
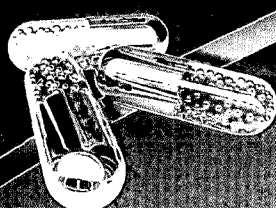


**LUPIN**

report  junction.com

# SCALING HIGHER ORBITS



**LUPIN LIMITED**  
Annual Report 2008-09

[www.reportjunction.com](http://www.reportjunction.com)



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**SCALING**  
HIGHER ORBITS





At Lupin, we have always looked beyond the obvious. We have identified possibilities and turned them into opportunities. We have persevered and have had the conviction to creatively transform and morph ourselves with our vision to create our own reality, because we believe that the...

**"Empires of the Future are the Empires of the Mind."**  
Sir Winston Churchill

The thrust of this journey has been fueled by 40 years of latent ambition and pioneering spirit, backed by significant achievements that have today become benchmarks globally. Propelled by differentiated product offerings, incisive marketing strategies, seamless execution and vertically integrated business model, we are growing from strength-to-strength in the highly regulated and promising markets of the US, Europe and Japan. A series of prudent and tactical acquisitions has added further torque to our organic growth engine, taking us into higher planes of growth in our chosen markets.

As we navigate ourselves onward in this journey, marked with ambitious yet credible goals, we remain focused on becoming one of the most profitable players in the industry. We are now moving with undeterred momentum and velocity towards scaling higher orbits by evolving into a differentiated Global Generics Powerhouse.



**LUPIN**

## OUR VISION

**TO BE AN INNOVATION  
LED TRANSNATIONAL  
PHARMACEUTICAL COMPANY**

# HISTORY & MILESTONES

- Lupin commenced business (1968)
- Lupin Laboratories Pvt. Ltd. was incorporated (1972)
- Lupin commissioned a Formulations plant and an R&D centre at Aurangabad (1980)
- Ethambutol production started (1981)
- Cephalixin plant at Mandideep and the Ankleshwar plant went on stream (1987)
- Lupin Human Welfare and Research Foundation (LHWRF) was founded (1988)
- Ankleshwar and Mandideep received US FDA approvals (1989)
- Received award from FICCI for rural development (1992)
- Injectable Cephalosporins commissioned at Mandideep (1992)
- Fermentation plant established at Tarapur (1992)
- Lupin IPO (1993-1994)

1968 - 1986

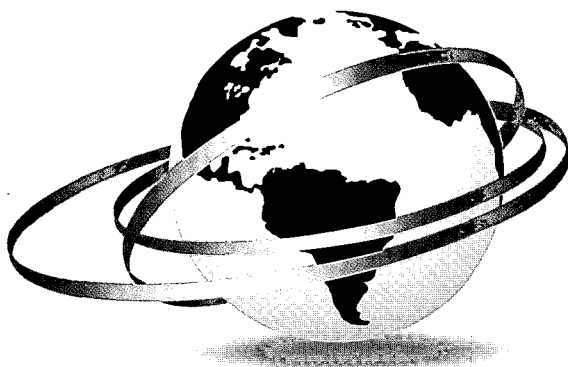
1987 - 1991

1992 - 1997

- JV in Thailand - Lupin Chemicals (Thailand) Ltd. established (1989)
- Won the ICMA Technology Awards for manufacturing Vitamin B6 (1991)
- Injectable Cephalosporins production initiated at Mandideep (1991)
- Received the ICMA Technology award for injectable Cephalosporins (1996)
- Received the 'Best Exporter' award from the Government of India (1996)
- Three plants - Mandideep, Tarapur and Ankleshwar got US FDA approvals (1997)
- Aurangabad Formulations facility was upgraded (1997)
- Mandideep plant obtained UK MCA approval (1997)

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The Making of  
an Innovation Led  
Transnational  
Pharmaceutical  
Company



