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Lupin Net Profit up by 25 % in Q1, FY 2009-10 Outpacing and Outperforming Markets globally

Mumbai, July 29, 2009: Leading transnational pharmaceutical major Lupin, reported an outstanding performance for the first quarter - FY 2009-10. 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 26% to Rs.10,856 million for Q1 FY 2009-10, from Rs. 8,623 million (Q1 FY 2008-09).
- Net profits for Q1 FY 2009-10 grew by 25% to Rs.1401 million as compared to Rs 1120 Mn. (Q1 FY 2008-09).
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) grew by 25% to Rs.2152 Mn. for Q1 FY 2009-10, from Rs. 1728 Mn. (Q1 FY 2008-09). Margins remain consistent at 20%.

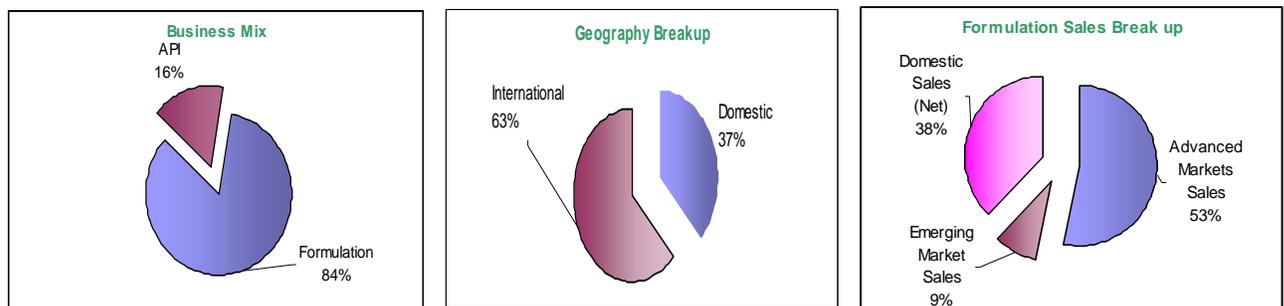
Commenting on Lupin's performance, Dr. Kamal K Sharma, Managing Director, Lupin Limited, said, "On the back of our strong performance over the last 13 quarters, built on innovative market strategies and also our consistent focus on targeting niche therapy segments and developing difficult-to-make products, Lupin today, has the unique distinction of being the fastest growing company amongst the Top 10 players in the Generics markets of U.S, Japan, India and South Africa and it also continues to outpace and outperform the Industry therein. This quarter, in keeping with our consistent track record, Lupin has clocked in an impressive and steady rise of 26 % in the Top-line and 25 % in the bottom-line. We now aim to consolidate on the gains made over the past three years to create the foundation to maintain momentum and scale higher orbits of growth."

Balance Sheet Highlights

- Net Working capital reduced by Rs. 610 Mn. to Rs. 10,778 Mn. as on 30th June 09 against Rs. 11,388 Mn. as on 31st March 09, despite a 26% increase in net sales reflecting optimization on the working capital front.
- Capital Expenditure during the Quarter - Rs. 1525 Mn.
- Debt Equity Ratio improved to 0.47 as on 30th June 2009 from 0.62 as on 31st March 2009.
- FCCB conversions happening at a faster pace.

Profit & Loss Highlights

- Material cost remained constant at 43% of Net Sales at Rs. 4676 Mn. during the quarter as against Rs. 3720 Mn. (Q1 2008-09).
- Personnel cost remained constant at 12% of Net Sales at Rs. 1315 Mn. during the quarter as against Rs. 1014 Mn. (Q1 2008-09).
- Selling, General and Administrative costs reduced by 0.5% to 26.9% of Net Sales at Rs. 2923 Mn. during the quarter as against Rs. 2363 Mn. (Q1 2008-09).
- Taxation reduced to 20% in Q1 2009-10 against 22% in Q1 2008-09 amounting to Rs. 364 Mn. against Rs. 313 Mn.
- Revenue Expenditure on R&D amounts to Rs. 685 Mn., 6.3% to Net sales as against Rs. 477 Mn., 5.5% to Net Sales (Q1 FY 08-09)



