



Record Sales and Profits Quarter III Results, FY 2012-13 *Net Sales up 38%, EBITDA up 68%, PAT up 43%*

Mumbai, January 31, 2013: Pharma Major, Lupin Ltd. reported its performance for the third quarter ended 31st December, 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 37.6% to Rs. 24,659 m. during Q3 FY 2012-13, up from Rs. 17,917 m. (Q3 FY 2011-12)
 - **9M FY 2012-13:** YoY growth of 36.4% to Rs. 69,243 m. from Rs. 50,765 m.
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) grew by 67.6% to Rs. 6,314 m. during Q3 FY 2012-13, up from Rs. 3,768 m. (Q3 FY 2011-12)
 - **9M FY 2012-13:** YoY growth of 51.5% to Rs. 16,329 m. from Rs. 10,781 m.
- Profit before tax (PBT) grew by 78.6% to Rs. 5,550 m. during Q3 FY 2012-13, up from Rs. 3,107 m. (Q3 FY 2011-12)
 - **9M FY 2012-13:** YoY growth of 55.8% to Rs. 14,020 m. from Rs. 9,001 m.
- Net profits grew by 42.6% to Rs. 3,352 m. during Q3 FY 2012-13, up from Rs. 2,351 m. (Q3 FY 2011-12)
 - **9M FY 2012-13:** YoY growth of 27.3% to Rs. 9,061 m. from Rs. 7,120 m.

Commenting on the results, Dr. Kamal K. Sharma, Managing Director, Lupin Limited, said "We had a record quarter driven by strong operating performance and growth in the US. Importantly, we continue to improve on margins consistently."

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Unaudited consolidated financial results for the quarter ended December 31st, 2012 (YoY comparison)

Figures in Rs. m

Particulars	Q3 2012-13	% of net sales	Q3 2011-12	% of net sales	YoY growth %
Net sales	24,659	100%	17,917	100.0%	37.6%
Other operating income	352	1.4%	286	1.6%	23.2%
Total revenue	25,011	101.4%	18,203	101.6%	37.4%
Raw material consumed	9,357	37.9%	6,258	34.9%	49.5%
Gross margin (excl. other operating income)	15,302	62.1%	11,659	65.1%	31.2%
Employees cost	3,165	12.8%	2,524	14.1%	25.4%
Manufacturing & other expenses	6,440	26.1%	5,673	31.7%	13.5%
Operating margin	6,049	24.5%	3,748	20.9%	61.4%
Other income	265	1.1%	20	0.1%	1245.8%
EBITDA	6,314	25.6%	3,768	21.0%	67.6%
Depreciation	688	2.8%	576	3.2%	19.4%
EBIT	5,626	22.8%	3,192	17.8%	76.3%
Interest & finance charges	76	0.3%	85	0.5%	-10.4%
PBT	5,550	22.5%	3,107	17.3%	78.6%
Tax	2,116	8.6%	701	3.9%	201.8%
PAT	3,434	13.9%	2,406	13.4%	42.7%
Minority interest & share of loss in associates	82	0.3%	55	0.3%	48.4%
Net profit	3,352	13.6%	2,351	13.1%	42.6%

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Profit & loss highlights

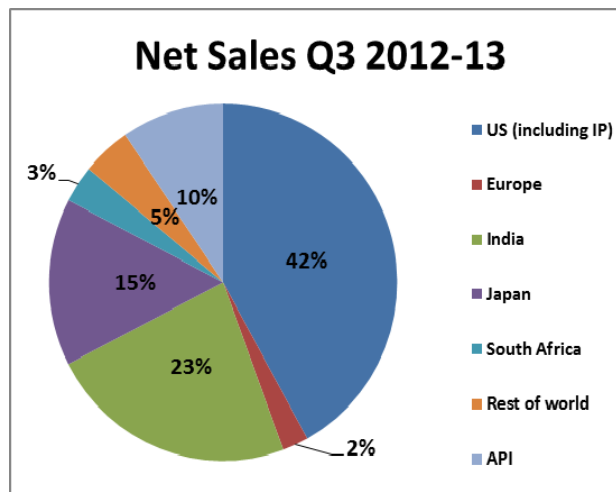
- Material cost increased by 3% to 37.9% of net sales, at Rs. 9,357 m. during Q3 FY 2012-13 as compared to Rs. 6,258 m. during Q3 FY 2011-12. However manufacturing & other expenses decreased by 5.6% to 26.1% of net sales at Rs. 6,440 m. during Q3 FY 2012-13 as compared to Rs. 5,673 m. during Q3 FY 2011-12.
- Personnel cost decreased by 1.3% to 12.8% of net sales, at Rs. 3,165 m. during Q3 FY 2012-13, as against Rs. 2,524 m. (Q3 FY 2011-12).
- Revenue expenditure on R&D stood at 9.7% of net sales at Rs. 2,382 m., as compared to Rs. 1,410 m. during Q3 FY 2011-12.

