

Lupin Q4 & FY 2008-09 Results - Consistent Performance & Solid Growth

Q4 2008-09 Consolidated Net Profit up by 64.2% at Rs. 1574 million

May 13, 2009, Mumbai, India

Leading transnational pharmaceutical major, Lupin Limited, reported an outstanding performance for the fourth quarter and financial year ended March 31st, 2009. These audited results were taken on record by the Board of Directors at a meeting held in Mumbai today.

Key Highlights - Consolidated FY 08-09

- Net sales grew at 39.5% to Rs. 37759 million from Rs. 27064 million last year
- Net profit grew at 50.2% to Rs. 5015 million compared to Rs. 3338 mn in previous year (excluding IP income)
- EBITDA margin increased to 19.7%
- Exports up by 63.2% at Rs. 24701 mn
- Advanced markets sales (including Japan and ANZ) increased to 92% over last year and contributed 50% of the Net Sales for the year as against 36% in the previous year.
- Advanced Markets sales to US and EU grew at 70% to Rs.14310 million including API
- One of the fastest growing generic players in the US by prescriptions and the 9th largest in terms of total prescription base
- A basket of 22 products in the US with 8 market leaders
- Domestic Formulations Business grew at 24.6%% to Rs. 10,575 million.
- Lupin's Japanese subsidiary, Kyowa contributed 12% of the overall revenues - Rs. 4424 million
- 28 ANDAs, 15 DMFs, 18 MAAs, 6 EDMFs, 3 COS, & 1 AU DMF were filed during FY 08-09.
- Four Major Acquisitions across Germany, Australia, South Africa and the Philippines
- Dividend Announcement of 125 %

Key Highlights Q4 FY 08-09

- Net sales for Q4 FY 08-09 grew at 39% to Rs.10434 million.
- Advanced markets sales (U.S, EU & Japan) increased to 86 % at Rs 5681 million over Q4 FY 07-08
- Net profit for Q4 FY 08-09 grew at 64.2% to Rs.1574 million compared to Rs. 959 million in Q4 FY 07-08

Commenting on Lupin's performance, Dr. Kamal K Sharma, Managing Director, Lupin Limited, said, *"Lupin's stellar performance reflects the strong business*

philosophy guiding us. Lupin has had a very strong year driven by growth and consistent performance across all business segments and markets: a strong business performance in the US, solid domestic growth & increased activity in all key markets. Lupin's acquisitions have not only consolidated our existing presence in these markets but also leaves us strategically poised to further strengthening our position in the global generics and branded generics market. It has indeed been a year of many achievements and robust growth, and we are now strategically poised to not only address market needs but also maintain momentum and direction."

Financials:

Advanced markets – US & Europe

Lupin continued its growth momentum in the US and Europe a healthy contribution of 36% to our total revenues at Rs. 13634 million. (Formulations)

USA:

Lupin Pharmaceuticals Inc., the company's US subsidiary, reported a stellar performance recording sales of Rs. 12563 million reflecting a growth of 74.4% as compared to Rs. 7205 million in FY 07-08. Lupin's Generic and Branded business recorded exponential growth during the financial year.

More importantly, FY 08-09 saw Lupin increasing its product portfolio in the branded generics segment through the launch of AeroChamber Plus®. LPI forged a Strategic Alliance with Forest Laboratories, Inc. for marketing and promoting AeroChamber Plus® thereby extending Lupin's presence in the respiratory segment and our franchise with Pediatricians which would also additionally open up new offices for Suprax. The brand business contributed 27% to the overall business at USD 74 mn

The company further expanded and consolidated on its generic product portfolio with the launches of Ramipril caps, Divalproex DR tabs, Cefadroxil suspension and caps & Levetiracetam tabs. The Company now has a total of 22 products in the market, out of which 8 are market leaders. We are in the top 3 market positions by market share in 17 of these products (IMS Jan 09).

Lupin today is one of the fastest growing generic players in the US based on growth in prescriptions and the 9th largest in terms of total prescription base.

LPI was also recognized by Wal-Mart and awarded its prestigious "Supplier Award of Excellence" for the 2nd Quarter 2008 – which is an acknowledgement of the inroads we have made into the US markets.

During the year, the company demonstrated its capabilities on the Intellectual Property management front by successfully litigating and settling all ongoing Hatch-Waxman litigation relating to Desloratadine tablets, the generic version of Schering-Plough's "Clarinetx"® tablets. As per the terms of the settlement, Lupin Ltd. will be licensed under the relevant Desloratadine patents, and free to commercially launch its generic Desloratadine product, on July 1, 2012, or earlier in certain circumstances. Schering-Plough's Clarinetx® tablets had U.S. sales of \$329 million for the year 2007-MAT June 2008, according to IMS Health.

Lupin also received the final approval for the Company's Abbreviated New Drug Application (ANDA) for Levetiracetam Tablets 250mg, 500mg, 750 mg and 1000 mg from the U.S. Food and Drug Administration (USFDA). Commercial shipments of the product have commenced.

