

Lupin FY 2006-07 Q2 Net Profit up by 29 % at Rs. 583 mn

- Sales up by 21% at Rs. 5.07 bn
- Formulation sales revenue up by 33%
- Three Product Approvals from USFDA in the quarter

BSE: 500257	NSE: LUPIN	REUTERS: LUPN.BO	BLOOMBERG: LPC IN
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**Note – Figures in brackets indicate figures for the previous year*

Mumbai, 19 October 2006: Lupin Limited reported a 21% rise in sales (gross) for the quarter ended September 2006. Sales grew from Rs. 4.19 bn in Q2 2005-06 to Rs. 5.07 bn in Q2 2006-07. The rise in sales (gross) for the first half ended September 2006 was 26% at Rs. 9.92 bn up Rs. 2.07 bn from Rs. 7.85 bn for the corresponding period last year. During the quarter, Formulations grew by 33% taking the mix of formulations to 61% (56%) of total sales.

Earnings Before Interest, Taxation, Depreciation and Amortization (EBITDA) was Rs. 998 mn (Rs. 763 mn) a rise of 31%. After Interest and Finance charges Rs. 93 mn (Rs. 64 mn), Depreciation Rs. 112 mn (Rs. 98 mn), Profit Before Tax was at Rs. 793 mn (Rs. 601 mn), a rise of 32%. After providing for taxation (including Fringe Benefit Tax) of Rs. 210 mn (Rs. 149 mn), Net Profit for the quarter increased by 29% to Rs. 583 mn (Rs. 452 mn).

EBITDA for the first half of the year stood at Rs. 1.83 bn (Rs. 1.51 bn), a rise of 21%. After Interest and Finance charges and Depreciation, Profit Before Tax was at Rs. 1.43 bn (Rs. 1.19 bn), a rise of 20%. After providing for taxation (including Fringe Benefit Tax) of Rs. 340 mn (Rs. 309 mn), Net Profit for the first half increased by 23% to Rs. 1.09 bn (Rs. 0.88 bn).

HIGHLIGHTS

Advanced markets

- Total formulation sales from the advanced markets (North America and Europe) were at Rs. 766 mn (Rs. 514 mn), an increase of 49%
- **ANDA approvals for Meloxicam tablets, Ceftriaxone 10gm injection and Lisinopril HCTZ tablets received**

Developing Markets

- API sales from the developing markets (including India) were at Rs. 1.65 bn (Rs. 1.38 bn), a growth of 19%
- Finished dosage sales from developing markets (including India) grew by 29% to Rs. 2.35 bn (Rs. 1.83 bn)
- Finished dosage from domestic market grew by 24% to Rs. 2.13 bn (Rs. 1.71 bn)
- API sales from the domestic market grew by 27% at Rs. 754 mn (Rs. 596 mn)

Research & Development

- Psoriasis Pure Compound NCE received approval from DCGI for Phase II clinical trials
- Three ANDAs, two DMFs and three MAAs (EU) filed taking the year's total to Seven ANDAs, four DMFs and four MAAs respectively.
- Research and Development expenditure during the quarter was at Rs. 318 mn, 6.3% (5.5%) of the Sales.

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L U P I N

LUPIN LIMITED

Registered Office: 159, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098.
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2006.

(Rs. in million)

