



Mylan Reports Record First Quarter Revenue and Earnings

PITTSBURGH, Jul 25, 2002 (BUSINESS WIRE) --

Financial Highlights

- Net revenues increased 16% to \$275.5 million.
- Gross profit increased 21% to \$147.6 million.
- Net earnings increased 22% to \$61.8 million.
- Earnings per diluted share increased 22% to \$.49 per share.

Mylan Laboratories Inc. (NYSE:MYL) announced today financial results for the first quarter fiscal 2003. Net revenues grew 16% to \$275.5 million for the quarter ended June 30, 2002, from \$237.9 million for the quarter ended June 30, 2001.

Net earnings and earnings per diluted share increased 22% to \$61.8 million or \$.49 per diluted share from \$50.6 million or \$.40 per diluted share from the prior year quarter. The increase in net revenues was primarily attributable to volume growth, relatively stable pricing for generic products and the launch of new products, as well as improved marketing conditions for the brand products. Net earnings and earnings per diluted share were driven by higher sales and gross profit as well as lower operating expenses.

Milan Puskar, Chairman and CEO, commented, "We experienced the strongest first quarter earnings in Mylan's history and exceeded our prior year's first quarter earnings, a quarter which included the exclusivity on buspirone. We have built our generic business upon strong fundamentals that continue to produce excellent results."

Effective April 1, 2002, the Company adopted Statement of Financial Accounting Standard (SFAS) No. 142, Goodwill and Other Intangible Assets, and consequently, goodwill and certain other intangibles were not amortized in the current quarter. The financial results for the quarter ended June 30, 2001, include amortization of goodwill and certain other intangibles of \$1.8 million. Excluding this amortization, net earnings and earnings per diluted share for the quarter ended June 30, 2001, would have been \$52.4 million or \$.42 per share.

Second Quarter and Fiscal 2003 Earnings Guidance

We anticipate diluted earnings per share of \$.48 to \$.52 for the quarter ending September 30, 2002, and confirm our prior guidance for fiscal 2003 of \$2.05 to \$2.09 per diluted share.

Segment Information

	June 30,		
	2002	2001	Change
	----	----	-----
Net Revenues (in millions)			
Generic Segment	\$ 235.6	\$ 209.8	12%
Brand Segment	39.8	28.1	42%
Total	275.5	237.9	16%

Generic Segment

Net revenues for the current quarter increased 12% or \$25.8 million to \$235.6 million from \$209.8 million for the prior year. Earnings from operations were \$106.3 million for the current quarter compared to \$89.4 million for the prior year, an increase of 19% or \$16.9 million.

The increases in net revenues and earnings from operations were attributable to increased sales volume, relatively stable pricing, new product launches and decreased operating expenses. The volume increase in generic products was the result of

our ability to reliably supply customers with quality products at competitive prices.

Brand Segment

Net revenues for the current quarter increased 42% or \$11.7 million to \$39.8 million from \$28.1 million for the prior year. The loss from operations for the current quarter was \$0.4 million compared to a loss of \$10.9 million for the prior year. The improvement in net revenues and loss from operations was due to increased sales volume and improved marketing conditions resulting from the curtailment of end-of-quarter promotions in the prior year.

Overall, operating expenses remained consistent with the prior year. Research and development expenses were relatively unchanged. We anticipate research and development expenses to increase in future quarters as activities related to nebevolo progress. Selling and marketing expenses increased by 17% or \$2.1 million from the prior year. Marketing efforts continue to focus on existing products, as well as the anticipated launch of isotretinoin, a product indicated for severe acne. General and administrative expenses decreased by 37% or \$1.5 million from the prior year, which included the expenses related to the relocation of the Brand segment to Research Triangle Park, North Carolina.

Corporate/Other Segment

General and administrative expenses for the current quarter decreased \$2.8 million to \$11.3 million from \$14.1 million for the prior year. The decrease was primarily the result of the adoption of SFAS No. 142 and goodwill not being amortized in the current quarter. Other income decreased \$12.1 million to \$3.3 million for the current quarter from \$15.4 million for the prior year. The decrease was primarily due to decreased earnings from investments and lower interest income.

During the quarter, the Company initiated the purchase of common stock under a stock purchase program and has acquired approximately 1.5 million shares to date. Such purchases had a de minimis impact on current quarter earnings per share data.

Conference Call and Live Webcast

A conference call and live webcast to discuss this earnings release and other matters of interest to investors and analysts will be held today at 10:00 a.m. EDT. The dial-in number to access this call is 913/981-4910. A replay of the conference call will be available from approximately 12:00 p.m. EDT on July 25 through 12:00 p.m. EDT on August 1, and can be accessed by dialing 888/203-1112 with access pass code 342573.