## OUR VALUES

SUPERIOR  
PERFORMANCE

INTEGRITY

- Cefotaxime facility approved by US FDA (2000)
- Lupin Laboratories and Lupin Chemicals became Lupin Limited (2001)
- Commenced supply of Cephalosporins to the US (2001)
- WHO approval for Goa and Aurangabad (2004)
- New Lovastatin plant at Tarapur approved by US FDA (2005)
- US FDA and UK MHRA approvals for Goa (2005)
- Maiden Employees Stock Option Plan implemented (2005)
- 'Best New Manufacturer of the Year' award from Amerisource Bergen (2007)
- New Finished Dosages facility at Jammu (2007)
- Lupin acquired Kyowa Pharmaceutical Industry Company Ltd., Japan (2007)

### 2000 - 2003

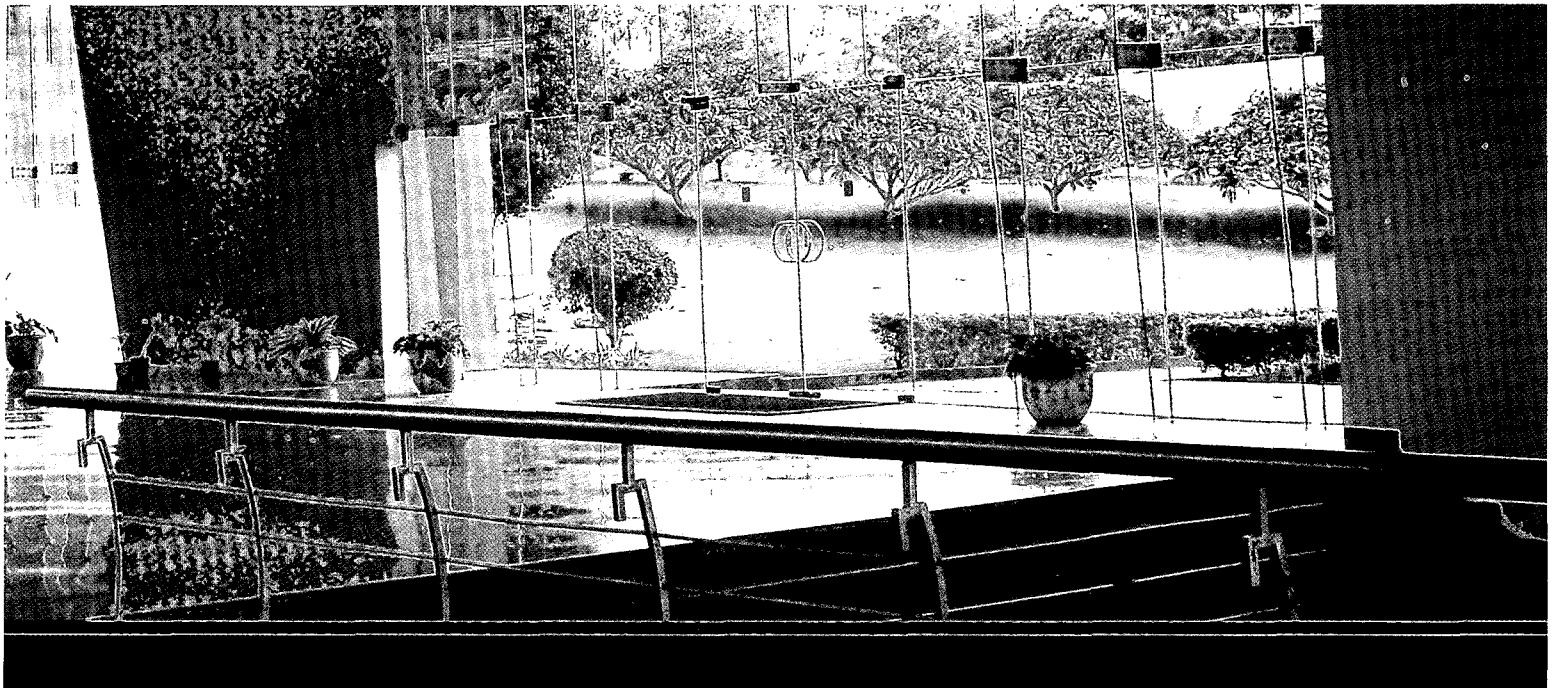
- R&D Centre at Pune commissioned (2001)
- Tablet rated by ORG-Marg as the second best launch (2002)
- Anti-TB facility commissioned at Aurangabad (2002)
- Five ANDAs filed (2002)
- Patent filings crossed 100 (2002)
- Exports to advanced markets crossed Rs.1,000 Mn (2002)
- Lupin Pharmaceuticals Inc. USA founded for marketing and developmental activities in the USA (2003)
- Mandideep approved by US FDA (2003)
- Successfully implemented SAP ERP (2003)

