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## 6 Years of Sustained Growth Lupin Net Profit up by 27% in FY 2010-11

**Mumbai, May 12, 2011:** Pharma Major, Lupin Ltd. reported its performance for the fourth quarter and financial year ended, March 31<sup>st</sup> 2010-11. These audited results were taken on record by the Board of Directors at a meeting held in Mumbai today.

### Key Financial & Performance Highlights

- Net sales grew by 20% to Rs. 57,068 Mn. during FY 2010-11, up from Rs. 47,736 Mn. (FY 2009-10)
- Net profits grew by 27% to Rs. 8,626 Mn. during FY 2010-11, as compared to Rs 6,816 Mn. (FY 2009-10)
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) grew by 20% to Rs. 12,000 Mn. during FY 2010-11, from Rs. 9,981 Mn. (FY 2009-10)

*Commenting on the results, Dr. Kamal K. Sharma, Managing Director, Lupin Limited, said "Lupin has had a strong year where we saw all our businesses clock in double-digit growth with strong numbers being delivered by U.S. & Europe, India, Japan, South Africa and also our API business. I am pleased to note that Lupin remains the fastest growing top 10 Generics player in the U.S., India, Japan and South Africa.*

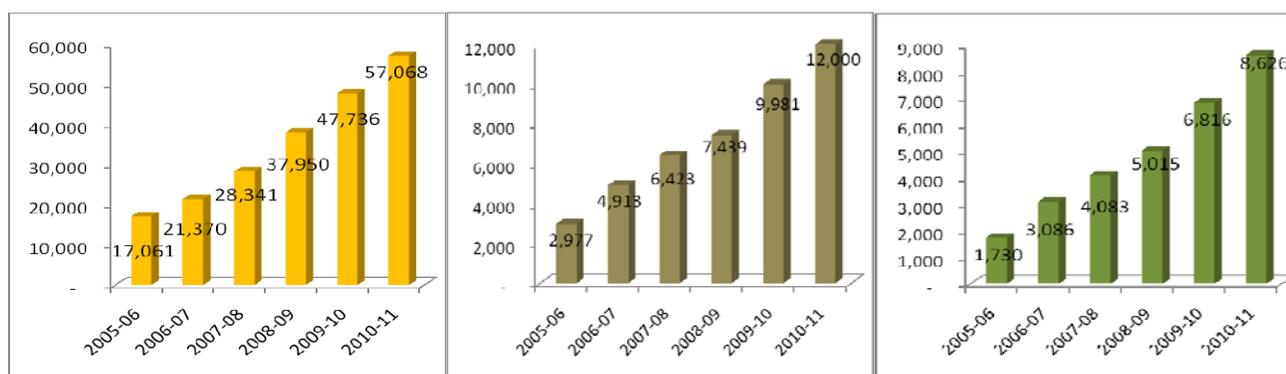
*The investments and achievements that we have made in 2010-11 span across entry into new therapy segments, product launches, landmark license agreements, product approvals and patent settlements, filing differentiated generic products and continued investments in manufacturing infrastructure and R & D. These would not only go a long way in improving the quality of our business but would also enable us to deliver strong growth and profitability in the years to come."*

### Profit & Loss Highlights

- Material cost declined by 2% to 39% of Net Sales, at Rs. 22,379 Mn. during FY 2010-11, as against Rs. 19,694 Mn. (FY 2009-10)
- Personnel cost increased by 1% to 13.5% of Net Sales, at Rs. 7,677 Mn. during FY 2010-11, as against Rs. 5,871 Mn. (FY 2009-10)
- Selling, General and Administrative expenses increased by 1% to 29% of Net Sales at Rs. 16,353 Mn. during FY 2010-11 as against Rs. 13,303 Mn. (FY 2009-10)
- Revenue Expenditure on R&D increased by 1% of net sales to Rs. 4,834 Mn., amounting to 8.5% of Net Sales during FY 2010-11, as against Rs. 3,570 Mn. (FY 2009-10)