To access the live webcast, go to Mylan's website at www.mylan.com and click on the webcast icon at least 15 minutes before the call is to begin to register and download or install any necessary audio software. If you are unable to listen to the live webcast, please access www.mylan.com at any time within seven days to listen to a replay of the webcast.

This press release contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. No forward-looking statement can be guaranteed, and actual results may differ materially from those projected. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise. Forward-looking statements in this document should be evaluated together with the many uncertainties that affect our businesses, particularly those mentioned in the cautionary statements in Item 7 of our Form 10-K for the fiscal year ended March 31, 2002, and other periodic reports filed with the Securities and Exchange Commission.

Mylan Laboratories Inc. is a leading pharmaceutical company that develops, manufactures and markets generic and proprietary prescription products. Mylan has two operating segments that market an extensive line of generic and branded products through four business units: Mylan Pharmaceuticals Inc., Mylan Technologies Inc., UDL Laboratories Inc. and Bertek Pharmaceuticals Inc. For more information about Mylan, visit www.mylan.com.

MYLAN LABORATORIES INC. AND SUBSIDIARIES

Consolidated Statements of Earnings

(unaudited; in thousands, except per share amounts)

	Three Months Ended June 30,	
	2002	2001
Net revenues	\$ 275,473	\$ 237,933
Cost of sales	127,871	116,074
Gross profit	147,602	121,859
Operating expenses:		
Research and development	16,843	16,783

Selling and marketing	16,887	15,142
General and administrative	19,221	25,595
	-----	-----
Earnings from operations	94,651	64,339
Equity in loss of Somerset	(1,338)	(642)
Other income, net	3,326	15,441
	-----	-----
Earnings before income taxes	96,639	79,138
Provision for income taxes	34,790	28,490
	-----	-----
Net earnings	\$ 61,849	\$ 50,648
	=====	=====
Earnings per common share:		
Basic	\$ 0.49	\$ 0.41
	=====	=====
Diluted	\$ 0.49	\$ 0.40
	=====	=====
Weighted average common shares:		
Basic	125,952	125,031
	=====	=====
Diluted	126,955	126,374
	=====	=====

General and administrative expenses for the quarter ended June 30, 2001, include amortization expense of \$1,801 for goodwill and certain other intangibles. Excluding such expense would increase net earnings to \$52,449 and basic and diluted earnings per share to \$0.42.

MYLAN LABORATORIES INC. AND SUBSIDIARIES

Consolidated Condensed Balance Sheets

(unaudited; in thousands)

June 30, 2002 March 31, 2002

Assets

Current assets:

Cash and cash equivalents	\$ 84,979	\$ 160,790
Marketable securities	509,515	456,266
Accounts receivable, net	175,309	145,491
Inventories	207,634	195,074
Other current assets	108,584	104,461
	-----	-----

Total current assets 1,086,021 1,062,082

Non-current assets 549,486 554,628

Total assets 1,635,507 1,616,710

Liabilities:

Current liabilities	169,980	173,118
Non-current liabilities	40,932	41,353
	-----	-----

Total liabilities 210,912 214,471

Total shareholders' equity 1,424,595 1,402,239

Total liabilities and shareholders' equity \$ 1,635,507 \$ 1,616,710

MYLAN LABORATORIES INC. AND SUBSIDIARIES

Segment Results

(unaudited; in thousands)

Three Months Ended June 30,

2002 2001

Consolidated

Net revenues	\$ 275,473	\$ 237,933
Cost of sales	127,871	116,074
	-----	-----
Gross profit	147,602	121,859
Research and development	16,843	16,783
Selling and marketing	16,887	15,142
General and administrative	19,221	25,595
	-----	-----
Earnings from operations	\$ 94,651	\$ 64,339
	=====	=====
Generic Segment		
Net revenues	\$ 235,645	\$ 209,822
Cost of sales	111,162	100,659
	-----	-----
Gross profit	124,483	109,163
Research and development	10,014	9,289
Selling and marketing	2,748	3,078
General and administrative	5,398	7,391
	-----	-----
Earnings from operations	\$ 106,323	\$ 89,405
	=====	=====
Brand Segment		
Net revenues	\$ 39,828	\$ 28,111
Cost of sales	16,709	15,415
	-----	-----
Gross profit	23,119	12,696
Research and development	6,829	7,494
Selling and marketing	14,139	12,064
General and administrative	2,565	4,087
	-----	-----
Loss from operations	\$ (414)	\$ (10,949)
	=====	=====
Corporate/Other Segment		
General and administrative	\$ 11,258	\$ 14,117
	=====	=====

CONTACT: Mylan Laboratories Inc., Pittsburgh
Patricia Sunseri, 412/232-0100

URL: <http://www.businesswire.com>
Today's News On The Net - Business Wire's full file on the Internet
with Hyperlinks to your home page.

Copyright (C) 2002 Business Wire. All rights reserved.