	Quarter Ended 30/09/2006 (Reviewed)	Quarter Ended 30/09/2005 (Reviewed)	Six Months Ended 30/09/2006 (Reviewed)	Six Months Ended 30/09/2005 (Reviewed)	Accounting Year Ended 31/03/2006 (Audited)
1) Sales / Income from Operations					
a) Sales (Gross)	5,066.3	4,191.4	9,916.8	7,846.6	16,610.4
Less: Excise Duty	155.6	140.5	317.5	274.6	549.4
Sales (Net)	4,910.7	4,050.9	9,599.3	7,572.0	16,061.0
b) Other Income from Operations	46.8	54.1	127.5	144.8	563.9
Total	4,957.5	4,105.0	9,726.8	7,716.8	16,624.9
2) Other Income	163.4	50.5	345.7	89.4	161.2
3) Total Expenditure					
a) (Increase)/Decrease in Stock in Trade	(228.0)	(132.9)	(199.3)	(207.7)	(300.5)
b) Consumption of Raw and Packing Materials	1,763.0	1,441.4	3,467.4	2,775.2	6,007.2
c) Purchase of Traded Goods	687.3	590.3	1,288.7	986.3	1,861.0
d) Staff Costs	484.8	441.6	917.7	768.3	1,557.2
e) Manufacturing and Other Expenses	1,415.9	1,052.6	2,766.8	1,974.1	4,652.7
Total	4,123.0	3,393.0	8,241.3	6,296.2	13,777.6
4) Profit before Interest, Depreciation and Tax	997.9	762.5	1,831.2	1,510.0	3,008.5
5) Interest and Finance Charges	93.1	64.1	184.1	129.3	303.0
6) Depreciation and Amortisation	112.3	97.6	217.8	188.7	403.5
7) Profit Before Tax	792.5	600.8	1,429.3	1,192.0	2,302.0
8) Provision for Taxation:					
- Current Tax	203.8	113.7	290.3	256.7	338.9
- Deferred Tax	(16.4)	9.6	6.4	15.8	45.2
- Fringe Benefit Tax	22.1	25.6	43.1	36.1	90.7
9) Net profit	583.0	451.9	1,089.5	883.4	1,827.2
10) Paid up Equity Share Capital (Face value Rs.10/- each)	803.1	401.4	803.1	401.4	401.4
11) Reserves and Surplus					6,038.1
12) Earnings Per Share (Not Annualised) Rs. (Refer note 9 below)					
- Basic	7.26	5.63	13.57	11.00	22.30
- Diluted	7.23	5.58	13.52	10.90	22.24
13) Aggregate of Public Shareholding					
Number of Shares (Face value Rs.10/- each)	38258100	19086535	38258100	19086535	19086655
Percentage of Shareholding	47.64	47.55	47.64	47.55	47.55

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NOTES:

1. The above results for the quarter ended September 30, 2006 were reviewed by the Audit Committee and thereafter were approved and taken on record by the Board of Directors in their meeting held on October 19, 2006. The statutory auditors of the Company have carried out the limited review of the above results pursuant to Clause 41 of the Listing Agreement.
2. The Company operates solely in the pharmaceutical business and hence has only one primary reportable segment.
3. The aggregate amount of revenue expenditure incurred on Research and Development and shown in the respective heads of account is as under:

	Quarter Ended 30/09/2006	Quarter Ended 30/09/2005	Half Year Ended 30/09/2006	Half Year Ended 30/09/2005	Accounting Year Ended 31/03/2006
Rs. in million	318.4	230.8	638.2	418.3	1029.8

4. There was no unresolved investor complaint pending as on July 1, 2006. The Company received 29 complaints during the quarter which were resolved. There was no unresolved complaint pending as on September 30, 2006.
5. At the Annual General Meeting of the Company held on July 25, 2006, the shareholders approved 1:1 bonus issue i.e. one additional equity share for every one existing share held by the members. On August 17, 2006, the Company allotted 40,152,494 equity shares of the face value of Rs.10/- each as fully paid-up by capitalising part of the general reserve.
6. During the quarter, 13,430 equity shares of Rs.10/- each fully paid up were allotted to the employees of the Company on exercise of the vested stock options in accordance with the terms of exercise under the "Lupin Employees Stock Option Plan 2003".
7. During the quarter, the Company granted following stock options to certain employees of the Company and one of its subsidiaries:

Stock Option Plan	Date of Grant	Options for number of shares		Exercise price per share	
		Pre-bonus (Nos.)	Post-bonus (Nos.)	Pre-bonus (Rs.)	Post-bonus (Rs.)
Lupin Employees Stock Option Plan 2005	July 25, 2006	4,050	8,100	867.95	433.975
Lupin Employees Stock Option Plan 2005	September 13, 2006	-	22,000	-	469.90
Lupin Subsidiary Companies Employees Stock Option Plan 2005	July 25, 2006	31,850	63,700	867.95	433.975

8. Pursuant to the adoption of Accounting Standard (AS) 15 (Revised 2005) 'Employees Benefits' issued by the Institute of Chartered Accountants of India (ICAI), the Company has adjusted Rs. 83.1 million (net of deferred tax of Rs. 42.1 million) in the earlier quarter, towards the additional liability up to March 31, 2006, against the opening balance of revenue reserve and the six monthly financial results has a charge of Rs. 68.2 million on account of additional liability in accordance with the said Accounting Standard.
9. Earning per share for the previous periods have been adjusted for the issue of bonus shares in the ratio of 1:1 allotted on August 17, 2006 as per Accounting Standard 20 (AS 20) on Earning Per Share.
10. Figures for the previous periods have been regrouped, wherever necessary, to correspond with the figures of the current period.