### 2004 - 2006

- Maiden issue of Foreign Currency Convertible Bonds (FCCB) aggregating US\$100 Mn, which are listed on Singapore Stock Exchange (2006)
- Maiden Bonus share issued in the ratio of 1:1 (2006)
- A new facility set up at Jammu (2006)

### 2007-2009

- Rubamin Laboratories Ltd. now Novodigm Ltd. (2007)
- New Finished Dosages facility at Indore (2007)
- Won the Wal-Mart Supplier Award of Excellence (2008)
- New Biotech facility set up at Pune (2008)
- 4 acquisitions: Germany, Australia, South Africa and Philippines (2008-09)



**ENTREPRENEURSHIP**

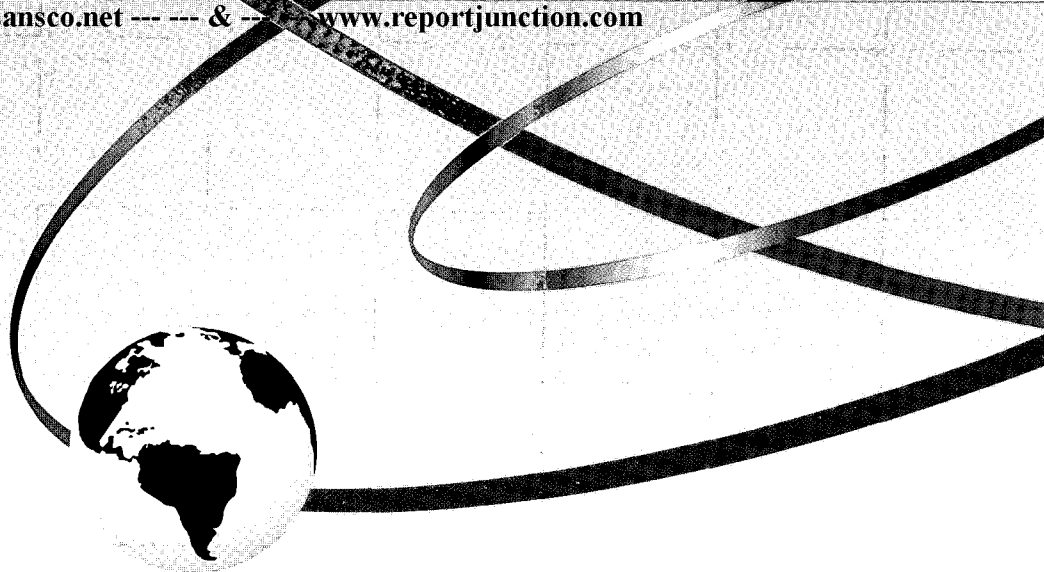
**CUSTOMER  
ORIENTATION**

**WORKING  
TOGETHER**

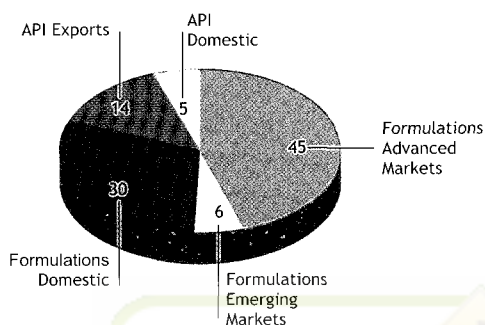
**RESPECT  
FOR PEOPLE**



