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## Consistent Growth, Net Sales up 17% *India and Japan Drive Growth*

**Mumbai, July 27, 2011:** Pharma Major, Lupin Ltd. reported top-line growth of 17% for the first quarter, FY 2011-12. These unaudited results were taken on record by the Board of Directors at a meeting held in Mumbai today.

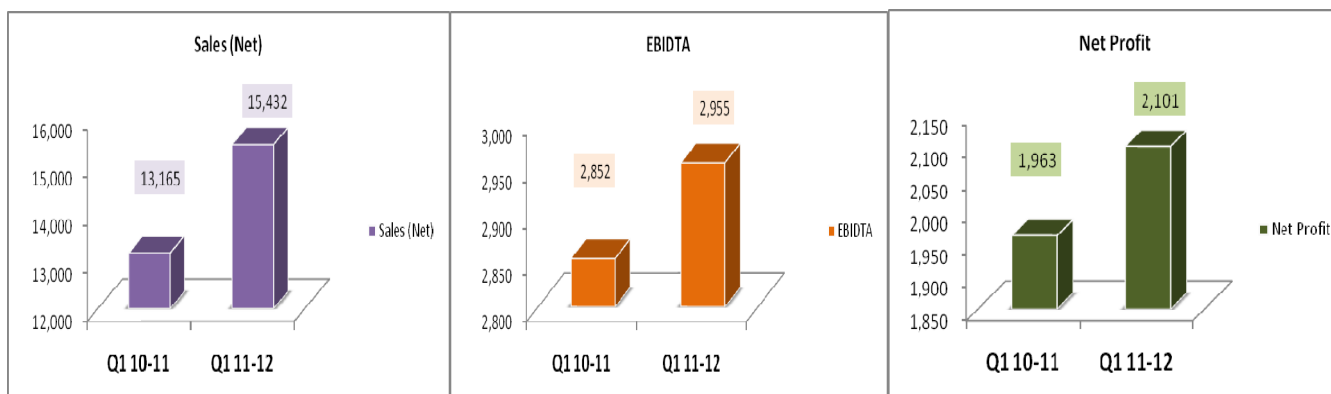
### Key Financial & Performance Highlights

- Net sales grew by 17% to Rs. 15,432 million during Q1, FY 2011-12, up from Rs. 13,165 million (Q1, FY 10-11)
- Net profits grew by 7% to Rs. 2,101 million during Q1, FY 2011-12, as compared to Rs 1,963 million (Q1 FY 10-11)
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) grew by 4% to Rs. 2,955 million during Q1, FY 2011-12, from Rs. 2,852 million (Q1 FY 10-11).

*Commenting on the results, Dr. Kamal K. Sharma, Managing Director, Lupin Limited, said "Backed by 24 quarters of consistent performance, we continue to witness sustained growth across all our markets. This quarter's business performance was primarily fuelled by strong growth from India and Japan."*

### Profit & Loss Highlights

- Material cost increased by 1.8% to 40% of Net Sales, at Rs. 6,169 million during Q1, FY 2011-12, as against Rs. 5,036 million (Q1, FY 2010-11).
- Personnel cost increased by 0.7% to 14.2% of Net Sales, at Rs. 2,193 million during Q1, FY 2011-12, as against Rs. 1,780 million (Q1, FY 2010-11).
- Selling, General and Administrative expenses increased by 0.3% to 28.3 % of Net Sales at Rs. 4,372 million during the Q1, FY 2011-12 as against Rs. 3,683 million during Q1, FY 2010-11.
- Revenue Expenditure on R&D decreased by 0.9% of net sales to Rs. 1074 million, amounting to 7.0% of Net Sales during Q1, FY 2011-12, as against Rs.1,038 million (Q1, FY 2010-11)

