

Lupin FY2002-03 net sales up 19% at Rs 10.3 billion_____

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Mumbai, 20 May 2003: Lupin Ltd crossed the Rs 10-billion mark in sales in the financial year ended 31 March 2003. Total sales for the year were Rs 11.2 billion against Rs 9.57 billion. In a difficult year, net sales excluding excise duty and sales tax, rose 19 % to Rs 10.3 billion from Rs 8.67 billion in FY2001-02. Net profit excluding tax for earlier years was Rs 766.8 million compared with Rs 721.8 million a year ago.

The company has adopted conservative accounting provisions relating to certain slow-moving inventory.

As a result, operating profit before interest, depreciation and tax was Rs 1.83 billion, up 1% from Rs 1.82 billion a year ago; profit before tax was Rs 970.6 million, up 1% from Rs 963.8 million, and net profit after current year's tax provisions (including deferred tax) was Rs 766.8 million, up 6.2% from Rs 721.8 million a year ago. After allowing for income tax of Rs 36.1 million for previous years, net profit after tax for earlier years for FY 2002-03 was Rs 730.7 million (721.8 million).

Lupin's board of directors have recommended a dividend of Rs 5 per equity share, amounting to Rs 226.4 million (inclusive of tax on dividend).

A surge in sales of active pharmaceutical ingredients (API) to advanced markets of the US and Europe and developing markets, including India, more than compensated for a marginal dip in sales from the India formulations business.

While revenue from API sales to advanced markets increased by 50% to Rs 1088 million (Rs 728 million), revenue from API sales to developing markets, including India, grew by 27 % to Rs 5710 million (Rs 4488 million). Revenue from the company's formulations business was at Rs 4351 million (Rs 4283 million), up by 2%. Lower offtake by distributors on concerns over implementation of VAT in Q4, government imposed price cuts, and stiff competition in the domestic market resulted in the low growth rate.

The company reduced overall debt by Rs 480 million, including the redemption of Rs 70 million preference share capital.

The other highlights of FY2002-03

- Among Lupin's major therapeutic focus groups, the share of cephalosporins in Lupin's FY 2002-03 revenue rose from 48% to 50%; anti-TB fell from 37% to 30%, and cardiovasculars rose from 5% to 11%.
- Rablet, an anti-peptic ulcerant, as per the AC Neilson-ORG MARG retail data, was India's second most successful launch in FY 2002-03; it is now India's best-selling rabeprazole brand.
- Lupin's ACE inhibitors continued to do well with a growth rate of 30.5% compared with the market growth rate of 13.2%.
- Lupin filed its first IND application for anti-migraine molecule LLL 2011 with the Drug Controller General of India (DCGI). The company filed 21 DMFs during the year and 103 DMFs as of date.
- Three abbreviated new drug applications (ANDA) were filed with the USFDA for generic cephalosporins.
- The capacity for lisinopril, an ACE inhibitor, has been substantially enhanced with the commissioning of a new facility in February 2003.
- Work began on a new 1 ton/month facility for the manufacture of lovastatin, a cholesterol lowering drug, scheduled for commissioning in FY 2003-04.
- The company successfully met its internal target of 31 March 2003 to implement SAP enterprise software simultaneously across its businesses and functions.

About Lupin

Lupin Limited, founded in 1968, is a pharmaceutical company from India focused on excellence through technology and research. Lupin manufactures intermediates, bulk actives and dosages. The therapeutic areas include, among others, cephalosporins, anti-TB, cardiovasculars and non-steroidal anti-inflammatory drugs (NSAIDs). Seven of

Lupin's API plants have been approved by the USFDA and two plants (one dosages and one API) have been approved by the UKMCA. Lupin's Research Park, in Pune city near Mumbai, conducts leading-edge research in complex process chemistry, new chemical entities (NCEs), and novel drug delivery systems (NDDS).

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