net Profit up 55% to Rs. 784 million

- Gross Sales up 27% to Rs. 6173 million
- Driven by US market sales, finished dosage export revenues up 108%
- Domestic finished dosage revenues up 22%
- EBITDA up 43% at Rs. 1192 million
- Four ANDAs approved by the US FDA

<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, 19 July 2007:** Lupin Limited today reported revenues of Rs. 6173 mn for the quarter ended June 2007, a rise of 27% from revenues of Rs. 4851 mn in corresponding period last year.

Export revenues were Rs. 3018 mn a rise of 52%. Of these, formulation exports to advanced markets constituted 58% at Rs. 1755 mn. Formulation revenues from domestic market recorded an increase of 22% to Rs. 2528 mn (Rs. 2066 mn).

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) were Rs. 1192 mn (Rs. 833 mn) a rise of 43%. After Interest and Finance charges of Rs. 89 mn (Rs. 91 mn) and Depreciation of Rs. 127 mn (Rs. 106 mn), Profit before Tax grew by 53% to Rs. 976 mn (Rs. 637 mn). Provision for taxation including Fringe Benefit Tax was Rs. 193 mn (Rs. 130 mn).

Net profit for the quarter increased by 55% to Rs. 784 mn (Rs. 507 mn).

# HIGHLIGHTS

## Advanced markets

- Total formulation revenues from the advanced markets (North America and Europe) were at Rs. 1755 mn (Rs. 527 mn), a 233% growth
- Lisinopril tablets maintained US market leadership with about 30% market share
- UK MHRA approval for Lisinopril tablets received
- Suprax<sup>®</sup> revenues at the US subsidiary Lupin Pharmaceuticals Inc. achieved 45% growth
- Complete range of Cefdinir was launched in the US
- Totally four new products launched in the US market, including Cefdinir

## Developing Markets

- API revenues from the developing markets (including India) were almost flat at Rs. 1552 mn (Rs. 1649 mn).
- Finished dosage revenues from developing markets (including India) grew by 9% to Rs. 2690 mn (Rs. 2462 mn).
- Finished dosage from domestic market grew by 22% to Rs. 2528 mn (Rs. 2066 mn)

## Research & Development

- Four ANDAs and Four MAAs approved during the quarter.
- Research and Development expenditure during the quarter was at Rs. 373 mn, representing 6% of revenues.

### **For further information contact:**

Raju Kane

The Source

Tel: +91 22 24901327/28/30

Fax: +91 22 24901325

Mobile: +91 98200 45656

E-mail: mail@sourcepr.com



## LUPIN LIMITED

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

**CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2007**

(Rs. in million)

		Quarter ended 30/06/2007 (Unaudited)	Quarter ended 30/06/2006 (Unaudited)	Accounting Year ended 31/03/2007 (Audited)
1)	Sales (Gross)	5,913.2	5,125.0	20,716.5
	Less : Excise Duty	155.9	161.9	579.4
	Sales (Net)	5,757.3	4,963.1	20,137.1
2)	Other Income	159.2	298.1	1,990.5
3)	Total Expenditure			
	a) (Increase)/Decrease in Stock in Trade	(614.1)	97.7	(509.8)
	b) Consumption of Raw and Packing Materials	2,106.9	1,778.5	7,369.0
	c) Purchase of Traded Goods	898.2	665.1	2,461.6
	d) Staff Costs	636.8	506.9	2,199.9
	e) Manufacturing and Other Expenses	1,908.3	1,347.1	5,694.1
	Total	4,936.1	4,395.3	17,214.8
4)	Profit before Interest, Depreciation and Tax	980.4	865.9	4,912.8
5)	Interest and Finance Charges	89.0	92.2	372.2
6)	Depreciation and Amortisation	127.4	106.5	466.1
7)	Profit before Tax	764.0	667.2	4,074.5
8)	Provision for Taxation			
	- Current and Deferred Tax	170.3	109.9	908.1
	- Fringe Benefit Tax	35.3	21.0	80.0
9)	Net Profit before Minority Interest	558.4	536.3	3,086.4
10)	Minority Interest (Loss)/Profit	(0.4)	0.8	0.8
11)	Net Profit after Minority Interest	558.8	535.5	3,085.6
12)	Paid up Equity Share Capital (Face value Rs. 10/- each)	783.8	401.4	803.3
13)	Reserves & Surplus			7,929.7
14)	Earnings Per Share Rs. (Refer note 7 below)			
	- Basic	6.94	6.67	37.79
	- Diluted	6.83	6.66	37.61