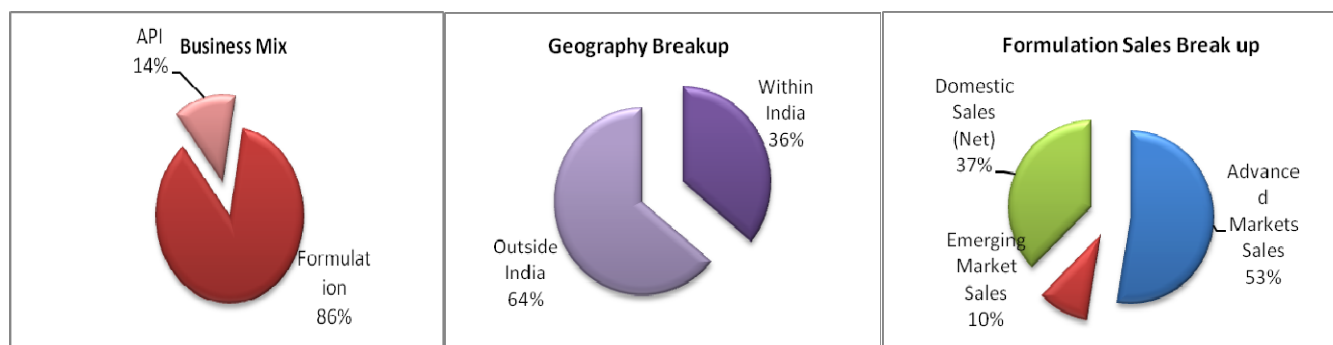


**SALES GROWTH 17%**

**EBIDTA GROWTH 4%**

**PAT GROWTH 7%**

(All Figures are in Rs. Million)



### Balance Sheet Highlights

- Net Operating Working capital decreased by 9% to Rs. 11,880 million as on 30th June, 2011 as against Rs. 13,082 million as on 31st March, 2011.
- Capital Expenditure stands at Rs.1,199 million during the quarter.
- Debt Equity Ratio improved to 0.16 as on 30th June, 2011 from 0.22 as on 31st March, 2011.

### Business Highlights

- Advanced markets Formulation sales (including US, Europe & Japan) increased by 11 % to Rs. 7,013 million during Q1, FY 2011-12, up from Rs. 6,310 million (Q1, FY 2010-11). It contributed 45 % of the Net Sales for the Quarter.
- Emerging markets Formulation sales (including India) grew by 27 % to Rs. 6,317 million, up from Rs 4,980 million (Q1, FY 2010-11). It contributed 41 % of net sales for the Quarter.
- Formulation Sales in US and EU grew by 7% to Rs 5,347 million during Q1, FY 2011-12, up from Rs. 5,011 million, (Q1 FY 2010-11).
- Lupin remains the 5th largest Generic player in the U.S. in terms of prescriptions (IMS Health)

- Lupin's Japanese subsidiary, Kyowa grew by 28% to Rs. 1,666 million during Q1, FY 2011-12 and contributed 11 % of the overall revenues during the quarter.
- Net Sales of India Region Formulations grew by 17% to Rs. 4,969 million during Q1, FY 2011-12 as compared to Rs. 4,242 million (Q1, FY 2010-11).
- During the quarter the company filed four ANDA's and received four approvals.
- API (Net) sales grew by 12% clocking Net Sales of Rs. 2,102 million.
- Sales for Lupin's South African subsidiary, Pharma Dynamics grew by 47% to Rs. 587 million during Q1, FY 2011-12 as against Rs. 399 million (Q1, FY 2010-11.)
- Lupin's Australian subsidiary, Generic Health Pty Ltd. acquires the worldwide rights to the GOANNA® brand from Aspen Pharmacare.

## **Operational Summary**

### **USA & Europe**

US & Europe formulation sales contributed 35% to consolidated revenues. Sales (Formulations) for US & Europe grew by 7% to Rs. 5,347 million during Q1, FY 2011-12, as against Rs. 5,011 million (Q1, FY 2010-11).

### **USA**

The Brands Business contributed 30% to the total US sales and Generics business contributed 70% during Q1, FY 2011-12.

The Brand Business growth was driven by strong growth in both Suprax® Suspension as well as Suprax® Tablets.

The company further expanded and consolidated on its generic product portfolio in the U.S. during the quarter. Lupin remains the 5th largest Generic player in the U.S. (by prescriptions) as also the fastest growing Top 5 generic player in the U.S. 13 out of 30 generic products in the U.S. rank No 1 by market share and 28 out of these 30 products are in the Top 3 by Market share.