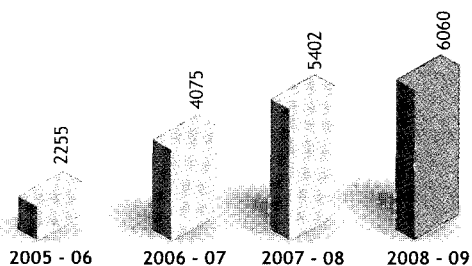
# FINANCIAL HIGHLIGHTS FY 2008-09



## Revenue Composition (%)

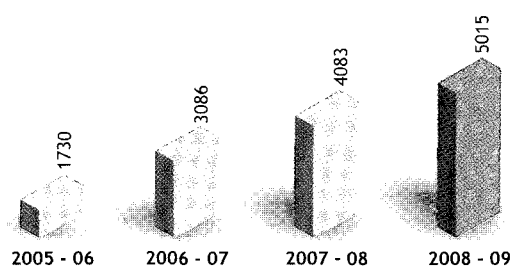


## Profit Before Tax (PBT)



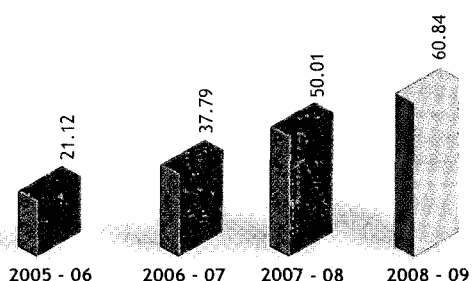
Rs. in Mn

## Consolidated Net Profit



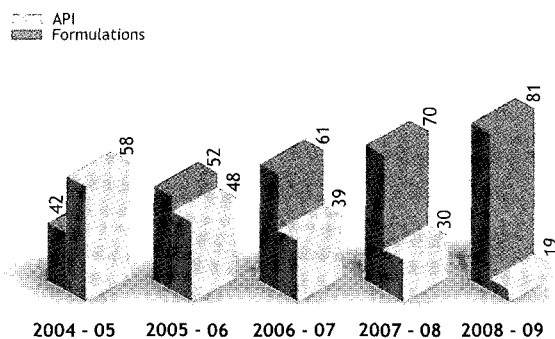
Rs. in Mn

## Earning Per Share (Basic)



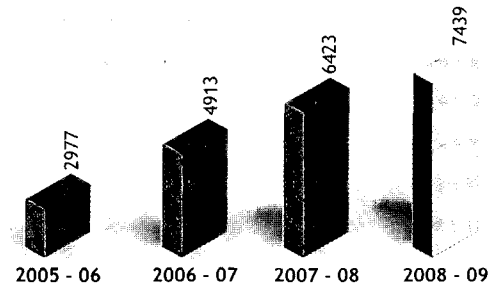
Rs.

## Consolidated Gross Sales (Business Mix)



% Contribution

## EBIDTA

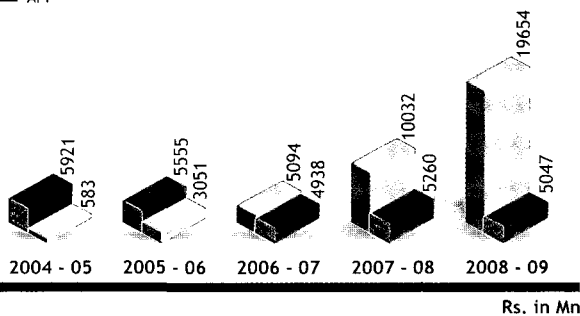


Rs. in Mn

We are focused on becoming one of the most profitable players in the industry, moving with undeterred momentum and velocity towards scaling higher orbits by evolving into a differentiated global Generics Powerhouse.

