

Press Release

Lupin Q3 FY0708 Consolidated Net Profit up 192% to Rs. 1809 Mn

Key Highlights

- **Gross Sales up 43% to Rs. 7381 Mn**
- **EBITDA margin 36% at Rs. 2604 Mn**
- **Business Mix Contribution to sales:**
 - **Formulations: 75%**
 - **APIs: 25%**
- **Key growth drivers: Advanced Markets & Domestic Formulations**
- **Therapy Focus: Life Style Disease segment including CVS, CNS, Diabetology and Respiratory**

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, January 22, 2008: Lupin Ltd declared its unaudited third quarter (Q3) and nine months ended Dec 31, 2007 results today.

Consolidated Financial Performance

Quarter ended December 31, 2007 (Q3)

For Q3, Lupin achieved Sales of Rs. 7381 Mn (Rs. 5156 Mn). Earnings before Interest, Tax, Depreciation and Amortization was at Rs. 2604 Mn (Rs. 999 Mn), reflecting an EBITDA margin of 36% to sales. Profit before tax stood at Rs. 2329 Mn (Rs. 789 Mn), an increase of 195%. Profit after tax was at Rs. 1809 Mn (Rs. 620 Mn), recording an increase of 192%.

Earnings per share on a fully diluted basis were Rs. 21.8 (Rs. 7.7).

Nine months ended December 31, 2007 (YTD Dec)

For YTD Dec 2007, Lupin recorded Sales of Rs. 20050 Mn (Rs. 15276 Mn), registering a growth of 31%. Earnings before Interest, Tax, Depreciation and Amortization was at Rs. 4898 Mn (Rs. 2799 Mn), reflecting an EBITDA margin of 25% to sales.

Profit before tax stood at Rs. 4186 Mn (Rs. 2185 Mn), an increase of 92%. Profit after tax was at Rs. 3123 Mn (Rs. 1675 Mn), an increase of 86%.

Earnings per share on a fully diluted basis were Rs. 37.9 (Rs. 20.8).

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

"Our performance in the third quarter is the result of overall good performance led by advanced markets and domestic formulations business alongwith successful monetization of our investments into R&D through sale of IPs. We hope to maintain this momentum which will be strengthened further with our entry into Japan through acquisition of Kyowa."

Operational Summary

M&A

The most significant highlight of the Company's performance during the quarter was the acquisition of Kyowa Pharmaceutical Industry Co. Ltd in Japan.

Kyowa, with sales of ¥7.4 Billion for the year ended March 2007, develops, manufactures and markets a range of generics in Japan. Kyowa has major strengths in product development, manufacturing and marketing of quality products. Through this acquisition, Lupin has also obtained Kyowa's state of the art manufacturing facilities and a Research Centre.

Post acquisition in October, the integration process is on track. Expressing his delight over this move **Dr. Desh Bandhu Gupta, Chairman, Lupin, said, "This is a major step forward in the world's second largest pharma market and will propel Lupin's overall growth. Kyowa ranks amongst the top eight generic Companies in Japan with a prominent presence in CNS and CVS therapy segments. Our investment in the Japanese market is a reflection of our long-term commitment to this most stringent and at the same time promising healthcare market."**

Earlier during the year, Rubamin Laboratories Limited has been acquired. This acquisition provides stronger focus to its CRAMS business of the company.

Advanced markets

The Company's Advance markets formulations business comprising US & EU, clocked in Rs. 2296 Mn reporting an overall growth of 144%.

Supported by a sound brand extensions strategy, Suprax continues to record promising YTD growth of 79%.

During Q3, the Company's generic business grew by 165% with Lisinopril maintaining its market leadership and most of the other products featuring amongst the top three in their respective segments.

Domestic Market

The Domestic formulation business reflected a healthy growth of 26% with sales of Rs. 2381 Mn for the quarter.

The Company retained its leadership position in the anti-TB segment and strengthened its domestic business profile further. The life-style disease management segments like cardio-vasculars, anti-asthama, anti-diabetes, etc. reflected a growth of over 35%.

Company's top ten brands continued to do well during the quarter. Tonact, its top brand grew by around 40%, propelling the growth of the CVS segment.

API sales for the quarter stood at Rs. 1856 Mn.

Other World Markets

Lupin has been successful in leveraging its understanding of the generics business in complex markets and has initiated its business in Australia through its subsidiary, Max Pharma Pty Ltd, which commenced commercial operations during the quarter.

In CIS, the Company continues to market its product portfolio spanning across multiple therapies.

Research & Development

During Q3, Lupin received an income of Euros 20 Mn, from **Laboratoires Servier of France**, on account of sale of Intellectual Property related to Perindopril patents. This makes Lupin one of the largest R&D income generators of the Indian Pharma industry.

Progress on Filings

In line with the Company's strategy of focusing on select complex/ niche value building products in advanced markets the Company filed 4 ANDAs and 3 MAA's during the quarter. The Company now has over 30 ANDAs awaiting approval from the USFDA.

About Lupin

Lupin Limited, headquartered in Mumbai in India, is an innovation led transnational pharmaceutical company producing a wide range of quality, affordable generic and branded generic formulations and APIs for the developed and the 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, Asthama and NSAIDs.