Lupin Pharmaceutical Inc. also won the 2011 DIANA Award, presented by the Healthcare Distribution Management Association (HDMA) for the Best Overall Generic Product Manufacturer for companies with sales of up to \$100 million in the Healthcare Distributor market.

### **USFDA Approvals**

During the quarter the company filed four ANDA's bringing the Cumulative filings as of Q1, FY 2011-12, to 152 ANDA filings, of which 51 stand approved by the U.S. FDA.

During the Quarter, Lupin received approvals for its Metformin Hydrochloride Extended-Release Tablets, 500 mg and 1000 mg, Levofloxacin 250 mg, 500 mg and 750 mg tablets, Pregabalin Capsules, 25 mg, 50 mg, 75 mg, 100 mg, 150 mg, 200 mg, 225 mg and 300 mg, and Levetiracetam ER Tablets 500 mg and 750 mg from the U.S. Food and Drug Administration (U.S. FDA). The Company launched Levofloxacin Tablets in the quarter.

Lupin also got into an alliance with Natco Pharma to jointly commercialize a generic equivalent of Glaxo's Tykerb® (Lapatinib ditosylate) tablets. Natco had filed an abbreviated new drug application (ANDA) seeking U.S. FDA's approval for marketing generic equivalent of Tykerb® 250 mg tablets. Natco and Lupin believe that they are first-to-file an ANDA containing a Paragraph IV certification for Lapatinib. Tykerb® had sales of USD 113.6 Million as of March 2011 (IMS).

## **Europe**

The European business grew 17% in the quarter. Hormosan, the Company's German subsidiary grew by 12% in the quarter.

## **Japan**

Lupin's subsidiary, Kyowa Pharmaceuticals grew by 28% clocking Net Sales of Rs. 1,666 million during Q1, FY 2011-12, as against Rs. 1,299 million (Q1, FY 2010-11) and contributed 11% of Lupin's consolidated revenues.

## **India Region Formulation**

The India Formulations business grew by 17% to clock in revenues of Rs 4,969 million during Q1, FY 2011-12, as compared to Rs. 4,242 million for Q1 2010-11. It contributed 32% to the company's overall revenues during Q1, FY 2011-12.

## **South Africa**

Lupin's South African Business, Pharma Dynamics clocked in revenues of Rs 587 million during Q1, FY 2011-12, representing a growth of 47%.

## **Australia**

Lupin's Australian subsidiary, Generic Health Pty Ltd. acquired the worldwide rights to the Goanna® brand and the complete range of premium therapeutic oils, rubs and ointments marketed under the brand. The brand is being sold by about 83% of pharmacies in Australia, which would go a long way in increasing our reach in the market. The brand was acquired from Aspen Pharmacare.

## **API**

API (Net) sales continued to post consistent growth clocking Net Sales of Rs. 2,102 million, growing by 12 % and contributed 14% to Lupin's consolidated revenues.

## **R&D**

Revenue Expenditure on R&D decreased by 0.9% of net sales to Rs. 1074 million, amounting to 7.0% of Net Sales during Q1, FY 2011-12, as against Rs.1,038 million (Q1, FY 2010-11). Lupin's cumulative ANDA filings with the US FDA rose to 152 with the company having received 51 approvals to date.

The company continues to beef up its product pipeline for the European Market. Cumulative Filings with the European regulatory authorities now stands at 95 with the company having received 46 approvals to date.

The company's Biotechnology Research Group inked a strategic licensing agreement with Sydney based private specialty life science company NeuClone Pty Ltd for their cell line technology. Under the terms of the agreement, NeuClone will provide an exclusive proprietary mammalian CHO cell line which will express a specific recombinant protein of interest in Oncology to Lupin.

## **About Lupin Limited**

Headquartered in Mumbai, India, Lupin Limited is an innovation led transnational pharmaceutical company producing a wide range of generic and branded formulations and APIs. The Company today has significant presence in Cardiovasculars, 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 5th largest and the fastest growing 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 Health)

For the financial year ended March 2011, Lupin's Consolidated Sales and Profit after Tax were Rs. 57,068 million (USD 1.28 Billion) and Rs. 8,626 million (USD 193 million) respectively.

Please visit <http://www.lupinworld.com> for more information

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