

Lupin Q1 FY06 Net Profit doubles to Rs. 432 million

- Gross Sales up 21% to Rs. 3.66 billion
- Export revenue growth of 30%, mainly driven by advanced markets
- EBITDA up 81% at Rs. 748 million
- Net profit at Rs. 432 million, up 109%

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**Note – Figures in brackets indicate figures for the previous year*

Mumbai, 2 August 2005: Sales revenue of Lupin Limited for the quarter ended June 30, 2005 increased by 21% at Rs. 3,655 mn as against Rs. 3,026 mn in the previous year. Export revenue at Rs. 1,587 mn (Rs. 1,224 mn) increased by 30% with buoyant off-take in the advanced markets, which increased by 84% at Rs. 732 mn (Rs. 398 mn). Domestic revenue saw an overall increase in both the API as well as the finished dosage segments resulting in a 15% growth at Rs. 2,069 mn (Rs. 1,802 mn). Domestic finished dosage portfolio for the trade increased by as much as 33% with growth across all the key therapeutic segments. Research and Development expenditure during the quarter was at Rs. 188 mn (Rs. 187 mn).

The material cost to net sales improved from 50.9% to 47.0% in this quarter. The company also benefited from technology licensing earning during the quarter under review. As a consequence, EBITDA increased by 81% to Rs. 748 mn (Rs. 412 mn) representing 21.2% of net sales indicating an improvement in the business mix and improved operational efficiency.

Interest was lower at Rs. 65 mn (Rs. 71 mn). Depreciation was higher at Rs. 91 mn (Rs. 79 mn) as a result of capitalisation of certain manufacturing assets in the last few quarters. Profit Before Tax grew by 126% to Rs. 591 mn (Rs. 262 mn). During the quarter the company's tax was higher at Rs. 160 mn, which included Rs. 10.5 mn towards fringe benefit tax (PY nil). Net Profit grew by 109% at Rs. 432 mn as against Rs. 206 mn in the previous year.

HIGHLIGHTS

Advanced markets

- Total revenue from the advanced markets (North America and Europe) were at Rs. 732 mn (Rs. 398 mn), an 84% growth.
- Finished Dosage revenue from the advanced markets grew by 147% at Rs. 280 mn (Rs. 113 mn).
- API revenue from the advanced markets were Rs. 452 mn (Rs. 285 mn), 59% growth.
- Suprax[®] revenue at the US subsidiary Lupin Pharmaceuticals Inc. saw a steady progress in the quarter with sales at \$ 3.4 mn.

Developing Markets

- API revenue from the developing markets (including India) were at Rs 1,166 mn (Rs 1,146 mn).
- Finished dosage revenue from developing markets (including India) grew by 26% to Rs 1,847 mn (Rs. 1,468 mn).
- API Export revenue declined by 6% to Rs. 723 mn (Rs. 770 mn).
- API revenue from the domestic market grew by 18% at Rs 443 mn (Rs. 376 mn).
- Higher sales in the domestic market resulted in a sequential quarter growth of 117% in the finished dosage segment at Rs. 1,601 mn.

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