

Lupin Q3 sales up 19% at Rs. 2868 mn; net profit up 23% at Rs. 227mn_____

- Formulations sales at Rs. 1,196 mn (Rs. 982 mn) - up by 22%
- API sales stands at Rs. 1,651 mn (Rs.1,411 mn) - up by 17%

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Mumbai, 28 January 2003: Sales of Lupin Limited increased by 19% to Rs. 2,868 mn (Rs. 2,411 mn) for the quarter ended 31 st December 2002. Sustained API and formulation sales performance resulted in an increase in net profit (PAT) to Rs. 227 mn (Rs. 185 mn), a growth of 23%. For the 9 months ended 31 st December 2002, Lupin recorded a sales growth of 17% at Rs. 8,368 mn (Rs. 7,163 mn). Net profit increased by 21% at Rs. 708 mn (Rs. 583 mn).

APIs to developing markets_____

For the quarter ended 31 st December 2002, API (Active Pharmaceutical Ingredients) sales to developing markets increased by 28% to Rs. 1,448 mn (Rs. 1,131 mn). The company's sale in the cephalosporins range of products increased substantially through its focus on improvement in asset utilisation and higher scale of operations. At the same time, the company strengthened its strategic alliances with its chosen business partners. While sales in the domestic market increased by 44% to Rs. 752 mn (Rs. 524 mn), exports grew by 15% to reach Rs. 697 mn (Rs. 607 mn).

API sales to developing markets for the 9 months ended December 2002 grew by 27% to Rs. 4,014 mn (Rs 3,171 mn). Exports increased by 30% at Rs. 1,900 mn (Rs 1,466 mn). Domestic API sales grew by 24 % at Rs. 2,114 mn (Rs. 1,706 mn).

APIs to advanced markets_____

For the quarter under review, sales of API to advanced markets stood at Rs. 203 mn (Rs. 280 mn). Sales to advanced markets were lower due to shipment of some products moving into the next quarter.

The project for the new lisinopril manufacturing facility in Mandideep near Bhopal is progressing as scheduled. Apart from lisinopril, this plant will also produce some other prils, which would expand Lupin's strength in the cardiovascular segment. For the 9

months ended December 2002, sales grew by 65% to Rs. 802 mn (Rs. 486 mn).

Formulations

Formulations sales for the quarter under review grew by 22% at Rs. 1,196 mn (Rs. 982 mn), which is substantially better than the trend prevalent in the earlier part of the year. Formulations sales for the 9 months ended December 2002 were at Rs. 3,496 mn (Rs. 3,451 mn), a 1% growth.

For the quarter under review, domestic formulations sales were at Rs. 1,138 mn (Rs. 948 mn), an increase of 20%, despite a flat domestic market growth. Lupin introduced Valent (API - Valsartan) an angiotensin receptor blocker in the cardiovascular segment during the quarter. The market size of this molecule is Rs. 550 mn, growing at 33%.

New products (those launched in the last 2 years) contributed 23% to the domestic trade formulations sales for the quarter under review, which resulted in the accelerated growth. As per AC Nielson ORG MARG retail sales data (MAT November 2002), Lupin has registered a growth of 6.4% against a market growth of 8.7%. At constant prices, Lupin's growth was at 12.6% against the market growth of 9%.

Formulations exports for the quarter under review were at Rs. 59 mn (Rs. 34 mn). For the 9 months ending 31 st December 2002, formulations exports were at Rs. 117 mn (Rs. 218 mn).

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

Research & development

At the Lupin Research Park, research in NCEs and NDDS is progressing well. LRP in its first year has already undergone an expansion for a new generic block to augment Lupin's focus and thrust on chemical research. In drug discovery, two of the projects - one on novel anti-tubercular compound effective against multi-drug resistant strains and another for psoriasis - a dermatological disorder for which no full proof therapy is available, are being progressed vigorously. Basic microbiology/pharmacology work has been completed and necessary patent applications have been filed. Additional pre-clinical studies required for filing INDA's are being carried out. These two projects are part of NMITLI programme of CSIR. These apart, the company has already filed an INDA for the anti-migraine product LLL 2011. During this quarter, 16 patent applications have been filed in drug discovery/delivery and process patents for API.

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. Seven 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 (\$199 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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