



Press Release

Lupin Q2 FY 08-09 – Strong Performance & Strategic Growth

Consolidated Net Profit up 53% to Rs. 1156 Mn, Sales at Rs 9221 Mn up by 36 %

Key Highlights

- Gross Sales up 36.5% to Rs. 9221 Mn
- EBITDA* margin 22.8% at Rs. 2099 Mn, an increase of 60%
- Net Profit* at Rs. 1421 Mn, an increase of 88%
- Business Mix:

Formulations: Rs. 7296 Mn (79%)
APIs: Rs. 1925 Mn (21%)

International Markets: Rs. 5449 Mn (59%)
Domestic Market: Rs.3772 Mn (41%)

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*Note – * Adjusted for Employee Benefits Payable under VRS*

Figures in brackets indicate figures for the previous year

Mumbai, October 24, 2008: Indian Pharma Major, Lupin Limited, today reported revenues of Rs. 9221 mn for the quarter ended September 2008, a rise of 36.5% from revenues of Rs. 6756 mn in the corresponding period last year.

International market revenues at Rs. 5449 mn, recorded a rise of 65%. Of these, Formulation Business in Advanced Markets constituted 70% at Rs. 3820 mn. Formulation revenues from domestic market at recorded an increase of 24% to Rs. 3033 mn.

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) (adjusted for Employee benefits payable under VRS Rs. 297 mn) were Rs. 2099 mn (Rs.1314 mn) a rise of 60%. After Interest and Finance charges of Rs. 127 mn (Rs. 80 mn) and Depreciation of Rs. 201 mn (Rs.140 mn), Profit before Tax grew by 35% to Rs. 1474 mn (Rs. 1094 mn). Provision for taxation including Fringe Benefit Tax was Rs. 312 mn (Rs. 338 mn)

Net profit for the quarter increased by 53% to Rs.1156 mn (Rs.756 mn). Net Profit for the quarter (adjusted for Employee benefits payable under VRS) works out to an increase of 88% at Rs. 1421 mn.

Commenting on the Company's business results, Dr. Kamal Sharma, Managing Director, Lupin, said,

"In keeping with the momentum generated by an excellent Q1, Lupin continues to outpace the markets. Engineered by design and as expected, Lupin has had a very strong first half year driven by growth and consistent performance across all business segments and markets: a very strong business performance in the US, solid domestic growth & increased activity in all key international markets.

Lupin's strategic acquisitions and equity partnerships are built around achieving strategic fit & market efficiencies. These acquisitions have not only consolidated our existing presence in these markets but has also given us market leadership positions in the same - and leaves us strategically poised to further strengthen our position in the global generics and branded generics market.

Furthermore, recent product approvals and growth in filings across markets this quarter are a testament to our increased strengths in R&D and the quality of our Intellectual property - a testimony to Lupin's larger goal of developing and delivering quality, cost-effective drugs for everybody."

Operational Summary

- Successfully achieved and closed Strategic Acquisitions & Equity Partnerships in Germany, Australia and South Africa - Hormosan (Germany), Pharma Dynamics - South Africa, Equity Partnership with Generic Health - Australia
- Successfully launched Divalproex Sodium Delayed-Release Tablets, 125 mg, 250 mg and 500 mg in the US following USFDA Approvals
- Forged Strategic Alliance in the US with Forest Laboratories, Inc. for Marketing and promoting AeroChamber Plus® thereby extending Lupin's presence in the respiratory segment and our franchise with Pediatricians
- Awarded the Wal-Mart Supplier Award of Excellence for the 2nd Quarter 2008 - for overall commitment, performance, on-time shipping, innovative programs and overall partnership
- Domestic Formulations Business Growth at net sales level at 23.8% - outpaces and outperforms market growth rate of 12.8 %, (ORG MAT September 08)
- Business in Japan contributes 11% to overall revenues

Advanced markets

The Company's Advanced markets formulation business in USA and Europe clocked in sales of Rs 2719 mn during the Q2, 2008-09, (Q2 2007-08: RS 1570 mn) reporting a growth of 79%

USA & Europe

In the US, Lupin Pharmaceuticals, Inc recorded sales of Rs 2522 mn during the quarter (Rs 1389 mn Q2-2007-08) recording a growth of 82% .

LPI has garnered a steady growth in prescriptions for generics as well as branded formulations during the quarter. The company achieved market leadership in 7 of the 20 products in the US market including Ramipril (IMS Aug 08). The US Direct to Market business also saw the launch of Divalproex Sodium Delayed-Release Tablets, 125 mg, 250 mg and 500 mg having received the final approval for the Company's Abbreviated New Drug Application (ANDA) from the U.S. Food and Drug Administration (USFDA). Commercial shipments of the product have already commenced.