Lupin's Levetiracetam tablets are the AB-rated generic equivalent of UCB Pharmaceuticals' Keppra® tablets, indicated as adjunctive therapy in the treatment of certain types of seizures associated with epilepsy. Keppra tablets had annual sales of approximately \$ 1.2 billion (USD) for the twelve months ended September 2008, based on IMS Health sales data.

Europe:

Lupin further strengthened its presence in the European Union by completing its acquisition of Hormosan Pharma GmbH (Hormosan), a German generics company specialized in the supply of pharmaceutical products for the Central Nervous System (CNS).

We also recorded our first strategic win in the German market through Hormosan in the next two quarters – having received information on the results of the Allgemeine Ortskrankenkassen (AOK) Tender, pursuant to § 130a SGB V. Hormosan has been offered to supply Setraline in all 5 regions of Germany covering all AOK-insured persons.

Hormosan has a strong brand identity in the German generics market through its strong patient compliance message, essential for patients within the CNS sector.

Lupin also made strategic inroads into the French market by launching Cefpodoxime Proxetil suspension in Q3. Cefpodoxime Proxetil has over 60 % market share in France.

AAMLA

Japan:

Kyowa, the Company's subsidiary in Japan posted robust net sales of Rs. 4424 mn contributing 12% of Lupin's Revenues having grown at over 21 % YoY

Our products like Amlodipine “Amel” continues to maintain majority market share and Risperidone “Amel”, which was launched last year, continue to exhibit market leadership in unit terms.

South Africa

Lupin clocked in revenues of Rs 919 million after having acquired an equity stake in Pharma Dynamics (PD) in South Africa in September 08. Pharma Dynamics is one of the fastest growing generic companies in South Africa growing at around 30 % for FY 08-09 with a clear leadership in the cardiovascular segment.

PD is ranked number 6 amongst generic companies in South Africa. The South African Generics Market is currently valued at close to 800 Million USD and growing rapidly

Phillipines

In March 2009 the Company acquired a majority stake in Multicare Pharmaceuticals Phillipines, Inc. (MC) in Phillipines. MC is a premium branded generics company with a strong position in women’s health and child care segment.

ANZ

The Company continued its focus on this important market with aggressive filings in Australia, taking the cumulative MAA filings to 24 till date of which 18 have been approved.

Emerging Markets

India: Domestic Formulations forms a very important part of Lupin’s overall growth. In the current financial year, it contributed about 28% of the net sales at Rs 10,575 million as against Rs. 8,487 million registering a growth of 24.6% over the previous year.

This growth was driven by the good performance in the CVS, Diabetes, CNS, Asthma and Gastro therapy Segments. The divisions catering to branded segments continued to outpace the industry growing over 27%. Lupin has maintained its leadership in Anti-TB segment and has secured a double digit market share in the anti-asthma market riding high on the strengths of its offering in this segment.

Research and Development

Research & Development has always been a strategic and key focus area for Lupin and this year – 2008-09 was no exception with 6% of the sales earmarked for R&D and related spends.

The year 2008-09 was a landmark year with Lupin filing 28 Abbreviated New Drug Application (ANDA) with the USFDA, 11 DMFs, 15 MAAs and two EDMFs during the year.

The cumulative ANDA filings stood at 90 with 34 approvals granted by the USFDA.

Lupin also received the final approval for the Company's Abbreviated New Drug Application (ANDA) for Levetiracetam Tablets 250mg, 500mg, 750 mg and 1000 mg from the U.S. Food and Drug Administration (USFDA) during the quarter.

Other

The USFDA issued a warning letter for the Cephalosporin facility of the Mandideep plant. The facility was inspected in November, 2008 for a routine GMP inspection. As a result Lupin had received 15 procedural observations. Lupin responded to the observations in December and provided corrective actions for each of the responses.

The warning letter was issued to provide Lupin with an opportunity to submit additional documentation and explanation to a few selected observations where the FDA felt that the initial responses were inadequate and could be strengthened by further evidence of compliance with enhanced documentation practices.

All products maintain their approved status. Lupin manufacturing will not be disrupted and it will continue to provide quality products to customers without interruption.

Lupin has formulated a strategy to address and resolve the USFDA and is confident of being able to satisfy the USFDA's observations expeditiously.

Dividend

In view of excellent performance, the Board of Directors recommended a dividend of 125 % i.e Rs. 12.50 per equity share of the face value of Rs. 10 each.

About Lupin Limited

Headquartered in Mumbai, India, Lupin Limited is an innovation led transnational

pharmaceutical company producing a wide range of quality, affordable generic and branded formulations and APIs for the developed and developing markets of the world. The Company has secured global leadership position in Anti-TB and Cephalosporins and has a significant presence in the areas of Cardiovasculars (prils and statins), Diabetology, Asthma and NSAIDs. The Company's R&D endeavors have resulted in significant progress in its NCE program. The Company's foray into Advanced Drug Delivery Systems has resulted in the development of platform technologies that are being used to develop value-added generic pharmaceuticals.

Currently positioned amongst the top six pharmaceutical companies of India, the Company is committed to achieve sustainable earnings and growth for all its stakeholders.

For the financial year ended March 2008, the Lupin's Revenues and Profit after Tax were Rs.27,730 million (US\$ 694 million) and Rs.4,083 million (US\$ 102 million) respectively.