Operational Highlights

- Advanced markets Formulation Sales (including US, Europe & Japan) increased 41% to Rs. 4858 Mn. during Q1 FY 2009-10, from Rs. 3450 Mn. (Q1 FY 2008-09). It contributed 45% of the Net Sales for the Quarter.
- Formulation Sales in US and EU grew by 40% to Rs.3551 Mn. during Q1 FY 2009-10, from Rs. 2530 Mn. (Q1 FY 2008-09).
- Lupin remains the fastest growing generic players in the US by prescriptions and the 9th largest in terms of overall prescription base.
- Ranks in the Top 3, in 18 out of 22 generic products in the US market with market leadership (No.1) in 8 of these products. (IMS).
- Overall EU Formulation Sales, including Hormosan, grew by 101% to Rs. 413 Mn. during Q1 FY 2009-10, up from Rs. 206 Mn. (Q1 FY 2008-09).
- Lupin's Japanese subsidiary, Kyowa, contributed 12% of the overall revenues, recording an Impressive Growth of 42% to Rs. 1307 Mn. in Q1 FY 2009-10 from Rs. 920 Mn. (Q1 FY 2008-09)
- Net Sales of India Region Formulations grew by 22% to Rs.3444 Mn. for Q1 FY 2009-10 as compared to Rs. 2834 Mn. (Q1 FY 2008-09).

- South Africa sales grew to Rs. 301 Mn. during Q1, FY 2009-10 representing a growth of over 40% over Q1 2008-09.

Operational Summary

USA & Europe

Lupin continues to maintain its upward growth momentum in the US & European Markets with this region contributing a healthy 33% to total revenues. Sales (Formulations) in US & Europe grew by 40% to Rs. 3551 Mn. from Rs. 2530 Mn. (Q1 FY 08-09).

USA

Quarter 1 also saw Lupin expand its Brand Business in U.S with the acquisition of the worldwide rights for the intra-nasal steroid (INS) product, AllerNaze™ (triamcinolone acetonide, USP) Nasal Spray, 50mcg from Collegium Pharmaceutical, Inc. The INS market generated \$ 2.5 Billion in annual sales in United States alone (IMS data).

Lupin is in the Top 3 in 18 out of 22 of its generic products in the market, out of which 8 are market leaders (IMS).

USFDA Approvals

Lupin received the final approvals for two of the Company's Abbreviated New Drug Application (ANDA) from the U.S. Food and Drug Administration (USFDA). The approvals received were for -

- Levofloxacin tablets 250 mg, 500 mg and 750 mg dosage strengths, and
- Ethambutol Hydrochloride Tablets USP, 100 mg and 400 mg.

The company now has a total of 91 ANDA filings, of which 35 have been approved by the USFDA.

Europe:

The Formulations revenues from EU Markets reported a growth of 101% recording sales of Rs 413 Mn. during Q1 2009-10 as against Rs. 206 Mn. (Q1 FY 2008-09).

Japan

Lupin continues to outpace the generics market in Japan through its subsidiary, Kyowa. In Q1 2009-10, Kyowa registered a phenomenal growth of 42% to record Net Sales at Rs.1307 Mn., as against Rs. 920 Mn. in Q1 2008-09. It contributed 12% to Lupin's overall revenues.

Indian Region Formulation

India forms a very important part of Lupin's overall growth, and contributed 32% to its overall revenues during Q1 FY 2009-10. The India Region Formulations grew by 22% to clock in revenues of 3444 Mn. during Q1 FY 2009-10, as compared to Rs. 2834 Mn. for Q1 2008-09. Branded Formulation sales grew by 24% from Rs. 2336 Mn. to Rs. 2896 Mn.

South Africa

Lupin's South African Business – Pharma Dynamics clocked in revenues of 301 Mn. during Q1, FY 2009-10 representing a growth rate of over 40%.

API

API (Net) sales (Including Novodigm) were at Rs 1752 Mn. for Q1 FY 2009-10 versus Rs. 1966 Mn. for Q1 FY 2008-09. The emphasis as in the past was on value added formulation business.

R&D

Revenue Expenditure on R&D amounts to Rs.685 Mn., 6.3% to Net sales as against Rs. 477 Mn., 5.5% to Net Sales in Q1 FY 2008-09. Lupin's cumulative ANDA filings with the USFDA rose to 91 with the company having received 35 approvals to date. Cumulative Filings with the European regulatory authorities stands at 53 with the company having received 22 approvals to date.

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 today has significant presence in Cardiovasculars (prils and statins), Diabetology, Asthma, Pediatrics, CNS, GI, Anti-Infectives and NSAIDs not to mention global leadership positions in the Anti-TB and Cephalosporins. 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.

Today, Lupin is the fastest growing Generic business in the US as also the 9th largest Generic player in the market in terms of prescriptions base. The company is also the fastest growing in the top 5 pharmaceutical players in India (ORG IMS - March 2009) and top 10 Generic players in Japan and South Africa. (IMS)

For the financial year ended March 2009, Lupin's Consolidated Revenues and Profit after Tax were Rs.39,145 million and Rs. 5015 million respectively.

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