

Strong Growth, Record Profits
Quarter III Results, FY 2013-14
Net Sales up 21%; EBITDA up 28%; Net profit up 42%
Declares Interim Dividend of 150 %

Mumbai, February 03, 2014: Lupin Limited reported its performance for the third quarter ended 31st December, 2013. These unaudited results were taken on record by the Board of Directors at a meeting in Mumbai today.

Key financial & performance highlights

- Net sales grew by 21% to Rs. 29,830 m. during Q3, FY 2013-14, up from Rs. 24,659 m. (Q3, FY 2012-13)
 - **9M, FY 2013-14:** YoY growth of 16% to Rs. 80,351 m. from Rs. 69,243 m.
- EBITDA margin grew by 28% to Rs. 8,057 m. during Q3, FY 2013-14, up from Rs. 6,314 m. (Q3, FY 2012-13)
 - **9M, FY 2013-14:** YoY growth of 37% to Rs. 22,371 m. from Rs. 16,329 m.
- Profit before tax grew by 33% to Rs. 7,379 m. during Q3, FY 2013-14, up from Rs. 5,550 m. (Q3, FY 2012-13)
 - **9M, FY 2013-14:** YoY growth of 45% to Rs. 20,360 m. from Rs. 14,020 m.
- Net profit grew by 42% to Rs. 4,761 m. during Q3, FY 2013-14, up from Rs. 3,352 m. (Q3, FY 2012-13)
 - **9M, FY 2013-14:** YoY growth of 42% to Rs. 12,834 m. from Rs. 9,061 m.
- Board of Directors approve Interim Dividend of 150 %

*Commenting on the results, **Nilesh Gupta, Managing Director, Lupin Limited**, said "We have had a robust quarter with record profits, driven in particular by strong business growth in the US. Other markets like India are getting back on track also. In addition, our consistent focus on ramping up operational efficiencies has led to higher margins and better profitability."*

Press Release



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Unaudited consolidated financial results for the quarter ended December, 2013 (YoY comparison)

Figures in Rs. M

Particulars	Q3 2013-14	% of net sales	Q3 2012-13	% of net sales	YoY growth %
Net sales	29,830	100.0%	24,659	100.0%	21.0%
Other operating income	390	1.3%	352	1.4%	10.8%
Total revenue	30,220	101.3%	25,011	101.4%	20.8%
Raw material consumed	11,210	37.6%	9,357	37.9%	19.8%
Gross margin (excl. other operating income)	18,620	62.4%	15,302	62.1%	21.7%
Employees cost	3,787	12.7%	3,198	13.0%	18.4%
Manufacturing & other expenses	7,490	25.1%	6,406	26.0%	16.9%
Operating margin	7,733	25.9%	6,049	24.5%	27.8%
Other income	324	1.1%	265	1.1%	22.3%
EBITDA	8,057	27.0%	6,314	25.6%	27.6%
Depreciation	637	2.1%	688	2.8%	-7.4%
EBIT	7,420	24.9%	5,626	22.8%	31.9%
Interest & finance charges	41	0.1%	76	0.3%	-46.0%
PBT	7,379	24.7%	5,550	22.5%	33.0%
Tax	2,542	8.5%	2,116	8.6%	20.1%
PAT	4,837	16.2%	3,434	13.9%	40.9%
Minority interest & share of loss in associates	76	0.3%	82	0.3%	-7.3%
Net profit	4,761	16.0%	3,352	13.6%	42.0%

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Profit & loss highlights

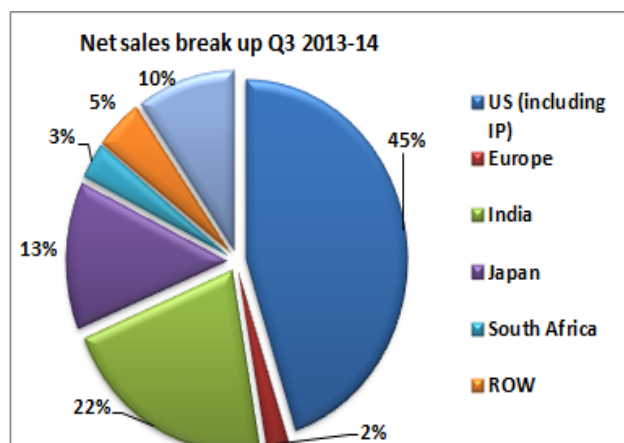
- Material cost decreased by 0.3% to 37.6% of net sales at Rs. 11,210 m. during Q3, FY 2013-14 as compared to Rs. 9,357 m. for Q3, FY 2012-13.
- Manufacturing & other expenses decreased by 0.9% to 25.1% of net sales at Rs. 7,490 m. during Q3, FY 2013-14 as compared to Rs. 6,406 m. for Q3, FY 2012-13.
- Personnel cost decreased by 0.3% to 12.7% of net sales, at Rs. 3,787 m. during Q3, FY 2013-14, as against Rs. 3,198 m. (Q3, FY 2012-13).
- Revenue expenditure on R&D stood at 9.1% of net sales at Rs. 2,710 m., as compared to Rs. 2,382 m. for Q3, FY 2012-13.
- The overall impact of foreign exchange on net profit was a loss of Rs. 688 m., of which Rs. 255 m. forex gain is reflected in other income, while the corresponding forex loss is captured across various other P&L lines.