The Company's R&D endeavors have resulted in significant progress in its NCE program. The Company's foray into 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.

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LUPIN

LUPIN LIMITED

Registered Office: 159, C.S.T. Road, Kalina, Santacruz (East), Mumbai - 400 098.
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2007.

(Rs. in million)

	Quarter Ended 31/12/2007 (Unaudited)	Quarter Ended 31/12/2006 (Unaudited)	Nine Months Ended 31/12/2007 (Unaudited)	Nine Months Ended 31/12/2006 (Unaudited)	Accounting Year Ended 31/03/2007 (Audited)
1) Sales (Gross)	6,245.8	5,068.6	19,728.6	14,985.4	20,288.7
Less: Excise Duty	165.3	139.2	487.4	456.7	579.4
Sales (Net)	6,080.5	4,929.4	19,241.2	14,528.7	19,709.3
2) Other Income	1,390.0	182.6	1,717.5	583.1	1,866.5
3) Total Income	7,470.5	5,112.0	20,958.7	15,111.8	21,575.8
4) Expenditure					
a) Decrease/(Increase) in stock in trade and work-in-progress	(458.0)	(153.2)	(1,265.9)	(352.5)	(425.9)
b) Consumption of raw and packing materials	2,467.0	1,801.0	7,384.6	5,268.4	7,297.0
c) Purchase of traded goods	694.9	512.9	2,340.4	1,801.6	2,256.6
d) Employees costs	604.9	494.6	1,819.8	1,412.3	1,875.0
e) Depreciation and amortisation	141.9	120.7	407.7	338.5	463.7
f) Manufacturing and other expenses	1,783.5	1,518.8	5,381.4	4,212.9	5,771.0
Total	5,234.2	4,294.8	16,068.0	12,681.2	17,237.4
5) Interest and finance charges	89.8	88.7	258.8	272.8	370.9
6) Exceptional items	-	-	-	-	-
7) Profit from Ordinary Activities before tax	2,146.5	728.5	4,631.9	2,157.8	3,967.5
8) Tax expense					
- Current and deferred tax	412.2	145.0	862.1	441.7	866.9
- Fringe benefit tax	31.5	23.2	102.4	66.3	80.0
9) Net Profit from Ordinary Activities after tax	1,702.8	560.3	3,667.4	1,649.8	3,020.6
10) Extraordinary Items (net of tax expense)	-	-	-	-	-
11) Net profit	1,702.8	560.3	3,667.4	1,649.8	3,020.6
12) Paid up equity share capital (Face value Rs.10/- each)	820.6	803.3	820.6	803.3	803.4
13) Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year					8,080.7
14) Earnings Per Share [EPS] (Not Annualised) Rs.					
- Basic	20.75	6.98	45.01	20.55	37.10
- Diluted	20.55	6.95	44.53	20.47	36.93
15) Public Shareholding					
Number of shares	40095666	38278665	40095666	38278665	38295606
Percentage of shareholding	48.86	47.65	48.86	47.65	47.66

NOTES:

- The above financial results were reviewed by the Audit Committee and thereafter approved and taken on record by the Board of Directors at their meeting held on January 22, 2008. The statutory auditors of the Company have carried out limited review of the above results pursuant to Clause 41 of the Listing Agreement.
- Information on segments has been disclosed on a consolidated basis in accordance with Accounting Standard 17 " Segment

continued on page 2...

3. The aggregate amount of revenue expenditure incurred on Research & Development and shown in the respective heads of account is as under:

	Quarter Ended <u>31/12/2007</u>	Quarter Ended <u>31/12/2006</u>	Nine Months Ended <u>31/12/2007</u>	Nine Months Ended <u>31/12/2006</u>	Accounting Year Ended <u>31/03/2007</u>
Rs. in million	376.5	315.8	1,064.4	954.0	1,359.0

4. During the quarter, the Company received income of Rs. 1127.2 million (Accounting Year ended 31.03.2007 Rs. 1143.2 million) on account of sale of rights in Patent Applications for 'Perindopril' which has been included in the Other Income.
5. During the quarter, 13,580 (aggregate to date 58,760) equity shares of Rs.10/- each, fully paid up were allotted on exercise of the vested stock options in accordance with the terms of exercise under the Lupin Employees Stock Option Plans, thereby resulting into an increase in the paid up share capital by Rs. 0.1 million (aggregate to date Rs. 0.6 million) and securities premium by Rs. 4.4 million (aggregate to date Rs. 18.1 million).
6. During the quarter, the Company through its wholly owned subsidiary Lupin Holdings B.V., Netherlands, acquired 90.3% equity shares of Kyowa Pharmaceutical Industry Co. Ltd., a leading Japanese generic company.
7. There was no unresolved investor complaint pending as on October 1, 2007. The Company received 21 complaints during the quarter which were resolved. There was no unresolved complaint pending as on December 31, 2007.
8. 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: January 22, 2008

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 DECEMBER 31, 2007

(Rs. in million)