## Exports

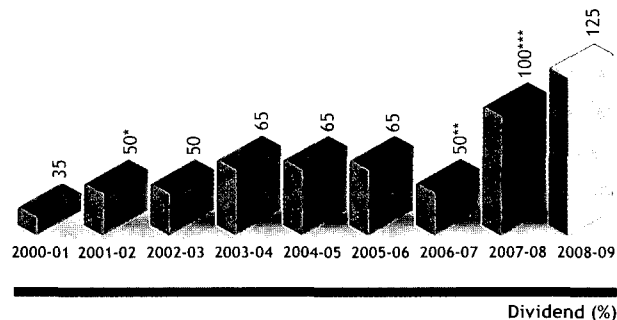
■ Formulations  
■ API



Rs. in Mn

## Dividend History

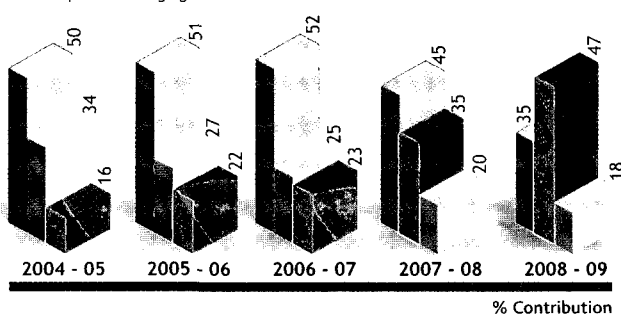
\* including interim Dividend @25%  
\*\* Dividend on enhanced capital, post bonus issue 1:1  
\*\*\* Proposed Dividend, including special dividend of 50%



Dividend (%)

## Consolidated Gross Sales (Geographic Break-Down)

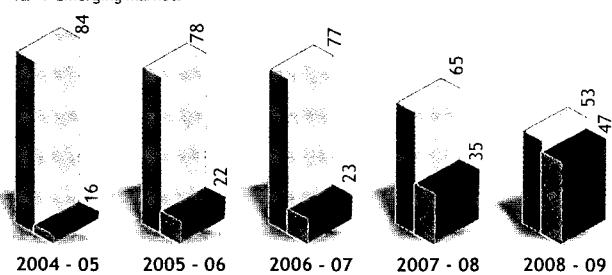
■ Domestic  
■ Exports - Advanced Markets  
■ Exports - Emerging Markets



% Contribution

## Consolidated Gross Sales (Market Break-Down)

■ Advanced Markets  
■ Emerging Markets



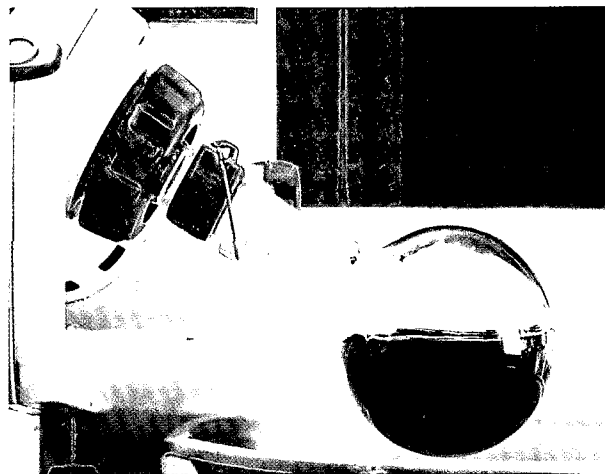
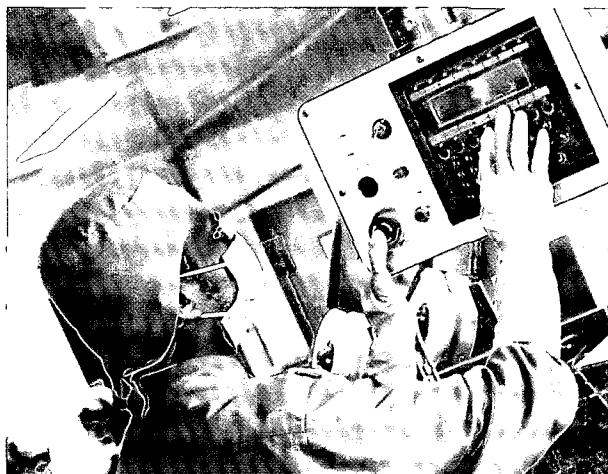
% Contribution

