

Lupin-Aspen sign MOU for Anti-TB Joint Venture

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Mumbai, February 27, 2006: Lupin Limited and Aspen Pharmacare Holdings Ltd., South Africa have entered into a Memorandum of Understanding for the establishment a 50:50 Joint Venture for the development, manufacture and global marketing (except US, South Africa & India Trade) of selected Anti-TB products.

While Lupin has traditional strengths in Anti-TB formulations and Active Pharmaceutical Ingredients (APIs), Aspen will bring a range of MDR-TB products to the Venture. Both parties believe that there would be synergies derived from Lupin's traditional strengths and Aspen's experience in the Anti-retroviral business and Africa presence. There is a global trend of bundling the treatments of HIV, TB & Malaria.

As per current statistics, 8.6 million fresh TB cases get diagnosed every year and it is believed that only 70% of the infected are diagnosed and a lesser percentage actually treated. Estimates by a study group constituted by WHO in 2001 puts the market size at USD 550 - 600 million for the first line TB products. Out of this, 50% of the market is considered to be Institutional and the balance is prescription based. The multi-drug resistant TB (MDR-TB), which is caused by bacteria resistant to Rifampicin and/or INH or both drugs is emerging as a major problem. While the cost of treatment of normal TB with first line drugs is estimated at USD 40 - 100 per patient, the MDR-TB treatment cost is substantially higher. The cost of treatment is about USD 800 per patient under WHO managed program as per Green Light Committee. The MDR-TB market is expected to grow exponentially over the next 4-5 years.

The JV will also investigate opportunities to enter the Malaria market. The total Malarial market is estimated at approx. USD 500 million, of which 85% is concentrated in Africa.

Dr. D. B. Gupta, Chairman, Lupin Limited said, "We believe that this is a very important step in providing comprehensive therapeutic care in the areas of conventional TB, MDR-TB and Malaria, which are pandemic in nature and a concerted effort is required to provide treatment to the infected. Lupin and Aspen together are best suited to address these disease areas."

Mr. Stephen Saad, Group CEO, Aspen Pharmacare Holdings Ltd. said, "Aspen has long been committed to sourcing and providing solutions to infectious diseases encompassing HIV/Aids, TB and Malaria. Our efforts are underpinned by strategic agreements entered into with leading multinationals for the manufacture and supply of multi-drug resistant tuberculosis (MDR-TB) products and generic anti-

retrovirals (ARVs). This agreement further emphasises our resolve to be an active participant in fighting these diseases which are such a scourge on our continent."

About Lupin

Headquartered in Mumbai, Lupin Ltd. is a leading pharmaceutical company with strong research focus. It has a programme for developing New Chemical Entities (NCE). The Company has state of the art R&D centre in Pune. The Company is a leading global player in Anti-TB, Cephalosporins (anti-infectives) & Cardiovascular drugs (prils and statins) and has a notable presence in the areas of diabetology, NSAIDS and Asthma.

During the first nine months of the current financial year, the Company's revenues and profit after tax were Rs.12,267 million and Rs.1,325 million, respectively.

About Aspen:

Aspen (<http://www.aspenpharma.com>) is the southern hemisphere's largest generic pharmaceutical manufacturer and a global leader in generic Anti-Retrovirals (ARVs). Aspen is also acknowledged as Africa's largest pharmaceutical manufacturer and as a major supplier of branded pharmaceutical and healthcare products to southern African and selected international markets. Aspen is one of the top 20 generic manufacturers worldwide and South Africa's number one generic brand. Aspen employs over 2500 people. Aspen is listed on JSE Limited (JSE) and has a current market cap in excess of R15 billion (\$ 2.44 bn).

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