Balance sheet highlights

- Operating working capital increased to Rs. 22,855 m. as on 31st December, 2012 as against Rs. 21,322 m. as on 30th September, 2012. The working capital number of days stands at 90 days as on 31st December, 2012 as against 87 days on 30th September, 2012.
- Capital Expenditure stood at Rs. 970 m. during the quarter.
- Debt Equity Ratio as on 31st December, 2012, was 0.21.

Business Segments - Revenue Mix

Particulars	Q3 2012-13	Q3 2011-12	YOY growth %
Formulations	22,306	15,936	40%
US (including IP)	10,390	6,188	68%
Europe	598	644	-7%
India	5,708	5,011	14%
Japan	3,658	2,468	48%
South Africa	831	583	43%
Rest of world	1,121	1,042	8%
API	2,353	1,981	19%
Total net sales	24,659	17,917	38%





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Operational highlights

US & Europe

US & Europe formulation sales contributed 44% to the Company's overall consolidated revenues for Q3 FY 2012-13. Formulation Sales for US & Europe grew by 60% to Rs. 10,829 m. during Q3 FY 2012-13, as against Rs. 6,763 m. Q3 FY 2011-12.

- US formulation sales including IP income grew by 68% to Rs. 10,390 m. during Q3 FY 2012-13 as compared to Rs. 6,188 m. in Q3 FY 2011-12.
- US Revenues increased to USD 193 m. from USD 124 m. in Q3 FY 2011-12, recording a growth of 56%.
- In the quarter, Lupin launched 5 products in the US market.
- Lupin is now the market leader in 22 products out of the 43 products marketed in the US generics market. The Company is amongst the Top 3 by market share in 38 of these products.
- The Company received approval for 3 products from the US FDA during the quarter.
- European revenues declined by 7% during Q3 FY 2012-13.

India formulations

The Indian formulations contributed 23% of the Company's overall revenues for the quarter. The Company's India formulations business grew by 14% recording net revenues of Rs. 5,708 m. during Q3 FY 2012-13, as compared to Rs. 5,011 m. in Q3 FY 2011-12.

Japan

Lupin's Japan Sales (Kyowa + I'rom) grew by 48% clocking net sales of Rs. 3,658 m. during the quarter, as compared to Rs. 2,468 m. in Q3 FY 2011-12. Japan now contributes 15% to Lupin's consolidated revenues. Total revenues increased to JPY 5,497 m. from JPY 3,855 m., a growth of 43% in JPY terms.

In JPY terms, Kyowa revenues (excluding I'rom) increased to JPY 3,910 m from JPY 3,360 m in the previous year, reflecting a growth of 16%. In INR terms, Kyowa revenues (excluding I'rom) increased to Rs. 2,602 m from Rs. 2,151 m in the previous year, reflecting a growth of 21%.

South Africa

Lupin's South African Business, Pharma Dynamics clocked in revenues of Rs. 831 m. during Q3 FY 2012-13, representing a growth of 43%.

API

API net sales were Rs. 2,353 m. in the quarter as compared to Rs. 1,981 m. during Q3 FY 2011-12, a growth of 19%. API sales now contribute 10% to Lupin's consolidated revenues.

R&D

Revenue expenditure on R&D for Q3 FY 2012-13 amounted to Rs. 2,382 m., 9.7% to net sales as against Rs. 1,410 m., 7.9% to net sales in Q3 FY 2011-12.

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Revenue expenditure on R&D for 9M FY 2012-13 amounted to Rs. 5,099 m. (7.4%) as against 3,864 m. (7.6%) for 9M FY2011-12

Lupin filed 8 ANDAs and received 3 approvals from the US FDA during the quarter. The Company withdrew 16 ANDA's which were pending for approval with the US FDA. Cumulative ANDA filings with the US FDA as of December 31st, 2012 stood at 168 with the company having received 68 approvals to date.

The Company filed 2 MAAs with European regulatory authorities during the quarter & has received 2 approvals as well. Cumulative filings with European authorities now stand at 49 with the company having received 34 approvals to date.

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 3rd 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 -

Shamsher Gorawara

Head – Corporate Communications

Lupin Limited:

Ph: +91 98 20 338 555

Email: shamshergorawara@lupinpharma.com or

Rajiv Pillai

Head – Investor Relations

Lupin Limited:

Ph: +91 98 20 552 083

Email: rajivpillai@lupinpharma.com