## Balance Sheet Highlights

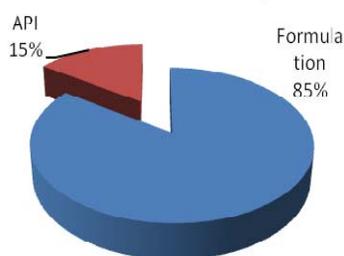
- Net Operating Working capital increased by 10% to Rs. 13,082 Mn. as on 31st March, 2011 as against Rs. 11,855 Mn. as on 31st March, 2010, despite a 20% increase in net sales and the same is an indicator of optimization on the working capital front. The working capital number of days have reduced from 90 days to sales to 83 days to sales
- Capital Expenditure stands at Rs. 4,808 Mn. during the year
- Debt Equity Ratio improved to 0.22 as on 31st March, 2011 from 0.37 as on 31st March, 2010



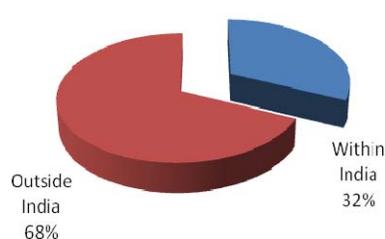
<b>SALES CAGR – 27%</b>	<b>EBITDA CAGR – 32%</b>	<b>PAT CAGR – 38%</b>
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(All Figures are in Rs. Mn)

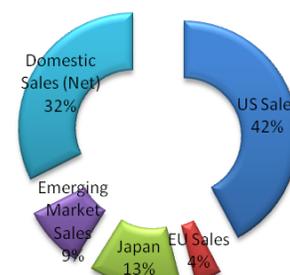
### Business Break up



### Geography Break up



### FD Sales Breakup



## Key Highlights Q4, FY 2010-11

- Net sales growth for Q4 FY 2010-11 was 18% at Rs. 15,214 Mn. as against Rs. 12,925 Mn.
- Advanced markets sales (U.S., EU & Japan) grew by 10% to Rs 7,853 Mn. over Q4 FY 2009-10
- Emerging markets sales grew by 45% to Rs. 1,220 Mn, Q4 FY 2010 -11 as against Rs. 840 Mn, Q4 FY 2009-10
- Net sales within India grew by 20% during Q4 FY 2010-11 recording revenue of Rs. 3,907 Mn. and net sales outside India grew by 17% recording revenue of Rs. 11,209 Mn.

## **Operational Highlights FY 2010-11**

- Advanced Markets Formulation sales (including US, Europe & Japan) increased by 22% to Rs. 28,229 Mn. during FY 2010-11, up from Rs. 23,233 Mn. (FY 2009-10). The Advanced Markets contributed 49% of the Net Sales for the Year
- Formulation Sales in US and EU grew by 23% to Rs 22,017 Mn. during FY 2010-11, up from Rs. 17,893 Mn. (FY 2009-10)
- Lupin remains the 5th largest Generic player in the U.S. in terms of prescriptions (IMS Health)
- Lupin is currently the market leader (No. 1 in market share) in 14 out of 30 generic products in the U.S. and 27 out of these 30 generic products rank in the Top 3 positions by market share.
- Lupin's Japanese subsidiary, Kyowa grew by 16% to Rs. 6,212 Mn during FY 2010-11 and contributed 11 % of the overall revenues during the quarter
- Net Sales of India Region Formulations grew by 17% to Rs. 15,509 Mn. during FY 2010-11 as against Rs. 13,303 Mn. (FY 2009-10)
- Sales for Lupin's South African subsidiary, Pharma Dynamics grew by 38% to Rs. 1,829 Mn. during FY 2010-11 as against Rs. 1,328 Mn (FY 2009-10.)
- Lupin's subsidiary in the Philippines, Multicare Pharmaceuticals registered a sales growth of 28% clocking in sales of Rs. 418 Mn. for FY 2010-11.
- Lupin filed 21 ANDA's and 7 DMF's with the U.S. FDA during FY 2010-11 and received 8 approvals
- 33 MAA's were filed with European Authorities during FY 2010-11
- Lupin extended its license arrangement with Salix Pharmaceuticals for its proprietary bioadhesive drug delivery technology for Rifaximin.

## **Operational Summary**

### **USA & Europe**

US & Europe formulation sales contributed 38% to consolidated revenues for FY 2010-11.

