



**Record Sales & Profits**  
**Quarter II Results, FY 2012-13**  
**Net Sales up 29%, EBITDA up 28%,**  
**PBT up 27%, PAT up 9%**

**Mumbai, October 23, 2012:** Pharma Major, Lupin Ltd. reported its performance for the second quarter ended 30<sup>th</sup> September, 2012. These unaudited results were taken on record by the Board of Directors at a meeting in Mumbai today.

**Key financial & performance highlights**

- Net sales grew by 29% to Rs. 22,393 m. during Q2 FY 2012-13, up from Rs. 17,417 m. (Q2 FY 2011-12)
  - **H1 FY 2012-13:** YoY growth of 36% to Rs. 44,584 m. from Rs. 32,848 m.
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) grew by 28% to Rs. 5,203 m. during Q2 FY 2012-13, up from Rs. 4,057 m. (Q2 FY 2011-12)
  - **H1 FY 2012-13:** YoY growth of 43% to Rs. 10,014 m. from Rs. 7,013 m.
- Profit before tax (PBT) grew by 27% to Rs. 4,412 m. during Q2 FY 2012-13, up from Rs. 3,468 m. (Q2 FY 2011-12)
  - **H1 FY 2012-13:** YoY growth of 44% to Rs. 8,470 m. from Rs. 5,895 m.
- Net profits grew by 9% to Rs. 2,905 m. during Q2 FY 2012-13, up from Rs. 2,669 m. (Q2 FY 2011-12)
  - **H1 FY 2012-13:** YoY growth of 20% to Rs. 5,709 m. from Rs. 4,770 m.
- **Financial Performance normalized for Medicis IP income of Rs. 881m in previous year**

Particulars	Figures in Rs. m		
	Q2 FY13	Q2 FY12	Growth
Adjusted EBITDA	5,203	3,176	63.8%
Adjusted PBT	4,412	2,587	70.5%
Adjusted PAT	2,905	2,074	40.1%

Commenting on the results, **Dr. Kamal K. Sharma, Managing Director, Lupin Limited**, said "We have had a record first half, driven by strong operating performance and sustained growth across all our business segments. Our growth momentum continues."

## Press Release



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### Unaudited consolidated financial results for the quarter ended September, 2012 (YoY comparison)

Figures in Rs. m

Particulars	Q2 2012-13	% of net sales	Q2 2011-12	% of net sales	YoY growth %
Net sales	22,393	100%	17,417	100.0%	28.6%
Other operating income	614	2.7%	296	1.7%	107.5%
Total revenue	23,007	102.7%	17,713	101.7%	29.9%
Raw material consumed	8,898	39.7%	5,977	34.3%	48.9%
Gross margin (excl. other operating income)	13,495	60.3%	11,440	65.7%	18%
Employees cost	3,000	13.4%	2,270	13.0%	32.2%
Manufacturing & other expenses	5,949	26.6%	5,436	31.2%	9.4%
Operating margin	5,160	23.0%	4,030	23.1%	28.0%
Other income	43	0.2%	28	0.2%	57.5%
EBITDA	5,203	23.2%	4,058	23.3%	18.2%
Depreciation	690	3.1%	522	3.0%	32.27%
EBIT	4,513	20.2%	3,536	20.3%	27.7%
Interest & finance charges	101	0.4%	67	0.4%	49.9%
PBT	4,412	19.7%	3,469	19.9%	27.2%
Tax	1,438	6.4%	751	4.3%	91.6%
PAT	2,974	13.3%	2,718	15.6%	9.4%
Minority interest & share of loss in associates	69	0.3%	49	0.3%	41.4%
Net profit	2,905	13.0%	2,669	15.3%	8.9%

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### Profit & loss highlights

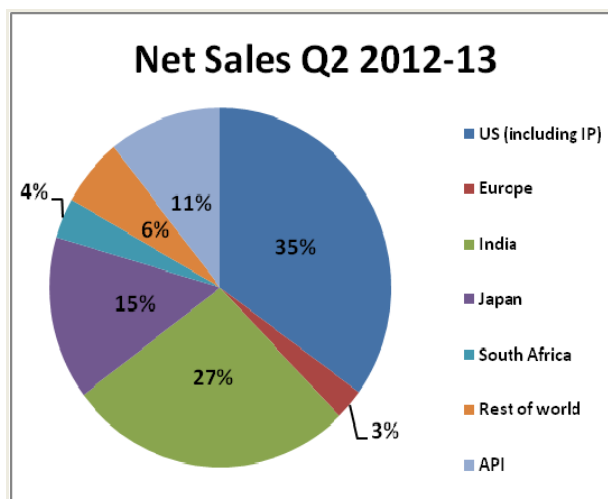
- Material cost increased by 5.4% to 39.7% of net sales, at Rs. 8,898 m. during Q2 FY 2012-13 as compared to Rs. 5,977 m. during Q2 FY 2011-12. However manufacturing & other expenses decreased by 4.6% to 26.6% of net sales at Rs. 5,949 m. during Q2 FY 2012-13 as compared to Rs. 5,436 m. during Q2 FY 2011-12.
- Personnel cost increased by 0.4% to 13.4% of net sales, at Rs. 3,000 m. during Q2 FY 2012-13, as against Rs. 2,270 m. (Q2 FY 2011-12).
- Revenue expenditure on R&D stood at 4.2% of net sales at Rs. 935 m., as compared to Rs. 1,380 m. during Q2 FY 2011-12.