	Quarter Ended 31/12/2007 (Unaudited)	Quarter Ended 31/12/2006 (Unaudited)	Nine Months Ended 31/12/2007 (Unaudited)	Nine Months Ended 31/12/2006 (Unaudited)	Accounting Year ended 31/03/2007 (Audited)
1) Sales (Gross)	7,381.1	5,155.8	20,050.2	15,275.5	20,716.5
Less : Excise Duty	168.2	139.2	490.3	456.7	579.4
Sales (Net)	7,212.9	5,016.6	19,559.9	14,818.8	20,137.1
2) Other Income	1,389.4	136.6	1,736.6	652.5	1,990.5
3) Total Income	8,602.3	5,153.2	21,296.5	15,471.3	22,127.6
4) Total Expenditure					
a) Decrease/(Increase) in stock in trade and work-in-progress	(445.8)	(184.4)	(1,708.6)	(363.4)	(509.8)
b) Consumption of raw and packing materials	2,670.6	1,801.0	7,588.2	5,342.5	7,369.0
c) Purchase of traded goods	900.3	571.2	2,678.0	1,943.6	2,461.6
d) Employees costs	829.8	569.9	2,236.2	1,631.1	2,199.9
e) Depreciation and amortisation	174.5	121.4	441.8	340.3	466.1
f) Manufacturing and other expenses	2,043.2	1,396.1	5,604.6	4,118.6	5,694.1
Total	6,172.6	4,275.2	16,840.2	13,012.7	17,680.9
5) Interest and finance charges	100.8	88.7	269.9	274.0	372.2
6) Exceptional Items	-	-	-	-	-
7) Profit from Ordinary Activities before tax	2,328.9	789.3	4,186.4	2,184.6	4,074.5
8) Tax expense					
- Current and deferred tax	488.4	145.9	961.0	443.3	908.1
- Fringe benefit tax	31.5	23.2	102.4	66.3	80.0
9) Net Profit from Ordinary Activities after tax	1,809.0	620.2	3,123.0	1,675.0	3,086.4
10) Extraordinary Items (net of tax expense)	-	-	-	-	-
11) Net Profit before minority interest	1,809.0	620.2	3,123.0	1,675.0	3,086.4
12) Minority Interest (Loss)/Profit	0.4	-	(0.8)	0.8	0.8
13) Net Profit after Minority Interest	1,808.6	620.2	3,123.8	1,674.2	3,085.6
14) Paid up equity share capital (Face value Rs. 10/- each)	820.6	803.3	820.6	803.3	803.4
15) Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year					7,929.7
16) Earnings Per Share [EPS] (Not Annualised) Rs.					
- Basic	22.04	7.72	38.34	20.85	37.79
- Diluted	21.82	7.69	37.93	20.77	37.61
17) Public Shareholding					
Number of shares	40095666	38278665	40095666	38278665	38295606
Percentage of shareholding	48.86	47.65	48.86	47.65	47.66

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NOTES :

1. The above financial results were reviewed by the Audit Committee and thereafter approved and taken on record by the Board of Directors at their meeting held on January 22, 2008.
2. The Consolidated Financial Statements include the financial statements of the subsidiaries Lupin Pharmaceuticals Inc.- U.S.A., Kyowa Pharmaceuticals Industry Co. Ltd.-Japan (from October 18, 2007), Rubamin Laboratories Limited-India (from September 26, 2007), Max Pharma Pty Limited- Australia, Lupin Pharmacare Limited- India, Lupin Australia Pty Limited- Australia, Lupin Holdings B.V.- Netherlands, Lupin Herbal Limited- India, , Lupin Atlantis Holdings S.A.- Switzerland (from June 05, 2007) and Lupin Hong Kong Limited- Hong Kong (up to May 24, 2007).
3. The Consolidated Financial Statements are prepared in accordance with Accounting Standard 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
4. During the quarter, the Company received income of Rs. 1127.2 million (Accounting Year ended 31.03.2007 Rs. 1143.2 million) on account of sale of rights in Patent Applications for 'Perindopril' which has been included in the Other Income.
5. During the quarter, 13,580 (aggregate to date 58,760) equity shares of Rs.10/- each, fully paid up were allotted on exercise of the vested stock options in accordance with the terms of exercise under the Lupin Employees Stock Option Plans, thereby resulting into an increase in the paid up share capital by Rs. 0.1 million (aggregate to date Rs. 0.6 million) and securities premium by Rs. 4.4 million (aggregate to date Rs. 18.1 million).
6. The group operates exclusively in the "Pharmaceuticals" business segment and has only one reportable segment. Revenue by geographical segment data is as follows :

Particulars	Rs. in million				
	Quarter Ended 31.12.2007	Quarter Ended 31.12.2006	Nine Months Ended 31.12.2007	Nine Months Ended 31.12.2006	Accounting Year ended 31.03.2007
Revenue within India	2,848.5	2,366.9	9,144.5	8,066.7	10,393.0
Revenue outside India	5,710.8	2,740.5	12,025.7	7,214.7	11,395.0

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 : January 22, 2008

Dr. Desh Bandhu Gupta
Chairman