## BUSINESS HIGHLIGHTS

### ADVANCED MARKETS

- The fastest growing Generics company in the US by prescriptions (IMS Health)
- The 9<sup>th</sup> largest Generics player in the US, by prescriptions (IMS Health)
- The largest Indian company in the US Generics market by prescriptions (IMS Health)
- 22 Generic products in the market, out of which 8 are No.1
- Top 3 in 18 of these Generic products (IMS MAT Mar 09)
- Won the Wal-Mart Supplier Award of Excellence, 2<sup>nd</sup> Quarter 2008
- With sales of US\$ 74 Mn, Lupin's branded business contributed 27% to the overall business
- Cumulative Regulatory Filings in key markets:
  - US - 90
  - European Union - 54
- Cefpodoxime Proxetil captured over 60% market share in France
- Launched Cefpodoxime Proxetil suspension
- Formulations sales in Europe registered a growth of 99%
- Lisinopril attains 15% market share in the UK
- Secured the Allgemeine Ortskrankenkassen (AOK) tender in Germany, to supply Sertraline in all 5 regions of the German market
- One of the fastest growing Generics business and ranked amongst top 10 in the Japanese market
- 6<sup>th</sup> largest Generic business in South Africa





## INDIA REGION FORMULATIONS

- Registered a growth of over 20%, twice that of the IPM (ORG IMS Mar 09)
- Improved its ranking to No. 5 in the IPM (ORG IMS Mar 09), up from No. 6 in 2007-08
- Lupin is the fastest growing company amongst the top 5 in the IPM (ORG IMS Mar 09)

## ACQUISITIONS

In FY 2008-09, we successfully acquired 4 companies in Germany, Australia, South Africa and and Philippines

- Hormosan Pharma GmbH (Hormosan), a German Generics company specialised in the supply of pharmaceutical products for the Central Nervous System (CNS)
- Lupin acquired a substantial stake in Generic Health Pty. Ltd. in Australia, having a wide range quality Generics prescription and OTC products
- Lupin acquired a majority stake in Pharma Dynamics in South Africa, with a clear leadership in the Cardiovascular (CVS) segment
- Lupin acquired a majority stake in Multicare Pharmaceuticals Inc. (MC), Philippines, a Generics company with a strong position in the women's health and child care segment

## RESEARCH AND DEVELOPMENT

- Allocated Rs. 2,669 Mn representing 7.1% of the Company's net sales, representing an increase of 31% on previous year's spend
- Lupin filed 28 ANDAs during the year. Cumulative filings rose to 90 ANDAs, representing a market size in excess of US\$ 90 Bn
- 7 filings in the area of Oral Contraceptives
- Federal Circuit Court of Appeals entered a landmark judgement in Lupin's favor which led to the Company winning the Cefdinir litigation against Abbott Laboratories and Astellas Pharma Inc.
- Litigation settlement relating to Desloratadine tablets, the Generic version of Schering-Plough's "Clarinet" tablets

## FINANCE

- Consolidated sales rose to Rs. 38,238 Mn, registering 38% increase over the previous year
- Net profit rose to Rs. 5,015 Mn, registering 50.2% increase over the previous year
- Board recommends dividend at 125% for FY 2008-09
- EBIDTA margins increased to Rs. 7439 Mn, registering a growth of 41%
- Earning per share (basic) increased from Rs. 50.01 to Rs. 60.84
- In FY 2008-09, the Company channelised Rs. 3.5 Bn towards capital expenditure
- Lupin's FCCB bonds were amongst the very few that continued to be quoted well above par

## CORPORATE INFORMATION

### DIRECTORS

Dr. Desh Bandhu Gupta, *Chairman*

Dr. Kamal K. Sharma, *Managing Director*

Mrs. M. D. Gupta, *Executive Director*

Mr. Nilesh Gupta, *Executive Director*

Mr. D. K. Contractor

Mr. Marc Desaeleer

Ms. Vinita Gupta

Dr. K. U. Mada

Mr. Sunil Nair

Mr. R. A. Shah