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**NOTES :**

1. The above results for the quarter ended June 30,2007 were reviewed by the Audit Committee and thereafter were approved and taken on record by the Board of Directors at their meeting held on July 19, 2007.
2. Consolidated Financial Statements include the financial statements of the subsidiaries, Lupin Pharmaceuticals Inc. USA, Lupin Hong Kong Limited, Hong Kong (up to May 24, 2007), Lupin Australia Pty Limited, Australia, Max Pharma Pty Limited, Australia, Lupin Holdings B.V., Netherlands, Lupin Herbal Limited, India, Lupin Pharmacare Limited, India and Lupin Atlantis Holdings S.A. (from June 05, 2007).
3. 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.
4. Consolidated Net Profit for the quarter ended June 30, 2007 is lower mainly on account of elimination of profits on higher inventories required for enhanced scale of operations and four new product launches at Lupin Pharmaceuticals Inc., USA, a wholly owned subsidiary of the Company.
5. During the quarter, 810 equity shares of Rs.10/- each, fully paid up were allotted by 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. During the quarter, 11,66,612 equity shares of Rs.10/- each, fully paid up were allotted on conversion of Foreign Currency Convertible Bonds in accordance with terms of the issue.
7. Earnings per share for the quarter ended June 30, 2006 have 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 'Earnings Per Share' and disclosed.
8. Manufacturing and other expenses for the quarter includes loss on account of foreign exchange (mainly on translation of overseas deposits) of Rs. 192.8 million.
9. The Group operates exclusively in the "Pharmaceuticals" business segment and has only one reportable segment. Revenue by geographical segment data is as follows :

Particulars	Rs. in million		
	Quarter Ended 30.06.2007	Quarter Ended 30.06.2006	Accounting Year ended 31.03.2007
Revenue within India	3,156.7	3,017.4	10,972.4
Revenue outside India	2,871.0	2,347.8	11,395.0

10. 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 : July 19, 2007

Dr. Desh Bandhu Gupta  
Chairman



LUPIN

## LUPIN LIMITED

Registered Office: 159, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098.  
**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2007.**

(Rs. in million)

	Quarter Ended 30/06/2007 (Reviewed)	Quarter Ended 30/06/2006 (Reviewed)	Accounting Year Ended 31/03/2007 (Audited)
1) Sales (Gross)	6,173.4	4,850.5	20,288.7
Less: Excise Duty	155.9	161.9	579.4
Sales (Net)	6,017.5	4,688.6	19,709.3
2) Other Income	151.4	263.0	1,866.5
3) Expenditure			
a) Decrease/(Increase) in Stock in Trade	(379.9)	28.7	(425.9)
b) Consumption of Raw and Packing Materials	2,106.9	1,704.4	7,297.0
c) Purchase of Traded Goods	823.9	601.4	2,256.6
d) Staff Costs	541.5	432.9	1,875.0
e) Manufacturing and Other Expenses	1,884.3	1,350.9	5,771.0
Total	4,976.7	4,118.3	16,773.7
4) Profit before Interest, Depreciation and Tax	1,192.2	833.3	4,802.1
5) Interest and Finance Charges	89.0	91.0	370.9
6) Depreciation and Amortisation	126.9	105.5	463.7
7) Profit Before Tax	976.3	636.8	3,967.5
8) Provision for Taxation:			
- Current and Deferred Tax	157.2	109.3	866.9
- Fringe Benefit Tax	35.3	21.0	80.0
9) Net profit	783.8	506.5	3,020.6
10) Paid up Equity Share Capital (Face value Rs.10/- each)	815.1	401.4	803.4
11) Reserves and Surplus			8,080.7
12) Earnings Per Share (Not Annualised) Rs. (Refer note 6 below)			
- Basic	9.73	6.31	37.10
- Diluted	9.58	6.30	36.93
13) Aggregate of Public Shareholding			
Number of Shares (Face value Rs.10/- each)	39483028	19116655	38295606
Percentage of Shareholding	48.44	47.62	47.66

### NOTES:

- The above financial results for the quarter ended June 30, 2007 were reviewed by the Audit Committee and thereafter were approved and taken on record by the Board of Directors in their meeting held on July 19, 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.
- The Company operates solely in the pharmaceutical business and hence has only one primary reportable segment.

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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 <u>30/06/2007</u>	Quarter ended <u>30/06/2006</u>	Accounting Year ended <u>31/03/2007</u>
Rs. in million	373.2	319.8	1,359.0

4. During the Quarter, 810 equity shares of Rs.10/- each, fully paid up were allotted by 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. During the Quarter, 11,66,612 equity shares of Rs.10/- each, fully paid up were allotted on conversion of Foreign Currency Convertible Bonds in accordance with terms of the issue.
6. Earnings per share for the quarter ended June 30, 2006 have 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 'Earnings Per Share' and disclosed.
7. The Guidance on implementing AS 15, Employee Benefits (revised 2005) issued by Accounting Standards Board (ASB) states that provident funds set-up by employers which requires interest shortfall to be met by employer needs to be treated as defined benefit plan. Pending the issuance of the Guidance Note by the Actuarial Society of India, the Company's actuary has expressed inability to reliably measure provident fund liability. Accordingly the Company has accounted for the same as a defined contribution plan.
8. Manufacturing and other expenses for the quarter includes loss on account of foreign exchange (mainly on translation of overseas deposits) of Rs. 192.4 million.
9. The Company's new finished dosages facility at Jammu started commercial production during the quarter.
10. There was no unresolved investor complaint pending as on April 1, 2007. The Company received 17 complaints during the quarter which were resolved. There was no unresolved complaint pending as on June 30, 2007.
11. 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: July 19, 2007

Dr. Desh Bandhu Gupta  
Chairman