### Balance sheet highlights

- Operating working capital increased to Rs. 21,322 m. as on 30th September, 2012 as against Rs. 19,256 m. as on 30<sup>th</sup> June, 2012. The working capital number of days stood at 87 days as on 30<sup>th</sup> September, 2012 as against 78 days on 30<sup>th</sup> June, 2012.
- Capital Expenditure stood at Rs. 1,277 m. during the quarter.
- Debt Equity Ratio stood unchanged from 30<sup>th</sup> June, 2012, at 0.26.

### Business Segments - Revenue Mix

Particulars	Q2 2012-13	Q2 2011-12	YOY growth %
<b>Formulations</b>	<b>20,001</b>	<b>15,441</b>	<b>30%</b>
US (including IP)	7,818	6,486	20%
Europe	626	461	36%
India	6,064	5,120	18%
Japan	3,301	1,780	85%
South Africa	810	679	19%
Rest of world	1,382	915	51%
API	2,392	1,976	21%
<b>Total net sales</b>	<b>22,393</b>	<b>17,417</b>	<b>29%</b>





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### Operational highlights

#### US & Europe

US & Europe formulation sales contributed 38% to the Company's overall consolidated revenues for Q2 FY 2012-13. Formulation Sales for US & Europe grew by 40% to Rs. 8,355 m. during Q2 FY 2012-13, as against Rs. 5,981 m. Q2 FY 2011-12.

- US formulation sales including IP income grew by 21% to Rs. 7,818 m. during Q2 FY 2012-13 as compared to Rs. 6,486 m. in Q2 FY 2011-12. The growth adjusted for Medicis IP income is Rs. 2,213 m. reflecting a 40% growth over the previous year.
- US Revenues increased to USD 144 m. from USD 122 m., recording a growth of 18%.
- Lupin remains the 5th largest Generic player in the US (by prescriptions- IMS Health). Lupin is now the market leader in 19 products out of the 42 products marketed in the US generics market. The Company is amongst the Top 3 by market share in 37 of these products (June, 2012, IMS Health).
- The Company received approval for 3 products from the US FDA during the quarter.
- The European business grew 36% during Q2 FY 2012-13.

#### India formulations

The Indian market contributed 27% of the Company's overall revenues for the quarter. The Company's India formulations business grew by 18% recording revenues of Rs. 6,064 m. during Q2 FY 2012-13, as compared to Rs. 5,120 m. in Q2 FY 2011-12.

#### Japan

Lupin's Japan Sales (Kyowa + I'rom) grew by 85% clocking net sales of Rs. 3,018 m. during the quarter, as compared to Rs. 1,780 m. in Q2 FY 2011-12. Japan now contributes 15% to Lupin's consolidated revenues. Total revenues increased to JPY 4,692 m. from JPY 3,301 m., a growth of 55% in JPY terms.

Kyowa revenues (excluding I'rom) grew by 31% clocking net sales of Rs. 2,327 m. during Q2 FY 2012-13, as compared to Rs. 1,780 m. (Q2 FY 2011-12). In JPY terms, Kyowa revenues (excluding I'rom) increased to JPY 3,310 m from JPY 3,018 m in the previous year, reflecting a growth of 10%.

#### South Africa

Lupin's South African Business, Pharma Dynamics clocked in revenues of Rs. 810 m. during Q2 FY 2012-13, representing a growth of 19%.

#### API

API net sales were Rs. 2,392 m. in the quarter as compared to Rs. 1,976 m. during Q2 FY 2011-12 and contributed 11% to Lupin's consolidated revenues.

#### R&D

Revenue expenditure on R&D for Q2 FY 2012-13 amounted to Rs. 935 m., 4.2% to net sales as against Rs. 1,380 m., 7.9% to net sales in Q2 FY 2011-12. This is on account of lower expenditure towards legal and professional charges incurred during the quarter.

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Revenue expenditure on R&D for H1 FY 2012-13 amounted to Rs. 2,717 m. (6.1%) as against 2,454 m. (7.5%) for H1 FY2011-12

Lupin filed 2 ANDAs during the quarter. Cumulative ANDA filings with the US FDA now stand at 178 with the company having received 65 approvals to date. The Company filed 2 MAAs with European regulatory authorities during the quarter.

### **About Lupin Limited**

Headquartered in Mumbai, Lupin is an innovation led transnational pharmaceutical company producing and developing a wide range of branded and generic formulations and APIs. The Company is a significant player in the Cardiovascular, Diabetology, Asthma, Pediatric, CNS, GI, Anti-Infective and NSAID space and holds global leadership positions in the Anti-TB and Cephalosporin segment.

Lupin is the 5th largest and fastest growing generics player in the US (5.1% market share by prescriptions, IMS Health) and the 3<sup>rd</sup> largest Indian pharmaceutical company by sales. The Company is also the fastest growing top 10 generic pharmaceutical players in Japan and South Africa (IMS).

For the financial year ended March 2012, Lupin's Consolidated Total Income and Profit after Tax were Rs. 70,972 million (USD 1.49 billion) and Rs.8,676 million (USD 182 million) respectively. Please visit <http://www.lupinworld.com> for more information.

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

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