Sales (Formulations) for US & Europe grew by 23% to Rs. 22,017 Mn. during FY 2010-11, as against Rs. 17,893 Mn. (FY 2009-10)

## **USA**

The Brands Business contributed 30% to the total US sales and Generics business contributed 70% during FY 2010-11.

The company further expanded and consolidated on its generic product portfolio in the U.S.

Lupin remains the 5th largest Generic player in the U.S. (by prescriptions) as also the fastest growing Top 10 generic player in the U.S. for the second year running, growing at 51.1 % (IMS Health). 14 out of 30 generic products in the U.S. rank No 1 by market share and 27 out of these 30 products in the U.S. rank in the Top 3 by Market share.

During the year, the company settled all ongoing litigations with Sunovion on Lunesta, with Forest on Memantine and Warner Chilcott on Loestrin and Femcon.

### **USFDA Approvals**

During the year the company filed 21 ANDA's bringing the Cumulative filings to 148, of which 48 stand approved by the U.S. FDA. The company received 8 ANDA approvals during FY 2010-11.

## **Europe**

The European business grew 30 % during FY 2010-11. The company launched Clarithromycin XL in France during the fiscal.

Europe remains a market of strategic focus for Lupin which is highlighted by the fact that the company filed 33 MAA's with European Authorities during FY 2010-11.

## **Japan**

Lupin's subsidiary, Kyowa Pharmaceuticals grew by 16% clocking Net Sales of Rs. 6,212 Mn during FY 2010-11, as against Rs. 5,341 Mn. (FY 2009-10) and contributed 11% to Lupin's consolidated revenues

### **India Region Formulation**

India forms a very important part of Lupin's overall growth, and contributed 27% to its overall revenues during FY 2010-11. The India Formulations business grew by 17% to clock in revenues of Rs 15,509 Mn. during FY 2010-11, as compared to Rs. 13,303 Mn. (FY 2009-10)

## **South Africa**

Lupin's South African Business – Pharma Dynamics clocked in revenues of 1,829 Mn. during FY 2010-11, representing a growth of 38%. Pharma Dynamics remains the fastest growing and the 6<sup>th</sup> largest generic company in the South African market with a clear leadership in the cardiovascular space.

## **API**

API (Net) sales continued to post strong growth clocking Net Sales of Rs. 8,589 Mn and contributed 15% to Lupin's consolidated revenues.

## **R&D**

Revenue Expenditure on R&D amounted to Rs. 4,834 Mn., 8.5% to Net sales as against Rs. 3,570 Mn., 7.5% to net sales in FY 2009-10. Lupin filed 21 ANDAs during the year and it's cumulative ANDA filings with the U.S. FDA rose to 148 with the company having received 48 approvals to date.

Cumulative Filings with the European regulatory authorities stands at 91 with the company having received 44 approvals to date.

The year also saw Lupin extend its license arrangement with Salix Pharmaceuticals for its proprietary bioadhesive drug delivery technology for Rifaximin. Under the extended agreement, Lupin granted Salix exclusive worldwide rights (except for India and some select geographies) to use Lupin technology and technology jointly developed by Lupin and Salix for all rifaximin products for human use. This agreement expands the collaboration that Salix and Lupin entered into as of September 30, 2009. The agreement covers the development and commercialization of rifaximin products and provides for Lupin to supply Salix with rifaximin active pharmaceutical ingredient (API) and certain finished rifaximin products.

## **About Lupin**

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. The Company today has significant presence in Cardiovasculars (prils and statins), Diabetology, Asthma, Pediatrics, CNS, GI, Anti-Infectives and NSAIDs in addition to holding global leadership positions in the Anti-TB and Cephalosporins space.

Today, Lupin is the 5<sup>th</sup> largest and the fastest growing Top 5 generics player in the U.S. (by prescriptions), the only Asian company to achieve that distinction. The company is also the fastest growing top 10 pharmaceutical players in India, Japan and South Africa. (IMS)

For the financial year ended March 2011, Lupin's Consolidated Sales and Profit after Tax were Rs. 57,068 million and Rs. 8,626 million respectively.

### **For further information or queries please contact -**

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