By order of the Board
For Lupin Limited

Place: Mumbai
Dated: October 19, 2006

Dr. Desh Bandhu Gupta
Chairman



LUPIN LIMITED

Registered Office : 159, C. S. T. Road, Kalina, Santacruz (East), Mumbai - 400 098.

CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2006

(Rs. in million)

	Quarter ended 30/09/2006 (Unaudited)	Six months ended 30/09/2006 (Unaudited)	Accounting Year ended 31/03/2006 (Audited)
1) Sales / Income from Operations			
a) Sales (Gross)	4,994.7	10,119.7	17,503.4
Less : Excise Duty	155.6	317.5	549.4
Sales (Net)	4,839.1	9,802.2	16,954.0
b) Other Income from Operations	46.8	127.5	563.9
Total	4,885.9	9,929.7	17,517.9
2) Other Income	171.0	388.4	177.1
3) Expenditure			
a) Decrease/(Increase) in Stock in Trade	(276.7)	(179.0)	(483.0)
b) Consumption of Raw and Packing Materials	1,763.0	3,541.5	6,546.6
c) Purchase of Traded Goods	707.3	1,372.4	2,195.6
d) Staff Costs	516.5	978.0	1,689.6
e) Manufacturing and Other Expenses	1,413.2	2,805.7	4,769.6
Total	4,123.3	8,518.6	14,718.4
4) Profit before Interest, Depreciation and Tax	933.6	1,799.5	2,976.6
5) Interest and Finance Charges	93.1	185.3	312.8
6) Depreciation and Amortisation	112.4	218.9	408.8
7) Profit before Tax	728.1	1,395.3	2,255.0
8) Provision for Taxation			
- Current	203.9	291.0	402.6
- Deferred	(16.4)	6.4	28.0
- Fringe Benefit Tax	22.1	43.1	90.7
9) Net Profit before Minority Interest	518.5	1,054.8	1,733.7
10) Minority Interest	-	0.8	3.8
11) Net Profit after Minority Interest	518.5	1,054.0	1,729.9
12) Paid up Equity Share Capital (Face value Rs. 10/- each)	803.1	803.1	401.4
13) Reserves & Surplus			5,831.4
14) Earnings Per Share Rs. (Refer note 5 below)			
- Basic	6.46	13.13	21.12
- Diluted	6.43	13.08	21.07
15) Aggregate of Public Shareholding			
Number of Shares (Face value Rs.10/- each)	38258100	38258100	19086655
Percentage of Shareholding	47.64	47.64	47.55

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NOTES :

- 1. The above results for the quarter ended September 30, 2006 were reviewed by the Audit Committee and thereafter were approved and taken on record by the Board of Directors at their meeting held on October 19, 2006.**
- 2. Consolidated Financial results include the financial results of the subsidiaries namely Lupin Pharmaceuticals Inc. USA, Lupin Chemicals (Thailand) Limited, Thailand (up to May 31, 2006), Lupin Hong Kong Limited, Hong Kong, Lupin Australia Pty Ltd., Australia and Lupin Herbal Limited, India.**
- 3. At the Annual General Meeting of the Company held on July 25, 2006, the shareholders approved 1:1 bonus issue i.e. one additional equity share for every one existing share held by the members. On August 17,2006, the Company allotted 40,152,494 equity shares of the face value of Rs.10/- each as fully paid-up by capitalising part of the general reserve.**
- 4. During the quarter, 13,430 equity shares of Rs.10/- each fully paid up were allotted to the employees of the Company on exercise of the vested stock options in accordance with the terms of exercise under the "Lupin Employees Stock Option Plan 2003".**
- 5. Earning per share for the previous periods have been adjusted for the issue of bonus shares in the ratio of 1:1 allotted on August 17, 2006 as per Accounting Standard 20 (AS 20) on Earning Per Share.**
- 6. The consolidated financial statements are prepared in accordance with the Accounting Standard 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.**
- 7. Figures for the previous periods have been regrouped, wherever necessary, to correspond with the figures of the current period.**

**By order of the Board
For Lupin Limited**

**Place : Mumbai
Dated : October 19, 2006**

**Dr. Desh Bandhu Gupta
Chairman**