Balance sheet highlights

- Operating working capital increased to Rs. 27,695 m. as on 31st December, 2013 as against Rs. 26,743 m. as on 30th September, 2013. The working capital number of days stood at 94 days as on 31st December, 2013 as against 96 days on 30th September, 2013.
- Capital Expenditure was Rs. 1,041 m. in the quarter.
- The Company now is debt free at the net debt level.

Business Segments - Revenue Mix

Particulars	Q3 2013-14	Q3 2012-13	YOY growth %
Formulations	26,857	22,306	20%
US (including IP)	13,567	10,390	31%
Europe	661	598	11%
India	6,504	5,708	14%
Japan	3,720	3,658	2%
South Africa	983	831	18%
Rest of world	1,422	1,121	27%
API	2,973	2,353	26%
Total net sales	29,830	24,659	21%



Operational highlights

US & Europe

US formulation sales (including IP) grew by 31% to Rs. 13,567 m. during Q3, FY 2013-14, as against Rs. 10,390 m. for Q3, FY 2012-13, contributing 45% of overall sales. US brands business stood at 11% of total US sales, whereas the generics business contributed 89% in Q3, FY 2013-14.

- In dollar terms, US formulations revenues increased by 12% to USD 215 m. for Q3, FY 2013-14.
- The Company launched 5 products in the US during the quarter and now has 62 products in the market.
- Lupin is the market leader in 26 products in the US generic market and is amongst the Top 3 by market share in 44 products (IMS Health, September 2013).

India formulations

The Indian formulations business contributed 22% of the Company's overall revenues for the quarter. The Company's India formulation business grew by 14%, recording revenues of Rs. 6,504 m. during Q3, FY 2013-14, as compared to Rs. 5,708 m. for Q3, FY 2012-13.

Japan

Lupin's Japan Sales (Kyowa + I'rom) clocked in at Rs. 3,720 m. during the quarter. Japan now contributes 12% to Lupin's consolidated revenues. Total revenues increased to JPY 6,046 m. from JPY 5,497 m., a growth of 10% in JPY terms.

Kyowa revenues (excluding I'rom) stand at Rs. 2,787 m. for Q3, FY 2013-14. In JPY terms, Kyowa revenues (excluding I'rom) increased to JPY 4,530 m from JPY 3,910 m. in the previous year, a growth of 16%.

South Africa

Lupin's South African Business, Pharma Dynamics clocked in revenues of Rs. 983 m. during Q3, FY 2013-14, representing a growth of 18%. Total revenues increased to ZAR 161 m. from ZAR 131 m., a growth of 23% in local currency terms.

API

API net sales grew by 26% to Rs. 2,973 m. during the quarter as compared to Rs. 2,353 m. for Q3, FY 2012-13 and contributed 10% to Lupin's consolidated revenues.

R&D

Revenue expenditure on R&D for Q3, FY 2013-14 stood at Rs. 2,710 m., 9.1% to net sales as against Rs. 2,382 m., 9.7% to net sales for Q3, FY 2012-13. Revenue expenditure on R&D for 9M, FY 2013-14 stood at Rs. 6,838 m., 8.5% to net sales as against Rs. 5,099 m. 7.4% to net sales for 9M, FY2012-13.

Lupin filed 5 ANDAs and received 5 ANDA approvals in the quarter. Cumulative ANDA filings with the US FDA now stand at 186 with the company having received 96 approvals to date. The Company received 5 approvals from European regulatory authorities in the quarter.

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About Lupin Limited

Headquartered in Mumbai, Lupin is an innovation led transnational pharmaceutical company producing and developing a wide range of branded and generic formulations and APIs. The Company is a significant player in the Cardiovascular, Diabetology, Asthma, Pediatric, CNS, GI, Anti-Infective and NSAID space and holds global leadership positions in the Anti-TB and Cephalosporin segment.

Lupin is the 5th largest and fastest growing generics player in the US (5.3% market share by prescriptions, IMS Health) and the 3rd largest Indian pharmaceutical company by sales. The Company is also the fastest growing top 10 generic pharmaceutical players in Japan and South Africa (IMS).

For the financial year ended March 2013, Lupin's Consolidated Total Income and Profit after Tax were Rs. 94,616 million (USD 1.74 billion) and Rs. 13,142 million (USD 242 million) respectively. Please visit <http://www.lupinworld.com> for more information.

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