LPI also forged a Strategic Alliance with Forest Laboratories, Inc. for marketing and promoting AeroChamber Plus® thereby extending Lupin's presence in the respiratory segment and our franchise with Pediatricians. AeroChamber Plus® is a Valved Holding Chamber (VHC) device that is used with metered dose inhalers to improve the delivery of medication to the lungs in the treatment of asthma and COPD. AeroChamber Plus® is the most widely prescribed holding chamber in the United States.

LPI was also recognized by Wal-Mart and awarded its prestigious "Supplier Award of Excellence" for the 2nd Quarter 2008 - for overall commitment, performance, on-time shipping, innovative programs and quality of overall partnership - which is an acknowledgement of the inroads that the company has made into the US markets and the recognition of our strengths.

Suprax continues to perform well although this is the off-peak season for the product.

Europe

Lupin further consolidated its market position in Europe in Q2 by completing its acquisition of Hormosan Pharma GmbH (Hormosan), a German generics company specialized in the supply of pharmaceutical products for the Central

Nervous System (CNS). Hormosan has a strong brand identity in the German generics market through its strong patient compliance message, essential for patients within the CNS sector.

Emerging Markets:

The **Formulations** revenues from emerging markets including India reported a growth of 22% recording sales of Rs 3475 Mn during Q2, 2008-09 (Rs 2838 Mn, 2007-08)

API revenues from emerging markets (including India) were at Rs 1720 Mn (Rs 2158 Mn) down 20%. The Company's CRAMS business through the new entity Novodigm is progressing well, reporting sales of Rs 160 mn for the second quarter. .

Domestic Market: India:

Company's domestic formulations business in the second quarter registered gross Sales of Rs. 3033 mn, registering a growth of 24 % at the net sales level. For better representation, the sales arising from deemed exports of Rs. 90 mn (Rs. 96 mn), and formerly recorded under domestic sales have not been classified along with the domestic formulations business. This growth was driven by the good performance in the CVS, Diabetes, CNS, Asthma and Gastro Segments. The divisions catering to branded segments continued to outpace the industry growing over 27%. Lupin has maintained its leadership in Anti-TB segment and has secured a double digit market share in the anti-asthma market riding high on the strengths of its offerings in this segment.

Other World Markets

The RoW Markets reported sales of Rs 442 Mn for the second quarter recording a growth of 33%.

Japan

Kyowa, the Company's subsidiary in Japan posted robust sales at Rs 1013 mn registering a growth of 24% over the first half of previous year, contributing 11% to Lupin's overall formulation revenues.

The recently launched Amlodipine "Amel" has made rapid strides towards gaining majority market share in the first 4 months and Risperidone "Amel", which was launched last year, gained market leadership in unit terms.

Australia

Lupin further strengthened and consolidated its position in the Australian Generic market by getting into a strategic equity partnership with Generic Health in Q2. Lupin has already filed 16 dossiers of generic products with a total market size of about AUD 850 Mn and has approvals for 14 of these. With this equity partnership with Generic Health, Lupin aims to further enhance its product reach and market penetration.

South Africa

Lupin also completed the acquisition of a majority stake in Pharma Dynamics (PD) in South Africa during Q2 - 08-09. PD is amongst the fastest growing generic companies in South Africa with a clear leadership in the cardiovascular segment.

PD ranks at number 6 amongst generic companies and is currently growing at 34% per annum as per IMS. The South African Generics Market is currently valued at close to 800 Million USD and growing rapidly.

Research & Development

Progress on Approvals & Filings

During the quarter the company made six ANDA filings taking the cumulative ANDA filings to sixty nine. The company also filed five MAAs with the European and Australian regulatory authorities.

Lupin received final approval for Divalproex Sodium Delayed-Release Tablets the Company's Abbreviated New Drug Application (ANDA). With the approval of Divalproex Sodium Delayed-Release Tablets, the cumulative ANDA approvals of the Company stand at 31 (including 3 tentative approvals) with 38 pending approvals from the USFDA.

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 has secured global leadership position in Anti-TB and Cephalosporins and has a significant presence in the areas of Cardiovasculars (prils and statins), Diabetology, Asthma and NSAIDs. 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.

Currently positioned amongst the top six pharmaceutical companies of India, the Company is committed to achieve sustainable earnings and growth for all its stakeholders.

For the financial year ended March 2008, the Lupin's Revenues and Profit after Tax were Rs.27,730 million (US\$ 694 million) and Rs.4,083 million (US\$ 102 million) respectively.

For further information please contact:

Lupin Limited:

Shamsher Gorawara

Head - Corporate Communications

Ph: 9820338555

Email: shamshergorawara@lupinpharma.com

OR

Source PR:

Archana Pradhan

9820330505

Email: archanapradhan@sourcepr.com