

Lupin FY 2006-07 Q1 Sales up by 33 % at Rs. 4.9 bn

- Driven by Formulation sales revenue, up by 49%
- Domestic revenue growth of 39%
- Exports up by 25%
- Net Income up 17% at Rs. 507 mn
- Four ANDAs filed with the US FDA

BSE: 500257	NSE: LUPIN	REUTERS: LUPN.BO	BLOOMBERG: LPC IN
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**Note – Figures in brackets indicate figures for the previous year*

Mumbai, 25 July 2006: Lupin Limited reported a 33% rise in sales (gross) for the quarter ended June 2006. Sales grew from Rs.3.7 bn in Q1 2005-06 to Rs.4.9 bn in Q1 2006-07.

Export sales were Rs.1,982 mn an increase of 25%. This includes sales made to advanced markets of Rs.527 mn. (Rs.280 mn) which grew by 88%. Sales from domestic markets were up Rs.2,869 mn (Rs.2,069 mn) a growth of 39%.

Earnings before Interest, Taxation, Depreciation and Amortization (EBITDA) was Rs.833 mn (Rs. 748 mn) a rise of 11%. After Interest and Finance charges Rs. 91 mn (Rs.65 mn), Depreciation Rs. 106 mn (Rs.91 mn) and Provision for taxation (including Fringe Benefit Tax) Rs.130 mn (Rs. 160 mn), Net profit for the year increased by 17% to Rs. 507 mn (Rs. 432 mn).

During the quarter the Company incurred exceptional litigation expenses of Rs. 82mn pertaining to one particular patent challenge.

HIGHLIGHTS

Advanced markets

- Total formulation sales from the advanced markets (North America and Europe) were at Rs. 527 mn (Rs. 280 mn), an increase of 88%
- Ceftriaxone saw a steady market share of 25% in the hospital market
- ANDA approvals for Cefdinir capsules and suspension and Quinapril tablets received
- US subsidiary's sales during the quarter were US\$ 14.4 mn
- Suprax sales by US subsidiary during the quarter were US\$ 2.7 mn

Developing Markets

- API sales from the developing markets (including India) were at Rs.1,649 mn (Rs.1,166 mn), a growth of 41%
- Finished dosage sales from developing markets (including India) grew by 42% to Rs.2,462 mn (Rs.1,732 mn)
- Finished dosage from domestic market grew by 29% to Rs. 2,066 mn (Rs. 1,601 mn)
- API sales from the domestic market grew by 75% at Rs. 776 mn (Rs. 443 mn)
- MOU signed to acquire 51% stake in Dafra
- Lupenox (Enoxaparin sodium) first in-licensed product, introduced in domestic market

Research & Development

- Four ANDAs, two DMFs, three EDMFs/COS, and one MAA (EU) filed
- Research and Development expenditure during the quarter was at Rs. 320mn, 6.8% of the Net Sales (5.3%)
- Includes Litigation Expenses of Rs 82 mn

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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, 2006.

(Rs. in million)

	Quarter Ended 30/06/2006 (Reviewed)	Quarter Ended 30/06/2005 (Reviewed)	Accounting Year Ended 31/03/2006 (Audited)
1) Sales / Income from Operations			
a) Sales (Gross)	4,850.5	3,655.2	16,610.4
Less: Excise Duty	161.9	134.1	549.4
Sales (Net)	4,688.6	3,521.1	16,061.0
b) Other Income from Operations	80.7	90.7	563.9
Total	4,769.3	3,611.8	16,624.9
2) Other Income	182.3	38.9	161.2
3) Expenditure			
a) Decrease/(Increase) in Stock in Trade	28.7	(74.8)	(300.5)
b) Consumption of Raw and Packing Materials	1,704.4	1,333.8	6,007.2
c) Purchase of Traded Goods	601.4	396.0	1,861.0
d) Staff Costs	432.9	326.7	1,557.2
e) Manufacturing and Other Expenses	1,350.9	921.5	4,652.7
Total	4,118.3	2,903.2	13,777.6
4) Profit before Interest, Depreciation and Tax	833.3	747.5	3,008.5
5) Interest and Finance Charges	91.0	65.2	303.0
6) Depreciation and Amortisation	105.5	91.1	403.5
7) Profit Before Tax	636.8	591.2	2,302.0
8) Provision for Taxation:			
- Current	86.5	143.0	338.9
- Deferred	22.8	6.2	45.2
- Fringe Benefit Tax	21.0	10.5	90.7
9) Net profit	506.5	431.5	1,827.2
10) Paid up Equity Share Capital (Face value Rs.10/- each)	401.4	401.4	401.4
11) Reserves and Surplus			6,038.1
12) Earnings Per Share (Not Annualised) Rs.			
- Basic	12.62	10.75	44.59
- Diluted	12.61	10.65	44.48
13) Aggregate of Public Shareholding			
Number of Shares (Face value Rs.10/- each)	19116655	19088535	19086655
Percentage of Shareholding	47.62	47.55	47.55

NOTES:

- The above results for the quarter ended June 30, 2006 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 25, 2006. 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>30/06/2006</u>	Quarter Ended <u>30/06/2005</u>	Accounting Year Ended <u>31/03/2006</u>
Rs. in million	319.8	187.5	1,029.8

4. There was no unresolved investor complaint pending as on April 1, 2006. The Company received 22 complaints during the quarter which were resolved. There was no unresolved complaint pending as on June 30, 2006.
5. Lupin Chemicals (Thailand) Ltd. in which the Company held 60% stake ceased to be subsidiary effective from May 31, 2006 on sale of the shares held in the said subsidiary to another party at face value.
6. During the quarter, the Company granted stock options to certain employees in respect of 223,350 equity shares at an exercise price of Rs. 859.75 per share pursuant to the "Lupin Employees Stock Option Plan 2005".
7. Pursuant to the adoption of Accounting Standard (AS) 15 (Revised 2005) 'Employees Benefits' issued by the Institute of Chartered Accountants of India (ICAI), the Company has adjusted Rs. 83.1million (net of deferred tax of Rs. 42.1million) towards the additional liability upto March 31, 2006 against the opening balance of revenue reserves and the quarterly financial results has a charge of Rs.28.7 million on account of additional liability in accordance with the said Accounting Standard.
8. 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 25, 2006

Dr. Desh Bandhu Gupta
Chairman



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, 2006

(Rs. in million)

	Quarter ended 30/06/2006 (Unaudited)	Accounting Year ended 31/03/2006 (Audited)
1) Sales / Income from Operations		
a) Sales (Gross)	5,125.0	17,503.4
Less : Excise Duty	161.9	549.4
Sales (Net)	4,963.1	16,954.0
b) Other Income from Operations	80.7	563.9
Total	5,043.8	17,517.9
2) Other Income	217.4	177.1
3) Expenditure		
a) Decrease/(Increase) in Stock in Trade	97.7	(483.0)
b) Consumption of Raw and Packing Materials	1,778.5	6,546.6
c) Purchase of Traded Goods	665.1	2,195.6
d) Staff Costs	461.5	1,689.6
e) Manufacturing and Other Expenses	1,392.5	4,769.6
Total	4,395.3	14,718.4
4) Profit before Interest, Depreciation and Tax	865.9	2,976.6
5) Interest and Finance Charges	92.2	312.8
6) Depreciation and Amortisation	106.5	408.8
7) Profit before Tax	667.2	2,255.0
8) Provision for Taxation		
- Current	87.1	402.6
- Deferred	22.8	28.0
- Fringe Benefit Tax	21.0	90.7
9) Net Profit before Minority Interest	536.3	1,733.7
10) Minority Interest	0.8	3.8
11) Net Profit after Minority Interest	535.5	1,729.9
12) Paid up Equity Share Capital (Face value Rs. 10/- each)	401.4	401.4
13) Reserves & Surplus		5,831.4
14) Earnings Per Share Rs.		
- Basic	13.34	42.24
- Diluted	13.33	42.13

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NOTES :

- 1. The above results for the quarter ended June 30,2006 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 25, 2006.**
- 2. Consolidated Financial results include the financial results of the subsidiaries namely Lupin Pharmaceuticals Inc. USA, Lupin Chemicals (Thailand) Limited, Thailand (up to May 31, 2006), Lupin Hong Kong Limited, Hong Kong, Lupin Australia Pty Ltd., Australia and Lupin Herbal Limited, India.**
- 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.**

**By order of the Board
For Lupin Limited**

**Place : Mumbai
Dated : July 25, 2006**

**Dr. Desh Bandhu Gupta
Chairman**